

Town of Beacon Falls, Connecticut

Financial Statements



For the year ended June 30, 2009

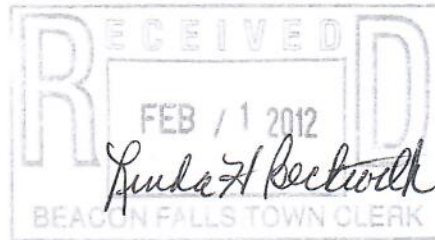
With Report of Independent Auditor

Town of Beacon Falls, Connecticut

Audited Financial Statements

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Independent Auditor's Report

To the Board of Finance
Town of Beacon Falls, Connecticut

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Beacon Falls, Connecticut as of and for the year ended June 30, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Beacon Falls' management. My responsibility is to express opinions on these financial statements based on my audit.

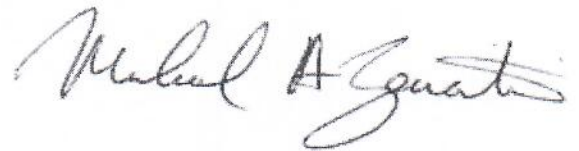
I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my 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 Beacon Falls, Connecticut as of June 30, 2009, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated January 27, 2010 on my consideration of the Town of Beacon Falls, Connecticut's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The management's discussion and analysis on pages 3 through 9 is not a required part of the basic financial statements, but is supplementary information required by the accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Beacon Falls' basic financial statements. The budgetary detail, combining and individual nonmajor fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary detail, combining and individual nonmajor fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in dark ink, appearing to read "Michael A. Zgouras". The signature is fluid and cursive, with the first name "Michael" and last name "Zgouras" clearly distinguishable.

Watertown, Connecticut
January 27, 2010

Town of Beacon Falls, Connecticut

Management's Discussion and Analysis

For the year ended June 30, 2009

This discussion is intended to provide readers a narrative overview and analysis of the financial activities of the Town of Beacon Falls, Connecticut (the "Town") for the fiscal year ended June 30, 2009. The information presented here should be considered in conjunction with the Town's financial statements that follow.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the Town's assets of \$17,595,872 at June 30, 2009 exceeded its liabilities of \$8,315,703 resulting in net assets of \$9,280,169. Of this amount, net assets of \$542,330 were restricted for the Town's sewer waste water system, and net assets of \$49,486 were restricted for capital project costs. Unrestricted net assets of \$2,452,761 were available to meet the Town's ongoing obligations, and net assets of \$6,235,592 were invested in capital assets.
- The Town's governmental funds reported, on a current financial resources basis, combined ending fund balances of \$10,832, a decrease of \$466,519 from the prior fiscal year due primarily to the operating results of the Bonding Projects Fund. The \$1,377,454 fund balance of the General Fund available for spending at the Town's discretion (unreserved fund balance) represented 7.6% of fiscal year 2010 budgeted appropriations. The \$2,090,293 fund deficit of the Bonding Projects Fund was the result of the short-term financing of capital projects with Bond Anticipation Notes. It is expected that this deficit will be financed primarily with government grants.
- The Town's long-term debt decreased \$153,929 from the prior fiscal year to \$4,739,833 at June 30, 2009. The debt consisted of general obligation bonds (\$2,895,600), pension obligations (\$1,695,323), capital lease obligations (\$139,953), and employee post-employment health care benefits (\$8,957).

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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 assets and the statement of activities, which are the government-wide statements, report information about Town finances as a whole and about its activities in a way that helps the reader determine whether the Town is better or worse off as a result of the year's activities.

The statement of net assets reflects all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the Town's financial position is improving or deteriorating. However, significant changes in net assets can also occur from year to year due to changes in accounting standards issued by the Governmental Accounting Standards Board (GASB). To assess the overall health of the Town other nonfinancial factors such as the property tax base and the condition of the Town's infrastructure also need to be considered.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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, such as uncollected property taxes and assessments that will result in cash flows in future fiscal periods are reported in this statement.

Town of Beacon Falls, Connecticut

Management's Discussion and Analysis

For the year ended June 30, 2009

The government-wide financial statements distinguish functions of the Town that are principally supported by tax revenues, grants 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 governmental activities of the Town include general government, public safety, public works, health and welfare, culture and recreation, sanitation and education. The Town does not report any funds that carry on business-type activities.

The government-wide financial statements can be found on pages 10 and 11 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements, that is to say the Town's most basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on cash and other financial resources that can be readily converted to cash flow in and out, and balances left at year-end that are available for spending. Consequently, the governmental fund financial statements provide a near or short-term view of the Town's finances that 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 government'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.

The Town maintains sixteen 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 (deficits) for the General Fund, the Bonding Projects Fund, and the Sewer Waste Water Fund, each of which is considered to be a major fund. The remaining thirteen funds are combined into a single aggregated presentation in the financial statements. Individual fund data for each of these nonmajor funds is reported as supplementary information to the financial statements.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 12 to 15 of this report.

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to provide services to the Town. The Melbourne Trust Fund is the Town's only fiduciary fund.

The basic fiduciary fund financial statements can be found on pages 16 and 17 of this report.

Town of Beacon Falls, Connecticut Management's Discussion and Analysis

For the year ended June 30, 2009

Notes To The Financial Statements

The notes 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 18 to 32 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve as a useful indicator of a government's financial position. The Town's assets exceeded its liabilities by \$9,280,169 at the close of the fiscal year. Please see Note 13 on page 32 of the financial statements for information on the restatement of net assets.

Town of Beacon Falls Net Assets

	2009	2008
<u>Assets</u>		
Current and other assets	\$ 6,434,048	\$ 6,337,369
Capital assets, net	11,161,824	11,021,078
Total assets	17,595,872	17,358,447
<u>Liabilities</u>		
Current liabilities	3,575,870	3,557,053
Long-term liabilities	4,739,833	4,696,110
Total liabilities	8,315,703	8,253,163
<u>Net assets</u>		
Invested in capital assets, net of related debt	6,235,592	6,051,114
Restricted	591,816	617,663
Unrestricted	2,452,761	2,436,507
Total net assets	\$ 9,280,169	\$ 9,105,284

The largest portion of the Town's net assets (67.2%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, and infrastructure assets such as roads and bridges). The Town uses these assets to provide services to its citizens; consequently these assets are not available for spending. Of the Town's remaining net assets, \$2,452,761 (26.4%) is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors. The Town's total net assets increased \$174,885 during the current fiscal year.

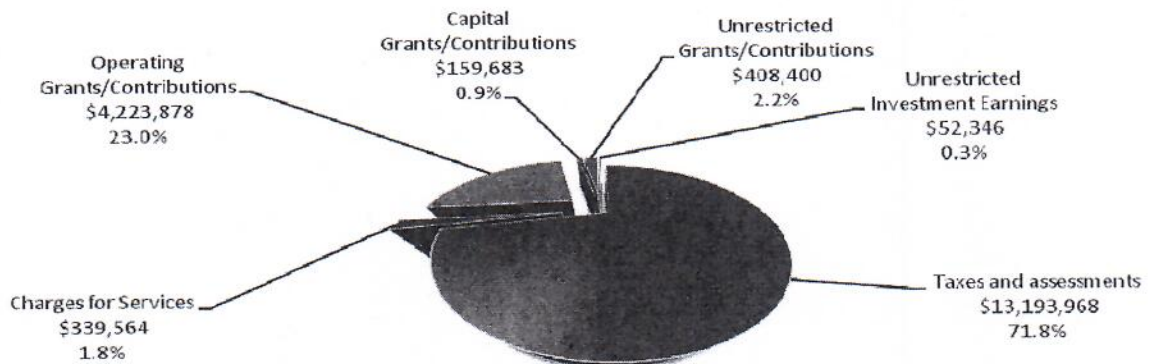
Town of Beacon Falls, Connecticut Management's Discussion and Analysis

For the year ended June 30, 2009

Town of Beacon Falls Changes in Net Assets

	2009	2008
Revenues:		
Program:		
Charges for services	\$ 339,564	\$ 251,867
Operating grants and contributions	4,223,878	3,998,502
Capital grants and contributions	159,683	197,268
General:		
Taxes and assessments	13,193,968	11,291,119
Grants and contributions, not restricted to specific programs	408,400	582,213
Unrestricted investment earnings	52,346	211,972
Total revenues	<u>18,377,839</u>	<u>16,532,941</u>
Expenses:		
General government and other	1,825,356	1,930,638
Public safety	1,075,581	1,068,327
Public works	903,721	688,996
Health and welfare	60,531	59,184
Culture and recreation	334,479	393,603
Sanitation	1,083,802	975,701
Education	12,655,947	11,687,971
Interest on long-term debt	263,537	70,440
Total expenses	<u>18,202,954</u>	<u>16,874,860</u>
Change in net assets	174,885	(341,919)
Net assets, beginning of year	9,105,284	9,555,624
Restatement of net assets		(108,421)
Net assets, end of year	<u>\$ 9,280,169</u>	<u>\$ 9,105,284</u>

2009 Governmental Activities Revenues by Source

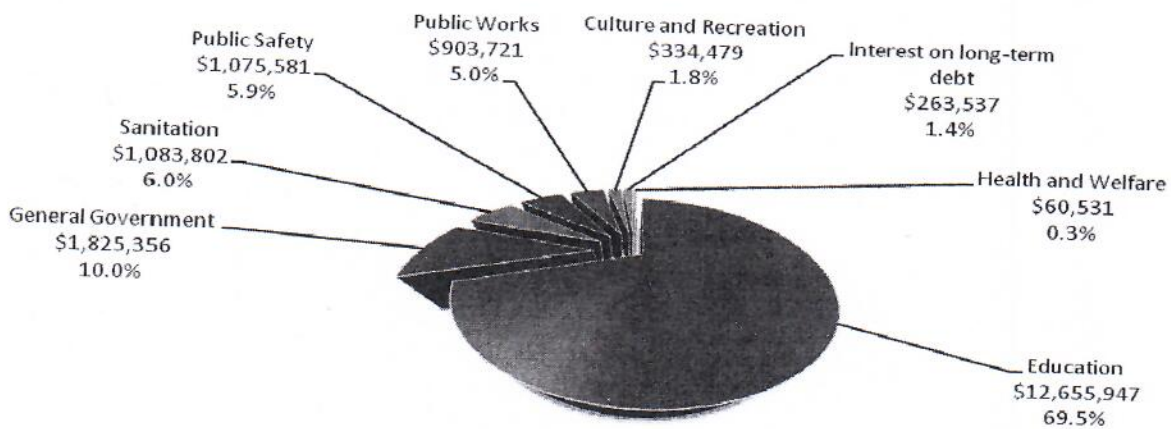


Town of Beacon Falls, Connecticut Management's Discussion and Analysis

For the year ended June 30, 2009

Governmental activities revenues increased \$1,844,898 from the prior fiscal year due primarily to an increase in tax revenue. The most significant factor affecting this increase was an increase in the annual tax levy necessitated by the \$967,976 increase in the amount the Town was assessed by Regional School District #16. Other factors included an increase in the amount of interest that the Town collected on delinquent tax accounts, and \$130,013 in proceeds on the sale of properties of delinquent taxpayers.

2009 Governmental Activities Expenses by Function



Governmental activities expenses totaled \$18,202,954 for fiscal year 2009, a \$1,328,094 increase from the prior fiscal year. The most significant factor affecting the increase was the aforementioned \$967,976 increase in the Regional School District assessment. The \$214,825 increase in public works expenses was due primarily to increased road maintenance costs, and an increase in depreciation expense of Town infrastructure assets.

FINANCIAL ANALYSIS OF THE GOVERNMENT'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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Town of Beacon Falls, Connecticut

Management's Discussion and Analysis

For the year ended June 30, 2009

As of the end of the current fiscal year, the Town's governmental funds reported, on a current financial resources basis, combined ending fund balances of \$10,832. The \$1,377,454 fund balance of the General Fund available for spending at the Town's discretion (unreserved fund balance) represented 7.6% of fiscal year 2010 budgeted appropriations.

The \$2,090,293 fund deficit of the Bonding Projects Fund is the result of the short-term financing of capital projects with Bond Anticipation Notes. It is expected that this deficit will be financed primarily with government grants. The \$560,861 increase in the deficit during the current fiscal year was the primary factor in the overall decrease of \$466,519 in the combined fund balances of the Town.

GENERAL FUND BUDGETARY HIGHLIGHTS

On a budgetary basis, revenues for the fiscal year were \$54,601 greater than final budgetary projections, while expenditures were \$35,202 less than final budgeted amounts. The Town's final amended General Fund budget, which included additional appropriations to the original budget, provided for the use of \$59,118 of general fund balance.

The final budget reflects both an \$867,030 increase in property tax revenue projections and education expenditures. The original budget approved prior to the Regional School District No.16 budget being approved, reflected estimated tax revenue projections, and education expenditures. The Town's final tax revenue projection, as well as the mil rate to finance the projection, was set upon the adoption of the Regional School District Budget.

Significant additional departmental appropriations included \$40,200 for emergency services, \$42,494 for police protection, and \$38,829 for wastewater treatment operations. In addition to the use of fund balance, additional departmental appropriations were financed with transfers from unexpended appropriations of various other Town departments.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2009, the Town's investment in capital assets (net of accumulated depreciation) was \$11,161,824, an increase of \$140,746 from the prior fiscal year. This investment in capital assets includes land, land improvements, buildings and improvements, infrastructure assets (roads, culverts and bridges), machinery, equipment and vehicles.

Major capital asset investments during the year included the acquisition of property (\$385,933), the capital lease purchases of two police vehicles (\$52,721), and capital projects activities (\$270,925).

Additional information on the Town's capital assets can be found in Note 7 on page 26 of this report.

Town of Beacon Falls, Connecticut Management's Discussion and Analysis

For the year ended June 30, 2009

Debt

At June 30, 2009 the Town's debt included:

- Long-term general obligation bond debt outstanding of \$2,895,600. The debt, which financed water and sewer projects, is backed by the full faith and credit of the Town. While a portion of the debt is financed through assessments on benefited users, the Town is still obligated to repay all principal and interest.
- Short-term bond anticipation note debt of \$3,325,000, backed by the full faith and credit of the Town, to provide funding for various capital projects including rehabilitation of the Depot Street Bridge.
- Obligations under capital leases of \$139,953
- Unfunded accrued pension plan liabilities of \$1,695,323. As a participant in the Connecticut Municipal Employee Retirement System (MERS), the Town is obligated to MERS for the plan's unfunded accrued liabilities to participating Town employees.

Additional information on the Town's debt can be found in Note 8 on page 27 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

These following factors were considered in preparing the Town's budget and rates for the 2009-2010 fiscal year.

- The Town's unemployment rate rose to 8.4% in June 2009 compared to 5.3% a year earlier.
- The continued uncertainty of State of Connecticut grants could play an adverse role in the Town's finances based on its heavy dependence on these sources of funding
- The future needs for capital funding to maintain and improve local infrastructure.

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 financial information should be addressed to the Office of the First Selectmen, Town of Beacon Falls Town Hall, 10 Maple Avenue, Beacon Falls, CT 06403.

Town of Beacon Falls, Connecticut

Statement of Net Assets

June 30 2009

	<u>Governmental Activities</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 3,110,778
Receivables, net of allowances:	
Property tax	837,802
Accrued interest and lien fees	376,457
Sewer & Water assessments	1,885,075
Intergovernmental	104,906
Mortgage receivable	24,157
Other	86,153
Other assets	8,720
Noncurrent assets:	
Capital assets, net of accumulated depreciation	11,161,824
Total assets	<u>17,595,872</u>
<u>Liabilities</u>	
Accounts payable	65,716
Accrued interest	182,392
Other current liabilities	2,762
Bond anticipation notes payable	3,325,000
Noncurrent liabilities:	
Due within one year	242,258
Due in more than one year	4,497,575
Total liabilities	<u>8,315,703</u>
<u>Net assets</u>	
Invested in capital assets, net of related debt	6,235,592
Restricted for sewer systems	542,330
Restricted for capital projects	49,486
Unrestricted	2,452,761
Total net assets	<u>\$ 9,280,169</u>

The notes to the financial statements are an integral part of this statement.

Town of Beacon Falls, Connecticut

Statement of Activities

For the year ended June 30, 2009

		Program Revenues			Net (Expense)
		Charges for	Operating	Capital	Revenue and
Expenses		Services	Grants and	Grants and	Change In
			Contributions	Contributions	Net Assets
Governmental activities:					
General government	\$ (1,825,356)	\$ 140,854	\$ -	\$ 29,500	\$ (1,655,002)
Public safety	(1,075,581)	7,050	62,076		(1,006,455)
Public works	(903,721)		92,556	115,000	(696,165)
Health and welfare	(60,531)				(60,531)
Culture and recreation	(334,479)	16,468	24,611		(293,400)
Sanitation	(1,083,802)	175,192		15,183	(893,427)
Education	(12,655,947)		4,044,635		(8,611,312)
Interest on long-term debt	(263,537)				(263,537)
Total governmental activities	\$ (18,202,954)	\$ 339,564	\$ 4,223,878	\$ 159,683	(13,479,829)
General revenues:					
					13,193,968
					408,400
					52,346
					13,654,714
					174,885
					9,105,284
					\$ 9,280,169

The notes to the financial statements are an integral part of this statement.

Town of Beacon Falls, Connecticut

Balance Sheet - Governmental Funds

June 30, 2009

	General Fund	Bonding Projects	Sewer Waste Water	Nonmajor Funds	Total Funds
Assets					
Cash and cash equivalents	\$ 831,248	\$ 1,620,564	\$ 542,330	\$ 116,636	\$ 3,110,778
Receivables, net of allowances:					
Property tax	837,802				837,802
Accrued interest and lien fees	376,457				376,457
Sewer and water assessments	1,885,075				1,885,075
Intergovernmental	104,906				104,906
Mortgage receivable	24,157				24,157
Other	86,153				86,153
Other assets	3,075			5,645	8,720
Due from other funds	427,239			102,525	529,764
Total assets	<u>\$ 4,576,112</u>	<u>\$ 1,620,564</u>	<u>\$ 542,330</u>	<u>\$ 224,806</u>	<u>\$ 6,963,812</u>
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 63,633	\$ -	\$ -	\$ 2,083	\$ 65,716
Other liabilities	2,762				2,762
Due to other funds	102,525	385,857	15,691	25,691	529,764
Bond anticipation notes payable		3,325,000			3,325,000
Deferred property tax revenue	1,125,163				1,125,163
Deferred sewer assessments	1,880,418				1,880,418
Deferred mortgage receivable	24,157				24,157
Total liabilities	<u>3,198,658</u>	<u>3,710,857</u>	<u>15,691</u>	<u>27,774</u>	<u>6,952,980</u>
Fund balances (deficits):					
Reserved					
Unreserved:				34,570	34,570
Designated for subsequent year expenditure	100,000				100,000
Undesignated reported in:					
General fund	1,277,454				1,277,454
Special revenue funds			526,639	107,331	633,970
Capital project funds		(2,090,293)		55,131	(2,035,162)
Total fund balances (deficits)	<u>1,377,454</u>	<u>(2,090,293)</u>	<u>526,639</u>	<u>197,032</u>	<u>10,832</u>
Total liabilities and fund balances (deficits)	<u>\$ 4,576,112</u>	<u>\$ 1,620,564</u>	<u>\$ 542,330</u>	<u>\$ 224,806</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

That portion of property taxes, interest, lien fees, and water and sewer assessment receivables that are not available to pay for current period expenditures are deferred, or not recognized, in the funds.

Other receivables that are not available to pay for current period expenditures are deferred, or not recognized in the funds.

Accrued interest payable on long-term liabilities is not payable in the current period and, therefore, is not reported in the funds.

Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the funds

Net Assets of Governmental Activities

11,161,824

3,005,581

24,157

(182,392)

(4,739,833)

\$ 9,280,169

The notes to the financial statements are an integral part of this statement.

Town of Beacon Falls, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) Governmental Funds

For the year ended June 30, 2009

	General Fund	Bonding Projects	Sewer Waste Water	Nonmajor Funds	Total Funds
Revenues:					
Taxes and assessments	\$ 12,873,095	\$ -	\$ -	\$ -	\$ 12,873,095
Intergovernmental	4,475,600			96,834	4,572,434
Investment income	29,628	19,318	6,572	1,566	57,084
Charges for services	216,147		70,405	14,159	300,711
Other	178,571	39,919		23,175	241,665
Total revenues	17,773,041	59,237	76,977	135,734	18,044,989
Expenditures:					
Current:					
General government	1,801,110			5,145	1,806,255
Public safety	980,271			2,023	982,294
Public works	640,666				640,666
Health and welfare	60,531				60,531
Culture and recreation	287,822			21,679	309,501
Sanitation	878,249		3,395		881,644
Education	12,655,947				12,655,947
Debt service:					
Principal retirements	135,057				135,057
Interest payments	260,691				260,691
Capital lease payments	89,878				89,878
Capital outlay	76,153	632,075		45,514	753,742
Total expenditures	17,866,375	632,075	3,395	74,361	18,576,846
Excess of revenues over (under) expenditures	(93,334)	(572,838)	73,582	61,373	(531,217)
Other financing sources (uses):					
Transfers in	28,947			190,219	219,166
Transfers out			(19,000)	(200,166)	(219,166)
Capital lease proceeds	52,721				52,721
Premium on bond anticipation notes		11,977			11,977
Total other financing sources (uses)	81,668	11,977	(19,000)	(9,947)	64,708
Net change in fund balances	(11,666)	(560,861)	54,582	51,426	(466,519)
Fund balances (deficits), beginning of year	1,389,120	(1,529,432)	472,057	145,606	477,351
Fund balances (deficits), end of year	\$ 1,377,454	\$ (2,090,293)	\$ 526,639	\$ 197,032	\$ 10,832

The notes to the financial statements are an integral part of this statement.

Town of Beacon Falls, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) of Governmental Funds to the Statement of Activities

For the year ended June 30, 2009

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds

\$ (466,519)

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. This is the amount by which capital outlays exceeded depreciation in the current period.

88,024

Property tax and assessment revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

320,873

Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the funds. This is the amount that the Town's unfunded accrued pension obligation decreased during the current period.

19,374

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

213,133

Change in net assets of governmental activities

\$ 174,885

The notes to the financial statements are an integral part of this statement.

Town of Beacon Falls, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - General Fund

For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 12,080,008	\$ 12,947,038	\$ 12,873,095	\$ (73,943)
Intergovernmental	4,382,036	4,382,036	4,475,600	93,564
Investment income	75,000	75,000	29,628	(45,372)
Charges for services	170,400	170,400	216,147	45,747
Other	143,966	143,966	178,571	34,605
Total revenues	<u>16,851,410</u>	<u>17,718,440</u>	<u>17,773,041</u>	<u>54,601</u>
Expenditures:				
Current:				
General government	1,848,248	1,814,414	1,801,110	13,304
Public safety	917,828	998,205	980,271	17,934
Public works	606,399	621,290	640,666	(19,376)
Health and welfare	62,629	60,805	60,531	274
Culture and Recreation	303,683	308,422	287,822	20,600
Sanitation	861,576	879,818	878,249	1,569
Education	11,788,917	12,655,947	12,655,947	-
Debt service:				
Principal retirements	135,530	135,530	135,057	473
Interest payments	271,153	261,006	260,691	315
Capital lease payments	92,745	89,879	89,878	1
Capital outlay	15,000	23,540	23,432	108
Total expenditures	<u>16,903,708</u>	<u>17,848,856</u>	<u>17,813,654</u>	<u>35,202</u>
Excess of revenues over (under) expenditures	<u>(52,298)</u>	<u>(130,416)</u>	<u>(40,613)</u>	<u>89,803</u>
Other financing sources (uses):				
Transfers in	52,298	71,298	28,947	(42,351)
Net change in fund balance	<u>\$ -</u>	<u>\$ (59,118)</u>	<u>(11,666)</u>	<u>\$ 47,452</u>
Fund balance, beginning of year			<u>1,389,120</u>	
Fund balance, end of year			<u>\$ 1,377,454</u>	

The notes to the financial statements are an integral part of this statement.

Town of Beacon Falls, Connecticut

Statement of Fiduciary Net Assets - Fiduciary Funds

June 30, 2009

	Private-Purpose Trust Melborne Fund
<u>Assets</u>	
Cash and cash equivalents	\$ <u>27,569</u>
Net Assets	\$ <u>27,569</u>

The notes to the financial statements are an integral part of this statement.

Town of Beacon Falls, Connecticut

Statement of Changes in Fiduciary Net Assets - Fiduciary Funds

For the year ended June 30, 2009

	Private-Purpose Trust Melborne Fund
Additions:	
Investment interest	\$ 166
Deductions:	
Scholarships	2,000
Change in net assets	(1,834)
Net assets, beginning of year	29,403
Net assets, end of year	<u>\$ 27,569</u>

The notes to the financial statements are an integral part of this statement.

Town of Beacon Falls, Connecticut

Notes to Financial Statements

June 30, 2009

Note 1 – Significant Accounting Policies

Reporting Entity

The Town of Beacon Falls, Connecticut (the "Town") was incorporated in 1871. It operates under a Board of Selectmen, Town Meeting, Board of Finance form of government and provides a full range of services including public safety, public works, sanitation, health and welfare, culture and recreation, education, and general administrative services to its residents. The accompanying financial statements conform to accounting principles generally accepted in the United States of America as applicable to governments.

Accounting principles generally accepted in the United States of America require that the reporting entity include 1) the primary government, 2) organizations for which the primary government is financially accountable, and 3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Governmental Accounting Standards Board (GASB) Codification Section 2100 have been considered and there are no entities which should be presented with the Town.

Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government. As a general rule, the effect of interfund activity has been eliminated from these statements. Governmental activities, primarily supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The various funds included in the financial statements are described below:

Governmental Funds are those through which most governmental functions typically are financed. The governmental funds are as follows:

The *General Fund* is the primary operating fund of the Town. It is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, state grants, licenses, permits, charges for services, and earnings on investments.

Special Revenue Funds account for revenue derived from specific sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities.

Town of Beacon Falls, Connecticut
Notes to Financial Statements (continued)

Capital Project Funds account for all financial resources used for the acquisition or construction of capital assets.

Fiduciary Funds are used to account for assets held by the town in a trustee capacity or as an agent for individuals, private organizations, and other governments. Fiduciary funds are not included in the government-wide statements. The fiduciary funds are as follows:

Private-Purpose Trust Funds are used to account for resources legally held in trust for the benefit of individuals, private organizations or other governments.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes and assessments 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.

Amounts reported as program revenues in the government-wide financial statements include

1) Charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes and assessments.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities subject to the same limitation. The Town has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

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 Town 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 pension obligations, and claims and judgments, are recorded only when payment is due.

Town of Beacon Falls, Connecticut
Notes to Financial Statements (continued)

Property taxes and assessments, when levied for, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as governmental fund revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when program eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.

The *Sewer Waste Water Fund* accounts for the one time sewer connections fees charged as residents/businesses connect to the sewer system, and the related expenditures for upgrades and repairs to the sewer system.

The *Bonding Projects Fund* accounts for the financial activity of capital projects financed with debt proceeds and government grants.

Accounting 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 of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property Taxes and Assessments

Property taxes are assessed as of October 1, levied on the following July 1, and are due in two installments, July 1, and January 1. Motor vehicle taxes are due in one installment on July 1, and supplemental motor vehicle taxes are due in full January 1. Taxes become delinquent thirty days after the installment is due. Liens are filed by the last day of the fiscal year. An allowance based on historical collection experience is provided for uncollectible taxes.

Special sewer and water assessments are levied over various periods, and annual installments on the amounts levied are due and payable similar to property taxes. The Town may foreclose liens against property benefited by special assessment, when assessment payers are in arrears.

Cash Equivalents

The Town classifies all highly liquid investments, including money market funds, certificates of deposit, and shares held in the Connecticut State Treasurer's Tax-Exempt Proceeds (TEPF) fund having original maturities of three months or less as cash equivalents.

Investments

Investments are stated at fair value, primarily utilizing quoted market prices, with the exception of certificates of deposit (cost), and money market funds (amortized cost).

Town of Beacon Falls, Connecticut
Notes to Financial Statements (continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 with an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	20
Buildings	15 - 50
Infrastructure	15 - 60
Machinery, equipment and vehicles	8 - 15

Capital asset acquisitions are reported as expenditures and no depreciation is taken in the governmental fund financial statements.

Compensated Absences

Employees accumulate, by prescribed formula, vacation and sick days for subsequent use or for payment upon termination or retirement. Town policy provides limited carry forward of accumulated benefit days beyond the end of each fiscal year. As a result, no provision for compensated absences liability is recorded, as it is considered immaterial to the financial statements.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, 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 reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued, including capital leases, 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.

Net Other Post-employment Benefit Obligations

During the 2009 fiscal year the Town implemented GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions." GASB Statement No. 45 requires the Town to calculate and record a net other post-employment benefit obligation (NOPEBO). The NOPEBO is the difference between the actual contributions and the required contributions since July 1, 2008. The Town pays NOPEBO benefits as they are due to the beneficiaries.

Town of Beacon Falls, Connecticut
Notes to Financial Statements (continued)

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded in order to reserve that portion of the applicable appropriation, is frequently employed by governmental units as an extension of formal budgetary integration in the governmental funds. The Town does not utilize encumbrance accounting.

Fund Equity and Net Assets

In the government-wide financial statements, net assets are classified in the following categories:

Invested in Capital Assets, Net of Related Debt – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Assets – This category presents external restrictions imposed by creditors, grantors, contributors or, laws or regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets – This category represents the net assets of the Town, which are not restricted for any project or other purpose.

In the fund financial statements, fund balances of governmental funds are classified in two separate categories. The two categories, and their general meanings, are as follows:

Reserved Fund Balance – Indicates that portion of fund equity which has been legally segregated for specific purposes or is not available for appropriation.

Unreserved Fund Balance – Indicates that portion of fund equity which is available for appropriation and expenditure in future periods. Designated balances represent that portion of fund equity for which the Town has made tentative plans.

Note 2 – Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds, and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Bonds payable	\$ (2,895,600)
Unfunded accrued pension obligation	(1,695,323)
OPEB obligation	(8,957)
Capital lease obligations	<u>(139,953)</u>
Net adjustment to reduce fund balance –total governmental funds to arrive at net assets – governmental activities	<u>\$ (4,739,833)</u>

Town of Beacon Falls, Connecticut
Notes to Financial Statements (continued)

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds, and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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 details of this difference are as follows:

Capital outlay	\$ 680,290
Depreciation expense	<u>(592,266)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 88,024</u>

Another element of that reconciliation states that "The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this difference are as follows:

Bond principal payments	\$ (135,530)
Capital lease payments	(81,303)
OPEB obligation	8,957
Accrued interest	<u>(5,257)</u>
Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (213,133)</u>

Note 3 - Budgets and Budgetary Accounting

The Town follows these procedures in establishing budgetary data reflected in the financial statements:

Department heads, officers and agencies of the Town file estimates of expenditures to be made and revenues to be collected in the upcoming year to the Board of Selectmen for review. The Board of Selectmen reviews the estimates, proposes any adjustments deemed necessary, and forwards to the Board of Finance for review. These estimates, as revised by the Board of Finance, are recommended as the annual operating budget for adoption at the Town meeting in May. Upon the adoption of the budget, the Board of Finance is authorized to transfer appropriated amounts between departments, and to authorize additional departmental appropriations totaling less than \$20,000. Town meeting approval is required whenever additional appropriations for a department exceed \$20,000 in the aggregate. The legal level of control at which expenditures may not exceed appropriations is at the departmental level. Appropriations for capital projects do not lapse until completion of the applicable projects. All General Fund unexpended appropriations lapse at year end.

Town of Beacon Falls, Connecticut
Notes to Financial Statements (continued)

The Town does not have legally adopted annual budgets for its special revenue funds, and capital project funds, because budgetary control is alternatively achieved by constraints imposed by intergovernmental grant agreements, bond ordinances, or Connecticut General Statutes.

Accounting principles generally accepted in the United States of America (GAAP), unlike the budgetary basis of accounting, require that capital leases be recorded as both an other financing source, and an expenditure in the year the lease is entered into. A reconciliation of general fund operations as presented in accordance with accounting principles generally accepted in the United States of America (GAAP) to the amounts presented on the budgetary basis is as follows:

	Fund balance <u>Beginning</u>	<u>Revenues</u>	<u>Expenditures</u>	Other <u>Sources</u>	Fund balance <u>Ending</u>
GAAP basis	\$ 1,389,120	\$17,773,041	\$17,866,375	\$ 81,668	\$ 1,377,454
Capital leases			52,721	(52,721)	
Budgetary basis	<u>\$ 1,389,120</u>	<u>\$17,773,041</u>	<u>\$17,813,654</u>	<u>\$ 28,947</u>	<u>\$ 1,377,454</u>

Note 4 – Cash, Cash Equivalents, and Investments

Cash and cash equivalents at June 30, 2009 consisted of:

Deposits	\$ 403,824
Tax Exempt Proceeds Fund	3,154
Repurchase accounts	<u>2,731,369</u>
Total cash and cash equivalents	<u>\$ 3,138,347</u>

Credit Risk

Generally, credit risk is defined as the risk that an issuer of a debt type investment will not fulfill its obligation to the holder. The Town's investing activities conform to Connecticut General Statutes (Section 7-400) which permit municipalities to invest in: 1) obligations of the United States and its agencies; 2) high rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. The statutes also provide for investment in shares of the Tax Exempt Proceeds Fund. Amounts held in Tax Exempt Proceeds Fund accounts are available only for specific capital projects in accordance with agreements between the Town and the State of Connecticut.

Nationally recognized organizations assign ratings to various types of debt type instruments. The Tax Exempt Proceeds Fund is not rated by rating agencies.

Interest Rate Risk

The Town does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Town is not invested in securities that expose it to interest rate risk.

Town of Beacon Falls, Connecticut
Notes to Financial Statements (continued)

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Town does not have a policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk based capital ratio.

At June 30, 2009, a minimum of \$37,236 of the \$372,361 in bank balances of Town deposits was collateralized in accordance with Connecticut General Statutes (collateral held by the pledging banks' trust departments but not in the Town's name and \$272,117 was insured by federal depository insurance. The remaining bank balance of \$63,008 was uninsured and uncollateralized.

Custodial Credit Risk - Cash Equivalents

This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town does not have a policy for custodial credit risk. At June 30, 2009 the funds held in the repurchase accounts were collateralized with collateral held by the banks' trust departments for agents but not in the Town's name.

Note 5 - Receivables by Fund Type

Receivables at June 30, 2009, including the applicable allowance for collection losses, are as follows:

	<u>General Fund</u>
Property tax	\$ 1,176,213
Accrued interest and fees	896,089
Sewer and water assessments	1,885,075
Intergovernmental grants	104,906
Mortgage and other receivables	<u>110,310</u>
Total gross receivables	<u>4,172,593</u>
Allowance for collection losses	<u>(858,043)</u>
Total net receivables	<u>\$ 3,314,550</u>

Town of Beacon Falls, Connecticut
Notes to Financial Statements (continued)

Note 6 – Interfund Receivables, Payables and Transfers

As of June 30, 2009, the General Fund had interfund payables due to Nonmajor Funds of \$102,525; and interfund receivables due from the Bonding Projects Fund (\$385,587), the Sewer Waste Water Fund (\$15,691), and the Nonmajor Funds (\$25,691).

Transfers are used to utilize unrestricted fund balances of various funds to finance activities accounted for in other funds. During the year ended June 30, 2009, fund transfers were made from the Sewer Waste Water Fund (\$19,000), and from Nonmajor Funds (\$9,847), to the General Fund. In addition transfers of \$190,219 were made between various Nonmajor Funds.

Note 7 – Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

Governmental activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$1,244,445	\$ 115,900	\$	\$1,360,345
Construction in progress		<u>442,222</u>		<u>442,222</u>
Total capital assets, not being depreciated	<u>1,244,445</u>	<u>558,122</u>		<u>1,802,567</u>
Capital assets, being depreciated:				
Land improvements	1,548,489		562,365	986,124
Buildings and improvements	2,215,668	1,013,075		3,228,743
Machinery, equipment and vehicles	4,259,962	76,153		4,336,115
Infrastructure	<u>14,128,750</u>	<u>217,807</u>	<u>569,780</u>	<u>13,776,777</u>
Total capital assets, being depreciated	<u>22,152,869</u>	<u>1,307,035</u>	<u>1,132,145</u>	<u>22,327,759</u>
Less accumulated depreciation for:				
Land improvements	353,123	45,832	28,120	370,835
Building and improvements	1,198,942	97,106		1,296,048
Machinery, equipment and vehicles	3,210,035	164,382		3,374,417
Infrastructure	<u>7,614,136</u>	<u>313,066</u>		<u>7,927,202</u>
Total accumulated depreciation	<u>12,376,236</u>	<u>620,386</u>	<u>28,120</u>	<u>12,968,502</u>
Total capital assets, being depreciated, net	<u>9,776,633</u>	<u>686,649</u>	<u>1,104,025</u>	<u>9,359,257</u>
Governmental activities, capital assets, net	<u>\$11,021,078</u>	<u>\$1,244,771</u>	<u>\$1,104,025</u>	<u>\$11,161,824</u>

Depreciation expense of governmental activities was charged to functions/programs of the primary government as follows:

General government	\$	8,783
Public safety		93,288
Public works, including depreciation of general infrastructure assets		263,057
Culture and recreation		24,979
Sanitation		<u>202,159</u>
	\$	<u>592,266</u>

Town of Beacon Falls, Connecticut
Notes to Financial Statements (continued)

Note 8 - Bond Anticipation Notes Payable and Subsequent Event

Bond anticipation note activity for the year was as follows:

Outstanding, July 1, 2008	\$ 3,000,000
Borrowings	425,000
Repayments	<u>(100,000)</u>
Outstanding, June 30, 2009	<u>\$ 3,325,000</u>

At a special Town meeting held on August 28, 2006, three capital project appropriations and related bond resolutions were approved; Depot bridge rehabilitation (\$3,690,000), construction of a new sewage pumping station (\$750,000), and road and bridge improvements (\$560,000). An additional appropriation and related bond resolution was approved at a special Town meeting on August 8, 2008 for the purchase of property on Wolfe Avenue (\$425,000). At June 30, 2009, the Town had \$3,325,000 in bond anticipation notes outstanding, maturing July 23, 2009, to finance the projects.

Subsequent to year end the Town paid down \$150,000 on the notes, and refinanced the \$3,175,000 notes balance on July 16, 2009 with bond anticipation notes bearing a 1.15% interest rate.

Note 9 - Long-Term Debt

Long-term debt activity for the year ended June 30, 2009 was as follows:

	Balance July 1, 2008	Additions	Reductions	Balance June 30, 2009	Due Within One Year
General obligation bonds	\$3,031,130	\$	\$ 135,530	\$2,895,600	\$ 135,530
Pension obligation	1,714,697		19,374	1,695,323	20,938
OPEB obligation		8,957		8,957	
Capital lease obligation	<u>168,534</u>	<u>52,721</u>	<u>81,302</u>	<u>139,953</u>	<u>85,790</u>
	<u>\$4,914,361</u>	<u>\$ 61,678</u>	<u>\$ 236,206</u>	<u>\$4,739,833</u>	<u>\$ 242,258</u>

General Obligation Bonds

The Town issues general obligation bonds to provide financing for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. Bonds payable are secured by the general revenue raising powers of the Town.

At June 30, 2009 the Town was indebted under the following general obligation bonds:

Purpose	Date of Issue	Date of Maturity	Interest Rate (%)	Original Issue	Balance June 30, 2009
Sewer	3/25/99	3/25/28	4.75%	\$ 2,529,100	\$ 1,686,000
Sewer	3/25/99	3/25/29	4.75%	\$ 149,400	\$ 99,600
Water	1/23/03	1/23/34	4.625%	\$ 1,387,500	<u>\$ 1,110,000</u>
					<u>\$ 2,895,600</u>

Town of Beacon Falls, Connecticut
Notes to Financial Statements (continued)

The annual debt service requirements of the Town's bonded indebtedness are as follows:

<u>Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 135,530	\$ 134,152	\$ 269,682
2011	135,530	127,771	263,301
2012	135,530	121,391	256,921
2013	135,530	115,011	250,541
2014	135,530	108,632	244,162
2015-2019	677,650	447,462	1,125,112
2020-2024	677,650	287,966	965,616
2025-2029	677,650	128,469	806,119
2030-2033	<u>185,000</u>	<u>21,390</u>	<u>206,390</u>
	<u>\$ 2,895,600</u>	<u>\$ 1,492,244</u>	<u>\$4,387,844</u>

Pension Obligation

As a participant in the Connecticut Municipal Employee Retirement System (MERS), the Town is obligated to MERS for the plan's unfunded accrued liabilities to participating Town employees.

At June 30, 2009, the Town's annual debt service requirements on the pension obligations are as follows:

<u>Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 20,938	\$ 136,895	\$ 157,833
2011	22,629	135,204	157,833
2012	24,456	133,377	157,833
2013	26,430	131,403	157,833
2014	28,564	129,269	157,833
2015-2019	181,374	607,791	789,165
2020-2024	267,414	521,751	789,165
2025-2029	394,272	394,893	789,165
2030-2034	581,312	207,853	789,165
2035-2036	<u>147,934</u>	<u>12,679</u>	<u>160,613</u>
	<u>\$ 1,695,323</u>	<u>\$ 2,411,115</u>	<u>\$4,106,438</u>

Capital Lease Obligations

The Town has acquired various machinery, equipment, and vehicles utilizing capital leases. Interest rates on these leases range from 5.1% to 7.9%.

At June 30, 2009, the Town's future minimum capital lease payments are as follows:

<u>Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 85,790	\$ 7,059	\$ 92,849
2011	30,282	2,621	32,903
2012	<u>23,881</u>	<u>1,013</u>	<u>24,894</u>
	<u>\$ 139,953</u>	<u>\$ 10,693</u>	<u>\$ 150,646</u>

Town of Beacon Falls, Connecticut
Notes to Financial Statements (continued)

Authorized but Unissued Bonds

Bonds authorized but unissued by the Town at June 30, 2009 are as follows:

General:		
Water line extension	\$	750,000
Depot Street Bridge		2,000,000
Sewer:		
Rimmon Hill Sewers		1,504,500
RR Ave Pump Station		<u>100,000</u>
	\$	<u>4,354,500</u>

Note 9 – Fund Deficits

The Town expects to fund the \$2,090,293 fund deficit of the Bonding Projects Fund with future grant reimbursements and debt issuance. The \$2,162 fund deficit of the Non-recurring Capital Expenditure Fund is expected to be funded with fund transfers.

Note 10 – Retirement Plan

Municipal Employees' Retirement System

Union employees, police officers and other Town employees participate in the Connecticut Municipal Employees' Retirement System (MERS). MERS is a cost-sharing, multiple employer public employee retirement system established by the State of Connecticut, and administered by the State Retirement Commission to provide benefits for employees of participating municipalities. MERS, considered to be part of the State's financial reporting entity, is included in the State's financial reports as a pension trust fund. MERS issues a publicly available financial report which may be obtained by writing to the State of Connecticut Retirement and Benefit Services Division, Office of the State Comptroller, 55 Elm Street, Hartford, CT 06106.

Plan provisions are set by State Statute. MERS provides retirement benefits, as well as death and disability benefits. Covered employees, hired after September 30, 1969 and not over age 55 when hired, who work at least 20 hours per week are eligible to participate. Employees hired before September 30, 1969 do not need to meet the 20 hours per week requirement to be eligible to participate. Benefits vest after 10 years of continuous service. Participants who retire after age 55 with 10 years of service or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life.

Required employee plan contributions are 2 ¼% of earnings upon which Social Security tax is paid, plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute amounts necessary to finance the remaining costs of the plan. In addition to the monthly contribution the Town is obligated to MERS for the unfunded accrued liability of its participants that existed at the inception of Town participation in MERS. The Town's obligation at June 30, 2009 was 1,695,323 and is payable in annual installments that include interest through 2036, currently \$157,833. The Town pension expense for the year ended June 30, 2009 was \$234,999.

Note 11 - Other Postemployment Benefits

Plan Description

The Town provides post-employment health care benefits for certain employees for current and future health insurance benefit expenses through a single-employer defined benefit plan. A tri-annual actuarial valuation will be made to redetermine the annual required contributions ("ARC"). The latest actuarial valuation was made July 1, 2008.

The contribution requirements of plan members and the Town are established and may be amended by the Town. The Town determines the ARC using the projected unit credit method.

Membership in the plan consisted of the following at July 1, 2008, the date of the first actuarial valuation:

Public Works employees:	
Active plan members*	11
All other employees:	
Retirees/beneficiaries receiving benefits	3
Active plan members *	<u>27</u>
Total	<u>41</u>

*Potentially eligible at retirement.

Funding Policy

The Town funding of postemployment benefits is on a pay-as-you-go basis. The Town has not established a trust fund to irrevocably segregate assets to fund the liability associated with the postemployment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines.

The Town's annual other postemployment benefit (OPEB) cost is calculated on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation:

Annual required contribution (ARC)	\$ 21,117
Interest on net OPEB obligation	-
Adjustment to annual required contribution	<u>-</u>
Annual OPEB cost	21,117
Contributions made**	<u>12,160</u>
Increase in net OPEB obligation	8,957
Net OPEB obligation, beginning of year	<u>-</u>
Net OPEB obligation, end of year	<u>\$ 8,957</u>

** Represents insurance premiums paid.

Town of Beacon Falls, Connecticut
Notes to Financial Statements (continued)

As of July 1, 2008, the most recent actuarial valuation date, the plan was 0% funded. The sum of the normal cost as of June 30, 2009 and the actuarial accrued liability for benefits as of the valuation date, resulting in an unfunded actuarial accrued liability of \$142,112 at June 30, 2009. The covered payroll of active employees covered by the plan was not available.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The information presented was determined as part of the actuarial valuation. Additional information as of the last actuarial valuations follows:

Valuation Date:	July 1, 2008
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	N/A; not funded
Amortization Method:	Level Dollar
Remaining Amortization Period:	30 Years
Actuarial Assumptions:	
Investment rate of return:	6%
Inflation rate:	None
Health cost trend rates:	Annual increases in premium for retired medical and prescription drug benefits assumed to be 6% per year.

Note 12 – Risk Management

The Town is exposed to various risks of loss involving torts, theft of, damage to, and destruction of assets, errors and omissions, injuries of employees, natural disaster and public official liabilities. The Town generally obtains commercial insurance for these risks. Coverage has not been significantly reduced and settled claims have not exceeded commercial coverage in any of the last three fiscal years.

Note 13 - Restatement of Net Assets

Year-end reconciling procedures revealed misstatements of mortgages receivable and pension liabilities. As a result, beginning net assets as reported in the Statement of Activities was restated as follows:

Net Assets, July 1, 2008, as previously reported	\$ 9,213,705
To correct pension liability	(29,556)
To correct mortgages receivable	<u>(78,865)</u>
Net Assets July 1, 2008, as restated	<u>\$ 9,105,284</u>

Note 14 - Contingent Liabilities

The Town is not a defendant in any lawsuits that, in the opinion of Town Management, in consultation with the Town Attorney, will have a material adverse effect on the Town's financial position.

The Town receives State grants 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 agencies for any expenditure disallowed under the terms of the grant agreements. Based on prior experience, Town management believes such disallowances, if any, will not be material.

**Supplemental and Combining
Fund Statements and Schedules**

Town of Beacon Falls, Connecticut

Schedule of Revenues and Other Financing Sources Budget and Actual - General Fund

For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments:				
Property taxes	\$ 11,707,008	\$ 12,574,038	\$ 12,336,544	\$ (237,494)
Interest and lien fees on taxes	103,000	103,000	226,473	123,473
Water and sewer assessments	270,000	270,000	180,065	(89,935)
Tax sale proceeds	-	-	130,013	130,013
Total taxes and assessments	<u>12,080,008</u>	<u>12,947,038</u>	<u>12,873,095</u>	<u>(73,943)</u>
Intergovernmental:				
Payment in lieu of taxes on state owned property	58,257	58,257	58,454	197
Elderly tax relief	37,000	37,000	37,211	211
Manufacturing machinery and equipment tax relief	50,801	50,801	77,044	26,243
Manufacturing equip in distressed municipalities tax relief	-	-	68,015	68,015
Library grant	1,435	1,435	1,436	1
Disability tax relief	1,154	1,154	1,307	153
Veterans' tax relief	8,121	8,121	8,851	730
Town aid road maintenance	91,077	91,077	92,556	1,479
Education cost sharing	4,044,804	4,044,804	4,044,635	(169)
Mashantucket Pequot grant	49,433	49,433	49,484	51
Commercial vehicle	38,953	38,953	-	(38,953)
Town Hall renovation grant	-	-	25,000	25,000
Other grants	1,001	1,001	11,607	10,606
Total intergovernmental	<u>4,382,036</u>	<u>4,382,036</u>	<u>4,475,600</u>	<u>93,564</u>
Investment income	<u>75,000</u>	<u>75,000</u>	<u>29,628</u>	<u>(45,372)</u>
Charges for services:				
Planning and zoning commission	35,000	35,000	9,982	(25,018)
Zoning board of appeals	2,500	2,500	1,100	(1,400)
Building permits	35,000	35,000	41,250	6,250
Ambulance fee reimbursement	-	-	62,076	62,076
Recreation area permits	500	500	125	(375)
Town clerk conveyance taxes	55,000	55,000	75,742	20,742
Park & rec summer program	7,500	7,500	-	(7,500)
Inland wetlands	5,000	5,000	9,036	4,036
Zoning regulation/maps	350	350	-	(350)
Police extra duty admin fee	25,000	25,000	2,499	(22,501)
Disposal fees	1,300	1,300	3,858	2,558
Mini-bus	750	750	6,735	5,985
Misc fees and permits	2,500	2,500	3,744	1,244
Total charges for services	<u>170,400</u>	<u>170,400</u>	<u>216,147</u>	<u>45,747</u>

Town of Beacon Falls, Connecticut
Schedule of Revenues and Other Financing Sources
Budget and Actual - General Fund (Continued)

Other revenues:				
Telecomm property tax	30,966	30,966	22,154	(8,812)
Gas and misc refunds	5,500	5,500	1,007	(4,493)
Xerox equipment refunds	7,500	7,500	1,178	(6,322)
Leachate collection system	80,000	80,000	94,357	14,357
Stipulation-Mystic Tank Lines	20,000	20,000	5,000	(15,000)
Misc reimbursements	-	-	54,875	54,875
Total other revenues	<u>143,966</u>	<u>143,966</u>	<u>178,571</u>	<u>34,605</u>
Total revenues	16,851,410	17,718,440	17,773,041	54,601
Other financing sources:				
Transfers in	<u>52,298</u>	<u>71,298</u>	<u>28,947</u>	<u>(42,351)</u>
Total revenues and other financing sources	<u>\$ 16,903,708</u>	<u>\$ 17,789,738</u>	<u>\$ 17,801,988</u>	<u>\$ 12,250</u>

Town of Beacon Falls, Connecticut

Schedule of Expenditures

Budget and Actual - General Fund

For the year ended June 30, 2009

Expenditures:	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
General government:				
Selectmen	\$ 92,764	\$ 97,530	\$ 97,316	\$ 214
Town hall	102,709	113,622	111,819	1,803
Town clerk	90,761	100,542	99,675	867
Tax collector	86,634	77,095	76,653	442
Town treasurer	5,697	5,697	5,697	-
Building inspector	33,067	33,033	33,031	2
Employee benefits	726,675	728,824	728,522	302
Board of assessors	82,885	77,624	77,278	346
Board of assessment appeals	2,312	3,312	2,771	541
Zoning board of appeals	1,350	1,350	780	570
Board of finance	90,015	92,101	91,700	401
Economic development commission	2,550	1,550	809	741
Inland wetlands commission	12,500	5,852	5,851	1
Conservation commission	5,900	6,400	5,596	804
Planning and zoning commission	36,870	38,701	38,115	586
Registrar of voters	44,700	36,362	34,721	1,641
Professional fees	182,500	263,082	259,652	3,430
Town wide insurance	129,900	108,038	108,038	-
Agency memberships	9,144	8,144	7,531	613
Retiree benefits	33,586	15,555	15,555	-
Contingency	75,729	-	-	-
Total general government	1,848,248	1,814,414	1,801,110	13,304
Public safety:				
Emergency services	186,140	226,340	209,832	16,508
Fire marshall	27,025	29,837	29,546	291
Civil defense	10,000	8,658	8,657	1
Safety committee	1,000	1,000	997	3
Hydrant rental	150,850	150,850	150,850	-
Police	455,375	497,869	497,173	696
Animal control	8,716	6,653	6,653	-
Emergency dispatch	37,722	35,484	35,050	434
Street lighting	40,000	40,514	40,513	1
Drug & alcohol testing	1,000	1,000	1,000	-
Total public safety	917,828	998,205	980,271	17,934
Public works:				
Highway maintenance	582,399	598,561	598,513	48
LOCIP projects	-	-	21,998	(21,998)
Town garage	24,000	22,729	20,155	2,574
Total public works	606,399	621,290	640,666	(19,376)

Town of Beacon Falls, Connecticut
Schedule of Expenditures
Budget and Actual - General Fund (Continued)

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Health and welfare:				
Welfare	7,500	5,000	5,000	-
Community welfare	55,129	55,805	55,531	274
Total health and welfare	62,629	60,805	60,531	274
Culture and recreation:				
Library	108,709	112,717	112,069	648
Parks & recreation commission	157,350	138,401	135,209	3,192
Youth program	3,500	3,500	421	3,079
Commission for the elderly	2,067	2,067	-	2,067
Mini-bus operations	14,759	28,350	28,271	79
Senior Citizens' center	15,000	23,387	11,852	11,535
Library study grant	2,298	-	-	-
Total culture and recreation	303,683	308,422	287,822	20,600
Sanitation:				
Water pollution control authority	2,500	2,500	1,045	1,455
Refuse	395,936	375,349	375,240	109
Waste water treatment	463,140	501,969	501,964	5
Total sanitation	861,576	879,818	878,249	1,569
Education	11,788,917	12,655,947	12,655,947	-
Debt service:				
Principal retirements	135,530	135,530	135,057	473
Interest payments	271,153	261,006	260,691	315
Capital lease payments	92,745	89,879	89,878	1
Total debt service	499,428	486,415	485,626	789
Capital outlay	15,000	23,540	23,432	108
Total expenditures	\$ 16,903,708	\$ 17,848,856	\$ 17,813,654	\$ 35,202

Town of Beacon Falls, Connecticut

Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2009

<u>Assets</u>	<u>Special Revenue</u>						
	<u>Non-recurring Capital Expenditure</u>	<u>Historic Commission</u>	<u>Library</u>	<u>Dog Fund</u>	<u>Special Projects</u>	<u>Housing Rehab</u>	<u>Grange</u>
Cash and cash equivalents	\$ -	\$ 3,154	\$ 6,652	\$ 8,740	\$ 39,052	\$ -	\$ -
Deposits							
Due from other funds							
Total assets	<u>\$ -</u>	<u>\$ 3,154</u>	<u>\$ 6,652</u>	<u>\$ 8,740</u>	<u>\$ 39,052</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Liabilities and fund balances</u>							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ 2,083	\$ -	\$ -	\$ -
Due to other funds	2,162	3,154			20,375		
Total liabilities	<u>2,162</u>	<u>3,154</u>	<u>-</u>	<u>2,083</u>	<u>20,375</u>	<u>-</u>	<u>-</u>
Fund balances (deficits):							
Reserved					34,570		
Unreserved and undesignated	(2,162)	-	6,652	6,657	(15,893)	-	-
Total fund balances (deficits)	<u>(2,162)</u>	<u>-</u>	<u>6,652</u>	<u>6,657</u>	<u>18,677</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances (deficits)	<u>\$ -</u>	<u>\$ 3,154</u>	<u>\$ 6,652</u>	<u>\$ 8,740</u>	<u>\$ 39,052</u>	<u>\$ -</u>	<u>\$ -</u>

**Town of Beacon Falls, Connecticut
Combining Balance Sheet - Nonmajor Governmental Funds (Continued)**

	Speical Revenue		Capital Project				
	Reserve	Recreation Special Activities	Rimmon Hill Sewer Project	Cedar Lane Water Project	Pent Road Recreation Rehabilitation	Streetscape Enhancement	Total
<u>Assets</u>							
Cash and cash equivalents	\$ -	\$ 9,552	\$ -	\$ -	\$ -	\$ 49,486	\$ 116,636
Deposits					5,645		5,645
Due from other funds	102,525						102,525
Total assets	\$ 102,525	\$ 9,552		\$ -	\$ 5,645	49,486	224,806
<u>Liabilities and fund balances</u>							
<u>Liabilities:</u>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,083
Due to other funds							25,691
Total liabilities							27,774
Fund balances (deficits):							
Reserved	102,525	9,552	-	-	5,645	49,486	34,570
Unreserved and undesignated	102,525	9,552	-	-	5,645	49,486	162,462
Total fund balances (deficits)							197,032
Total liabilities and fund balances (deficits)	\$ 102,525	\$ 9,552	\$ -	\$ -	\$ 5,645	\$ 49,486	\$ 224,806

Town of Beacon Falls, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) - Nonmajor Governmental Funds

For the year ended June 30, 2009

	Special Revenue						
Revenues:	Non-recurring Capital Expenditure	Historic Commission	Library	Dog Fund	Special Projects	Housing Rehab	Grange
Intergovernmental							
Investment income	\$ 175	\$ -	\$ -	\$ -	\$ 1,834	\$ -	\$ -
Charges for services		59	3	40	224	587	17
Donations and other			9,608	4,551			
Total revenues	<u>175</u>	<u>59</u>	<u>9,611</u>	<u>4,591</u>	<u>2,058</u>	<u>587</u>	<u>17</u>
Expenditures:							
General government					3,043		
Public safety				2,023			
Culture and recreation			6,660				
Capital outlay							
Total expenditures			<u>6,660</u>	<u>2,023</u>	<u>3,043</u>		
Excess of revenues over (under) expenditures							
Other financing sources (uses):							
Transfers in	175	59	2,951	2,568	(985)	587	17
Transfers out	44,416						
		<u>(5,474)</u>				<u>(106,477)</u>	<u>(4,248)</u>
Excess of revenues over (under) expenditures and other sources (uses)	<u>44,591</u>	<u>(5,415)</u>	<u>2,951</u>	<u>2,568</u>	<u>(985)</u>	<u>(105,890)</u>	<u>(4,231)</u>
Fund balances (deficits), beginning of year	<u>(46,753)</u>	<u>5,415</u>	<u>3,701</u>	<u>4,089</u>	<u>19,662</u>	<u>105,890</u>	<u>4,231</u>
Fund balances (deficits), end of year	<u>\$ (2,162)</u>	<u>\$ -</u>	<u>\$ 6,652</u>	<u>\$ 6,657</u>	<u>\$ 18,677</u>	<u>\$ -</u>	<u>\$ -</u>

Town of Beacon Falls, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

Nonmajor Governmental Funds(Continued)

	Special Revenue		Capital Project				Total
	Reserve	Recreation Special Activities	Rimmon Hill Sewer Project	Cedar Lane Water Project	Pent Road Recreation Rehabilitation	Streetscape Enhancement	
Revenues:							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,000	\$ 96,834
Investment income				461			1,566
Charges for services		23,175					14,159
Donations and other	-	23,175	-	461	-	95,000	23,175
Total revenues							135,734
Expenditures:							
General government	2,099		3				5,145
Public safety		15,019					2,023
Culture and recreation						45,514	21,679
Capital outlay	2,099	15,019	3	-	-	45,514	45,514
Total expenditures							74,361
Excess of revenues over (under) expenditures	(2,099)	8,156	(3)	461	-	49,486	61,373
Other financing sources (uses):							
Transfers in			145,803				190,219
Transfers out				(83,967)			(200,166)
Excess of revenues over (under) expenditures and other sources (uses)	(2,099)	8,156	145,800	(83,506)	-	49,486	51,426
Fund balances (deficits), beginning of year	104,624	1,396	(145,800)	83,506	5,645		145,606
Fund balances (deficits), end of year	\$ 102,525	\$ 9,552	\$ -	\$ -	\$ 5,645	\$ 49,486	\$ 197,032

Town of Beacon Falls, Connecticut

Statement of Debt Limitation Connecticut General Statutes Section 7.374(B)

For the year ended June 30, 2009

Total tax collection including interest and lien fees for the year ended June 30, 2009						\$ 12,771,175			
Reimbursement for revenue loss on tax relief for elderly freeze program									
Total base						<u>2,000</u>			
						<u>\$ 12,773,175</u>			
	General	Schools	Sewers	Urban Renewal	Pension Deficit				
Debt Limitation:									
2 1/4 times base	\$ 28,739,644	\$ -	\$ -	\$ -	\$ -				
4 1/2 times base		57,479,288							
3 3/4 times base									
3 1/4 times base			47,899,406						
3 times base				41,512,819					
Total debt limitation	<u>28,739,644</u>	<u>57,479,288</u>	<u>47,899,406</u>	<u>41,512,819</u>	<u>38,319,525</u>				
Indebtedness:									
General obligation bonds	1,110,000								
Bond anticipation notes	3,325,000					1,785,600			
Regional School District #6 (Town share 39.407%)		9,343,419							
Total indebtedness	<u>4,435,000</u>	<u>9,343,419</u>	<u>1,785,600</u>	<u>-</u>	<u>-</u>				
Debt limitation in excess of outstanding and authorized debt	<u>\$ 24,304,644</u>	<u>\$ 48,135,869</u>	<u>\$ 46,113,806</u>	<u>\$ 41,512,819</u>	<u>\$ 38,319,525</u>				

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation.

Town of Beacon Falls, Connecticut

Report of the Tax Collector

For the year ended June 30, 2009

Grand List October 1,	Uncollected Taxes July 1, 2008	Current Levy	Lawful Corrections			Suspense Transfers	Net Amount Collectible	Collections			Uncollected Taxes June 30, 2009
			Additions	Deductions				Taxes	Interest and Liens	Total	
2007	\$ -	\$ 12,643,797	\$ 117,005	\$ 56,394	\$ -	\$ 12,704,408	\$ 12,704,408	\$ 12,246,268	\$ 62,224	\$ 12,308,492	\$ 458,140
2006	387,347		2,836	21,445	(147,496)	221,242	221,242	203,374	50,571	253,945	17,868
2005	130,331		217	109	(76,347)	54,092	54,092	41,660	15,778	57,438	12,432
2004	67,281			612	(60,045)	6,624	6,624	4,807	3,251	8,058	1,817
2003	64,957			441	(60,870)	3,646	3,646	3,644	5,016	8,660	2
2002	48,454				(43,851)	4,603	4,603	4,597	4,614	9,211	6
2001	35,109		177		(31,182)	3,750	3,750	3,750	4,440	8,190	-
2000	47,359					47,359	47,359	3,490	4,544	8,034	43,869
1999	28,840					28,840	28,840	2,282	3,413	5,695	26,558
1998	29,383					29,383	29,383	2,282	6,108	8,390	27,101
1997	15,760					15,760	15,760	-	-	-	15,760
1996	15,248					15,248	15,248	-	-	-	15,248
1995	13,972					13,972	13,972	-	-	-	13,972
1994	11,729					11,729	11,729	-	-	-	11,729
1993	12,933					12,933	12,933	-	-	-	12,933
1992	13,761					13,761	13,761	-	-	-	13,761
1991	3,974			3,974		-	-	-	-	-	-
	<u>\$ 926,438</u>	<u>\$ 12,643,797</u>	<u>\$ 120,058</u>	<u>\$ 83,152</u>	<u>\$ (419,791)</u>	<u>\$ 13,187,350</u>	<u>\$ 13,187,350</u>	<u>12,516,154</u>	<u>159,959</u>	<u>12,676,113</u>	<u>671,196</u>
								31,785	63,277	95,062	
								<u>\$ 12,547,939</u>	<u>\$ 223,236</u>	<u>\$ 12,771,175</u>	<u>\$ 671,196</u>

Suspense collections