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Town of Ledyard, Connecticut June 30, 2024 Audit Presentation

February 5, 2025



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Agenda

- Terms of Engagement
- Executive Summary
- Financial Highlights
- Federal and State Single Audit
- Governance Communication
- Management Advisory Letter
- Upcoming GASB Pronouncement
- Contact Information



Terms of Engagement

- Express opinions on whether the basic financial statements are presented in accordance with GAAP
- Express an “in relation” to opinion on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance.
- Express an opinion on compliance related to major federal and state award programs
- Provide a report on internal control over financial reporting and compliance with laws, regulations, contracts and grants
- Provide a report on internal control over compliance related to major federal and state award programs



Executive Summary

- Financial Statements
 - Unmodified Opinion on the basic financial statements
 - Best opinion available
 - No deficiency on internal controls over financial reporting



Financial Highlights – Governmental Activities

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 31,322,458	\$ 30,507,427	\$ 4,225,179	\$ 4,677,323	\$ 35,547,637	\$ 35,184,750
Capital assets, net of accumulated depreciation	112,178,888	111,631,877	22,664,852	22,810,679	134,843,740	134,442,556
Total assets	<u>143,501,346</u>	<u>142,139,304</u>	<u>26,890,031</u>	<u>27,488,002</u>	<u>170,391,377</u>	<u>169,627,306</u>
Deferred outflows of resources	4,203,227	4,464,803	45,152	76,795	4,248,379	4,541,598
Current and other liabilities	20,247,876	18,882,068	2,874,808	3,149,501	23,122,684	22,031,569
Long-term liabilities outstanding	48,178,052	50,732,431	3,052,216	3,438,752	51,230,268	54,171,183
Total liabilities	<u>68,425,928</u>	<u>69,614,499</u>	<u>5,927,024</u>	<u>6,588,253</u>	<u>74,352,952</u>	<u>76,202,752</u>
Deferred inflows of resources	5,899,497	6,731,686	-	339	5,899,497	6,732,025
Net Position:						
Net investments in capital assets	68,582,500	65,901,683	19,388,497	19,080,394	87,970,997	84,982,077
Restricted	1,935,656	2,071,594	-	-	1,935,656	2,071,594
Unrestricted	<u>2,860,992</u>	<u>2,284,645</u>	<u>1,619,662</u>	<u>1,895,811</u>	<u>4,480,654</u>	<u>4,180,456</u>
Total Net Position	<u>\$ 73,379,148</u>	<u>\$ 70,257,922</u>	<u>\$ 21,008,159</u>	<u>\$ 20,976,205</u>	<u>\$ 94,387,307</u>	<u>\$ 91,234,127</u>



Financial Highlights – Governmental Funds

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes, Interest, and Lien Fees	\$ 43,935,807	\$ -	\$ -	\$ 43,935,807
Intergovernmental Revenues	24,656,548	10,140,945	6,264,318	41,061,811
Charges for Services	2,377,275	311,693	985,499	3,674,467
Investment Income	1,010,972	-	461	1,011,433
Contributions	-	-	120,838	120,838
Other	-	385,380	-	385,380
Total Revenues	71,980,602	10,838,018	7,371,116	90,189,736
EXPENDITURES				
Current:				
General Government	13,282,281	-	1,511,086	14,793,367
Public Safety	4,609,316	-	-	4,609,316
Public Works	2,974,444	-	4,425	2,978,869
Health and Welfare	640,367	-	21,253	661,620
Library	564,866	-	25,026	589,892
Parks and Recreation	588,720	-	244,719	833,439
Education	42,956,301	292,345	5,574,111	48,822,757
Debt Service:				
Principal Retirement	2,673,303	-	-	2,673,303
Interest and Other Charges	1,140,007	339,822	-	1,479,829
Capital Outlay	-	5,081,483	-	5,081,483
Total Expenditures	69,429,605	5,713,650	7,380,620	82,523,875
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,550,997	5,124,368	(9,504)	7,665,861
OTHER FINANCING SOURCES (USES)				
Premiums	-	-	19,000	19,000
Sale of Capital Assets	-	36,656	-	36,656
Transfers in from Other Funds	313,480	2,157,866	-	2,471,346
Transfers Out to Other Funds	(2,700,029)	(59,980)	(3,500)	(2,763,509)
Total Other Financing Sources (Uses)	(2,386,549)	2,134,542	15,500	(236,507)
NET CHANGE IN FUND BALANCES	164,448	7,258,910	5,996	7,429,354
Fund Balances - Beginning of Year	5,341,087	(6,885,770)	5,116,138	3,571,455
FUND BALANCES - END OF YEAR	<u>\$ 5,505,535</u>	<u>\$ 373,140</u>	<u>\$ 5,122,134</u>	<u>\$ 11,000,809</u>



Financial Highlights – General Fund

- General Fund Budget
 - Total revenues including transfers were higher than budgetary estimates by \$587K
 - Property tax collections totaled \$43.9M ~ \$79K lower than budget
 - Investment Income (Bank Interest) - \$1.0M ~ \$711K higher than budget
 - Total expenditures including transfers were lower than budgetary estimates by \$61K



Federal Single Audit

- Total Federal Awards expended - \$6.8M
- Major Programs
 - Community Development Block Grant (Passed to Ledyard Housing)
 - COVID-19 – Coronavirus State and Local Fiscal Recovery Funds (ARPA)
 - Impact Aid
- Unmodified Opinion on major program compliance
- No compliance or internal control findings



State Single Audit

- Total State Awards expended – \$18.4M, subject to testing - \$3.8M
- Major Programs
 - Town Aid Road Grants
 - Local transportation Capital Program
 - Vocational Agriculture
- Unmodified opinion on major program compliance
- No compliance or internal control findings



Required Communications

- Qualitative aspects of accounting practices
 - Accounting Policies – No change
 - Significant Estimates
 - Net Pension Liability
 - Net OPEB Liability
 - Capital Assets – Useful lives
 - Allowance for Uncollectible Receivables
- Disagreements with management – None



Required Communications

- Uncorrected misstatements
 - Governmental Activities – Government Wide
 - Deferred outflows for contributions subsequent to measurement date for OPEB Plan- \$379K
 - School Lunch
 - 2023 School Lunch fund revenues recorded in 2024 - \$113K
- Corrected misstatements – None
- Management consultations with other independent accountants - None



Auditors' Communication Continued

- Significant issues discussed with management prior to engagement - None
- Significant findings or issues that were discussed, or the subject of correspondence with management - None
- Other audit findings or issues – Management Advisory Letter
- Other information in documents containing audited financial statements
 - RSI, Introductory and Statistical Information – no opinion
 - Combining and individual financial statement and schedules, SEFA and SESFA – in relation to financial statements opinion



Management Advisory Letter

- Prior Year Findings:
 - Capital Assets
 - Excel spreadsheets



GASB Standards:

- Implementation Year 2025:
 - Statement 101 – Compensated Absences
 - Statement 102 – Certain Risk Disclosures
- Audit Impact
 - Identify relevant documents
 - Update disclosures as applicable



Contact Information

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Questions?

