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# Town of Ledyard, Connecticut June 30, 2025 Audit Presentation

February 4, 2026

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# Agenda

- Terms of Engagement
- Executive Summary
- Financial Highlights
- Federal and State Single Audit
- Governance Communication
- Management Advisory Letter
- 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	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 20,726,186	\$ 31,322,458	\$ 2,387,280	\$ 4,225,179	\$ 23,113,466	\$ 35,547,637
Capital assets, net of accumulated depreciation	<u>116,347,280</u>	<u>112,178,888</u>	<u>23,413,180</u>	<u>22,664,852</u>	<u>139,760,460</u>	<u>134,843,740</u>
Total assets	<u>137,073,466</u>	<u>143,501,346</u>	<u>25,800,460</u>	<u>26,890,031</u>	<u>162,873,926</u>	<u>170,391,377</u>
Deferred outflows of resources	3,120,670	4,203,227	24,218	45,152	3,144,888	4,248,379
Current and other liabilities	12,798,803	20,247,876	1,176,432	2,874,808	13,975,235	23,122,684
Long-term liabilities outstanding	<u>41,095,784</u>	<u>48,178,052</u>	<u>2,650,239</u>	<u>3,052,216</u>	<u>43,746,023</u>	<u>51,230,268</u>
Total liabilities	<u>53,894,587</u>	<u>68,425,928</u>	<u>3,826,671</u>	<u>5,927,024</u>	<u>57,721,258</u>	<u>74,352,952</u>
Deferred inflows of resources	9,205,733	5,899,497	12,594	-	9,218,327	5,899,497
Net Position:						
Net investments in capital assets	80,743,352	68,582,500	20,486,661	19,388,497	101,230,013	87,970,997
Restricted	2,123,812	1,935,656	-	-	2,123,812	1,935,656
Unrestricted	<u>(5,773,348)</u>	<u>2,860,992</u>	<u>1,498,752</u>	<u>1,619,662</u>	<u>(4,274,596)</u>	<u>4,480,654</u>
Total Net Position	<u>\$ 77,093,816</u>	<u>\$ 73,379,148</u>	<u>\$ 21,985,413</u>	<u>\$ 21,008,159</u>	<u>\$ 99,079,229</u>	<u>\$ 94,387,307</u>



# Financial Highlights – Governmental Funds

	General Fund	Capital Projects Fund	Mill Rate Stabilization Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property Taxes, Interest, and Lien Fees	\$ 46,435,916	\$ -	\$ -	\$ -	\$ 46,435,916
Intergovernmental Revenues	24,702,614	3,922,559	-	3,550,346	32,175,519
Charges for Services	2,367,093	353,034	-	1,082,617	3,802,744
Investment Income	1,031,324	-	-	3,586	1,034,910
Contributions	-	-	-	98,037	98,037
Other	-	38,243	-	36,848	75,091
Total Revenues	74,536,947	4,313,836	-	4,771,434	83,622,217
<b>EXPENDITURES</b>					
Current:					
General Government	13,592,530	-	-	177,580	13,770,110
Public Safety	4,874,505	-	-	-	4,874,505
Public Works	3,148,282	-	-	1,200	3,149,482
Health and Welfare	453,851	-	-	11,114	464,965
Library	581,263	-	-	32,718	613,981
Parks and Recreation	582,533	-	-	251,959	834,492
Education	45,248,566	-	-	4,127,713	49,376,279
Debt Service:					
Principal Retirement	2,449,221	-	-	-	2,449,221
Interest and Other Charges	1,031,074	193,915	-	-	1,224,989
Capital Outlay	182,129	10,047,647	-	-	10,229,776
Total Expenditures	72,143,954	10,241,562	-	4,602,284	86,987,800
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	2,392,993	(5,927,726)	-	169,150	(3,365,583)
<b>OTHER FINANCING SOURCES (USES)</b>					
Premiums	-	-	39,820	-	39,820
Lease Issuance	182,129	-	-	-	182,129
Financed Purchase Issuance	-	289,990	-	-	289,990
Sale of Capital Assets	-	50,574	-	-	50,574
Transfers In	250,000	2,307,640	-	2,390	2,560,030
Transfers Out	(2,629,849)	(247,890)	-	-	(2,877,739)
Total Other Financing Sources (Uses)	(2,197,720)	2,400,314	39,820	2,390	244,804
<b>NET CHANGE IN FUND BALANCES</b>	195,273	(3,527,412)	39,820	171,540	(3,120,779)
Fund Balances - Beginning of Year, As Originally Reported	5,505,535	373,140	-	5,122,134	11,000,809
Entity Reporting Entity (Nonmajor to Major Fund)	-	-	3,449,279	(3,449,279)	-
Fund Balances - Beginning of Year, As Adjusted	5,505,535	373,140	3,449,279	1,672,855	11,000,809
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 5,700,808</u>	<u>\$ (3,154,272)</u>	<u>\$ 3,489,099</u>	<u>\$ 1,844,395</u>	<u>\$ 7,880,030</u>



# Financial Highlights – General Fund

- General Fund Budget
  - Total revenues including transfers were higher than budgetary estimates by \$265K
    - Property tax collections totaled \$46.4M ~ \$342K lower than budget
    - Investment Income (Bank Interest) - \$1.0M ~ \$481K higher than budget
  - Total expenditures including transfers were lower than budgetary estimates by \$491K





# Federal Single Audit

- Total Federal Awards expended - \$4.7M
- Major Programs
  - Impact Aid
- Unmodified Opinion on major program compliance
- No compliance or internal control findings



# State Single Audit

- Total State Awards expended – \$21.2M, subject to testing - \$6.4M
- Major Programs
  - Tiered PILOT
  - Local transportation Capital Program
  - Education Finance Reform
  - 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
    - Open balance OPEB Plan- \$394K
    - OPEB adjustments change in measurement date - \$484K
    - Capital Asset Adjustment - \$250K
    - GASB 101 implementation - \$411K
  - Mill Rate Stabilization Fund
    - Record effect of 2024 BAN premium - \$19K
    - Record effect of 2025 BAN premium - \$39K
- 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 Comment
- 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 Comments

- Prior Year Findings:
  - Capital Assets
    - Excel spreadsheets



# Contact Information

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Principal

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15



# Questions?



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