

TOWN OF WOODSTOCK, CONNECTICUT

FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
JUNE 30, 2021**

TOWN OF WOODSTOCK, CONNECTICUT
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Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of Woodstock, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Woodstock, Connecticut (the "Town"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Woodstock, Connecticut, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13 and the information on pages 58 through 67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.


Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund statements and schedules on pages 68 through 83 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2021, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Certified Public Accountants
Glastonbury, Connecticut
December 22, 2021

Management's Discussion and Analysis

TOWN OF WOODSTOCK, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

As management of the Town of Woodstock, Connecticut (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2021.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$39,712,889 (net position). Of this amount, \$4,043,441 represents the portion of the Town's unrestricted net position.
- The Town's total net position increased by \$2,191,156 during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$16,660,833, an increase of \$2,589,114 in comparison with the prior year. Approximately 34.7% or \$5,786,377 of this total amount is available for spending at the Town's discretion (committed, assigned, and unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,113,986 or 12.36% of the Town's total General Fund expenditure appropriations for fiscal year 2022. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.48 months of General Fund appropriations.
- The Town's total capital assets decreased by \$217,922 or 0.8% during the current year.
- The Town's total long-term debt decreased by \$456,909 or 13.0%, from \$3,505,872 as of June 30, 2020 to \$3,048,963 as of June 30, 2021.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets, deferred outflows and inflows of resources, and liabilities, with net position as the residual of these elements. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

TOWN OF WOODSTOCK, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Government-wide Financial Statements *(Continued)*

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Town has no business type activities. The governmental activities of the Town include general government, public safety, public works, health and welfare, recreation, and education.

The government-wide financial statements can be found on pages 14 and 15 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

TOWN OF WOODSTOCK, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Fund Financial Statements *(Continued)*

Governmental Funds (Continued)

The Town maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Herbert W. Bowen Fund, and the American Rescue Plan Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 16 through 20 of this report.

Proprietary Funds

Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for its risk management activities and to account for activities that provide supplies and services to the Town's governmental functions. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 21 through 23 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24 through 57 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information other than management's discussion and analysis that can be found on pages 58 through 67 of this report. Combining and individual fund statements and schedules, which can be found on pages 68 through 83 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

Over time, net position may serve as one measure of a government's financial position. The Town's net position as of June 30, 2020 has been restated for the implementation of GASB Statement No. 84, *Fiduciary Activities*. The effect of implementing GASB Statement No. 84 resulted in an increase to the Town's net position of \$64,476.

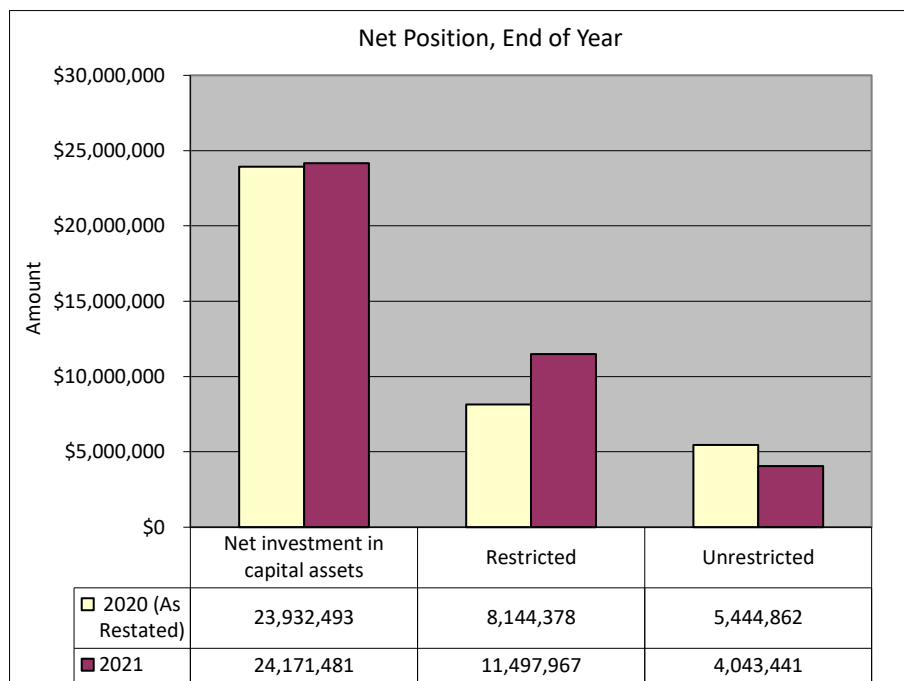
TOWN OF WOODSTOCK, CONNECTICUT
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Net Position *(Continued)*

Net position of the Town totaled \$39,712,889 and \$37,521,733, as restated, as of June 30, 2021 and 2020, respectively, and are summarized as follows:

	2021	2020 (As Restated)	\$ Change	% Change
Current and other assets	\$ 19,962,951	\$ 16,306,048	\$ 3,656,903	22.4%
Capital assets, net	27,220,444	27,438,366	(217,922)	-0.8%
Total assets	<u>47,183,395</u>	<u>43,744,414</u>	<u>3,438,981</u>	7.9%
Deferred outflows of resources	1,315,677	1,274,551	41,126	3.2%
Long-term liabilities	6,309,464	6,384,407	(74,943)	-1.2%
Other liabilities	1,870,124	640,871	1,229,253	191.8%
Total liabilities	<u>8,179,588</u>	<u>7,025,278</u>	<u>1,154,310</u>	16.4%
Deferred inflows of resources	606,595	471,954	134,641	28.5%
Net position:				
Net investment in capital assets	24,171,481	23,932,493	238,988	1.0%
Restricted	11,497,967	8,144,378	3,353,589	41.2%
Unrestricted	4,043,441	5,444,862	(1,401,421)	-25.7%
Total net position	<u>\$ 39,712,889</u>	<u>\$ 37,521,733</u>	<u>\$ 2,191,156</u>	5.8%



Of the Town's net position, 60.9% reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

TOWN OF WOODSTOCK, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Net Position *(Continued)*

Approximately 29.0% of the Town's net position is subject to external restrictions on how they may be used and are therefore presented as restricted net position.

The remainder of the Town's net position is considered unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

Changes in Net Position

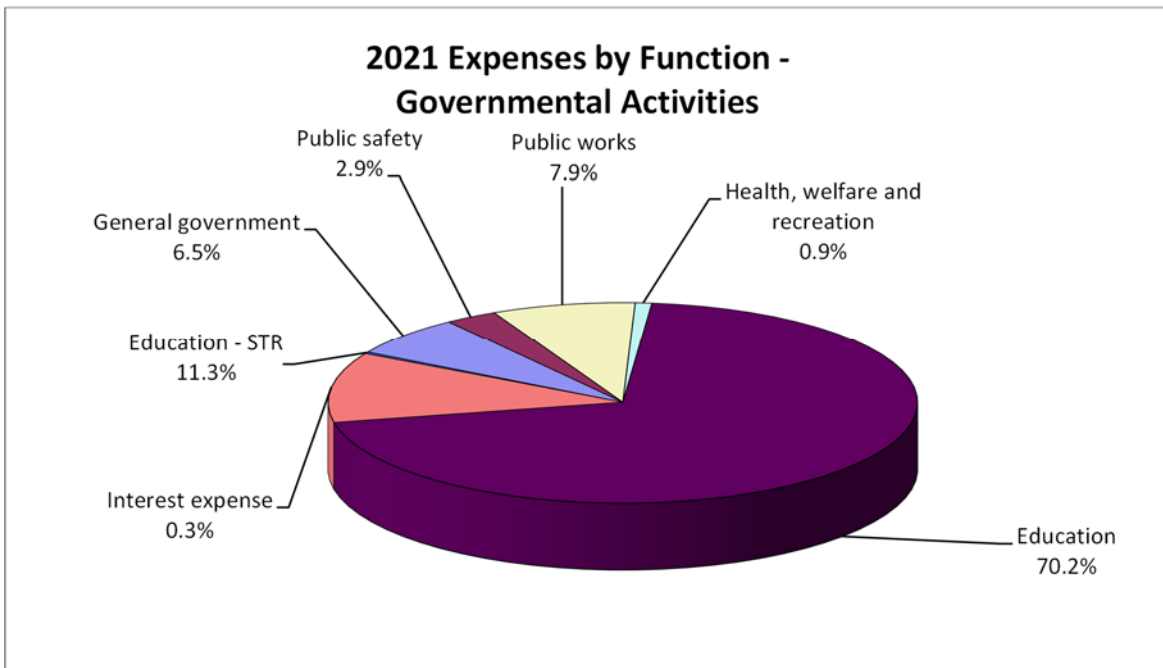
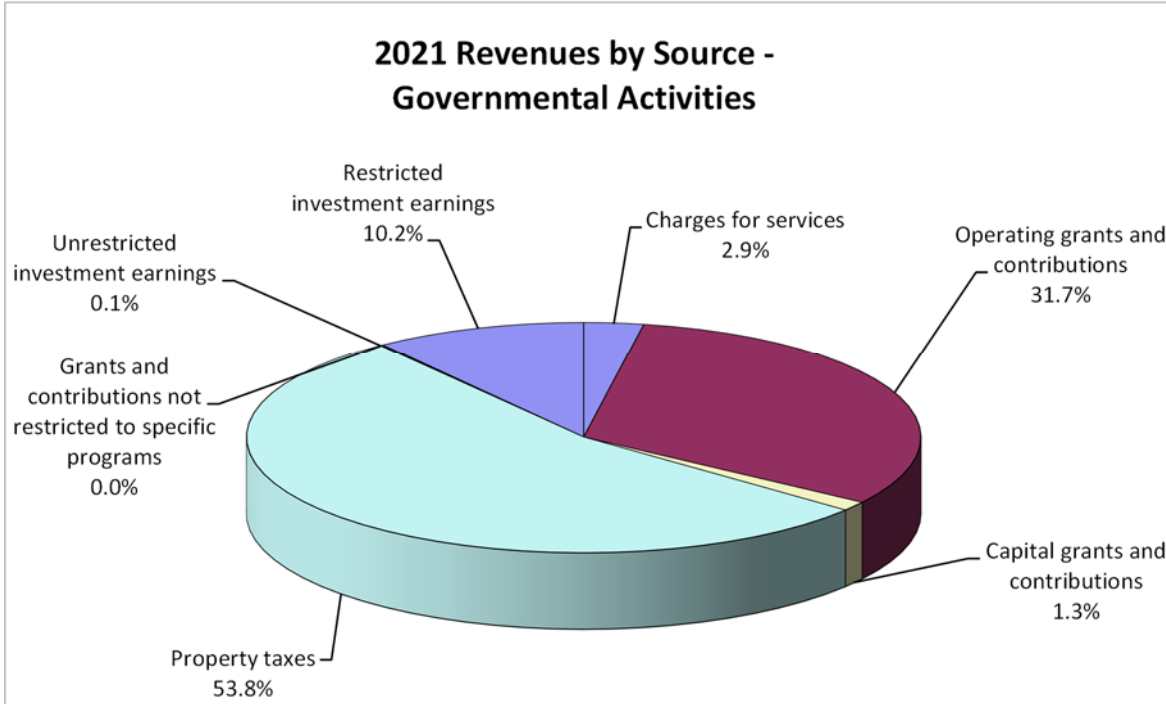
The change in net position for the year ended June 30, 2020 has been restated for the implementation of GASB Statement No. 84, *Fiduciary Activities*. The effect of implementing GASB Statement No. 84 resulted in a decrease to the Town's change in net position of \$9,406 for the year ended June 30, 2020. Changes in net position for the years ended June 30, 2021 and 2020, as restated, are as follows:

	2021	2020 <i>(As Restated)</i>	\$ Change	% Change
Program revenues:				
Charges for services	\$ 967,015	\$ 1,178,120	\$ (211,105)	-17.9%
Operating grants and contributions	10,722,258	8,927,645	1,794,613	20.1%
Capital grants and contributions	445,392	338,473	106,919	31.6%
General revenues:				
Property taxes	18,197,092	18,029,370	167,722	0.9%
Grants and contributions not restricted to specific programs	13,668	16,684	(3,016)	-18.1%
Unrestricted investment earnings	38,979	130,541	(91,562)	-70.1%
Restricted investment earnings	3,437,758	(781,539)	4,219,297	-539.9%
Total revenues	<u>33,822,162</u>	<u>27,839,294</u>	<u>5,982,868</u>	21.5%
Program expenses:				
General government	2,084,307	1,830,106	254,201	13.9%
Public safety	907,929	858,824	49,105	5.7%
Public works	2,492,069	2,323,471	168,598	7.3%
Health, welfare and recreation	287,037	359,051	(72,014)	-20.1%
Education	22,203,871	21,202,672	1,001,199	4.7%
Education - State Teachers' Retirement	3,567,745	2,264,054	1,303,691	57.6%
Interest expense	88,048	89,889	(1,841)	-2.0%
Total expenses	<u>31,631,006</u>	<u>28,928,067</u>	<u>2,702,939</u>	9.3%
Change in net position	<u>\$ 2,191,156</u>	<u>\$ (1,088,773)</u>	<u>\$ 3,279,929</u>	-301.3%

TOWN OF WOODSTOCK, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position (Continued)



TOWN OF WOODSTOCK, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Changes in Net Position *(Continued)*

Governmental activities increased the Town's net position by \$2,191,156.

Revenues generated by the Town increased by \$5,982,868 or 21.5% in comparison to the prior year. This increase was primarily due to the following:

- an increase in operating grants and contributions of approximately \$1.8 million driven by an increase in the amount of on-behalf pension and OPEB expenses recognized by the Town for its participation in the Connecticut Teachers' Retirement System; and
- an increase in restricted investment earnings of approximately \$4.2 million driven by unrealized gains on investments maintained in the Herbert W. Bowen Fund.

Expenses increased by \$2,702,939 or 9.3% in comparison to the prior year. This increase is primarily due an increase in the amount of pension and OPEB expense recognized by the State of Connecticut in connection with the Town's participation in the Connecticut State Teachers' Retirement System and an increase in education contractual obligations and COVID related costs.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$16,660,833, an increase of \$2,589,114 in comparison with the prior year. Of this amount, \$3,113,986 represents the total unassigned fund balance of the Town.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,113,986, while total fund balance was \$3,866,786. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 11.8% of total General Fund expenditures. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.4 months of General Fund operating expenditures. The Town's adopted policy states that in the event the unassigned fund balance of the General Fund is greater than 15.0% at the end of any fiscal year, the excess may be used in one or a combination of the following ways: transfer such excess to the Debt Service Fund for future debt payments, transfer such excess to the Capital or Nonrecurring Fund for future capital projects, or use directly to reduce the tax rate in the subsequent year provided that care is taken to avoid major fluctuation in the tax rate in succeeding years.

TOWN OF WOODSTOCK, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS *(Continued)*

General Fund *(Continued)*

The fund balance of the Town's General Fund decreased by \$713,892 during the current fiscal year, which was primarily due to current year budgetary operating results as outlined below, offset by transfers out to fund the Town's Capital and Nonrecurring Fund.

Herbert W. Bowen Fund

The fund balance of the Herbert W. Bowen Fund increased by \$3,437,578 during the current fiscal year. This increase related directly to current year gain on investments. The common stock bequest, made by Herbert W. Bowen upon his death in 1927, requires the annual income of the investment to be restricted in use to purchase additional shares of the common stock given, for the term of one hundred years. At the end of this period, annual income generated from the investment is to be used to reduce the taxes of the Town.

American Rescue Plan Fund

The American Rescue Plan Fund was established during the current year to account for the receipt of grant funds provided by the American Rescue Plan Act. The Town received the initial funding under the Act during June 2021. This amount has been reported as unearned revenue as of June 30, 2021. The Town is currently developing a statutory eligible use plan for the funding and will recognize revenue as allowable expenditures are incurred.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original operating budget for the General Fund planned for the use of fund balance in the amount of \$1,159,204. During the year, the Board of Finance authorized the transfer of the prior year unexpended Board of Education surplus in the amount of \$5,978 to the Board of Education's non-lapsing education fund, resulting in a planned decrease in fund balance of \$1,165,182.

The actual net change in the fund balance of the General Fund on a budgetary basis was a decrease of \$713,892. Revenues exceeded budgetary estimates by \$451,106, primarily as a result of favorable variances in tax collections, conveyance taxes, building permits, and Town Clerk fees. Expenditures were \$284,363 less than budgeted. Of this amount, \$278,201 related to non-educational expenditures and was subsequently authorized to be transferred to the Town's Capital and Nonrecurring Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities as of June 30, 2021 totaled \$27,220,444 (net of accumulated depreciation). This investment in capital assets includes land and land rights, construction in progress, buildings and improvements, land improvements, machinery and equipment, and infrastructure. The Town's investment in capital assets decreased by \$217,922 or 0.8%.

Major capital asset events during the current fiscal year included the following:

- current year depreciation expense totaling \$1,009,340;
- an increase in infrastructure of \$109 thousand related to road improvements;
- an increase in machinery and equipment of \$113 thousand for expenses incurred relating to the purchase of various new Town equipment; and
- an increase to construction in progress of \$570 thousand for expenses incurred relating to various road and bridge improvement projects.

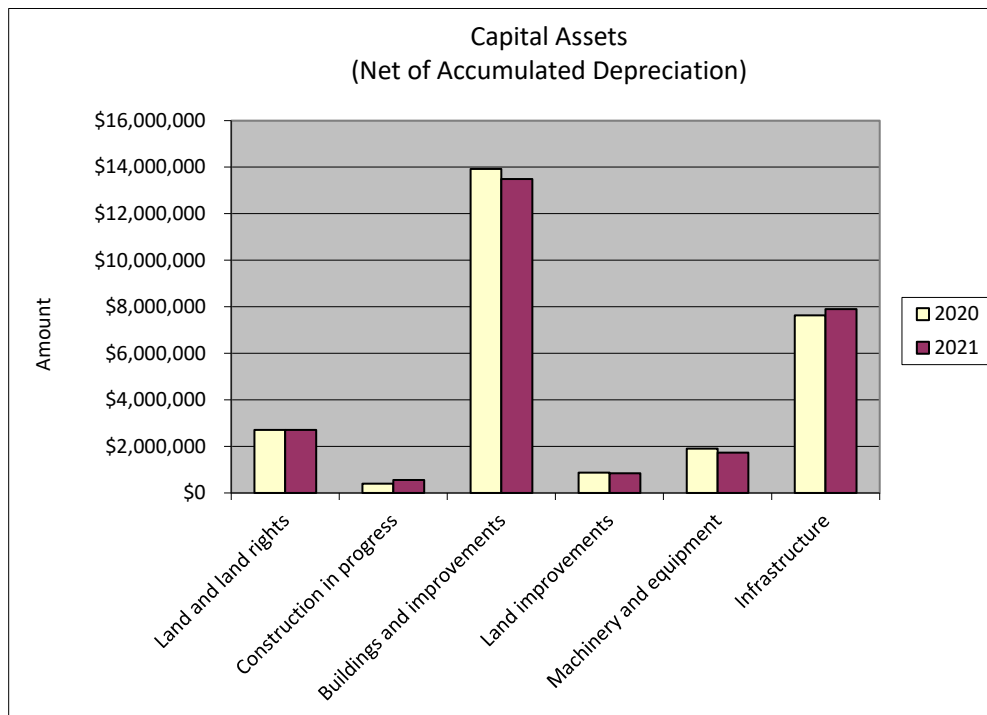
TOWN OF WOODSTOCK, CONNECTICUT
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

CAPITAL ASSET AND DEBT ADMINISTRATION *(Continued)*

Capital Assets *(Continued)*

The following table is a two-year comparison of the investment in capital assets, net of accumulated depreciation:

	2021	2020	\$ Change	% Change
Land and land rights	\$ 2,709,268	\$ 2,709,268	\$ -	0.0%
Construction in progress	558,844	403,377	155,467	38.5%
Buildings and improvements	13,478,750	13,915,876	(437,126)	-3.1%
Land improvements	844,267	876,400	(32,133)	-3.7%
Machinery and equipment	1,737,913	1,905,581	(167,668)	-8.8%
Infrastructure	7,891,402	7,627,864	263,538	3.5%
Totals	<u>\$ 27,220,444</u>	<u>\$ 27,438,366</u>	<u>\$ (217,922)</u>	-0.8%



Additional information on the Town's capital assets can be found in Note 5 of this report.

Long-term Debt

At the end of the current fiscal year, the Town had total debt outstanding of \$3,048,963, all of which is backed by the full faith and credit of the government. The Town's total debt decreased by \$456,909 or 13.0% during the current fiscal year due scheduled debt service payments.

The Town's general obligation bond rating was rated Aa3 by Moody's in May 2020.

TOWN OF WOODSTOCK, CONNECTICUT
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

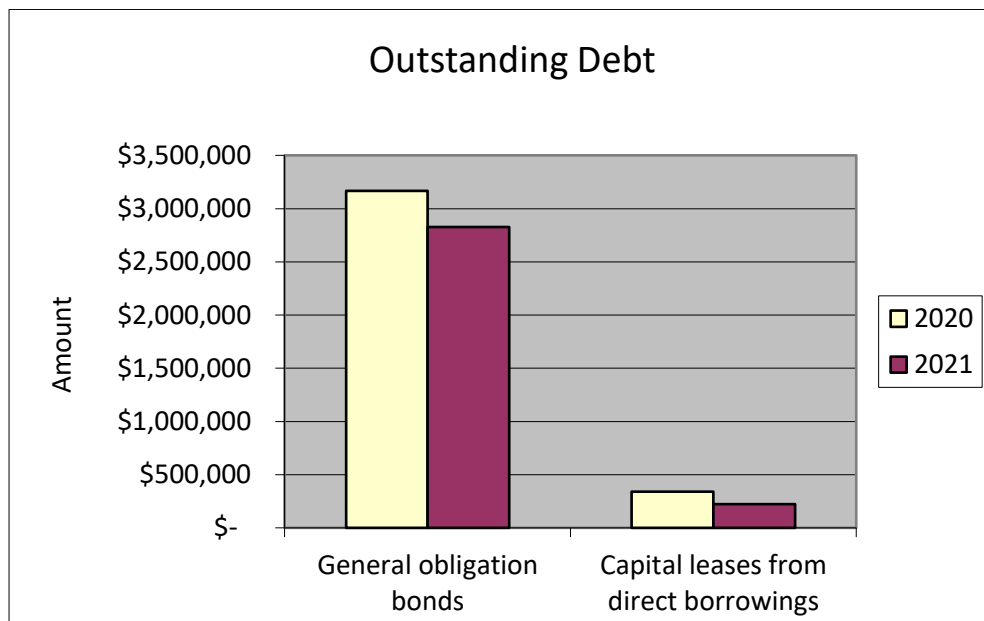
CAPITAL ASSET AND DEBT ADMINISTRATION *(Continued)*

Long-term Debt *(Continued)*

State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is significantly in excess of the Town's outstanding general obligation debt.

The following tables are a two-year comparison of long-term debt:

	2021	2020	\$ Change	% Change
General obligation bonds	\$ 2,826,800	\$ 3,166,450	\$ (339,650)	-10.7%
Capital leases from direct borrowings	222,163	339,422	(117,259)	-34.5%
Totals	<u>\$ 3,048,963</u>	<u>\$ 3,505,872</u>	<u>\$ (456,909)</u>	-13.0%



Additional information on the Town's long-term debt can be found in Notes 8 and 9 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

A summary of key economic factors affecting the Town are as follows:

- The Town has an ordinance limiting the increase in the Town's combined annual expenditure budget to the increases in the Town's grand list, State and Federal assistance, and other income. The limit on expenditure increases does not apply to increases necessary to cover debt services, court judgments, State mandated programs and emergency expenditures. In revaluation years, the dollar amount of the combined annual expenditure budget is limited to the dollar increase of the preceding year's budget or the average amount of increase of the preceding three years, whichever is less.

TOWN OF WOODSTOCK, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES *(Continued)*

- Significant estimates affecting next year's budget that are subject to change in the near term consist of the following:
 - The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which from time to time will affect the amount of intergovernmental revenues the Town will receive. The Town's budget for such grants were based on estimates from the State.
 - For purposes of calculating property tax revenues for fiscal year 2022, the assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on behalf of certain taxpayers.
 - It is unknown how changes in market interest rates will impact real estate activity and related revenues collected by the Town Clerk and the amount of conveyance taxes and interest income.
- In 2020, there was a global outbreak of COVID-19 that was declared a Public Health Emergency of International Concern by the World Health Organization and was subsequently declared a state of emergency by the Governor of Connecticut and a national emergency by the President of the United States. The extent to which COVID-19 will impact the Town's tax base, operations and its financial condition will ultimately depend on future developments that are uncertain and cannot be fully predicted with confidence at this time.

All of these factors were considered in preparing the Town's budget for fiscal year 2022. In June 2021, the Town's fiscal year 2022 budget was approved at referendum. The fiscal year 2022 budget includes the use of fund balance in the amount of \$752,800 and resulted in a 1.0 mill increase from 24.50 mills to 25.50 mills.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Treasurer, Town of Woodstock, 415 Route 169, Woodstock, Connecticut 06281.

Basic Financial Statements

TOWN OF WOODSTOCK, CONNECTICUT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2021

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 8,041,021
Investments	237,258
Receivables:	
Property taxes and interest, net	528,757
Sewer usage and assessments, net	229,860
Grants and contracts	564,003
Other	40,446
Inventories	5,289
Restricted assets - investments	8,857,166
Contracts receivables, long-term portion	609,150
Loans receivable, long-term portion	850,001
Capital assets:	
Non-depreciable	3,268,112
Depreciable, net	23,952,332
Total assets	47,183,395
 DEFERRED OUTFLOWS OF RESOURCES	
Pension related	1,315,677
 LIABILITIES	
Accounts payable	461,228
Accrued liabilities	70,020
Accrued interest payable	15,064
Deposits Payable	97,214
Unearned revenue	1,226,598
Noncurrent liabilities:	
Due within one year	537,112
Due in more than one year	5,772,352
Total liabilities	8,179,588
 DEFERRED INFLOWS OF RESOURCES	
Pension related	483,452
OPEB related	123,143
Total deferred inflows of resources	606,595
 NET POSITION	
Net investment in capital assets	24,171,481
Restricted for:	
Endowment - nonexpendable	8,871,168
Endowment - expendable	5,398
Grants and other programs	1,780,584
Repayment of debt	628,800
Capital purposes	212,017
Unrestricted	4,043,441
Total net position	\$ 39,712,889

The accompanying notes are an integral part of these financial statements.

TOWN OF WOODSTOCK, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in Net</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Position</u>
					<u>Governmental</u>
					<u>Activities</u>
Primary Government:					
Governmental activities:					
General government	\$ 2,084,307	\$ 469,420	\$ 72,587	\$ -	\$ (1,542,300)
Public safety	907,929	1,986	28,716	-	(877,227)
Public works	2,492,069	386,340	133,990	445,392	(1,526,347)
Health, welfare and recreation	287,037	42,173	11,289	-	(233,575)
Education	22,203,871	67,096	6,907,931	-	(15,228,844)
Education - State Teachers' Retirement	3,567,745	-	3,567,745	-	-
Interest expense	88,048	-	-	-	(88,048)
Total governmental activities	<u>\$ 31,631,006</u>	<u>\$ 967,015</u>	<u>\$ 10,722,258</u>	<u>\$ 445,392</u>	<u>(19,496,341)</u>
General revenues:					
Property taxes, payments in lieu of taxes, interest and liens					18,197,092
Grants and contributions not restricted to specific programs					13,668
Unrestricted investment earnings					38,979
Restricted investment earnings (losses)					<u>3,437,758</u>
Total general revenues					<u>21,687,497</u>
					Change in net position
					2,191,156
					Net position - beginning, as originally reported
					37,457,257
					Cumulative effect of implementing
					new accounting standard (see Note 1)
					64,476
					<u>Net position - beginning, as adjusted</u>
					<u>37,521,733</u>
					Net position - ending
					<u>\$ 39,712,889</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF WOODSTOCK, CONNECTICUT

BALANCE SHEET -
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2021

	General Fund	Herbert W. Bowen Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 6,751,256	\$ -	\$ -	\$ 1,126,117	\$ 7,877,373
Investments	-	-	-	237,258	237,258
Receivables:					
Property taxes and interest, net	528,757	-	-	-	528,757
Sewer usage and assessments, net	-	-	-	229,860	229,860
Grants and contracts	-	-	-	544,353	544,353
Loans	-	-	-	850,001	850,001
Other	28,477	-	-	2,517	30,994
Due from other funds	537,223	902	1,162,790	1,709,042	3,409,957
Inventories	-	-	-	5,289	5,289
Restricted assets - investments	-	8,857,166	-	-	8,857,166
Total assets	<u>\$ 7,845,713</u>	<u>\$ 8,858,068</u>	<u>\$ 1,162,790</u>	<u>\$ 4,704,437</u>	<u>\$ 22,571,008</u>
LIABILITIES					
Accounts payable	\$ 404,740	\$ -	\$ -	\$ 56,488	\$ 461,228
Accrued liabilities	69,992	-	-	28	70,020
Due to other funds	2,942,960	-	-	537,223	3,480,183
Deposits payable	97,214	-	-	-	97,214
Unearned revenue	-	-	1,162,790	63,808	1,226,598
Total liabilities	<u>3,514,906</u>	<u>-</u>	<u>1,162,790</u>	<u>657,547</u>	<u>5,335,243</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue:					
Property taxes and interest	464,021	-	-	-	464,021
Sewer usage and assessments	-	-	-	110,911	110,911
Total deferred inflows of resources	<u>464,021</u>	<u>-</u>	<u>-</u>	<u>110,911</u>	<u>574,932</u>
FUND BALANCES					
Nonspendable	-	-	-	18,389	18,389
Restricted	-	8,858,068	-	1,997,999	10,856,067
Committed	-	-	-	1,765,210	1,765,210
Assigned	752,800	-	-	154,381	907,181
Unassigned	3,113,986	-	-	-	3,113,986
Total fund balances	<u>3,866,786</u>	<u>8,858,068</u>	<u>-</u>	<u>3,935,979</u>	<u>16,660,833</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,845,713</u>	<u>\$ 8,858,068</u>	<u>\$ 1,162,790</u>	<u>\$ 4,704,437</u>	<u>\$ 22,571,008</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF WOODSTOCK, CONNECTICUT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2021

Total fund balance for governmental funds		\$ 16,660,833
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:		
Land and land rights	\$ 2,709,268	
Construction in progress	558,844	
Buildings and improvements	23,396,266	
Land improvements	1,329,737	
Machinery and equipment	3,991,668	
Infrastructure	11,333,688	
Accumulated depreciation	<u>(16,099,027)</u>	
Total capital assets, net		27,220,444
Long-term contract receivable from Woodstock Academy is not susceptible to accrual and is therefore not reported in the funds.		
		628,800
Some of the Town's taxes, assessments, interest and usage receivables will be collected after year end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources in the funds.		
		574,932
Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position.		
Accrued interest payable	(15,064)	
Long-term debt:		
General obligation bonds	(2,826,800)	
Capital lease obligations	(222,163)	
Other long-term liabilities:		
Contract payable	(100,513)	
Compensated absences	(142,722)	
Termination benefits	(120,000)	
Post-closure landfill costs	(30,860)	
Net pension liability	(2,694,066)	
Total OPEB liability	<u>(172,340)</u>	
Total long-term liabilities		(6,324,528)
Deferred outflows of resources resulting from changes in the components of the net pension and total OPEB liabilities are reported in the statements of net position.		
		709,082
An internal service fund is used by the Town to charge the cost of risk management activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		
		<u>243,326</u>
Net position of governmental activities		<u>\$ 39,712,889</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF WOODSTOCK, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Herbert W. Bowen Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 18,064,996	\$ -	\$ -	\$ -	\$ 18,064,996
Grants and contracts	6,911,642	-	-	2,116,410	9,028,052
Charges for services	661,621	-	-	314,713	976,334
Other	90,116	-	-	115,874	205,990
Investment earnings	14,550	3,437,578	-	23,747	3,475,875
Total revenues	<u>25,742,925</u>	<u>3,437,578</u>	<u>-</u>	<u>2,570,744</u>	<u>31,751,247</u>
EXPENDITURES					
Current:					
General government	1,815,515	-	-	57,169	1,872,684
Public safety	879,757	-	-	-	879,757
Public works	1,493,222	-	-	184,775	1,677,997
Health, welfare and recreation	188,351	-	-	61,065	249,416
Education	21,217,932	-	-	1,679,007	22,896,939
Capital outlays	322,331	-	-	943,705	1,266,036
Debt service:					
Principal payments	362,128	-	-	23,522	385,650
Interest and fiscal charges	57,271	-	-	21,124	78,395
Debt issuance costs	40,193	-	-	-	40,193
Capital lease payments	16,161	-	-	101,098	117,259
Total expenditures	<u>26,392,861</u>	<u>-</u>	<u>-</u>	<u>3,071,465</u>	<u>29,464,326</u>
Excess (deficiency) of revenues over expenditures	(649,936)	3,437,578	-	(500,721)	2,286,921
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of assets	100,000	-	-	-	100,000
Refunding bonds issued	1,386,000	-	-	-	1,386,000
Payment to refunding escrow agent	(1,345,807)	-	-	-	(1,345,807)
Transfers in	162,000	-	-	366,149	528,149
Transfers out	(366,149)	-	-	-	(366,149)
Total other financing sources (uses)	<u>(63,956)</u>	<u>-</u>	<u>-</u>	<u>366,149</u>	<u>302,193</u>
Net change in fund balances	(713,892)	3,437,578	-	(134,572)	2,589,114
Fund balances - beginning, as originally reported	4,580,678	5,420,490	-	4,006,075	14,007,243
Adjustments (See Note 1)	-	-	-	64,476	64,476
Fund balances - beginning, as adjusted	<u>4,580,678</u>	<u>5,420,490</u>	<u>-</u>	<u>4,070,551</u>	<u>14,071,719</u>
Fund balances - ending	<u>\$ 3,866,786</u>	<u>\$ 8,858,068</u>	<u>\$ -</u>	<u>\$ 3,935,979</u>	<u>\$ 16,660,833</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF WOODSTOCK, CONNECTICUT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2021

Net change in fund balances - total governmental funds \$ 2,589,114

Total change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation and amortization expense exceeded capital outlays in the current period is as follows:

Expenditures for capital assets	\$ 791,418	
Depreciation and amortization expense	<u>(1,009,340)</u>	
Net adjustment		(217,922)

Contract revenue from Woodstock Academy is not susceptible to accrual and therefore, is only reported as revenue in the governmental funds when the cash is received. In the government-wide financial statements, the cash received reduces the contract receivable recognized. (19,650)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term obligations is as follows:

Debt issued or incurred:		
Refunding bonds issued	(1,386,000)	
Principal repayments:		
General obligation bonds	1,725,650	
Capital lease obligations	<u>117,260</u>	
Net adjustment		456,910

Certain revenues reported in the statement of activities do not provide current financial resources and therefore are reported as deferred inflows of revenue in governmental funds. This amount represents the change in unavailable revenues. 98,612

(Continued)

TOWN OF WOODSTOCK, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES *(Concluded)*
FOR THE YEAR ENDED JUNE 30, 2021

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This amount represents the effect of such items.

Accrued interest	\$	18,514	
Contract payable		(100,513)	
Compensated absences		(13,134)	
Termination benefits		(48,000)	
Post-closure landfill costs		9,000	
Net pension liability		(323,232)	
Total OPEB liability		93,912	
	\$		(363,453)

Deferred inflows and outflows of resources resulting from changes in the components of the net pension and total OPEB liabilities are amortized as components of pension and OPEB expenses in the statement of activities. (93,515)

Revenues related to a lease receivable resulting from the transfer of certain machinery and equipment is not susceptible to accrual and, therefore, is only reported as revenue in the governmental funds when the cash is received by the Town. In the government-wide financial statements, the revenues are recorded when earned. (100,000)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of a certain internal service fund is reported with governmental activities. (158,940)

Change in net position of governmental activities \$ 2,191,156
(Concluded)

TOWN OF WOODSTOCK, CONNECTICUT

STATEMENT OF NET POSITION -

PROPRIETARY FUNDS

AS OF JUNE 30, 2021

	Governmental Activities			
	Town	Board of Education		
	Employees'	Employees'		
	Benefits	Benefits	Fuel Depot	Total
	Fund	Fund	Fund	
ASSETS				
Cash and cash equivalents	\$ -	\$ 163,648	\$ -	\$ 163,648
Receivables	-	-	9,452	9,452
Due from other funds	56,089	-	14,137	70,226
Total assets	<u>56,089</u>	<u>163,648</u>	<u>23,589</u>	<u>243,326</u>
NET POSITION				
Unrestricted	<u>\$ 56,089</u>	<u>\$ 163,648</u>	<u>\$ 23,589</u>	<u>\$ 243,326</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF WOODSTOCK, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities			Total
	Town Employees' Benefits Fund	Board of Education Employees' Benefits Fund	Fuel Depot Fund	
OPERATING REVENUES				
Charges to other funds	\$ -	\$ -	\$ 80,818	\$ 80,818
Total operating revenues	-	-	80,818	80,818
OPERATING EXPENSES				
Fuel	-	-	77,152	77,152
Other	-	-	1,467	1,467
Total operating expenses	-	-	78,619	78,619
Operating income	-	-	2,199	2,199
NON-OPERATING INCOME				
Interest income	-	861	-	861
Total non-operating income	-	861	-	861
Change in net position before transfers	-	861	2,199	3,060
TRANSFERS OUT	-	(162,000)	-	(162,000)
Change in net position	-	(161,139)	2,199	(158,940)
Net position - beginning	56,089	324,787	21,390	402,266
Net position - ending	\$ 56,089	\$ 163,648	\$ 23,589	\$ 243,326

The accompanying notes are an integral part of these financial statements.

TOWN OF WOODSTOCK, CONNECTICUT
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities			Total
	Town Employees' Benefits Fund	Board of Education Employees' Benefits Fund	Fuel Depot Fund	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from the following:				
Charges to other funds	\$ -	\$ -	\$ 73,850	\$ 73,850
Cash paid for the following:				
Fuel and other related purchases	-	-	(80,673)	(80,673)
Net cash used in operating activities	<u>-</u>	<u>-</u>	<u>(6,823)</u>	<u>(6,823)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund activity	-	(162,000)	6,823	(155,177)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	-	861	-	861
Net decrease in cash and cash equivalents	-	(161,139)	-	(161,139)
Cash and cash equivalents, beginning of year	-	324,787	-	324,787
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>\$ 163,648</u>	<u>\$ -</u>	<u>\$ 163,648</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	\$ -	\$ -	\$ 2,199	\$ 2,199
Changes in assets and liabilities:				
Decrease in receivables	-	-	(6,968)	(6,968)
Increase in payables	-	-	(2,054)	(2,054)
Net cash used in operating activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,823)</u>	<u>\$ (6,823)</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Woodstock, Connecticut (the "Town"), conform to accounting principles generally accepted in the United States of America, as applicable to governmental organizations. The following is a summary of significant accounting policies:

Financial Reporting Entity

The Town was incorporated as Woodstock in 1749 under the provisions of the Connecticut General Statutes. The Town operates under the Board of Selectmen, Town Meeting and Board of Finance form of government and provides the following services: public safety, public works, health, welfare and recreation, education, and general administrative services.

The legislative power of the Town is invested with the Board of Selectmen and Town Meeting. The Board of Selectmen may enact, amend or repeal ordinances and resolutions. The Board of Finance is responsible for financial and taxation matters as prescribed by Connecticut General Statutes, and is responsible for presenting fiscal operating budgets for Town Meeting approval.

The basic financial statements of the reporting entity include only the funds of the Town as no component units exist based on operational or financial relationships with the Town.

Related Organizations

The Town is a member of the Northeastern Connecticut Council of Governments (the "Council"), which provides certain member initiated regional programs and services. The Town's First Selectman serves on the Council's Board of Directors. The Council issues publicly available financial reports.

The Town, in a joint venture with the Town of Eastford, Connecticut, has created the Crystal Pond Park Commission to oversee and maintain the Crystal Pond Park. The Commission consists of four registered voters from each Town, as appointed by their respective Boards of Selectmen. The Commission adopts an annual operating budget. Each Town's Board of Selectmen include \$900 in their budget to offset expenses. The Town provides accounting services for the Commission, and as such, includes the Commission's financial activities as a nonmajor special revenue fund.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Town and include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. The statements are intended to distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The Town has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Government-wide and Fund Financial Statements *(Continued)*

Fund Financial Statements

The fund financial statements provide information about the Town's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Town reports the following major governmental funds:

General Fund - This fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those not accounted for and reported in another fund.

Herbert W. Bowen Fund - This fund is used to account for an endowment and related earnings, which will be used to support the Town's operations. The common stock bequest, made by Herbert W. Bowen upon his death in 1927, requires the annual income of the investment to be restricted in use to purchase additional shares of the common stock given, for the term of one hundred years. At the end of this period, annual income generated from the investment is to be used to reduce the taxes of the Town.

American Rescue Plan Fund - This fund is used to account for the receipt of Coronavirus State and Local Fiscal Recovery Funds established by the American Rescue Plan Act.

In addition, the Town reports the following fund types:

Internal Service Fund *(proprietary)* - These funds account for activities that provide goods or services to other funds, departments, or agencies of the Town on a cost-reimbursement basis. The Town utilizes internal service funds to account for risk management activities related to medical and dental insurance and to charge costs of fuel to various Town departments.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

TOWN OF WOODSTOCK, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Measurement Focus and Basis of Accounting *(Continued)*

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital lease are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is available to be received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when the cash is received.

Implementation of New Accounting Standards

Effective July 1, 2020, the Town implemented the provisions of GASB Statement No. 84, *Fiduciary Activities* (Statement No. 84). The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Based on the application of Statement No. 84, the Town has recharacterized certain activities previously reported as fiduciary activities. The Town has reported the cumulative effect of applying Statement No. 84 as a restatement of its beginning net position and fund balances as follows:

	<u>Governmental Activities</u>	<u>Governmental Funds</u>
Net Position/Fund balance - beginning, as originally reported	\$ 37,457,257	\$ 14,007,243
Recharacterization of certain activities previously reported as fiduciary activities	<u>64,476</u>	<u>64,476</u>
Net position/fund balances - beginning, as adjusted	<u>\$ 37,521,733</u>	<u>\$ 14,071,719</u>

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments are measured by the Town at fair value (generally based on quoted market prices), except for investments in certain external investment pools as described below.

Investments in certain external investment pools consist of the Short-Term Investment Fund (STIF), which is managed by the State of Connecticut Treasurer's Office. Investments in these types of funds, which are permitted to measure their investment holdings at amortized costs, are measured by the Town at the net asset value per share as determined by the pool.

The Herbert W. Bowen Fund is restricted to expenditures of the investment income only for the donor-designated purpose. As such, related investment accounts have been presented as restricted investments in both the statement of net position and the governmental funds balance sheet.

Any appreciation of the funds is also restricted. The Town allocates investment income in accordance with donor restrictions and Connecticut law. The State of Connecticut adopted the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective October 1, 2007. UPMIFA requires the investment of endowments in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. It requires prudence in incurring investment costs, authorizing only costs that are appropriate and reasonable. Factors to be considered in investing are expanded to include, for example, the effects of inflation. UPMIFA emphasizes that investment decisions be made in relation to the overall resources of the Town.

Inventories

Inventories are reported at the lower of cost or net realizable value using the first-in first-out (FIFO) method, except for USDA donated commodities, which are recorded at market value. Inventories are recorded as expenditures when consumed rather than when purchased.

Property Taxes and Sewer Charges

Property taxes are assessed as of October 1. Real estate and personal property taxes are billed in the following July and are due in two installments, July 1 and January 1. Motor vehicle taxes are billed in July and are due in one installment, July 1, and supplemental motor vehicle taxes are due in full January 1. Taxes become delinquent thirty days after the installment is due and interest on delinquent accounts is charged at a rate of 1.5% per month. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes and interest of \$103,000 as of June 30, 2021.

Upon completion of projects, sewer assessments are levied and assessed to the users semi-annually. Sewer assessment charges are billed semi-annually on March and September 1. Sewer usage charges are billed semi-annually in July and January. Assessments and user charges are due and payable within thirty days and delinquent amounts are subject to interest at a rate of 1.5% per month.

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Property Taxes and Sewer Charges *(Continued)*

Liens are filed on all delinquent properties until the assessment is paid in full. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible sewer assessments and usage of \$5,300 as of June 30, 2021.

Loans Receivable

The Town administers a Residential Rehabilitation Loan Program for low to moderate income families. The loans bear an interest rate of 0%. Repayment of the loans is deferred, but the loans become due and payable upon sale or transfer of the property, the owner's demise, or when the subject property is no longer the applicant's principal place of residence. The notes may be paid in full or in part by the borrower at any time without penalty. As of June 30, 2021, loans receivable totaled \$850,001 under this program.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, and sidewalks), are reported in the government-wide financial statements. Donated capital assets are recorded at acquisition value at the date of donation. All other assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Intangible assets lack physical substance, are nonfinancial in nature and have a useful life that extends beyond a single reporting period. Intangible assets with no legal, contractual, or regulatory factors limiting their useful life are considered to have an indefinite useful life. The costs of normal maintenance and repairs that do not add to the value of a capital asset or materially extend capital asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are defined by the Town as assets with an initial individual cost and estimated useful life as follows:

<u>Assets</u>	<u>Years</u>	<u>Capitalization Threshold</u>
Land and land rights	N/A	\$ 20,000
Construction in progress	N/A	20,000
Building and systems	50 – 75	20,000
Land improvements	75	20,000
Machinery and equipment:		
Vehicles	10 – 20	5,000
Furniture and equipment	5 – 50	5,000
Infrastructure	50 – 75	100,000

Unearned Revenue

This liability represents resources that have been received but not yet earned.

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources represent an acquisition or consumption of net position that applies to a future period(s) and so will not be recognized as an outflow or inflow of resources until that time.

Deferred outflows of resources consists of deferred charges on pension expense reported in the government-wide statement of net position. Deferred charges on pension expense resulted from changes in the components of the Town's net pension liability and are being amortized as a component of pension expense on a systematic and rational basis.

Deferred inflows of resources consist of revenue that is considered unavailable reported in the governmental funds balance sheet and deferred charges on pension and OPEB expenses reported in the government-wide statement of net position. Unavailable revenue is recognized as inflows of resources in the period that the amounts become available. Deferred charges on pension and OPEB expenses are amortized as a component of pension and OPEB expenses on a systematic and rational basis.

Compensated Absences and Termination Benefits

It is the Town's policy to permit employees to accumulate unused sick and vacation pay benefits. Benefits are determined by the individual union contracts. Certain Board of Education personnel are also eligible for certain retirement incentive amounts that are amortized over time upon acceptance of an Early Retirement Incentive Program.

All compensated absences and employee retirement obligations are accrued when incurred in the government-wide financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year, or the vested amount is expected to be paid with available resources.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expenses when incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Net Position and Fund Balances

The statement of net position presents the Town's assets, deferred outflows and inflows of resources, and liabilities, with net position as the residual of these elements. Net position reported in three categories:

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of capital assets.

Restricted net position - This component of net position consists of amounts whose use is restricted either through external restrictions imposed by creditors, grantors, contributors, and the like, or through restrictions imposed by law through constitutional provisions or enabling legislation. None of the Town's restricted net position is restricted through enabling legislation.

Unrestricted net position - This component of net position is the net amount of assets, liabilities, and deferred outflows and inflows of resources, which do not meet the definition of the preceding two categories.

The Town's governmental funds report the following fund balance categories:

Nonspendable - Amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be maintained intact.

Restricted - Constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments, or imposed by law through enabling legislation.

Committed - Amounts can be only used for specific purposes pursuant to constraints imposed by formal action of the Town (the highest level of decision making authority of the Town) and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action.

Assigned - Amounts are constrained by the government's intent to be used for specific purposes, but are not restricted or committed. Amounts may be constrained to be used for a specific purpose by the Board of Finance.

Unassigned - Residual classification for the General Fund or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories.

Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

The Town does not have a formal policy over net position. In practice, the Town considers restricted net position to have been depleted before unrestricted net position is applied.

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Net Position and Fund Balances *(Continued)*

Fund Balance Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Town's policy that when an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts are available, the fund balance is to be spent in the following order: committed, assigned, and then unassigned. In addition, the Town's adopted policy states that the Board of Finance shall propose annual budgets that provide for an unassigned General Fund balance of not less than 10.0% or more than 15.0% of the total operating General Fund expenditures. As of June 30, 2021, unassigned fund balance represented 11.80% of total General Fund expenditures.

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

Advances between funds, as reported in the fund financial statements, are offset by a restricted fund balance designation (non-spendable) in the General Fund and by a restricted, committed, or assigned fund balance designation of other governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Interfund Services Provided and Used

Sales and purchases of goods and services between funds for a price approximating their external exchange value are reported as revenues and expenditures, or expenses, in the applicable funds.

Interfund Transfers

Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and other financing sources in the funds receiving transfers.

Interfund Reimbursements

Interfund reimbursements represent repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them.

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

A reconciliation of the Town's cash deposits as of June 30, 2021 is as follows:

Government-wide statement of net position:		
Cash and cash equivalents	\$	8,041,021
Add: certificates of deposit considered cash deposits for disclosure purposes		164,075
Less: cash equivalents considered investments for disclosure purposes		<u>(1,499,563)</u>
	\$	<u>6,705,533</u>

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town's policy provides for uninsured demand and time deposits with banks and savings and loan institutions to be collateralized as prescribed in the Connecticut general statutes, as described below. In addition, in order to anticipate market changes and provide for a level of security for all funds, all public deposits shall be held in qualified public depositories. As of June 30, 2021, \$5,594,770 of the Town's bank balance of \$6,989,958 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	5,035,293
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name		<u>559,477</u>
	\$	<u>5,594,770</u>

All of the Town's deposits were in qualified public institutions as defined by Connecticut general statutes. Under these statutes, any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)*

Investments

A reconciliation of the Town's investments as of June 30, 2021 is as follows:

Government-wide statement of net position:		
Investments	\$	237,258
Restricted assets - investments		8,857,166
		9,094,424
Add: cash equivalents considered investments for disclosure purposes		1,499,563
Less: certificates of deposit considered cash deposits for disclosure purposes		(164,075)
		\$ 10,429,912

As of June 30, 2021, the Town's investments consisted of the following:

Investment type	Valuation Basis	Credit Rating	Value	Investment Maturities (In Years) Less Than 1
Debt Securities:				
Short-term Investment Fund (STIF)	Net asset value	AAA	\$ 1,499,563	\$ 1,499,563
Other Investments:				
Equity securities	Fair value	Unrated	8,857,166	
Mutual funds	Fair value	Unrated	73,183	
			\$ 10,429,912	

Because investments in the Short-term Investment Fund have weighted average maturities of less than 90 days, they have been presented as investments with maturities of less than one year.

Interest Rate Risk

The Town does not have a formal investment policy that limits Town investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Generally, the Town does not invest in any long-term investment obligations.

Credit Risk

The Town has no investment policy that would further limit its investment choices beyond those limited by Connecticut general statutes. Connecticut general statutes permit the Town to invest in obligations of the United States, including its instrumentalities and agencies; in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service.

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)*

Investments *(Continued)*

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from concentration of credit risk disclosures. As of June 30, 2021, 70% and 15% of the Town's investments were invested in JP Morgan Chase common stock and Bank of New York Mellon common stock, respectively. Investments in these securities are donor restricted and are reported within the Herbert W. Bowen Fund.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investments consist primarily of investments in various mutual funds, equity securities, and external investment pools and are therefore not exposed to custodial credit risk, because they are not evidenced by securities that exist in physical or book entry form. The Town's investment policy does not address custodial credit risk with respect to investments.

NOTE 3 - FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as of the measurement date. Authoritative guidance establishes a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (also referred to as observable inputs).

The Town classifies its assets and liabilities measured at fair value into Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which market inputs are observable, either directly or indirectly), and Level 3 (securities valued based on unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Town's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2021, by level within the fair value hierarchy are presented in the table below:

Financial Assets Measured at Fair Value	Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Mutual funds	\$ 9,023	\$ -	\$ -	\$ 9,023
Equity securities	8,921,326	-	-	8,921,326
	<u>\$ 8,930,349</u>	<u>\$ -</u>	<u>\$ -</u>	8,930,349
		Investments measured at Net Asset Value		<u>1,499,563</u>
				<u>\$ 10,429,912</u>

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 4 - RECEIVABLES

Contracts Receivable

In July of 2016, the Board of Education (the "Board") entered into an agreement with a contractor for purchased transportation services. The Board transferred to the Contractor all Board-owned vehicles for \$750,000, payable by the Contractor in the form of a credit against payments due to the Contractor over a five (5) year period, with \$325,000 taken in equal monthly credits from the Contractor's invoices for the months of September through June in the first year of the contract, \$125,000 taken in equal monthly credits from the Contractor's invoices for the months of September through June in the second year of the contract term, and the remainder taken in equal monthly credits from the Contractor's invoices for the months of September through June over the next three (3) years. The final amount of credits relating to this agreement were applied to transportation invoices during fiscal year 2021.

In addition, the Town has entered into a long-term contract with the Woodstock Academy for the reimbursement of bond principal and interest as more fully disclosed in Note 8.

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities					
Capital assets, not being depreciated:					
Land and land rights	\$ 2,709,268	\$ -	\$ -	\$ -	\$ 2,709,268
Construction in progress	403,377	569,930	-	(414,463)	558,844
Total capital assets, not being depreciated	<u>3,112,645</u>	<u>569,930</u>	<u>-</u>	<u>(414,463)</u>	<u>3,268,112</u>
Capital assets, being depreciated:					
Buildings and improvements	23,396,266	-	-	-	23,396,266
Land improvements	1,329,737	-	-	-	1,329,737
Machinery and equipment	3,949,810	113,230	(71,372)	-	3,991,668
Infrastructure	10,809,967	109,258	-	414,463	11,333,688
Total capital assets, being depreciated	<u>39,485,780</u>	<u>222,488</u>	<u>(71,372)</u>	<u>414,463</u>	<u>40,051,359</u>
Less accumulated depreciation for:					
Buildings and improvements	9,480,390	437,126	-	-	9,917,516
Land improvements	453,337	32,133	-	-	485,470
Machinery and equipment	2,044,229	279,898	(70,372)	-	2,253,755
Infrastructure	3,182,103	260,183	-	-	3,442,286
Total accumulated depreciation	<u>15,160,059</u>	<u>1,009,340</u>	<u>(70,372)</u>	<u>-</u>	<u>16,099,027</u>
Total capital assets, being depreciated, net	<u>24,325,721</u>	<u>(786,852)</u>	<u>(1,000)</u>	<u>414,463</u>	<u>23,952,332</u>
Governmental activities capital assets, net	<u>\$ 27,438,366</u>	<u>\$ (216,922)</u>	<u>\$ (1,000)</u>	<u>\$ -</u>	<u>\$ 27,220,444</u>

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 5 - CAPITAL ASSETS *(Continued)*

Depreciation expense was charged to functions of the Town as follows:

Governmental Activities:		
General government		\$ 42,622
Public safety		13,095
Public works		482,045
Health, welfare and recreation		37,621
Education		433,957
Total depreciation expense - governmental activities		<u>\$ 1,009,340</u>

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2021 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	Nonmajor Governmental Funds	\$ 537,223
American Rescue Plan Fund	General Fund	1,162,790
Herbert W. Bowen Fund	General Fund	902
Nonmajor Governmental Funds	General Fund	<u>1,709,042</u>
		3,409,957
Proprietary Funds		
Internal Service Funds	General Fund	<u>70,226</u>
Total interfund receivables/payables		<u>\$ 3,480,183</u>

The above balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

NOTE 7 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2021 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
General Fund	Proprietary Funds	\$ 162,000
Nonmajor Governmental Funds	General Fund	<u>366,149</u>
Total transfers		<u>\$ 528,149</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them, and (2) use revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 8 - LONG-TERM DEBT

The applicable accounting standards define debt as a liability that arises from a contractual obligation to pay cash, or other assets that may be used in lieu of cash, in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. For disclosure purposes, debt does not include accounts payable or leases, except for contracts reported as financed purchase of the underlying asset. Changes in long-term debt for the year ended June 30, 2021, are as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Direct Placements:					
General obligation bonds	\$ 3,166,450	\$ 1,386,000	\$ (1,725,650)	\$ 2,826,800	\$ 289,650
Capital leases from direct borrowings	339,423	-	(117,260)	222,163	118,790
	<u>\$ 3,505,873</u>	<u>\$ 1,386,000</u>	<u>\$ (1,842,910)</u>	<u>\$ 3,048,963</u>	<u>\$ 408,440</u>

Long-term debt above typically has been liquidated by the General Fund and transfers in from the WPCA Fund.

Direct Placements - General Obligation Bonds

A summary of general obligation bonds outstanding at June 30, 2021 is as follows:

<u>Purpose of Bonds</u>	<u>Final Maturity Dates</u>	<u>Interest Rates</u>	<u>Amount Outstanding</u>
Governmental Activities			
Bonds Payable			
General obligation refunding bonds issued August 2020, original amount of \$1,386,000	8/15/2030	1.080%	\$ 1,386,000
General obligation bonds issued July 2017, original amount of \$1,160,000	7/15/2027	2.210%	812,000
General obligation sewer bonds issued June 2013, original amount of \$786,000	10/1/2053	2.75%	628,800
			<u>\$ 2,826,800</u>

Annual debt service requirements to maturity on general obligation bonds are as follows as of June 30, 2021:

<u>Year ending June 30:</u>	<u>Governmental Activities</u>		
	<u>Direct Placements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 289,650	\$ 48,145	\$ 337,795
2023	290,650	43,365	334,015
2024	285,650	38,605	324,255
2025	280,650	33,901	314,551
2026	275,650	29,250	304,900
2027-2031	972,250	36,411	1,008,661
2032-2036	98,250	64,845	163,095
2037-2041	98,250	51,336	149,586
2042-2046	98,250	37,827	136,077
2047-2051	98,250	24,317	122,567
2052-2054	39,300	11,346	50,646
	<u>\$ 2,826,800</u>	<u>\$ 419,348</u>	<u>\$ 3,246,148</u>

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 8 - LONG-TERM DEBT *(Continued)*

Direct Placements - General Obligation Bonds *(Continued)*

Legal Debt Limit

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2021.

Refunding

On August 25, 2020, the Town issued \$1,386,000 in general obligation refunding bonds. The bonds have an average interest rate of 1.08% and were issued to refund \$1,340,000 of outstanding 2010 general obligation bonds, with an average interest rate of 4.00%. The transaction generated a cash flow savings of \$142,311 and an economic gain (difference between the present values of the debt service payments of the old and the new bonds) of \$133,472.

Contract Reimbursements

The Town has entered into a long-term contract in connection with the general obligation sewer bonds issued in fiscal year 2013, in which Woodstock Academy is liable to reimburse the Town for bond principal and interest costs. The amount of principal and interest reimbursements for the year ended June 30, 2021 was \$19,650 and \$17,832, respectively. Additional reimbursements of principal and interest aggregating \$628,800 and \$285,317, respectively, are expected to be received through the applicable bond's maturity dates.

Capital Leases from Direct Borrowings

Capital leases from direct borrowings include non-appropriation clauses and provide the obligor with a security interest in the underlying equipment in the event of default.

A summary of assets acquired through capital leases is as follows as of June 30, 2021:

	Governmental Activities
Machinery and equipment	\$ 505,926
Less: accumulated amortization	(120,914)
	\$ 385,012

Amortization expense relative to leased property under capital leases totaled \$89,691 for the year ended June 30, 2021 and is included in depreciation and amortization expense disclosed in Note 5.

Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 are as follows:

Year ending June 30:	Governmental Activities		
	Direct Borrowings		
	Principal	Interest	Total
2022	\$ 118,790	\$ 2,710	\$ 121,500
2023	103,373	1,157	104,530
	\$ 222,163	\$ 3,867	\$ 226,030

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 9 - OTHER LONG-TERM LIABILITIES

Changes in other long-term liabilities for the year ended June 30, 2021 are as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Contract payable	\$ -	\$ 125,641	\$ (25,128)	\$ 100,513	\$ 25,128
Compensated absences	129,588	42,806	(29,672)	142,722	28,544
Termination benefits	72,000	126,000	(78,000)	120,000	66,000
Post-closure landfill costs	39,860	-	(9,000)	30,860	9,000
Net pension liability	2,370,834	323,232	-	2,694,066	-
Total OPEB liability	266,252	-	(93,912)	172,340	-
	<u>\$ 2,878,534</u>	<u>\$ 617,679</u>	<u>\$ (235,712)</u>	<u>\$ 3,260,501</u>	<u>\$ 128,672</u>

The above liabilities have typically been liquidated by the General Fund.

Contract Payable

The Town has entered into a long-term contract with the Northeastern Connecticut Council of Governments and other local Connecticut municipalities in connection with revaluation services. The initial contract totaled \$125,641, with annual required payments of \$25,128 through 2025.

Termination Benefits

The Town provides special termination benefits to former employees in the form of an early retirement incentive. Payments made by the Town on existing arrangements totaled \$78,000. As of June 30, 2021, the Town's liability for early retirement incentives totaled \$120,000.

Future annual payments on early retirement incentives as of June 30, 2021 are as follows:

<u>Year ending June 30:</u>	<u>Governmental Activities</u>
2022	\$ 66,000
2023	54,000
Total termination benefits	<u>\$ 120,000</u>

Post-closure Landfill Costs

The Town landfill has been closed. State and Federal laws and regulations require that the Town perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. Estimated monitoring costs for the next four years totaled \$30,860 as of June 30, 2021. These amounts are based on estimates, which are subject to change due to inflation, technology or changes in applicable laws and regulations.

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - FUND BALANCE

The various components of fund balance at June 30, 2021 are as follows:

	<u>General Fund</u>	<u>Herbert W. Bowen Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable:				
Permanent principal	\$ -	\$ -	\$ 13,100	\$ 13,100
Inventories	-	-	5,289	5,289
Restricted for:				
Donor restrictions	-	8,858,068	5,398	8,863,466
Town Aid Road program	-	-	539,019	539,019
Small Cities loan program	-	-	1,055,313	1,055,313
Cafeteria operations	-	-	37,916	37,916
Other grant programs	-	-	535	535
Capital purposes	-	-	212,017	212,017
Record restoration	-	-	37,824	37,824
Education programs	-	-	109,977	109,977
Committed for:				
WPCA operations	-	-	229,338	229,338
Capital purposes	-	-	1,426,510	1,426,510
General government	-	-	21,527	21,527
Health, welfare, recreation	-	-	86,533	86,533
Education	-	-	1,302	1,302
Assigned to:				
Subsequent year's budget	752,800	-	-	752,800
Capital purposes	-	-	154,381	154,381
Unassigned	3,113,986	-	-	3,113,986
	<u>\$ 3,866,786</u>	<u>\$ 8,858,068</u>	<u>\$ 3,935,979</u>	<u>\$ 16,660,833</u>

NOTE 11 - EMPLOYEE RETIREMENT PLANS

Connecticut Municipal Employees' Retirement System

The Town participates in the Connecticut's Municipal Employees' Retirement System (CMERS). CMERS is the public pension plan offered by the State of Connecticut for municipal employees in participating municipalities. The plan was established in 1947 and is governed by Connecticut Statute Title 7, Chapter 113. Chapter 113, Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates, and other plan provisions.

Municipalities may designate which departments are to be covered under the CMERS. Only employees covered under the State Teachers' Retirement System may not be included. There are no minimum age or service requirements. Membership is mandatory for all regular full time employees of participating departments except Police and Fire hired after age 60.

The plan has 4 sub plans as follows:

- General employees with social security
- General employees without social security
- Policemen and firemen with social security
- Policemen and firemen without social security

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Connecticut Municipal Employees' Retirement System *(Continued)*

Certain employees of the Town are eligible to participate in CMERS and are classified within the general employees with social security sub plan. The following disclosures have been provided for this sub plan.

Plan Description

Plan administration - CMERS is a multiemployer pension plan administered by the Connecticut State Retirement Commission. The State Retirement Commission is responsible for the administration of the CMERS. The State Treasurer is responsible for investing CMERS funds for the exclusive benefit of CMERS members.

Plan membership - All full-time employees of the Town, except for certified Board of Education personnel who are eligible for the State Teachers' Retirement System, who are age 55 or younger at the date of hire, participate in the CMERS plan for general employees with social security.

Benefits provided - The Plan provides retirement, disability and death benefits as defined in the Statutes. General employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active non-continuous service. Employees under the age of 55 are eligible to retire with 25 years of service. Police are eligible at the compulsory retirement age for police and fire members are eligible at the age of 65.

For members covered by social security, the benefit is 1.5% of the average final compensation not in excess of the year's breakpoint plus 2.0% of average final compensation in excess of the year's breakpoint, times years of service.

The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include workers' compensation and social security benefits. If any member covered by social security retires before age 62, the benefit until age 62 is reached or a social security disability award is received, is computed as if the member is not under social security.

Employees are eligible for early retirement after 5 years of active continuous or 15 years of active non-continuous service. The benefit is calculated on the basis of average final compensation and service to date of termination. Deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

Employees are eligible for service-related disability benefits from being permanently or totally disabled from engaging in the service of the municipality provided such disability has arisen out of and in the course of employment with the municipality. Disability due to hypertension or heart disease, in the case of firemen and policemen, is presumed to have been suffered in the line of duty. Disability benefits are calculated based on compensation and service to the date of the disability with a minimum benefit (including workers' compensation benefits) of 50% of compensation at the time of disability.

Employees are eligible for non-service-related disability benefits with 10 years of service and being permanently or totally disabled from engaging in gainful employment in the service of the municipality. Disability benefits are calculated based on compensation and service to the date of the disability. The plan also offers a pre-retirement death benefit in the form of a lump sum return of contributions with interest or surviving spouse benefit depending on length of service.

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Connecticut Municipal Employees' Retirement System *(Continued)*

Plan Description *(Continued)*

Contributions - The contribution requirements of plan members are established and may be amended by the State Retirement Commission. The Town is required to contribute annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment which covers the liabilities of the system not met by member contributions. There is also an administrative fee per active and retired member.

For employees covered by social security, each person is required to contribute 3.25% of compensation up to the social security taxable wage base plus 6.0% of compensation, if any, in excess of such base.

Summary of Significant Accounting Policies

Pensions - For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions and pension expense, information about the fiduciary net position of CMERS and additions and deletions from CMERS' net position are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Investment policy - The CMERS' policy in regard to the allocation of invested assets is established and may be amended by the State Retirement Commission. It is the policy of the State to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The State Treasurer is responsible for investing CMERS funds for the exclusive benefit of CMERS members.

Collective Net Pension Liability

The total estimated collective net pension liability of the CMERS as of June 30, 2020 was \$1.1 billion, the most recent available reporting provided by the Board. The collective net pension liability of the CMERS sub plan for general employees with social security was \$392.7 million as of June 30, 2020. The portion that was associated with the Town totaled \$2,694,066 or approximately 0.686% of the total estimated collective net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The portion of the collective net pension liability associated with the Town was based on the 2020 actuarial (expected) payroll amounts reported by participating employers. Expected payroll adjusts actual payroll for known changes in the status of employees, annualized salaries for partial year employees and anticipated salary increases.

Actuarial assumptions - The total pension liability for the CMERS was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.50% - 10.00%, including inflation
Long-term investment rate of return	7.00%, net of pension plan investment expense, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

TOWN OF WOODSTOCK, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Connecticut Municipal Employees' Retirement System *(Continued)*

Collective Net Pension Liability *(Continued)*

For the period after retirement and for dependent beneficiaries, mortality rates were based on the RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees. For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.

The long-term expected rate of return on pension plan investments was determined using a statistical analysis which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Target Expected Real Rate of Return
Domestic Equity	20.0%	5.3%
Developed Market International	11.0%	5.1%
Emerging Market International	9.0%	7.4%
Core Fixed Income	16.0%	1.6%
Inflation Linked Bond	5.0%	1.3%
Emerging Market Debt	5.0%	2.9%
High Yield Bond	6.0%	3.4%
Real Estate	10.0%	4.7%
Private Equity	10.0%	7.3%
Alternative Investments	7.0%	3.2%
Liquidity Fund	1.0%	0.9%
	100.0%	

Discount rate - The discount rate used to measure the CMERS' total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate - The following presents the Town's proportionate share of the net pension liability for the general employees with social security sub plan calculated using the discount rate of 7.00%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease	Current Discount	1% Increase
Proportionate share of the collective net pension liability	\$ 3,769,643	\$ 2,694,066	\$ 1,787,121

TOWN OF WOODSTOCK, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Connecticut Municipal Employees' Retirement System *(Continued)*

Collective Net Pension Liability *(Continued)*

Pension plan fiduciary net position - Detailed information about the CMERS plan's fiduciary net position is included in the State of Connecticut's basic financial statements.

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, the Town recognized pension expense related to the CMERS of \$653,914. At June 30, 2021, the Town reported its proportionate share of deferred outflows and inflows of resources related to the CMERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferrals</u>
Differences between expected and actual experience	\$ 178,489	\$ (344,422)	\$ (165,933)
Net difference between projected and actual earnings on pension plan investments	282,718	-	282,718
Change of assumptions	443,575	-	443,575
Contributions paid to the CMERS subsequent to the measurement date	283,255	-	283,255
Other	<u>127,640</u>	<u>(139,030)</u>	<u>(11,390)</u>
Total	<u>\$ 1,315,677</u>	<u>\$ (483,452)</u>	<u>\$ 832,225</u>

Amounts reported as deferred outflows and inflows of resources related to the CMERS will be recognized as a component of pension expense in future years as follows:

Year ended June 30,	
2022	\$ 367,961
2023	430,323
2024	(36,720)
2025	<u>70,661</u>
	<u>\$ 832,225</u>

Connecticut Teachers' Retirement System

Plan Description

The Connecticut Teachers' Retirement System ("TRS" or the "Plan") is the public pension plan offered by the State of Connecticut (the "State") to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The Plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes. TRS is a multiemployer pension plan administered by the Connecticut State Teachers' Retirement Board ("TRB"). The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Plan Description *(Continued)*

Teachers, principals, superintendents or supervisors engaged in the service of public schools are provided with pensions through the Connecticut Teachers' Retirement System - a cost sharing multi-employer defined benefit pension plan administered by the TRB. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov.

Benefit Provisions

The Plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Normal Retirement: Retirement benefits for the employees are calculated as 2.0% of the average annual salary times the years of credited service (maximum benefit is 75.0% of average annual salary during the 3 years of highest salary). In addition, amounts derived from the accumulation of the 6.0% contributions made prior to July 1, 1989 and voluntary contributions are payable.

Early Retirement: Employees are eligible after 25 years of credited service with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service. Benefit amounts are reduced by 6.0% per year for the first 5 years preceding normal retirement age and 4.0% per year for the next 5 years preceding normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year by which retirement precedes normal retirement date.

Minimum Benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly benefit of \$1,200 to teachers who retire under the normal retirement provisions and who have completed at least 25 years of full time Connecticut service at retirement.

Disability Retirement: Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required to be eligible for non-service related disability. Disability benefits are calculated as 2.0% per year of service times the average of the highest three years of pensionable salary, but not less than 15.0%, nor more than 50.0%. In addition, disability benefits under this Plan (without regard to cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed 75.0% of average annual salary. A plan member who leaves service and has attained 10 years of service will be entitled to 100.0% of the accrued benefit as of the date of termination of covered employment. Benefits are payable at age 60, and early retirement reductions are based on the number of years of service the member would have had if they had continued work until age 60.

Pre-Retirement Death Benefit: The plan also offers a lump-sum return of contributions with interest or surviving spouse benefit depending on length of service.

Contributions

State of Connecticut - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State are amended and certified by the TRB and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amounts to finance any unfunded accrued liability.

TOWN OF WOODSTOCK, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Contributions *(Continued)*

Employers - School District employers are not required to make contributions to the Plan, as contributions are required only from employees and the State.

Employees - Effective July 1, 1992, each teacher was required to contribute 6.0% of pensionable salary for the pension benefit. Effective January 1, 2018, the required contribution increased to 7.0% of pensionable salary.

Administrative Expenses

Administrative costs of the plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

Basis of Presentation

The components associated with pension expense and deferred outflows and inflows of resources have been determined based on fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2020. The net pension liability at June 30, 2020 has been calculated using the audited amounts. TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Comprehensive Annual Financial Report can be obtained at www.ct.gov.

The accounting standards require participating employers to recognize their proportional share of the collective net pension liability, deferred outflows and inflows of resources and pension expense. Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

Allocation Methodology

The allocations for participating employers are based on the 2020 expected contribution effort for each participating employer. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to Town totaled 0.126% as of the most recent measurement date.

Collective Net Pension Liability

The following summarizes the collective net pension liability of the State for the TRS as of June 30, 2020, the measurement date, in addition to the Town's and State's proportionate shares of the collective net pension liability that is attributed to the Town:

Collective Net Pension Liability of the State for the TRS		<u>\$ 18,846,090,000</u>
	<u>Proportion</u>	<u>Proportionate Share</u>
Town's proportionate share of the Collective Net Pension Liability	0.000%	<u>\$ -</u>
State's proportionate share of the Collective Net Pension Liability attributed to the Town	0.126%	<u>\$ 23,764,000</u>

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Collective Pension Expense

The Town's expected contribution effort for allocation purposes totaled \$1,524,235 or 0.126% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2021.

The collective pension expense includes certain current period changes in the collective net pension liability, projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective pension expense attributed to the Town totaled \$3,404,023 or 0.126% of the total collective pension expense and has been recognized as an operating contribution and related education expenses in the statement of activities for the year ended June 30, 2021.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00% - 6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Administrative expenses	\$0 assumption as expenses are paid for by the General Assembly

Mortality rates were based on the PubT-2010 Healthy Retiree Table, adjusted 105% for males and 103% for females as ages 82 and above, projected generationally with MP-2019 for the period after service retirement.

Future cost-of-living increases for teachers who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3.0% and a maximum of 5.0% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6.0% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5.0% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3.0%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

Long-Term Rate of Return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

TOWN OF WOODSTOCK, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

The current capital market assumptions and the target asset allocation as provided by the Treasurer's Office are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity Fund	20.0%	5.6%
Developed Market Intl. Stock Fund	11.0%	6.0%
Emerging Market Intl. Stock Fund	9.0%	7.9%
Core Fixed Income Fund	16.0%	2.1%
Inflation Linked Bond Fund	5.0%	1.1%
Emerging Market Debt Fund	5.0%	2.7%
High Yield Bond Fund	6.0%	4.0%
Real Estate Fund	10.0%	4.5%
Private Equity	10.0%	7.3%
Alternative Investments	7.0%	2.9%
Liquidity Fund	1.0%	0.4%
	100%	

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Board of Education Other Post-Employment Benefits Plan

Plan Description

The Town's Board of Education administers one single-employer defined benefit healthcare plan (the "Plan") to provide medical benefits to certain eligible retirees, spouses and beneficiaries. The plan provides for medical, prescription drugs and dental benefits. Benefits provisions are established by contract and may be amended by union negotiations each bargaining period. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

Benefits Provided

The OPEB Plan provides for medical, prescription, dental and vision insurance benefits to eligible retirees, spouses and beneficiaries. Contribution requirements of the participants and the Town are established by and may be amended through negotiations between the Town and the union representing the employees. Currently, participants are required to contribute 100% of their healthcare and dental premiums to the Town, less any reimbursements received by the Town from the State Retirement Board. The Town pays the benefits on a pay-as-you-go basis.

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Board of Education Other Post-Employment Benefits Plan *(Continued)*

Employees Covered by Benefit Terms

As of June 30, 2021, the measurement date, the following employees were covered by the benefit terms:

Retirees, beneficiaries, and dependents currently receiving benefits	23
Active participants	55
	78
	78

Total OPEB Liability

The Town's OPEB liability reported as of June 30, 2021 totaled \$172,340. The total OPEB liability was measured as of June 30, 2021 using the Alternative Measurement Method.

Actuarial Assumptions and Other Inputs - The total OPEB liability as of June 30, 2021 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	2.230% as of June 30, 2021
Healthcare cost trend rates:	
Medical	3.50% decreasing each year, 3.30% ultimate rate
Pharmacy	5.90% decreasing each year, 4.30% ultimate rate
Dental	3.50% decreasing each year, 3.00% ultimate rate
Vision	3.00%

The discount rate was based on the Bond Buyer 20 (GO 20 Index) as of the measurement date, which represents municipal bond trends based on a portfolio of 20 general obligation bonds that mature in 20 years. Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2020	\$ 266,252
Changes for the year:	
Service cost	29,125
Interest	6,587
Changes of benefit terms	-
Changes of assumptions and differences between expected and actual experience	(129,624)
Benefit payments	-
Net changes	(93,912)
Balance as of June 30, 2021	\$ 172,340

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Board of Education Other Post-Employment Benefits Plan *(Continued)*

Changes in the Total OPEB Liability *(Continued)*

Changes of assumptions primarily reflects a change in the discount rate from 2.37% to 2.23%.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1- percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease	Current Discount	1% Increase
Total OPEB Liability	\$ 176,219	\$ 172,340	\$ 168,701

Sensitivity of the Total OPEB liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Total OPEB Liability	\$ 164,484	\$ 172,340	\$ 180,681

OPEB Expense and Deferred Inflows of Resources

For the year ended June 30, 2021, the Town recognized OPEB expense of \$93,912. As of June 30, 2021, the Town reported deferred inflows of resources related to OPEB from the following source:

	Deferred Inflows of Resources
Changes of assumptions and differences between expected and actual experience	\$ (123,143)

Amounts reported as deferred inflows of resources related to OPEB will be recognized as a reduction of OPEB expense as follows:

Year ended June 30,	
2022	\$ (6,157)
2023	(6,157)
2024	(6,157)
2025	(6,157)
2026	(6,157)
Thereafter	(92,358)
	\$ (123,143)

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System

Plan Description

The Connecticut Teachers' Retirement System ("TRS" or the "Plan") is the public pension plan offered by the State of Connecticut (the State) to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The Plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes. TRS is a multiemployer pension plan administered by the Connecticut State Teachers' Retirement Board ("TRB"). The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with benefits, including retiree health insurance, through the Connecticut Teachers' Retirement System - a cost sharing multi employer defined benefit pension plan administered by the TRB. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov.

Benefit Provisions

The Plan covers retired teachers and administrators of public schools in the State who are receiving benefits from the Plan. The Plan provides healthcare insurance benefits to eligible retirees and their spouses. Any member that is currently receiving a retirement or disability benefit through the Plan is eligible to participate in the healthcare portion of the Plan. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the Plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage. If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Contributions

State of Connecticut - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

Employers - School District employers are not required to make contributions to the Plan.

Employees/Retirees - The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers' pay for one third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

Administrative Expenses

Administrative costs of the Plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

Basis of Presentation

The components associated with the other postemployment benefits (OPEB) expense and deferred inflows and outflows of resources have been determined using the unrecognized portions of each year's experience and assumption changes as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2020. The net OPEB liability at June 30, 2020 has been calculated using the audited amounts. The OPEB trust fund is included in the TRS, and the TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Comprehensive Annual Financial Report can be obtained at www.ct.gov.

The accounting standards require participating employers to recognize their proportional share of the collective net OPEB liability, deferred outflows and inflows of resources and OPEB expense. Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

Allocation Methodology

The allocations for participating employers are based on the 2020 expected contribution effort for each participating employer. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to the Town totaled 0.126% as of the most recent measurement date.

TOWN OF WOODSTOCK, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Collective Net OPEB Liability

The following summarizes the collective net OPEB liability of the State for the TRS as of June 30, 2021, the measurement date, in addition to the Town's and State's proportionate shares of the collective net OPEB liability that is attributed to the Town:

Collective Net OPEB Liability of the State for the TRS		<u>\$ 2,810,895,000</u>
	<u>Proportion</u>	<u>Proportionate Share</u>
Town's proportionate share of the Collective Net OPEB Liability	0.000%	<u>\$ -</u>
State's proportionate share of the Collective Net OPEB Liability attributed to the Town	0.126%	<u>\$ 3,544,000</u>

Collective OPEB Expense

The Town's expected contribution effort for allocation purposes totaled \$36,785 or 0.126% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2021.

The collective OPEB expense includes certain current period changes in the collective net OPEB liability, projected earnings on OPEB plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective OPEB expense attributed to the Town totaled \$163,722 or 0.126% of the total collective OPEB expense and has been recognized as an operating contribution and related education expense in the statement of activities for the year ended June 30, 2021.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Real Wage Growth	0.50%
Wage Inflation	3.00%
Salary increases	3.00% - 6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates:	
Medicare	5.125% for 2020 decreasing to an ultimate rate of 4.50% by 2023

Mortality rates were based on the PubT-2010 Healthy Retiree Table, adjusted 105% for males and 103% for females as ages 82 and above, projected generationally with MP-2019 for the period after service retirement.

TOWN OF WOODSTOCK, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Long-Term Rate of Return

The long-term expected rate of return on plan assets is reviewed as part of the actuarial valuation process. Several factors are considered in evaluation the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class.

The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Expected 10-Year Geometric Real Rate of Return	Standard Deviation
U.S. Treasuries (Cash Equivalents)	100.0%	-0.42%	1.78%

Discount Rate

The discount rate used to measure the total OPEB liability was 2.21%. The projection of cash flows used to determine the discount rate was performed in accordance with the applicable standards. The projection's basis was an actuarial valuation performed as of June 30, 2020. In addition to the actuarial methods and assumptions of the June 30, 2020 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annual at a rate of 3.00%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2021 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 13 - RISK MANAGEMENT AND UNCERTAINTIES

Risk Management

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God. The Town purchases commercial insurance for all risks of loss except workers' compensation and liability-automobile-property insurance for which it participates in risk sharing pools. During the year ended June 30, 2021, deductibles paid by the Town were insignificant. Neither the Town nor its insurers have settled any claims that exceeded the Town's insurance coverage during the past three years. In addition, there have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies that was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program.

Workers' Compensation Pool

The Town is a member of CIRMA's Workers' Compensation Pool, a risk-sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an incurred loss retrospective rating plan, and losses incurred in the coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. The premium is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence.

Liability-Automobile-Property Pool

The Town is a member of CIRMA's Liability-Automobile-Property Pool, a risk-sharing pool. The Liability-Automobile-Property Pool provides general liability, automobile liability, employee benefit liability, law enforcement liability, public officials and property coverage. The premium is subject to these coverages, and claims and expense payments falling within the deductible amounts are the responsibility of the Town. CIRMA's Liability-Automobile-Property Pool retains \$1,000,000 per occurrence for each line of liability coverage.

Uncertainties - Pandemic

In early March 2020, there was a global outbreak of COVID-19 that was declared a Public Health Emergency of International Concern by the World Health Organization and was subsequently declared a state of emergency by the Governor of Connecticut and a national emergency by the President of the United States. The outbreak of the virus has affected travel, commerce and financial markets globally, and is widely expected to affect economic growth worldwide. The extent to which COVID-19 will impact the Town's tax base, operations and its financial condition will ultimately depend on future developments that are uncertain and cannot be fully predicted with confidence at this time.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Federal Awards and State Financial Assistance

The Town has received federal awards and state financial assistance for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, management believes such disallowances, if any, will not be material.

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 14 - COMMITMENTS AND CONTINGENCIES *(Continued)*

Litigation

There are several lawsuits pending against the Town. The outcome and eventual liability to the Town, if any, in these cases is not known at this time. The Town's management, based upon consultation with legal counsel, estimates that potential claims against the Town, not covered by insurance, resulting from such litigation would not materially affect the financial position of the Town.

NOTE 15 - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2021. The Town is currently evaluating the potential impact of adopting this Statement on its financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement should be applied prospectively and are effective for the Town's reporting period beginning July 1, 2021. The Town does not expect this statement to have a material effect on its financial statements.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022. The Town does not expect this statement to have a material effect on its financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and the requirements of this statement are effective for the Town's reporting period beginning July 1, 2021. The Town does not expect this statement to have a material effect on its financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022. The Town is currently evaluating the potential impact of adopting this Statement on its financial statements.

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 15 - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE *(Continued)*

In May 2020, the GASB issued Statement 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022. The Town does not expect this statement to have a material effect on its financial statements.

In June 2020, the GASB issued Statement 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - An Amendment of GASB Statement No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this statement that relate to the accounting and reporting of Section 457 plans are effective for the Town's reporting period beginning July 1, 2021. The Town does not expect this statement to have a material effect on its financial statements.

Required Supplementary Information

TOWN OF WOODSTOCK, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Property taxes	\$ 17,905,387	\$ 17,905,387	\$ 18,064,996	\$ 159,609
Intergovernmental	5,006,726	5,006,726	5,124,333	117,607
Charges for services	422,000	422,000	649,653	227,653
Other	73,600	73,600	81,287	7,687
Interest income	76,000	76,000	14,550	(61,450)
Total revenues	<u>23,483,713</u>	<u>23,483,713</u>	<u>23,934,819</u>	<u>451,106</u>
EXPENDITURES				
Current:				
General government	2,018,901	1,842,187	1,842,187	-
Public safety	892,383	879,757	879,757	-
Public works	1,868,238	1,806,289	1,806,289	-
Health, recreation and welfare	218,376	212,641	212,641	-
Education	19,205,251	19,205,251	19,205,067	(184)
Debt service	439,768	418,591	418,591	-
Total expenditures	<u>24,642,917</u>	<u>24,364,716</u>	<u>24,364,532</u>	<u>(184)</u>
Excess (deficiency) of revenues over expenditures	(1,159,204)	(881,003)	(429,713)	451,290
OTHER FINANCING SOURCES (USES)				
Use of prior year surplus	-	5,978	-	(5,978)
Appropriation of fund balance	1,159,204	1,159,204	-	(1,159,204)
Transfer out to Capital Nonrecurring Fund	-	(284,179)	(284,179)	-
Total other financing sources (uses)	<u>1,159,204</u>	<u>881,003</u>	<u>(284,179)</u>	<u>(1,165,182)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (713,892)</u>	<u>\$ (713,892)</u>

See accompanying notes to required supplementary information.

TOWN OF WOODSTOCK, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (UNAUDITED)
LAST SEVEN FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.69%	0.64%	0.74%	0.51%	0.46%	0.54%	0.75%
Town's proportionate share of the net pension liability	<u>\$ 2,694,066</u>	<u>\$ 2,370,834</u>	<u>\$ 2,820,324</u>	<u>\$ 1,276,181</u>	<u>\$ 1,515,330</u>	<u>\$ 1,046,736</u>	<u>\$ 742,062</u>
Town's covered payroll	\$ 1,756,940	\$ 1,651,330	\$ 2,075,695	\$ 1,837,799	\$ 1,961,854	\$ 1,895,044	\$ 1,696,554
Town's proportionate share of the net pension liability as a percentage of its covered payroll	153.3%	143.6%	135.9%	69.4%	77.2%	55.2%	43.7%
Plan fiduciary net position as a percentage of the total pension liability	71.18%	72.69%	73.60%	91.68%	88.29%	92.72%	90.48%

* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

TOWN OF WOODSTOCK, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS -
CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (UNAUDITED)
LAST SEVEN FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 243,190	\$ 201,013	\$ 221,532	\$ 209,142	\$ 223,259	\$ 215,656	\$ 203,247
Contributions in relation to the contractually required contribution	<u>243,190</u>	<u>201,013</u>	<u>221,532</u>	<u>209,142</u>	<u>223,259</u>	<u>215,656</u>	<u>203,247</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,756,940	\$ 1,651,330	\$ 2,075,695	\$ 1,837,799	\$ 1,961,854	\$ 1,895,044	\$ 1,696,554
Contributions as a percentage of covered payroll	13.84%	12.17%	10.67%	11.38%	11.38%	11.38%	11.98%

* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

TOWN OF WOODSTOCK, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY -
CONNECTICUT TEACHERS' RETIREMENT SYSTEM (UNAUDITED)
LAST SEVEN FISCAL YEARS*
(Rounded to nearest thousand)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net pension liability attributed to the Town	23,764,000	20,323,000	15,670,000	16,804,000	17,728,000	14,473,000	13,377,000
Total	<u>\$ 23,764,000</u>	<u>\$ 20,323,000</u>	<u>\$ 15,670,000</u>	<u>\$ 16,804,000</u>	<u>\$ 17,728,000</u>	<u>\$ 14,473,000</u>	<u>\$ 13,377,000</u>
Town's covered payroll	\$ 5,489,000	\$ 5,225,000	\$ 5,144,000	\$ 5,326,000	\$ 5,134,000	\$ 5,380,000	\$ 5,189,000
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total collective pension liability	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

TOWN OF WOODSTOCK, CONNECTICUT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY -
OTHER POST-EMPLOYMENT BENEFITS PLAN (UNAUDITED)
LAST FOUR FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability				
Service cost	\$ 29,125	\$ 29,125	\$ 24,481	\$ 27,981
Interest	6,587	8,951	16,256	231,619
Changes in benefit terms	-	-	-	-
Changes of assumptions and differences between expected and actual experience	(129,624)	(74,207)	(75,122)	(112,507)
Benefit payments, including refunds	-	-	-	-
Net change in total OPEB liability	(93,912)	(36,131)	(34,385)	147,093
Total OPEB liability - beginning	266,252	302,383	336,768	189,675
Total OPEB liability - ending	<u>\$ 172,340</u>	<u>\$ 266,252</u>	<u>\$ 302,383</u>	<u>\$ 336,768</u>

* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

TOWN OF WOODSTOCK, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY -
CONNECTICUT TEACHERS' RETIREMENT SYSTEM (UNAUDITED)
LAST FOUR FISCAL YEARS*
(Rounded to Nearest Thousand)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the collective net OPEB liability	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net OPEB liability attributed to the Town	3,544,000	3,169,000	3,133,000	4,325,000
Total	<u>\$ 3,544,000</u>	<u>\$ 3,169,000</u>	<u>\$ 3,133,000</u>	<u>\$ 4,325,000</u>
Town's covered payroll	\$ 5,596,000	\$ 5,225,000	\$ 5,144,000	\$ 5,326,000
Town's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total collective OPEB liability	2.50%	2.08%	1.49%	1.79%

* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND

A legally adopted budget is authorized annually for the General Fund. The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements, in accordance with provisions of Connecticut General Statutes:

- The head of each department, office or agency of the Town, supported wholly or in part from Town funds, except the Board of Education, files with the Board of Selectmen a detailed estimate of the expenditures to be made and the revenues, other than property taxes, to be collected in the ensuing fiscal year.
- The Board of Selectmen presents an estimate of revenues and expenditures and justifications to the Board of Finance for all Town-supported functions. The Board of Education presents estimates of revenues and expenditures and justifications to the Board of Finance for all local education functions.
- The Board of Finance holds at least one public hearing on the proposed budget. The Board of Finance may review the budget requests with the head of each department, board, agency and commission including the Board of Education. The Board of Finance then prepares a budget to be presented at the Town's Annual Budget meeting. The Annual Budget meeting will adjourn to referendum.
- The Town has an ordinance limiting the increase in the Town's combined annual expenditure budget to the increases in the Town's grand list, State and Federal assistance, and other income. The limit on expenditure increases does not apply to increases necessary to cover debt services, court judgments, State mandated programs and emergency expenditures. In revaluation years, the dollar amount of the combined annual expenditure budget is limited to the dollar increase of the preceding year's budget or the average amount of increase of the preceding three years, whichever is less.
- Expenditures are budgeted by function, department and object. The legal level of budget control is the department level. The Board of Finance may approve additional appropriations for a department, provided such additional appropriations do not exceed \$20,000 or are not a second request for an appropriation by the asking board, commission or department. Appropriations in excess of \$20,000 must also be approved by vote of a Town Meeting.
- Formal budgetary integration is employed as a management control device during the year.
- The budget is prepared on the modified accrual basis of accounting. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures of the current year. Generally, all unexpended appropriations lapse at year-end, except those for capital improvements and nonrecurring expenditures. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

TOWN OF WOODSTOCK, CONNECTICUT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND *(Continued)*

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP basis"). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2021:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Sources (Uses)</u>	<u>Net Change in Fund Balance</u>
Budgetary basis	\$ 23,934,819	\$ 24,364,532	\$ (284,179)	\$ (713,892)
"On-behalf" payments - State Teachers Retirement Fund	1,561,020	1,561,020	-	-
Reimbursement for certain grant and other revenues recorded as a reduction to expenditures for budgetary purposes	247,086	347,086	100,000	-
Certain transfers recorded as revenues or expenditures for budgetary purposes	-	80,030	80,030	-
Bond Refunding	-	40,193	40,193	-
GAAP basis	<u>\$ 25,742,925</u>	<u>\$ 26,392,861</u>	<u>\$ (63,956)</u>	<u>\$ (713,892)</u>

NOTE 2 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY - CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

The Town began to report this schedule in fiscal year 2019. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2020. This information is utilized by the Town for reporting as of June 30, 2021.

Benefit Changes - There have been no changes in benefit terms that have had a significant effect on the measurement of the collective total pension liability.

Assumption Changes - There have been no changes in assumptions that have had a significant effect on the measurement of the collective total pension liability.

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 3 - SCHEDULE OF CONTRIBUTIONS - CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

The Town began to report the schedule of contributions and investment returns in fiscal year 2019. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarially determined contribution rates are calculated as of June 30, 2020, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Utilized

- Actuarial cost method: Entry Age Actuarial Cost Method;
- Amortization method: Level dollar, closed;
- Remaining amortization period: 21 years;
- Asset valuation method: 5-year smoothed market with 20% recognition of investment gains and losses;
- Inflation: 3.25%;
- Investment rate of return: 8.00%, net of investment related expenses;
- Salary increases: Varies 4.25% to 11.00%;
- Cost of living adjustments: 2.50% for those retiring on or after January 1, 2002, for retirements prior to January 1, 2002 2.50% up to age 65, 3.25% afterwards
- Social Security Wage Base: 3.50%
- Mortality rates: For the period after retirement and for dependent beneficiaries, mortality rates were based on the RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees and the RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for Police and Fire. For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used. The static projection produces sufficient margin in the mortality rates to reflect future improvement in our judgement; and
- Future Cost-of-Living adjustments for members who retire on or after January 1, 2002 are 60% of the annual increase in the CPI up to 6%. The minimum annual COLA is 2.5%; the maximum is 6%.

NOTE 4 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY - CONNECTICUT TEACHERS' RETIREMENT SYSTEM

The Town began to report this schedule when it implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, in fiscal year 2015. GASB Statement No. 68 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2020. The liabilities were estimated based on a measurement date of June 30, 2020. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. This information is utilized by the Town for reporting as of June 30, 2021.

Benefit Changes – There was no benefit term changes that had a significant effect on the measurement of the Town's collective net pension liability reported as of June 30, 2021.

TOWN OF WOODSTOCK, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 4 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY - CONNECTICUT TEACHERS' RETIREMENT SYSTEM *(Continued)*

Assumption Changes - The following assumption changes had a significant effect on the measurement of the Town's collective net pension liability reported as of June 30, 2021.

- a decrease in the annual rate of real wage increase assumption from 0.75% to 0.50%;
- a decrease in the payroll growth assumption from 3.25% to 3.00%; and
- rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

NOTE 5 - SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY - OTHER POST-EMPLOYMENT BENEFITS PLAN

The Town began to report this schedule when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, in fiscal year 2018. GASB Statement No. 75 requires the information within this schedule to be presented for the ten most recent fiscal years.

The Town measures the total OPEB liability at the end of each fiscal year using the Alternative Measurement Method.

Benefit Changes - There have been no changes in benefit terms that have had a significant effect on the measurement of the total OPEB liability.

Assumption Changes - The following assumption changes collectively had a significant effect on the measurement of the total OPEB liability reported as of June 30, 2021.

- a decrease in the discount rate assumption from 2.37% to 2.23%; and
- project salary increase assumption was increased from 1.75% to 2.25%.

NOTE 6 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OTHER POST-EMPLOYMENT BENEFITS LIABILITY - CONNECTICUT TEACHERS' RETIREMENT SYSTEM

The Town began to report this schedule when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, in fiscal year 2018. GASB Statement No. 75 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2020. This information is utilized by the Town for reporting as of June 30, 2021.

Benefit Changes - There were no benefit term changes that had a significant effect on the measurement of the Town's collective net OPEB liability reported as of June 30, 2021.

Assumption Changes - The following assumption changes collectively had a significant effect on the measurement of the net OPEB liability reported as of June 30, 2021.

- a decrease in the annual rate of real wage increase assumption from 0.75% to 0.50%;
- a decrease in the payroll growth assumption from 3.25% to 3.00%; and
- rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

Combining and Individual Fund Statements and Schedules

General Fund

TOWN OF WOODSTOCK, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget
PROPERTY TAXES				
Current taxes	\$ 17,435,387	\$ 17,435,387	\$ 17,452,805	\$ 17,418
Motor vehicle supplement	195,000	195,000	227,426	32,426
Prior taxes	180,000	180,000	242,552	62,552
Interest and lien fees	95,000	95,000	142,213	47,213
Total property taxes	<u>17,905,387</u>	<u>17,905,387</u>	<u>18,064,996</u>	<u>159,609</u>
INTERGOVERNMENTAL REVENUES				
Education equalization grant	4,990,532	4,990,532	5,017,793	27,261
In lieu of taxes	10,500	10,500	13,286	2,786
Pequot grant	5,694	5,694	5,694	-
Totally disabled tax relief	-	-	773	773
Veterans tax relief	-	-	2,744	2,744
Local capital improvement grant	-	-	84,043	84,043
Total intergovernmental revenues	<u>5,006,726</u>	<u>5,006,726</u>	<u>5,124,333</u>	<u>117,607</u>
CHARGES FOR SERVICES				
Inland wetlands permits	500	500	1,795	1,295
Planning & zoning fees	7,000	7,000	15,415	8,415
Building permit fees	75,000	75,000	142,652	67,652
Conveyance tax	85,000	85,000	155,423	70,423
Town clerk fees	55,000	55,000	95,972	40,972
Landfill permits	195,000	195,000	234,448	39,448
Dog licenses	2,000	2,000	1,962	(38)
Fire marshal fees	2,500	2,500	1,986	(514)
Total charges for services	<u>422,000</u>	<u>422,000</u>	<u>649,653</u>	<u>227,653</u>
INTEREST INCOME				
	<u>76,000</u>	<u>76,000</u>	<u>14,550</u>	<u>(61,450)</u>
OTHER REVENUES				
Utility grant	12,500	12,500	13,994	1,494
Miscellaneous receipts	25,000	25,000	25,246	246
WPCA administration fees	4,100	4,100	4,100	-
Cell tower rental	32,000	32,000	37,947	5,947
Total other revenues	<u>73,600</u>	<u>73,600</u>	<u>81,287</u>	<u>7,687</u>
Total revenues	<u>23,483,713</u>	<u>23,483,713</u>	<u>23,934,819</u>	<u>451,106</u>
OTHER FINANCING SOURCES				
Use of prior year surplus	-	5,978	-	(5,978)
Appropriation of fund balance	1,159,204	1,159,204	-	(1,159,204)
Total other financing sources	<u>1,159,204</u>	<u>1,165,182</u>	<u>-</u>	<u>(1,165,182)</u>
Total revenues and other financing sources	<u>\$ 24,642,917</u>	<u>\$ 24,648,895</u>	<u>\$ 23,934,819</u>	<u>\$ (714,076)</u>

TOWN OF WOODSTOCK, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
GENERAL GOVERNMENT				
Board of Selectmen	\$ 195,735	\$ 149,708	\$ 149,708	\$ -
Assessor	124,121	121,766	121,766	-
Tax collector	121,467	108,726	108,726	-
Finance	158,827	158,639	158,639	-
Town clerk	126,083	126,083	126,083	-
Election	26,940	26,495	26,495	-
Probate Court	8,700	8,700	8,700	-
Town counsel	30,000	41,852	41,852	-
Town hall	125,700	119,338	119,338	-
Data processing	92,780	84,329	84,329	-
Insurance and employee benefits	811,678	779,207	779,207	-
Planning and zoning commission	39,540	33,651	33,651	-
Town planner	33,326	33,326	33,326	-
Inland/Wetlands commission	13,950	13,907	13,907	-
Economic development commission	500	500	500	-
Contingency fund	70,000	423	423	-
Boards and commissions	39,554	35,537	35,537	-
Total general government	<u>2,018,901</u>	<u>1,842,187</u>	<u>1,842,187</u>	<u>-</u>
PUBLIC SAFETY				
Building department	104,447	99,001	99,001	-
Fire marshal	32,140	30,332	30,332	-
Fire protection association	505,740	505,740	505,740	-
Police protection	13,051	7,679	7,679	-
Public safety boards and commissions	237,005	237,005	237,005	-
Total public safety	<u>892,383</u>	<u>879,757</u>	<u>879,757</u>	<u>-</u>
PUBLIC WORKS				
Highway department	1,525,904	1,518,578	1,518,578	-
Environmental	60,501	28,463	28,463	-
Transfer station/recycling center	281,833	259,248	259,248	-
Total public works	<u>1,868,238</u>	<u>1,806,289</u>	<u>1,806,289</u>	<u>-</u>
HEALTH, WELFARE AND RECREATION				
	<u>218,376</u>	<u>212,641</u>	<u>212,641</u>	<u>-</u>

(Continued)

TOWN OF WOODSTOCK, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Concluded)
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
BOARD OF EDUCATION				
Board of Education	\$ 19,205,251	\$ 19,205,251	\$ 19,205,067	\$ (184)
DEBT SERVICE				
Principal payments	362,128	362,128	362,128	-
Interest and fiscal charges	77,640	56,463	56,463	-
Total debt service	<u>439,768</u>	<u>418,591</u>	<u>418,591</u>	<u>-</u>
Total expenditures	24,642,917	24,364,716	24,364,532	(184)
OTHER FINANCING USES				
Transfer out to Capital Nonrecurring Fund	-	284,179	284,179	-
Total expenditures and other financing uses	<u>\$ 24,642,917</u>	<u>\$ 24,648,895</u>	<u>\$ 24,648,711</u>	<u>\$ (184)</u> <i>(Concluded)</i>

TOWN OF WOODSTOCK, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2021

Grand List Year	Balance Uncollected June 30, 2020	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2021
			Additions	Deductions			Taxes	Interest, Liens and Fees	Total	
2019	\$ -	\$ 18,110,584	\$ 19,029	\$ 66,069	\$ 2,119	18,061,425	\$ 17,697,474	\$ 63,790	\$ 17,761,264	\$ 363,951
2018	234,060	-	113	5,313	4,504	224,356	136,474	32,785	169,259	87,882
2017	102,746	-	40	-	6,720	96,066	57,564	19,789	77,353	38,502
2016	49,880	-	-	-	5,072	44,808	25,479	12,373	37,852	19,329
2015	19,750	-	-	-	1,011	18,739	11,990	6,434	18,424	6,749
2014	2,791	-	-	-	184	2,607	716	713	1,429	1,891
2013	413	-	-	-	-	413	133	94	227	280
2012	190	-	-	-	-	190	190	255	445	-
2011	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-
	<u>\$ 409,830</u>	<u>\$ 18,110,584</u>	<u>\$ 19,182</u>	<u>\$ 71,382</u>	<u>\$ 19,610</u>	<u>\$ 18,448,604</u>	<u>\$ 17,930,020</u>	<u>\$ 136,233</u>	<u>\$ 18,066,253</u>	<u>\$ 518,584</u>

TOWN OF WOODSTOCK, CONNECTICUT
SCHEDULE OF DEBT LIMITATION -
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2021

Total cash collections for the year ended
June 30, 2021:

Taxes	\$ 17,930,020
Interest and lien fees	136,233
Total	<u>18,066,253</u>

Total cash collections for the year ended
June 30, 2021 - coterminous governments

362,697

Reimbursement for revenue loss:

Tax relief (CGS 12-129d)	-
Base	<u>\$ 18,428,950</u>

	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 41,465,138	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	82,930,275	-	-	-
3-3/4 times base	-	-	69,108,563	-	-
3-1/4 times base	-	-	-	59,894,088	-
3 times base	-	-	-	-	55,286,850
Total debt limitation	<u>41,465,138</u>	<u>82,930,275</u>	<u>69,108,563</u>	<u>59,894,088</u>	<u>55,286,850</u>
Indebtedness:					
Bonds payable	<u>1,386,000</u>	<u>812,000</u>	<u>628,800</u>	<u>-</u>	<u>-</u>
Total indebtedness	<u>1,386,000</u>	<u>812,000</u>	<u>628,800</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 40,079,138</u>	<u>\$ 82,118,275</u>	<u>\$ 68,479,763</u>	<u>\$ 59,894,088</u>	<u>\$ 55,286,850</u>
Total capacity of borrowing (7 times base)	\$ 129,002,650				
Total present indebtedness	<u>2,826,800</u>				
Margin for additional borrowing	<u>\$ 126,175,850</u>				

* Coterminous governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule discloses the portion of indebtedness of those overlapping governments that is borne by the residents and businesses of the Town. This process recognizes that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. Overlapping governments consist of the Witches Woods Tax District, the Quassett Lake Tax District, and the Lake Bungee Tax District.

Nonmajor Governmental Funds

TOWN OF WOODSTOCK, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
AS OF JUNE 30, 2021

	Nonmajor Special Revenue Funds					
	Conservation Commission Fund	School Cafeteria Fund	Quasset School Fund	Education Grant Fund	Beautification Committee Fund	Recreation Committee Fund
ASSETS						
Cash and cash equivalents	\$ -	\$ 6,558	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Receivables:						
Sewer usage and assessments, net	-	-	-	-	-	-
Grants and contracts	-	65,461	-	478,892	-	-
Loans	-	-	-	-	-	-
Other	-	89	-	-	-	-
Due from other funds	2,161	-	1,302	-	1,320	71,972
Inventories	-	5,289	-	-	-	-
Total assets	<u>\$ 2,161</u>	<u>\$ 77,397</u>	<u>\$ 1,302</u>	<u>\$ 478,892</u>	<u>\$ 1,320</u>	<u>\$ 71,972</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 82	\$ 2,961
Accrued liabilities	-	-	-	-	-	28
Due to other funds	-	29,475	-	419,801	-	-
Unearned revenue	-	4,717	-	59,091	-	-
Total liabilities	<u>-</u>	<u>34,192</u>	<u>-</u>	<u>478,892</u>	<u>82</u>	<u>2,989</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue:						
Sewer usage and assessments	-	-	-	-	-	-
FUND BALANCES						
Nonspendable	-	5,289	-	-	-	-
Restricted	-	37,916	-	-	-	-
Committed	2,161	-	1,302	-	1,238	68,983
Assigned	-	-	-	-	-	-
Total fund balances	<u>2,161</u>	<u>43,205</u>	<u>1,302</u>	<u>-</u>	<u>1,238</u>	<u>68,983</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,161</u>	<u>\$ 77,397</u>	<u>\$ 1,302</u>	<u>\$ 478,892</u>	<u>\$ 1,320</u>	<u>\$ 71,972</u>

TOWN OF WOODSTOCK, CONNECTICUT
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 AS OF JUNE 30, 2021

	Nonmajor Special Revenue Funds					
	WPCA Fund	Town Aid Road Fund	Recycling Fund	Crystal Pond Park Revenue Fund	Arboretum Fund	Record Restoration Fund
ASSETS						
Cash and cash equivalents	\$ 207,414	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Receivables:						
Sewer usage and assessments, net	229,860	-	-	-	-	-
Grants and contracts	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other	1,986	-	-	-	-	-
Due from other funds	-	539,019	15,051	18,844	3,077	37,824
Inventories	-	-	-	-	-	-
Total assets	<u>\$ 439,260</u>	<u>\$ 539,019</u>	<u>\$ 15,051</u>	<u>\$ 18,844</u>	<u>\$ 3,077</u>	<u>\$ 37,824</u>
LIABILITIES						
Accounts payable	\$ 47,627	\$ -	\$ -	\$ 1,294	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-
Due to other funds	51,384	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>99,011</u>	<u>-</u>	<u>-</u>	<u>1,294</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue:						
Sewer usage and assessments	110,911	-	-	-	-	-
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	539,019	-	-	-	37,824
Committed	229,338	-	15,051	17,550	3,077	-
Assigned	-	-	-	-	-	-
Total fund balances	<u>229,338</u>	<u>539,019</u>	<u>15,051</u>	<u>17,550</u>	<u>3,077</u>	<u>37,824</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 439,260</u>	<u>\$ 539,019</u>	<u>\$ 15,051</u>	<u>\$ 18,844</u>	<u>\$ 3,077</u>	<u>\$ 37,824</u>

TOWN OF WOODSTOCK, CONNECTICUT
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS *(Continued)*
 AS OF JUNE 30, 2021

	Nonmajor Special Revenue Funds				
	Small Cities Fund	Miscellaneous Grants Fund	Scholarship Fund	Student Activity Fund	Total Special Revenue Funds
ASSETS					
Cash and cash equivalents	\$ 211,356	\$ -	\$ -	\$ 36,794	\$ 462,122
Investments	-	-	73,183	-	73,183
Receivables:					
Sewer usage and assessments, net	-	-	-	-	229,860
Grants and contracts	-	-	-	-	544,353
Loans	850,001	-	-	-	850,001
Other	-	-	-	-	2,075
Due from other funds	-	1,455	-	-	692,025
Inventories	-	-	-	-	5,289
Total assets	<u>\$ 1,061,357</u>	<u>\$ 1,455</u>	<u>\$ 73,183</u>	<u>\$ 36,794</u>	<u>\$ 2,858,908</u>
LIABILITIES					
Accounts payable	\$ 3,162	\$ 920	\$ -	\$ -	\$ 56,046
Accrued liabilities	-	-	-	-	28
Due to other funds	2,882	-	-	-	503,542
Unearned revenue	-	-	-	-	63,808
Total liabilities	<u>6,044</u>	<u>920</u>	<u>-</u>	<u>-</u>	<u>623,424</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue:					
Sewer usage and assessments	-	-	-	-	110,911
FUND BALANCES					
Nonspendable	-	-	-	-	5,289
Restricted	1,055,313	535	73,183	36,794	1,780,584
Committed	-	-	-	-	338,700
Assigned	-	-	-	-	-
Total fund balances	<u>1,055,313</u>	<u>535</u>	<u>73,183</u>	<u>36,794</u>	<u>2,124,573</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,061,357</u>	<u>\$ 1,455</u>	<u>\$ 73,183</u>	<u>\$ 36,794</u>	<u>\$ 2,858,908</u>

(Continued)

TOWN OF WOODSTOCK, CONNECTICUT
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 AS OF JUNE 30, 2021

	Nonmajor Capital Projects Funds				
	Open Space Fund	Capital Nonrecurring Fund	Highway Fund	School Roof Fund	Total Capital Projects Funds
ASSETS					
Cash and cash equivalents	\$ 636,433	\$ -	\$ -	\$ 5,288	\$ 641,721
Investments	-	164,075	-	-	164,075
Receivables:					
Sewer usage and assessments, net	-	-	-	-	-
Grants and contracts	-	-	-	-	-
Loans	-	-	-	-	-
Other	-	-	442	-	442
Due from other funds	-	1,012,030	-	-	1,012,030
Inventories	-	-	-	-	-
Total assets	<u>\$ 636,433</u>	<u>\$ 1,176,105</u>	<u>\$ 442</u>	<u>\$ 5,288</u>	<u>\$ 1,818,268</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 442	\$ -	\$ 442
Accrued liabilities	-	-	-	-	-
Due to other funds	24,918	-	-	-	24,918
Unearned revenue	-	-	-	-	-
Total liabilities	<u>24,918</u>	<u>-</u>	<u>442</u>	<u>-</u>	<u>25,360</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue:					
Sewer usage and assessments	-	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	206,729	-	5,288	212,017
Committed	611,515	814,995	-	-	1,426,510
Assigned	-	154,381	-	-	154,381
Total fund balances	<u>611,515</u>	<u>1,176,105</u>	<u>-</u>	<u>5,288</u>	<u>1,792,908</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 636,433</u>	<u>\$ 1,176,105</u>	<u>\$ 442</u>	<u>\$ 5,288</u>	<u>\$ 1,818,268</u>

(Continued)

TOWN OF WOODSTOCK, CONNECTICUT
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS *(Concluded)*
 AS OF JUNE 30, 2021

	Nonmajor Permanent Funds			Total Nonmajor Governmental Funds
	Bradford Marcy Cemetery Fund	Memorial Fund	Total Permanent Funds	
ASSETS				
Cash and cash equivalents	\$ 22,274	\$ -	\$ 22,274	\$ 1,126,117
Investments	-	-	-	237,258
Receivables:				
Sewer usage and assessments, net	-	-	-	229,860
Grants and contracts	-	-	-	544,353
Loans	-	-	-	850,001
Other	-	-	-	2,517
Due from other funds	-	4,987	4,987	1,709,042
Inventories	-	-	-	5,289
Total assets	<u>\$ 22,274</u>	<u>\$ 4,987</u>	<u>\$ 27,261</u>	<u>\$ 4,704,437</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 56,488
Accrued liabilities	-	-	-	28
Due to other funds	8,763	-	8,763	537,223
Unearned revenue	-	-	-	63,808
Total liabilities	<u>8,763</u>	<u>-</u>	<u>8,763</u>	<u>657,547</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue:				
Sewer usage and assessments	-	-	-	110,911
FUND BALANCES				
Nonspendable	10,100	3,000	13,100	18,389
Restricted	3,411	1,987	5,398	1,997,999
Committed	-	-	-	1,765,210
Assigned	-	-	-	154,381
Total fund balances	<u>13,511</u>	<u>4,987</u>	<u>18,498</u>	<u>3,935,979</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 22,274</u>	<u>\$ 4,987</u>	<u>\$ 27,261</u>	<u>\$ 4,704,437</u>

(Concluded)

TOWN OF WOODSTOCK, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Nonmajor Special Revenue Funds					
	Conservation Commission Fund	School Cafeteria Fund	Quasset School Fund	Education Grant Fund	Beautification Committee Fund	Recreation Committee Fund
REVENUES						
Grants and contracts	\$ -	\$ 323,001	\$ -	\$ 1,299,796	\$ -	\$ -
Charges for services	-	26,741	-	-	-	20,852
Other	-	-	-	31,670	-	8,077
Interest income	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>349,742</u>	<u>-</u>	<u>1,331,466</u>	<u>-</u>	<u>28,929</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	82	-
Public works	-	-	-	-	-	-
Health, welfare and recreation	-	-	-	-	-	47,421
Education	-	357,467	3,285	1,235,808	-	-
Debt service:						
Principal payments	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	3,292	-	-
Capital lease payments	-	-	-	101,098	-	-
Capital outlays	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>357,467</u>	<u>3,285</u>	<u>1,340,198</u>	<u>82</u>	<u>47,421</u>
Excess (deficiency) of revenues over expenditures	-	(7,725)	(3,285)	(8,732)	(82)	(18,492)
OTHER FINANCING SOURCES						
Transfers in	-	35,180	-	-	-	23,390
Net change in fund balances	-	27,455	(3,285)	(8,732)	(82)	4,898
Fund balances - beginning, as originally reported	2,161	15,750	4,587	8,732	1,320	64,085
Adjustments (See Note 1)	-	-	-	-	-	-
Fund balances - beginning, as adjusted	<u>2,161</u>	<u>15,750</u>	<u>4,587</u>	<u>8,732</u>	<u>1,320</u>	<u>64,085</u>
Fund balances - ending	<u>\$ 2,161</u>	<u>\$ 43,205</u>	<u>\$ 1,302</u>	<u>\$ -</u>	<u>\$ 1,238</u>	<u>\$ 68,983</u>

TOWN OF WOODSTOCK, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 FOR THE YEAR ENDED JUNE 30, 2021

	Nonmajor Special Revenue Funds					
	WPCA Fund	Town Aid Road Fund	Recycling Fund	Crystal Pond Park Revenue Fund	Arboretum Fund	Record Restoration Fund
REVENUES						
Grants and contracts	\$ -	\$ 385,098	\$ -	\$ -	\$ -	\$ -
Charges for services	212,123	-	-	12,091	-	8,024
Other	37,482	-	3,114	3,212	8,465	-
Interest income	209	-	-	-	-	-
Total revenues	<u>249,814</u>	<u>385,098</u>	<u>3,114</u>	<u>15,303</u>	<u>8,465</u>	<u>8,024</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	7,943	6,045
Public works	184,775	-	-	-	-	-
Health, welfare and recreation	-	-	-	10,483	-	-
Education	-	-	-	-	-	-
Debt service:						
Principal payments	19,650	-	-	-	-	-
Interest and fiscal charges	17,832	-	-	-	-	-
Capital lease payments	-	-	-	-	-	-
Capital outlays	-	517,265	873	-	-	-
Total expenditures	<u>222,257</u>	<u>517,265</u>	<u>873</u>	<u>10,483</u>	<u>7,943</u>	<u>6,045</u>
Excess (deficiency) of revenues over expenditures	27,557	(132,167)	2,241	4,820	522	1,979
OTHER FINANCING SOURCES						
Transfers in	-	-	-	900	-	-
Net change in fund balances	27,557	(132,167)	2,241	5,720	522	1,979
Fund balances - beginning, as originally reported	201,781	671,186	12,810	11,830	2,555	35,845
Adjustments (See Note 1)	-	-	-	-	-	-
Fund balances - beginning, as adjusted	<u>201,781</u>	<u>671,186</u>	<u>12,810</u>	<u>11,830</u>	<u>2,555</u>	<u>35,845</u>
Fund balances - ending	<u>\$ 229,338</u>	<u>\$ 539,019</u>	<u>\$ 15,051</u>	<u>\$ 17,550</u>	<u>\$ 3,077</u>	<u>\$ 37,824</u>

TOWN OF WOODSTOCK, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 FOR THE YEAR ENDED JUNE 30, 2021

	Nonmajor Special Revenue Funds				
	Small Cities Fund	Miscellaneous Grants Fund	Scholarship Fund	Student Activity Fund	Total Special Revenue Funds
REVENUES					
Grants and contracts	\$ -	\$ 39,748	\$ -	\$ -	\$ 2,047,643
Charges for services	-	-	-	28,387	308,218
Other	9,230	-	-	6,088	107,338
Interest income	-	-	19,418	-	19,627
Total revenues	<u>9,230</u>	<u>39,748</u>	<u>19,418</u>	<u>34,475</u>	<u>2,482,826</u>
EXPENDITURES					
Current:					
General government	-	42,503	-	-	56,573
Public works	-	-	-	-	184,775
Health, welfare and recreation	3,161	-	-	-	61,065
Education	-	-	-	8,392	1,604,952
Debt service:					
Principal payments	-	-	-	-	19,650
Interest and fiscal charges	-	-	-	-	21,124
Capital lease payments	-	-	-	-	101,098
Capital outlays	-	-	-	-	518,138
Total expenditures	<u>3,161</u>	<u>42,503</u>	<u>-</u>	<u>8,392</u>	<u>2,567,375</u>
Excess (deficiency) of revenues over expenditures	6,069	(2,755)	19,418	26,083	(84,549)
OTHER FINANCING SOURCES					
Transfers in	-	-	-	-	59,470
Net change in fund balances	6,069	(2,755)	19,418	26,083	(25,079)
Fund balances - beginning, as originally reported	1,049,244	3,290	-	-	2,085,176
Adjustments (See Note 1)	-	-	53,765	10,711	64,476
Fund balances - beginning, as adjusted	<u>1,049,244</u>	<u>3,290</u>	<u>53,765</u>	<u>10,711</u>	<u>2,149,652</u>
Fund balances - ending	<u>\$ 1,055,313</u>	<u>\$ 535</u>	<u>\$ 73,183</u>	<u>\$ 36,794</u>	<u>\$ 2,124,573</u>

(Continued)

TOWN OF WOODSTOCK, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 FOR THE YEAR ENDED JUNE 30, 2021

	Nonmajor Capital Projects Funds				Total Capital Projects Funds
	Open Space Fund	Capital Nonrecurring Fund	Highway Fund	School Roof Fund	
REVENUES					
Grants and contracts	\$ -	\$ 68,767	\$ -	\$ -	\$ 68,767
Charges for services	6,495	-	-	-	6,495
Other	-	8,536	-	-	8,536
Interest income	2,622	1,314	-	4	3,940
Total revenues	<u>9,117</u>	<u>78,617</u>	<u>-</u>	<u>4</u>	<u>87,738</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public works	-	-	-	-	-
Health, welfare and recreation	-	-	-	-	-
Education	-	74,055	-	-	74,055
Debt service:					
Principal payments	-	-	-	3,872	3,872
Interest and fiscal charges	-	-	-	-	-
Capital lease payments	-	-	-	-	-
Capital outlays	-	425,567	-	-	425,567
Total expenditures	<u>-</u>	<u>499,622</u>	<u>-</u>	<u>3,872</u>	<u>503,494</u>
Excess (deficiency) of revenues over expenditures	9,117	(421,005)	-	(3,868)	(415,756)
OTHER FINANCING SOURCES					
Transfers in	22,500	284,179	-	-	306,679
Total other financing sources	<u>22,500</u>	<u>284,179</u>	<u>-</u>	<u>-</u>	<u>306,679</u>
Net change in fund balances	31,617	(136,826)	-	(3,868)	(109,077)
Fund balances - beginning	579,898	1,312,931	-	9,156	1,901,985
Adjustments (See Note 1)	-	-	-	-	-
Fund balances - beginning, as adjusted	<u>579,898</u>	<u>1,312,931</u>	<u>-</u>	<u>9,156</u>	<u>1,901,985</u>
Fund balances - ending	<u>\$ 611,515</u>	<u>\$ 1,176,105</u>	<u>\$ -</u>	<u>\$ 5,288</u>	<u>\$ 1,792,908</u>

(Continued)

TOWN OF WOODSTOCK, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS *(Concluded)*
 FOR THE YEAR ENDED JUNE 30, 2021

	Nonmajor Permanent Funds			Total Nonmajor Governmental Funds
	Bradford Marcy Cemetery Fund	Memorial Fund	Total Permanent Funds	
REVENUES				
Grants and contracts	\$ -	\$ -	\$ -	\$ 2,116,410
Charges for services	-	-	-	314,713
Other	-	-	-	115,874
Interest income	178	2	180	23,747
Total revenues	<u>178</u>	<u>2</u>	<u>180</u>	<u>2,570,744</u>
EXPENDITURES				
Current:				
General government	596	-	596	57,169
Public works	-	-	-	184,775
Health, welfare and recreation	-	-	-	61,065
Education	-	-	-	1,679,007
Debt service:				
Principal payments	-	-	-	23,522
Interest and fiscal charges	-	-	-	21,124
Capital lease payments	-	-	-	101,098
Capital outlays	-	-	-	943,705
Total expenditures	<u>596</u>	<u>-</u>	<u>596</u>	<u>3,071,465</u>
Excess (deficiency) of revenues over expenditures	(418)	2	(416)	(500,721)
OTHER FINANCING SOURCES				
Transfers in	-	-	-	366,149
Net change in fund balances	(418)	2	(416)	(134,572)
Fund balances - beginning	13,929	4,985	18,914	4,006,075
Adjustments <i>(See Note 1)</i>	-	-	-	64,476
Fund balances - beginning, as adjusted	<u>13,929</u>	<u>4,985</u>	<u>18,914</u>	<u>4,070,551</u>
Fund balances - ending	<u>\$ 13,511</u>	<u>\$ 4,987</u>	<u>\$ 18,498</u>	<u>\$ 3,935,979</u>

(Concluded)

TOWN OF WOODSTOCK, CONNECTICUT
PROJECT STATUS SUMMARY -
CAPITAL NONRECURRING FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Beginning Fund Balance July 1, 2020	Revenues			Internal Transfers	Expenditures			Transfers In (Out)	Ending Fund Balance June 30, 2021
		Grants	Investment Income	Other Income		General Government	Education	Capital Outlays		
Restricted Fund Balance										
Public Act 05-228	\$ 65,211	\$ -	\$ -	\$ 3,984	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,195
Municipal Grants-In-Aid	68,767	68,767	-	-	-	-	-	-	-	137,534
	<u>133,978</u>	<u>68,767</u>	<u>-</u>	<u>3,984</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>206,729</u>
Committed Fund Balance										
Nonlapsing education funds	155,964	-	-	-	-	-	(74,055)	-	5,978	87,887
Transfer station	69,067	-	-	-	-	-	-	(1,250)	-	67,817
Highway equipment	65,651	-	-	4,552	-	-	-	(9,675)	-	60,528
Parking lot expansion	983	-	-	-	-	-	-	(450)	-	533
Plan of development	18,439	-	-	-	-	-	-	-	-	18,439
TH Drainage & Sidewalks Upgrade	6,631	-	-	-	-	-	-	-	-	6,631
Town Hall HVAC system upgrade	17,025	-	-	-	-	-	-	-	-	17,025
English Neighborhood Road Project - Phase III	52,839	-	-	-	-	-	-	(52,839)	-	-
Quasset School	1,319	-	-	-	-	-	-	-	-	1,319
Local Bridge Project - Phase I	73,082	-	-	-	-	-	-	(53,495)	-	19,587
Lucas Compression Machines	70,000	-	-	-	-	-	-	(61,497)	-	8,503
Lebanon Hill Road Phase I	52,839	-	-	-	-	-	-	-	-	52,839
WA Capital Assessment Installment 2	212,483	-	-	-	-	-	-	(212,483)	-	-
Emergency Tree Removal FY 21	42,961	-	-	-	-	-	-	(23,635)	-	19,326
Emergency Tree Removal	10,243	-	-	-	-	-	-	(10,243)	-	-
Town Hall Generator replacement	100,000	-	-	-	-	-	-	-	-	100,000
Town Hall Roof Replacement	50,000	-	-	-	-	-	-	-	-	50,000
Local Bridge Project - Phase 2	26,360	-	-	-	-	-	-	-	-	26,360
2026 Revaluation	-	-	-	-	-	-	-	-	30,000	30,000
Breaching of Dam CPP	-	-	-	-	-	-	-	-	50,000	50,000
Grader	-	-	-	-	-	-	-	-	148,201	148,201
Emergency Tree Removal FY 21	-	-	-	-	-	-	-	-	50,000	50,000
	<u>1,025,886</u>	<u>-</u>	<u>-</u>	<u>4,552</u>	<u>-</u>	<u>-</u>	<u>(74,055)</u>	<u>(425,567)</u>	<u>284,179</u>	<u>814,995</u>
Assigned Fund Balance										
Uncommitted capital projects funding	153,067	-	1,314	-	-	-	-	-	-	154,381
Total	<u>\$ 1,312,931</u>	<u>\$ 68,767</u>	<u>\$ 1,314</u>	<u>\$ 8,536</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (74,055)</u>	<u>\$ (425,567)</u>	<u>\$ 284,179</u>	<u>\$ 1,176,105</u>