

TOWN OF BEACON FALLS, CONNECTICUT

FINANCIAL STATEMENTS

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

TOWN OF BEACON FALLS, CONNECTICUT
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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Finance
Town of Beacon Falls, Connecticut

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of a Matter

As disclosed in Note 1 to the financial statements, the Town adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*, during the year ended June 30, 2021. Additionally, the Town restated its beginning net position and fund balances for the correction of an error. Our opinion is not modified with respect to these matters.

Other Matters**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 and the information on pages 46 through 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund statements and schedules on pages 55 through 64 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2021 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Certified Public Accountants
Glastonbury, Connecticut
December 23, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

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

The management of the Town of Beacon Falls, Connecticut (the "Town"), offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2021.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$15,405,704 (net position). Of this amount, \$4,031,501 represents the Town's unrestricted net position, which may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$620,781 during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$11,593,337, an increase of \$4,195,626 in comparison with the prior year.
- At the close of the current fiscal year, unassigned fund balance of the General Fund was \$3,607,120 or 15.4% of the Town's fiscal year 2022 budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 1.85 months of General Fund expenditures.
- The Town's total capital assets increased by \$431,751 or 2.4% during the current year.
- The Town's total long-term bonded debt decreased by \$1,120,000 or 15.9% and total short-term bonded debt increased by \$4,000,000 during the current year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Government-wide Financial Statements *(Continued)*

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

The government-wide financial statements can be found on pages 13 and 14 of this report.

Fund Financial Statements

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

Governmental Funds

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

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

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

The basic governmental fund financial statements can be found on pages 15 through 18 of this report.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 through 45 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information other than this management's discussion and analysis that can be found on pages 46 through 54 of this report. Combining and individual fund statements and schedules can be found on pages 55 through 64 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

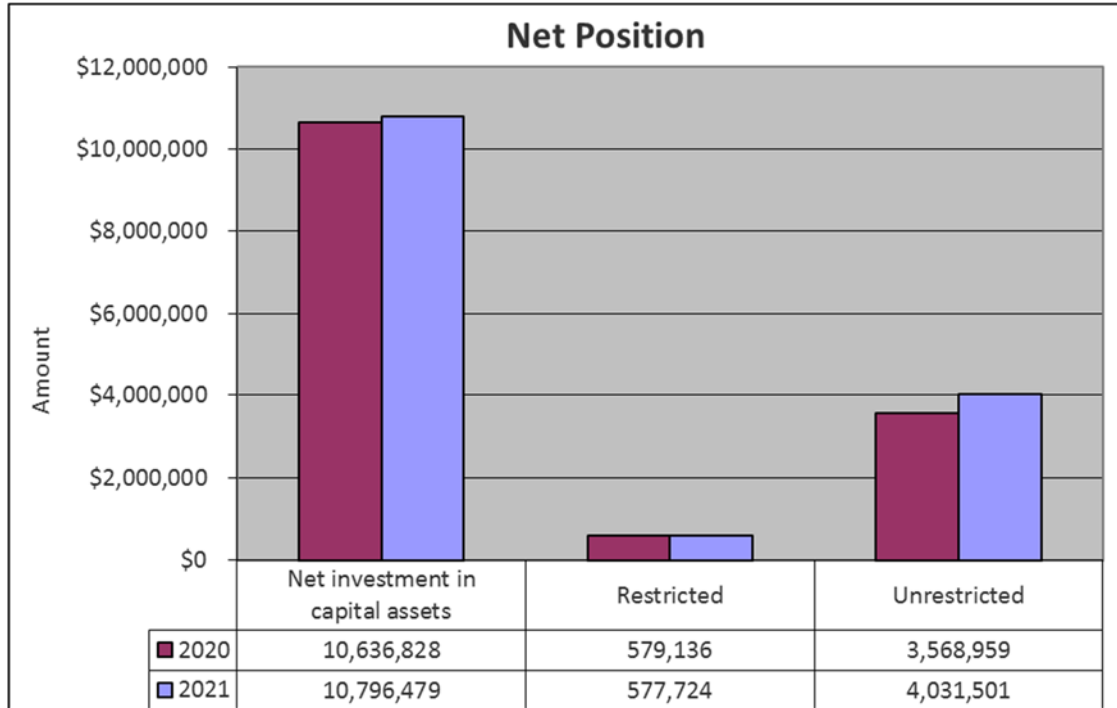
Over time, net position may serve as one measure of a government's financial position. The Town's net position as of June 30, 2020 has been restated for the implementation of GASB Statement No. 84, *Fiduciary Activities*. The effect of implementing GASB Statement No. 84 resulted in an increase to the Town's net position of \$11,876. In addition, the Town has restated its net position as of June 30, 2020 to record the liability and asset related to the Town's sponsorship of a length of service award program offered to volunteer fire, EMS, and rescue personnel of Beacon Hose Co. No. 1. The effect of recording the liability and asset related to the LOSAP resulted in a decrease in the Town's net position of \$367,053. The Town's net position totaled \$15,405,704 as of June 30, 2021 and \$14,784,923 as of June 30, 2020, as restated, and are summarized as follows:

		2020		
	2021	(As Restated)	\$ Variance	% Variance
Current and other assets	\$ 15,235,081	\$ 9,864,630	\$ 5,370,451	54.4%
Capital assets	18,157,032	17,725,281	431,751	2.4%
Total assets	33,392,113	27,589,911	5,802,202	21.0%
Deferred outflows of resources	1,522,752	1,302,954	219,798	16.9%
Other liabilities	6,382,076	1,035,152	5,346,924	516.5%
Long-term liabilities	12,583,102	12,636,163	(53,061)	-0.4%
Total liabilities	18,965,178	13,671,315	5,293,863	38.7%
Deferred inflows of resources	543,983	436,627	107,356	24.6%
Net position:				
Net investment in capital assets	10,796,479	10,636,828	159,651	1.5%
Restricted	577,724	579,136	(1,412)	-0.2%
Unrestricted	4,031,501	3,568,959	462,542	13.0%
Total net position	\$ 15,405,704	\$ 14,784,923	\$ 620,781	4.2%

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)



As of June 30, 2021, approximately 70.1% of the Town's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

3.8% of the Town's net position is subject to external restrictions on how they may be used and are therefore presented as restricted net position.

The remainder of the Town's net position is considered unrestricted. Overall, net position increased by \$620,781 in comparison with the prior year.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Change in Net Position

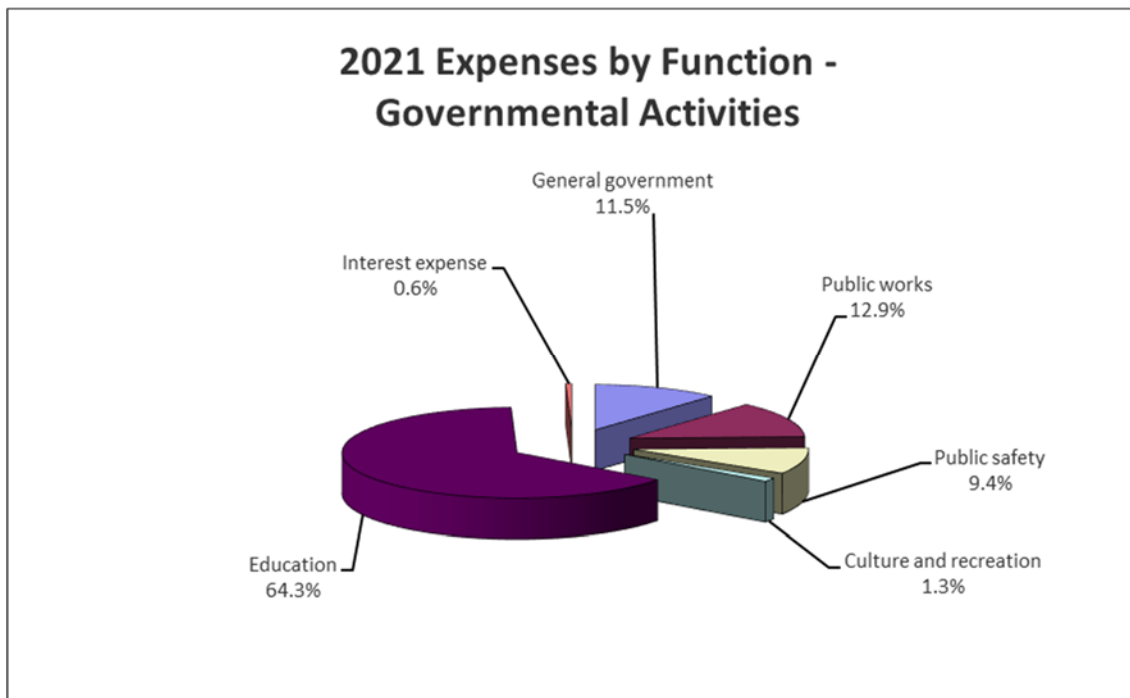
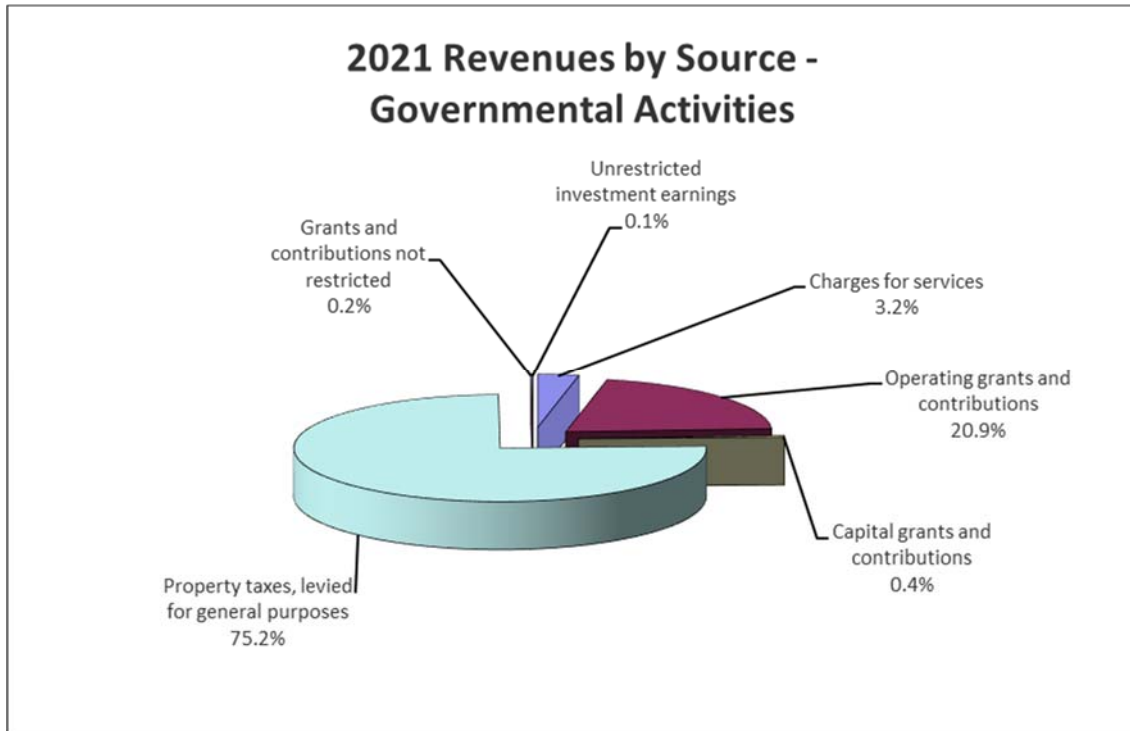
Changes in net position for the years ended June 30, 2021 and 2020 are as follows. Amounts reported for the year ended June 30, 2020 have not been restated for the implementation of GASB Statement No. 84, *Fiduciary Activities*, or for the correction of the error relating to the recognition of the LOSAP liability and related asset.

	<u>2021</u>	<u>2020</u>	<u>\$ Variance</u>	<u>% Variance</u>
Revenues				
Program revenues:				
Charges for services	\$ 759,477	\$ 633,070	\$ 126,407	20.0%
Operating grants and contributions	4,911,848	4,861,119	50,729	1.0%
Capital grants and contributions	92,236	-	92,236	-
General revenues:				
Property taxes, levied for general purposes	17,762,482	17,370,435	392,047	2.3%
Grants and contributions not restricted to specific programs	48,598	50,947	(2,349)	-4.6%
Unrestricted investment earnings	31,582	175,622	(144,040)	-82.0%
Total revenues	<u>23,606,223</u>	<u>23,091,193</u>	<u>515,030</u>	<u>2.2%</u>
Expenses				
General government	2,672,676	2,585,020	87,656	3.4%
Public works	2,957,900	2,723,457	234,443	8.6%
Public safety	2,153,655	1,702,681	450,974	26.5%
Culture and recreation	300,625	300,689	(64)	0.0%
Education	14,773,551	14,782,046	(8,495)	-0.1%
Interest expense	127,035	195,800	(68,765)	-35.1%
Total expenses	<u>22,985,442</u>	<u>22,289,693</u>	<u>695,749</u>	<u>3.1%</u>
Change in net position	<u>\$ 620,781</u>	<u>\$ 801,500</u>	<u>\$ (180,719)</u>	<u>-22.5%</u>

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Change in Net Position *(Continued)*



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

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

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

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$11,593,337.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, fund balance of the General Fund was \$5,193,103, of which \$3,607,120 was unassigned. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 15.4% of the Town's fiscal year 2022 budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 1.85 months of General Fund expenditures.

The fund balance of the Town's General Fund increased by \$1,033,530 during the current fiscal year.

Bonded Projects Fund

The fund balance of the Bonded Projects Fund increased by \$3,126,111 during the current fiscal year, which resulted in an ending fund balance of \$3,432,166 as of June 30, 2021.

Unbudgeted Grants Fund

The fund balance of the Unbudgeted Grants Fund increased by \$1,791 during the current fiscal year, which resulted in an ending fund balance of \$17,747 as of June 30, 2021.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original operating budget for the General Fund planned for the utilization of fund balance in the amount of \$376,727. Additional appropriations in the amount of \$80,190 were authorized during the year ended June 30, 2021.

The actual net change in fund balance of the General Fund on a budgetary basis was an increase of \$1,019,919, resulting in an overall favorable budgetary variance of \$1,476,836. Budgetary revenues were \$943,284 more than expected, primarily due to favorable variances on tax collections, building permits, an unbudgeted refund of a portion of the prior year surplus from Regional School District No. 16, and an unbudgeted insurance reimbursement. Expenditures were \$533,539 less than budgeted with favorable variances across all departments.

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

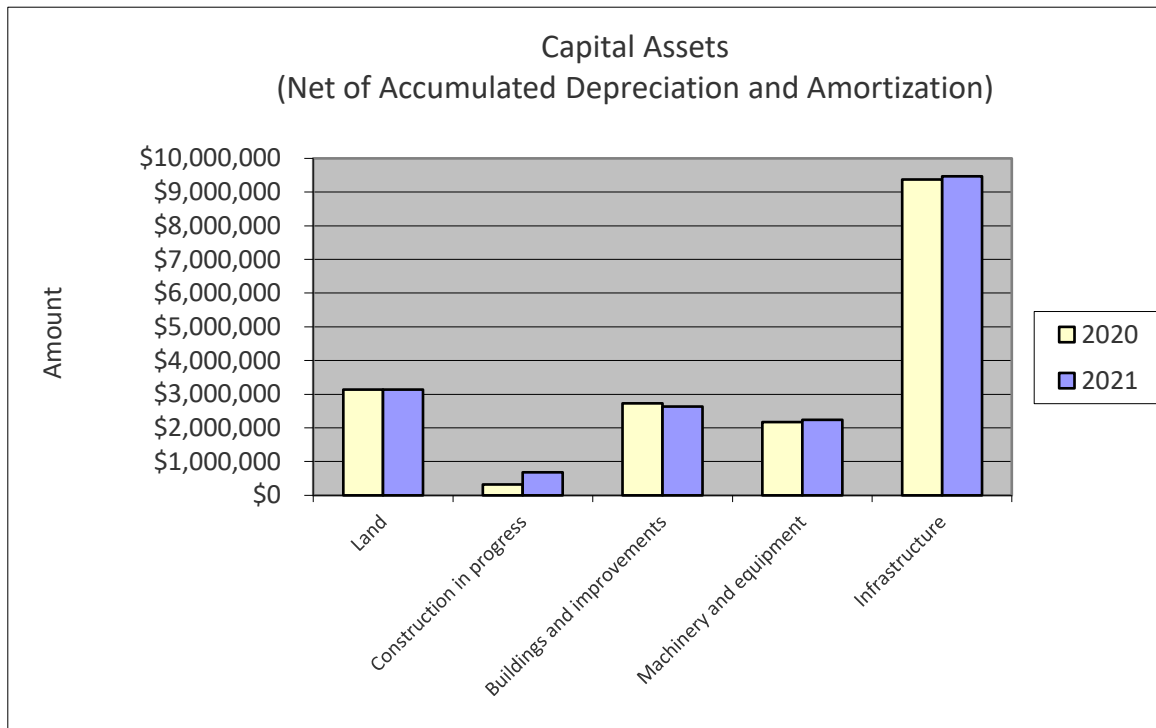
The Town's investment in capital assets for its governmental activities as of June 30, 2021 and 2020 totaled \$18,157,032 and \$17,725,281, respectively (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure. The total increase in the Town's investment in capital assets for the current fiscal year was \$431,751 or 2.4%.

Major capital asset additions during the current year included the following:

- Outlays related to road and bridge improvements in the amount of \$969 thousand;
- Outlays related to the purchase of an ambulance in the amount of \$250 thousand;
- Outlays related to athletic court improvements in the amount of \$162 thousand;

The following table is a two-year comparison of the Town's investment in capital assets:

	2021	2020	\$ Variance	% Variance
Land	\$ 3,138,525	\$ 3,138,525	\$ -	0.0%
Construction in progress	683,853	318,218	365,635	114.9%
Buildings and improvements	2,638,844	2,726,586	(87,742)	-3.2%
Machinery and equipment	2,233,541	2,168,435	65,106	3.0%
Infrastructure	9,462,269	9,373,517	88,752	0.9%
Totals	<u>\$ 18,157,032</u>	<u>\$ 17,725,281</u>	<u>\$ 431,751</u>	<u>2.4%</u>



Additional information on the Town's capital assets can be found in Note 3 of this report.

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

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

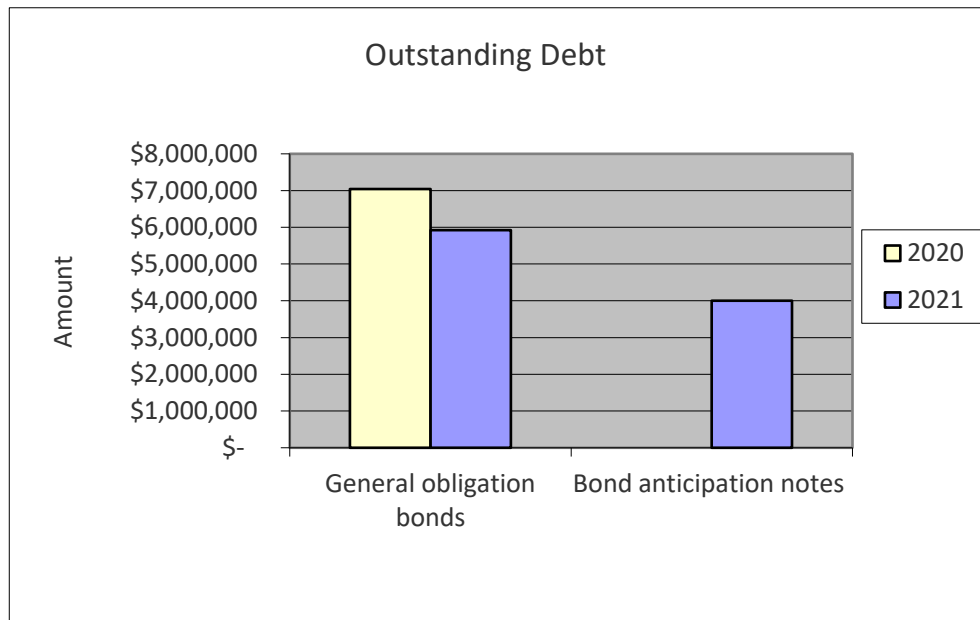
Bonded Debt

At the end of the current fiscal year, the Town had total long-term bonded debt outstanding of \$5,925,000 and total short-term bonded debt outstanding of \$4,000,000. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total long-term bonded debt decreased by \$1,120,000 or 15.9% during the current fiscal year. During the year the Town issued \$3,195,000 in general obligation refunding bonds, with an original issue premium of \$579,085, to advance refund \$3,635,000 in previously outstanding general obligation bonds. The advance refunding will generate a cash flow savings on future debt service in the amount of approximately \$421,000 over the life of the related debt. In addition, during the year the Town issued \$4,000,000 in general obligation bond anticipation notes for the purpose of funding authorized capital projects. In December of 2021, the Town retired the bond anticipation notes through the issuance of \$6,000,000 in general obligation bonds.

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

The following table is a two-year comparison of long-term and short-term bonded debt outstanding:

	2021	2020	\$ Variance	% Variance
General obligation bonds	\$ 5,925,000	\$ 7,045,000	\$ (1,120,000)	-15.9%
Bond anticipation notes	4,000,000	-	4,000,000	-
Totals	<u>\$ 9,925,000</u>	<u>\$ 7,045,000</u>	<u>\$ 2,880,000</u>	40.9%



Additional information on the Town's long-term and short-term bonded debt can be found in Note 6 and 7 of this report.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- Significant estimates affecting next year's budget that are subject to change in the near term consist of the following:
 - For purposes of calculating property tax revenues for fiscal year 2022, the assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on behalf of certain taxpayers.
 - Intergovernmental grants were based on estimates from the State.
 - It is unknown how the weakened economy will impact real estate activity and related revenues collected by the Land Use Department, the Town Clerk, the Building Department and the amount of conveyance taxes and interest income.

All of these factors were considered in preparing the Town's budget for fiscal year 2022.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Office, Town of Beacon Falls, 10 Maple Avenue, Beacon Falls, Connecticut 06403.

BASIC FINANCIAL STATEMENTS

TOWN OF BEACON FALLS, CONNECTICUT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2021

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 12,530,250
Investments	435,727
Receivables:	
Property taxes and interest, net	516,936
Assessments and interest, net	216,781
Grants and contracts	151,109
Other	130,259
Other assets	7,782
Noncurrent assets:	
Receivables:	
Assessments	692,175
Loans	554,062
Capital assets:	
Non-depreciable	3,822,378
Depreciable, net	14,334,654
Total assets	<u>33,392,113</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	1,060,117
OPEB related	309,872
LOSAP related	104,873
Deferred charges on refunding	47,890
Total deferred outflows of resources	<u>1,522,752</u>
LIABILITIES	
Accounts payable	785,731
Salaries and benefits payable	85,865
Accrued interest payable	67,754
Bond anticipation notes	4,000,000
Unearned revenue	1,442,726
Noncurrent liabilities:	
Due within one year	766,051
Due in more than one year	11,817,051
Total liabilities	<u>18,965,178</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	372,732
OPEB related	171,251
Total deferred inflows of resources	<u>543,983</u>
NET POSITION	
Net investment in capital assets	10,796,479
Restricted for:	
Loan rehabilitation program	566,263
Other programs	11,461
Unrestricted	4,031,501
Total net position	<u>\$ 15,405,704</u>

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

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

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Position
Primary Government:					
Governmental activities:					
General government	\$ 2,672,676	\$ 347,745	\$ 581,168	\$ -	\$ (1,743,763)
Public works	2,957,900	113,130	240,961	-	(2,603,809)
Public safety	2,153,655	295,241	133,393	-	(1,725,021)
Culture and recreation	300,625	3,361	9,766	92,236	(195,262)
Education	14,773,551	-	3,946,560	-	(10,826,991)
Interest expense	127,035	-	-	-	(127,035)
Total governmental activities	<u>\$ 22,985,442</u>	<u>\$ 759,477</u>	<u>\$ 4,911,848</u>	<u>\$ 92,236</u>	<u>(17,221,881)</u>
General revenues:					
	Property taxes and assessments, levied for general purposes				17,762,482
	Grants and contributions not restricted to specific programs				48,598
	Unrestricted investment earnings				31,582
	Total general revenues				<u>17,842,662</u>
	Change in net position				620,781
	Net position - beginning				15,330,451
	Adjustments (see Note 1)				(545,528)
	Net position - beginning, as adjusted				<u>14,784,923</u>
	Net position - ending				<u>\$ 15,405,704</u>

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

TOWN OF BEACON FALLS, CONNECTICUT
BALANCE SHEET -
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2021

	General Fund	Bonded Projects Fund	Unbudgeted Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 6,860,225	\$ 3,570,854	\$ 487,551	\$ 1,611,620	\$ 12,530,250
Investments	424,871	-	-	10,856	435,727
Receivables:					
Property taxes and interest, net	733,717	-	-	-	733,717
Assessments and interest, net	692,175	-	-	-	692,175
Intergovernmental	46,285	-	104,824	-	151,109
Loans	-	-	-	554,062	554,062
Other	15,902	-	-	114,357	130,259
Due from other funds	16,943	-	928,071	772,905	1,717,919
Inventories	7,782	-	-	-	7,782
Total assets	<u>\$ 8,797,900</u>	<u>\$ 3,570,854</u>	<u>\$ 1,520,446</u>	<u>\$ 3,063,800</u>	<u>\$ 16,953,000</u>
LIABILITIES					
Accounts payable	\$ 494,726	\$ 115,829	\$ 79,453	\$ 95,723	\$ 785,731
Salaries and benefits payable	85,865	-	-	-	85,865
Due to other funds	1,684,797	22,859	15	10,248	1,717,919
Unearned revenue	11,987	-	1,423,231	7,508	1,442,726
Total liabilities	<u>2,277,375</u>	<u>138,688</u>	<u>1,502,699</u>	<u>113,479</u>	<u>4,032,241</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes and interest	635,247	-	-	-	635,247
Unavailable revenue - assessments and interest	692,175	-	-	-	692,175
Total deferred inflows of resources	<u>1,327,422</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,327,422</u>
FUND BALANCES					
Nonspendable	7,782	-	-	10,000	17,782
Restricted	-	3,456,865	-	567,724	4,024,589
Committed	434,497	-	17,747	2,372,597	2,824,841
Assigned	1,143,704	-	-	-	1,143,704
Unassigned	3,607,120	(24,699)	-	-	3,582,421
Total fund balances	<u>5,193,103</u>	<u>3,432,166</u>	<u>17,747</u>	<u>2,950,321</u>	<u>11,593,337</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,797,900</u>	<u>\$ 3,570,854</u>	<u>\$ 1,520,446</u>	<u>\$ 3,063,800</u>	<u>\$ 16,953,000</u>

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

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

Total fund balance for governmental funds		\$ 11,593,337
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:		
Land	\$ 3,138,525	
Construction in progress	683,853	
Buildings and improvements	4,827,853	
Machinery and equipment	6,894,445	
Infrastructure	24,161,504	
Less: accumulated depreciation and amortization	<u>(21,549,148)</u>	
Total capital assets, net		18,157,032
Deferred outflows and inflows of resources resulting from changes in the components of the net pension, total OPEB and total LOSAP liabilities are reported in the statement of net position.		930,879
Some of the Town's taxes, assessments, and interest receivables will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.		1,327,422
Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position.		
Accrued interest	(67,754)	
Long-term debt:		
Bonds	(5,925,000)	
Bond anticipation notes	(4,000,000)	
Unamortized premium	(677,077)	
Deferred charges on refunding	47,890	
Capital leases	(263,231)	
Other long-term liabilities:		
Compensated absences	(95,786)	
Pension obligation	(1,296,226)	
Net pension liability	(2,318,092)	
Total OPEB liability	(909,693)	
Total LOSAP liability	<u>(1,097,997)</u>	
Total long-term liabilities		<u>(16,602,966)</u>
Net position of governmental activities		<u>\$ 15,405,704</u>

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

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

	General Fund	Bonded Projects Fund	Unbudgeted Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 17,781,129	\$ -	\$ -	\$ -	\$ 17,781,129
Assessments	154,188	-	-	-	154,188
Intergovernmental	4,338,208	-	186,392	-	4,524,600
Charges for services	339,304	-	-	385,847	725,151
Interest income	25,057	2,966	813	2,746	31,582
Other	545,118	-	10,419	6,871	562,408
Total revenues	<u>23,183,004</u>	<u>2,966</u>	<u>197,624</u>	<u>395,464</u>	<u>23,779,058</u>
EXPENDITURES					
Current:					
General government	2,535,567	-	11,303	1,500	2,548,370
Public works	1,890,915	-	-	-	1,890,915
Public safety	1,368,890	-	73,142	241,125	1,683,157
Culture and recreation	253,149	-	11,462	5,395	270,006
Education	14,773,551	-	-	-	14,773,551
Debt service:					
Principal payments	680,000	-	-	68,110	748,110
Interest and fiscal charges	175,628	-	-	110,146	285,774
Capital outlays	-	873,889	99,926	714,058	1,687,873
Total expenditures	<u>21,677,700</u>	<u>873,889</u>	<u>195,833</u>	<u>1,140,334</u>	<u>23,887,756</u>
Excess (deficiency) of revenues over expenditures	1,505,304	(870,923)	1,791	(744,870)	(108,698)
OTHER FINANCING SOURCES (USES)					
Capital lease	-	-	-	199,998	199,998
Refunding bonds issued	-	-	-	3,195,000	3,195,000
Premium on refunding bonds issued	-	66,975	-	512,110	579,085
Payment to refunded bond escrow agent	-	-	-	(3,696,119)	(3,696,119)
Bond anticipation notes (BAN) issued	-	4,000,000	-	-	4,000,000
Premium on BANs issued	-	26,360	-	-	26,360
Transfers in	30,013	-	-	598,088	628,101
Transfers out	(501,787)	(96,301)	-	(30,013)	(628,101)
Total other financing sources (uses)	<u>(471,774)</u>	<u>3,997,034</u>	<u>-</u>	<u>779,064</u>	<u>4,304,324</u>
Net change in fund balances	1,033,530	3,126,111	1,791	34,194	4,195,626
Fund balances - beginning, as originally reported	3,792,520	306,055	15,956	2,904,251	7,018,782
Adjustment (see Note 1)	367,053	-	-	11,876	378,929
Fund balances - beginning, as adjusted	<u>4,159,573</u>	<u>306,055</u>	<u>15,956</u>	<u>2,916,127</u>	<u>7,397,711</u>
Fund balances - ending	<u>\$ 5,193,103</u>	<u>\$ 3,432,166</u>	<u>\$ 17,747</u>	<u>\$ 2,950,321</u>	<u>\$ 11,593,337</u>

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

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

Net change in fund balances - total governmental funds	\$	4,195,626
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Total change in net position reported for governmental activities in the statement of activities is different because:

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

Expenditures for capital assets	\$ 1,668,425	
Depreciation and amortization expense	<u>(1,236,674)</u>	
Net adjustment		431,751

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

Debt issued or incurred:		
Bond anticipation notes	(4,000,000)	
Refunding bonds	(3,195,000)	
Premium on bonds	(579,085)	
Deferred charge on refunding	50,044	
Capital lease	(199,998)	
Principal repayments:		
Bonds	4,315,000	
Capital leases	<u>68,111</u>	
Net adjustment		(3,540,928)

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

Accrued interest	736	
Amortization of bond premium	173,840	
Deferred amount on refunding	(31,123)	
Compensated absences	(14,776)	
Pension obligation	49,190	
Net pension liability	(169,636)	
Total OPEB liability	(221,045)	
Total LOSAP liability	<u>(173,540)</u>	
		(386,354)

Deferred outflows and inflows of resources resulting from changes in the components of the net pension, total OPEB and total LOSAP liabilities are amortized as a component of pension, OPEB and LOSAP expense in the statement of activities.

93,521

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

(172,835)

Change in net position of governmental activities	\$	<u><u>620,781</u></u>
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TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

The Town was incorporated in 1871. The Town operates under a Board of Selectmen, Town Meeting and Board of Finance form of government.

The legislative power of the Town is vested with the Board of Selectmen and by Town Meeting. The Board of Selectmen may enact, amend or repeal ordinances and resolutions. The administration of the Town offices and agencies is the responsibility of the First Selectman.

The Board of Finance is responsible for financial and taxation matters as prescribed by the Connecticut General Statutes, and is responsible for presenting fiscal operating budgets for Town Meeting approval.

The Town provides the following services: public works, public safety, culture and recreation, education and general administrative services.

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government and its component units, entities for which the government is considered to be financially accountable, and other organizations which by nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded. Based on these criteria, there are no component units requiring inclusion in these financial statements.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. The statements are intended to distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The Town has no business-type activities.

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

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

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

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

Fund Financial Statements

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

The Town reports the following major governmental funds:

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

Bonded Projects Fund - This fund is used to account for the proceeds from the issuance of debt to fund authorized capital projects.

Unbudgeted Grants Fund - This fund is used to account for the financial activity of unbudgeted grants and related capital expenditures.

Measurement Focus and Basis of Accounting

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

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

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

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

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

Measurement Focus and Basis of Accounting *(Continued)*

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

Restatement

The Town has restated the net position of its governmental activities and the fund balances of its General Fund and Nonmajor Governmental Funds for the correction of an error and for the implementation of GASB Statement No. 84, *Fiduciary Activities*. The effects of the restatements were as follows:

	Governmental Activities	Governmental Funds
Net Position/Fund balance - beginning, as originally reported	\$ 15,330,451	\$ 7,018,782
Recognition of investments accumulated for the purpose of paying LOSAP benefits	367,053	367,053
Recognition of the total LOSAP liability	(924,457)	-
Recharacterization of certain activities previously reported as fiduciary activities	11,876	11,876
	<u>(545,528)</u>	<u>378,929</u>
Net Position/Fund balance - beginning, as adjusted	<u>\$ 14,784,923</u>	<u>\$ 7,397,711</u>

The effects of the restatements on the Town's changes in net position of its governmental activities and on the changes in fund balances of its governmental funds have not been determined.

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Equity

Cash and Cash Equivalents

The Town's cash and cash equivalents include short-term highly liquid investments with original maturities of three months or less when purchased.

Investments

Investments consists of funds invested in an insurance contract. Investments in this types of contract is measured by the Town at contract value.

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

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

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

Property Taxes, Sewer Assessment and Usage Charges

Property taxes are assessed as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and January 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, July 1. Taxes not paid within 30 days of the due date are subject to interest charges. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes and interest of \$132,000 as of June 30, 2021.

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.

Loans Receivable

The Town administers a loan program for low to moderate income families through the Small Cities grant program. The loans bear an interest rate of 0%. Repayment of the loans is deferred, but the loans become due and payable upon sale or transfer of the property, the owner's demise, or when the subject property is no longer the applicant's principal place of residence. The notes may be paid in full or in part by the borrower at any time without penalty.

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in 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 two years. Such assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of a capital asset or materially extend capital asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	15 - 50
Machinery and equipment	8 - 15
Infrastructure	15 - 60

Unearned Revenue

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

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

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

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

Deferred Outflows and Inflows of Resources

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

Deferred inflows of resources in the governmental funds balance sheet consists of unavailable revenues. Unavailable revenues are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred outflows and inflows of resources in the government-wide statement of net position consists of deferred charges on refundings and deferred charges on pension and OPEB expenses. Deferred charges on refundings are being amortized to interest expense using the effective-interest method over the life of the related bonds. Deferred charges on pension and OPEB expenses resulting from changes in the components of the Town's net pension and total OPEB liabilities are being amortized as a component of pension and OPEB expense on a systematic and rational basis.

Compensated Absences

Town employees are granted vacation and sick leave based upon length of employment. In the event of termination or retirement, employees are compensated for accumulated vacation and sick time. All compensated absences are accrued when incurred in the government-wide financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year, or when the vested amount is expected to be paid with available resources.

Long-term Obligations

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

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

Net Position and Fund Balance

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

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

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

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

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

Net Position and Fund Balance *(Continued)*

Restricted net position - This component of net position consists of the portion of net position whose use is restricted either through external restrictions imposed by creditors, grantors, contributors, and the like, or through restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - This component of net position consists of amounts which do not meet the definition of the preceding two categories.

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

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

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

Committed - Amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Finance (the highest level of decision making authority of the Town) and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action. The formal action required to be taken by the Board of Finance to commit fund balance includes formal voting procedures consistent with the Town's budgeting procedures.

Assigned - Amounts are constrained by the Town's intent to be used for specific purposes, but are not restricted or committed. The Board of Finance and Board of Selectmen may assign fund balance as needed to meet the obligations of the Town.

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

Net Position Flow Assumption

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

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

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

The Town does not have a formal policy over the use of fund balance. In accordance with the applicable accounting guidance, when committed, assigned and unassigned resources are available for use, it is assumed that the Town will use committed resources first, then assigned resources and then unassigned resources as they are needed.

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

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

Interfund Activities

Interfund activities are reported as follows:

Interfund Receivables and Payables

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

Interfund Services Provided and Used

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

Interfund Transfers

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

Interfund Reimbursements

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

Use of Estimates

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

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

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

Government-wide statement of net position:	
Cash and cash equivalents	\$ 12,530,250
Add: Certificate of deposit presented as an investment	<u>10,856</u>
	<u>\$ 12,541,106</u>

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

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

Cash Deposits *(Continued)*

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2021, \$12,214,666 of the Town's bank balance of \$12,725,522 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 10,993,199
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	<u>1,221,467</u>
	<u><u>\$ 12,214,666</u></u>

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

Investments

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

Government-wide statement of net position:	
Investments	\$ 435,727
Less: Certificate of deposit presented as an investment	<u>(10,856)</u>
	<u><u>\$ 424,871</u></u>

As of June 30, 2021, investments of \$424,871 consists of an insurance contract held by the Town for the purpose of paying LOSAP benefits. The Town records this investment at contract value, which approximates fair value. The insurance contract his held with Empower Retirement, formerly MassMutual.

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

NOTE 3 - CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 3,138,525	\$ -	\$ -	\$ -	\$ 3,138,525
Construction in progress	318,218	404,055	-	(38,420)	683,853
Total capital assets, not being depreciated	<u>3,456,743</u>	<u>404,055</u>	<u>-</u>	<u>(38,420)</u>	<u>3,822,378</u>
Capital assets, being depreciated:					
Buildings and improvements	4,820,118	7,735	-	-	4,827,853
Machinery and equipment	6,419,014	489,295	(52,284)	38,420	6,894,445
Infrastructure	23,415,052	767,340	(20,888)	-	24,161,504
Total capital assets, being depreciated	<u>34,654,184</u>	<u>1,264,370</u>	<u>(73,172)</u>	<u>38,420</u>	<u>35,883,802</u>
Less accumulated depreciation and amortization for:					
Buildings and improvements	2,093,532	95,477	-	-	2,189,009
Machinery and equipment	4,250,579	462,609	(52,284)	-	4,660,904
Infrastructure	14,041,535	678,588	(20,888)	-	14,699,235
Total accumulated depreciation and amortization	<u>20,385,646</u>	<u>1,236,674</u>	<u>(73,172)</u>	<u>-</u>	<u>21,549,148</u>
Total capital assets, being depreciated, net	<u>14,268,538</u>	<u>27,696</u>	<u>-</u>	<u>38,420</u>	<u>14,334,654</u>
Governmental activities capital assets, net	<u>\$ 17,725,281</u>	<u>\$ 431,751</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,157,032</u>

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

Governmental Activities:	
General government	\$ 44,605
Public works	887,000
Public safety	275,606
Culture and recreation	<u>29,463</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 1,236,674</u>

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

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds:		
General Fund	Bonded Projects Fund	\$ 6,695
	Other Governmental Funds	10,248
		<u>16,943</u>
Unbudgeted Grants Fund	General Fund	<u>928,071</u>
Other Governmental Funds	General Fund	756,726
	Bonded Projects Fund	16,164
	Unbudgeted Grants Fund	15
		<u>772,905</u>
Total interfund receivables/payables		<u><u>\$ 1,717,919</u></u>

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

NOTE 5 - INTERFUND TRANSFERS

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

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
General Fund	Other Governmental Funds	<u>\$ 30,013</u>
Other Governmental Funds	General Fund	501,787
	Bonded Projects Fund	96,301
		<u>598,088</u>
Total transfers		<u><u>\$ 628,101</u></u>

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

NOTE 6 - SHORT-TERM DEBT

The following is a summary of terms and changes in short-term capital borrowings for the year ended June 30, 2021:

	<u>Due Date</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities						
Bond anticipation notes	12/14/2021	1.00%	\$ -	\$ 4,000,000	\$ -	\$ 4,000,000
			<u>\$ -</u>	<u>\$ 4,000,000</u>	<u>\$ -</u>	<u>\$ 4,000,000</u>

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

NOTE 6 - SHORT-TERM DEBT *(Continued)*

The purpose of the short-time borrowings is to provide resources for authorized capital projects. As discussed more fully in Note 15, the \$4,000,000 in bond anticipation notes outstanding as of June 30, 2021 were subsequently retired through proceeds from the issuance of general obligation bonds. As such, proceeds from the notes have been recognized as an other financing source in the governmental funds statement of revenues, expenditures, and changes in fund balances.

NOTE 7 - LONG-TERM DEBT

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

The following is a summary of changes in long-term debt for the year ended June 30, 2021:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>	<u>Due Within One Year</u>
Governmental Activities					
Direct Placements:					
General obligation bonds	\$ 7,045,000	\$ 3,195,000	\$ (4,315,000)	\$ 5,925,000	\$ 625,000
Unamortized premium	271,832	579,085	(173,840)	677,077	-
Total bonds payable	7,316,832	3,774,085	(4,488,840)	6,602,077	625,000
Direct Borrowings:					
Pension obligation	1,345,416	-	(49,190)	1,296,226	53,162
Capital leases	131,344	199,998	(68,111)	263,231	70,739
Total long-term debt	<u>\$ 8,793,592</u>	<u>\$ 3,974,083</u>	<u>\$ (4,606,141)</u>	<u>\$ 8,161,534</u>	<u>\$ 748,901</u>

Long-term debt has typically been liquidated by the General Fund and the Bonded Projects Fund.

Direct Placements - General Obligation Bonds

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

<u>Purpose of Bonds</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Amount Outstanding</u>
Governmental Activities					
Bonds Payable					
General Obligation Bonds	1/2017	\$ 4,350,000	2.0% - 3.0%	1/15/2037	\$ 3,100,000
General Obligation Refunding Bonds	11/2020	3,195,000	2.0% - 5.0%	3/15/2033	2,825,000
					<u>\$ 5,925,000</u>

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

NOTE 7 - LONG-TERM DEBT *(Continued)*

Direct Placements - General Obligation Bonds *(Continued)*

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

Year ending June 30:	Governmental Activities		
	Principal	Interest	Total
2022	\$ 625,000	\$ 201,400	\$ 826,400
2023	590,000	176,750	766,750
2024	1,360,000	144,650	1,504,650
2025	325,000	116,950	441,950
2026	330,000	100,700	430,700
2027-2031	2,095,000	231,900	2,326,900
2032-2036	550,000	25,343	575,343
2037	50,000	594	50,594
	<u>\$ 5,925,000</u>	<u>\$ 998,287</u>	<u>\$ 6,923,287</u>

Overlapping Debt

The Town is contingently liable for its pro-rata share of Regional School District No. 16's (the "District") outstanding bonds. At June 30, 2021, the District's total outstanding bonds and bond anticipation notes, net of school construction principal reimbursements were \$18,880,000. The Town's share is approximately 36.75% of the total, or \$6,938,400. Such outstanding indebtedness represents general obligations of Regional School District No. 16 and its member towns. However, the Town is not required to record its share in the accompanying statement of net position.

Legal Debt Limit

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

Direct Borrowings

Pension Obligation

The Town participates in the Connecticut Municipal Employee Retirement System (MERS). Upon joining MERS, the Town became obligated and entered into an agreement to pay MERS for prior unfunded actuarial accrued liabilities for Town employees participating in MERS.

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

NOTE 7 - LONG-TERM DEBT *(Continued)*

Direct Borrowings *(Continued)*

Pension Obligation *(Continued)*

Annual debt service requirements to maturity on the unfunded pension obligation are as follows as of June 30, 2021:

Year ending June 30:	Governmental Activities		
	Principal	Interest	Total
2022	\$ 53,162	\$ 104,671	\$ 157,833
2023	57,454	100,379	157,833
2024	62,093	95,740	157,833
2025	67,107	90,726	157,833
2026	72,525	85,308	157,833
2027-2031	460,512	328,653	789,165
2032-2036	523,373	110,739	634,112
	<u>\$ 1,296,226</u>	<u>\$ 916,216</u>	<u>\$ 2,212,442</u>

Capital Leases

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

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

	Governmental Activities
Machinery and equipment	\$ 372,247
Less: accumulated amortization	(28,150)
	<u>\$ 344,097</u>

Amortization expense of leased property under capital leases totaled \$28,150 for the year ended June 30, 2021 and is included in depreciation and amortization expense disclosed in Note 3.

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

Year Ending June 30:	Governmental Activities
2022	\$ 80,709
2023	80,709
2024	80,710
2025	44,158
Total minimum lease payments	286,286
Less: amount representing interest	(23,055)
Present value of minimum lease payments	<u>\$ 263,231</u>

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

NOTE 8 - OTHER LONG-TERM LIABILITIES

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

	Beginning Balance (As Restated)	Increases	Decreases	Ending	Due Within One Year
Governmental Activities					
Compensated absences	\$ 81,010	\$ 14,776	\$ -	\$ 95,786	\$ 17,150
Net pension liability (see Note 9)	2,148,456	169,636	-	2,318,092	-
Total LOSAP liability (see Note 10)	924,457	173,540	-	1,097,997	-
Total OPEB liability (see Note 11)	688,648	221,045	-	909,693	-
	<u>\$ 3,842,571</u>	<u>\$ 578,997</u>	<u>\$ -</u>	<u>\$ 4,421,568</u>	<u>\$ 17,150</u>

NOTE 9 - EMPLOYEE RETIREMENT PLANS

Connecticut Municipal Employees' Retirement System

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

Municipalities may designate which departments are to be covered under the CMERS. There are no minimum age or service requirements. Membership is mandatory for all regular full time employees of participating departments except Police and Fire hired after age 60.

The plan has 4 sub plans, of which the Town participates in the following sub plans:

- General employees with social security
- Police officers and firefighters with social security

Plan Description

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

Plan membership - Union employees, police officers and other Town employees, who were hired after September 30, 1969, who are 55 or younger at the date of hire, and who work at least 20 hours per week are eligible to participate.

Benefits provided - General employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active aggregate service, or 25 years of aggregate service. Police are eligible at the compulsory retirement age for police and fire members are eligible at the age of 65.

For members not covered by social security, the benefit is 2% of average final compensation times years of service. For members covered by social security, the benefit is 1.5% of the average final compensation not in excess of the year's breakpoint plus 2% of average final compensation in excess of the year's breakpoint, times years of service.

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

NOTE 9 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Connecticut Municipal Employees' Retirement System *(Continued)*

Plan Description *(Continued)*

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

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

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

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

Contributions - The contribution requirements of plan members are established and may be amended by the State Retirement Commission. The Town is required to contribute annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment which covers the liabilities of the system not met by member contributions. The current rates are 13.73% of covered payroll for general employees with social security and 19.45% for police officers and firefighters with social security.

The contribution requirements of the Town are established and may be amended by the State Retirement Commission. The Town's contributions to the CMERS for the year ended June 30, 2021 was \$218,810 and was equal to the required contributions for each year.

For employees not covered by social security, each person is required to contribute 5.50% of compensation. For employees covered by social security, each person is required to contribute 2.75% of compensation up to the social security taxable wage base plus 5% of compensation, if any, in excess of such base.

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

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

NOTE 9 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Connecticut Municipal Employees' Retirement System *(Continued)*

Summary of Significant Accounting Policies

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

Collective Net Pension Liability

The total estimated collective net pension liability of the CMERS as of June 30, 2021 was \$1.113 billion, the most recent available reporting provided by the Board. The portion that was associated with the Town totaled \$2,318,092 or approximately 0.21% of the total estimated collective net pension liability.

The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The portion of the net pension liability associated with the Town was based on the 2020 actuarial (expected) payroll amounts reported by participating employers. Expected payroll adjusts actual payroll for known changes in the status of employees, annualized salaries for partial year employees and anticipated salary increases.

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

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

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

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

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

NOTE 9 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Connecticut Municipal Employees' Retirement System *(Continued)*

Collective Net Pension Liability *(Continued)*

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

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

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

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the Town's proportionate share of the collective net pension liability calculated using the discount rate of 7.00%, as well as what the Town's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease	Current Discount	1% Increase
Proportionate share of the collective net pension liability	\$ 3,266,875	\$ 2,318,092	\$ 1,519,830

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

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

NOTE 9 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Connecticut Municipal Employees' Retirement System *(Continued)*

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, the Town recognized pension expense related to the CMERS of \$621,958. At June 30, 2021, the Town reported its proportionate share of deferred outflows of resources related to the CMERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferrals
Difference between expected and actual experience	\$ 116,922	\$ (296,416)	\$ (179,494)
Net difference between projected and actual earnings on pension plan investments	245,944	-	245,944
Changes of assumptions	380,097	-	380,097
Contributions paid to the CMERS subsequent to the measurement date	240,361	-	240,361
Other	76,793	(76,316)	477
Total	<u>\$ 1,060,117</u>	<u>\$ (372,732)</u>	<u>\$ 687,385</u>

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

Year ended June 30,	
2022	\$ 438,972
2023	231,003
2024	(4,486)
2025	21,896
	<u>\$ 687,385</u>

Deferred Compensation Plan

The Town offers all employees who are eligible for benefits a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Town is not required to make contributions to this plan. Amounts contributed by employees into this plan totaled, \$41,500 for the year ended June 30, 2021. Deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the exclusive benefit of the plan participants and their beneficiaries. Therefore, the accounts of the deferred compensation plans are not reported in the basic financial statements of the Town.

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

NOTE 10 - LENGTH OF SERVICE AWARD PROGRAM (LOSAP)

Plan Description

The Town sponsors a length of service award program (LOSAP), a defined benefit service award program, for the benefit of the volunteer fire, EMS, and rescue personnel of Beacon Hose Co. No. 1. The plan was established June 1995 by the Town and was revised in October 2020. Changes to the plan, including discontinuation of the LOSAP Plan, may be made by the Town.

Plan administration - LOSAP is a single-employer defined benefit plan administered by the Town.

Plan membership - As of the date of the latest actuarial valuation, membership consisted of the following:

Active participants	49
Vested terminated	22
Retired and beneficiaries	<u>2</u>
	<u>73</u>

Benefits provided - Normal benefits consist of the participant's number of years credited service, not to exceed 30 years, multiplied by \$5.00. The minimum benefit would be \$35.00 per month. The maximum benefit would be \$150.00 per month. For all years of credited service beginning on July 1, 2020, the benefit multiplier will be increased from \$5.00 to \$10.000 and the maximum benefit to a participant retiring on their normal entitlement date after July 1, 2020 shall be \$300.00 per month. Participants become fully vested upon attaining more than 7 years of credited service.

Contributions - There is no participant contribution requirements. The Town may make periodic payments to a trust based on actuarial estimates for the purpose of accumulating sufficient funds to provide for the benefits. The Town contributed \$48,310 for the year ended June 30, 2021 and was equal to the actuarial determined contribution.

Summary of Significant Accounting Policies

The LOSAP program is administered through a trust. Payments under the program are made from the general assets of the sponsors. The trust does not meet the criteria of an irrevocable trust because the assets are not protected from the Town's creditors. Accordingly, the Town reports its proportionate share of the total LOSAP service award liabilities which have been measured at the actuarial present value of projected benefit payments without offset from the trust assets.

Total LOSAP Liability

The Town's LOSAP liability reported as of June 30, 2021 totaled \$1,097,997. The total LOSAP liability was determined by an actuarial valuation as of July 1, 2020 rolled forward to June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	0.00%
Investment rate of return	1.92%, net of investment expense
Discount rate	1.92%
Mortality	RP-2000 projected to 2030

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

NOTE 10 - LENGTH OF SERVICE AWARD PROGRAM (LOSAP) *(Continued)*

Changes in the Total LOSAP Liability

	Total LOSAP Liability
Balance as of June 30, 2020	\$ 924,457
Changes for the year:	
Service cost	42,225
Interest	17,723
Difference between expected and actual experience	-
Changes of assumptions	117,982
Benefit payments, including refunds of member contributions	(4,390)
Net changes	173,540
Balance as of June 30, 2021	<u><u>\$ 1,097,997</u></u>

Sensitivity of the Total LOSAP Liability to Changes in the Discount Rate - The following presents the total LOSAP liability of the Town, as well as what the Town's total LOSAP liability would be if it were calculated using a discount rate that is 1- percentage-point lower (0.92%) or 1-percentage-point higher (2.92%) than the current discount rate:

	1% Decrease	Current Discount	1% Increase
Total LOSAP Liability	\$ 1,174,405	\$ 1,097,997	\$ 1,019,861

LOSAP Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, the Town recognized LOSAP expense of \$73,058. As of June 30, 2021, the Town reported deferred outflows of resources related to LOSAP from the following source:

	Deferred Outflows of Resources
Changes of assumptions	<u><u>\$ 104,873</u></u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized as a component of LOSAP expense as follows:

Year Ended June 30:	
2022	\$ 13,109
2023	13,109
2024	13,109
2025	13,019
2026	13,019
Thereafter	39,508
	<u><u>\$ 104,873</u></u>

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

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Town Plan

Plan Description

The Town provides healthcare insurance benefits for eligible retirees through the Town's group health insurance plan, which covers both active and retired members (the "Plan"). Benefit provisions are established by various collective bargaining and employment agreements with the Town. The Plan is considered to be part of the Town's financial reporting entity. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

Benefits Provided

Contribution requirements of the plan members and the Town are established in the provisions of the program and in accordance with the General Statutes of the State of Connecticut. Currently, employees who are age 55 and older, with 20 years of service in the Town, are eligible to receive benefits. Town Hall employees hired after July 1, 2005 and public works employees hired after July 1, 2003 must serve 25 years to be eligible for medical coverage. For the Police, Town and Public works employees all retirees under the age of 65 contribute at the same level as active employees, which may be adjusted from time to time. After the age of 65, employees contribute 50% of Medicare supplemental cost. For fiscal year 2020, the Town and retirees contributions totaled \$43,003 and were funded on a pay-as-you-go basis.

The Town has not established a trust fund as of June 30, 2021, to irrevocably segregate assets to fund the liability for post-employment benefits, which would require the reporting of a trust fund.

Employees Covered by Benefit Terms

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

Retirees, beneficiaries, and dependents currently receiving benefits	10
Active participants	<u>21</u>
	<u><u>31</u></u>

Total OPEB Liability

The Town's OPEB liability reported as of June 30, 2021 totaled \$909,693. The total OPEB liability was measured as of June 30, 2021 using the Alternative Measurement Method.

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

Discount rate	2.21%
Payroll growth rate	3.50%
Healthcare cost trend rates:	7.00% reduced by 0.25% per year, 4.50% ultimate rate

The discount rate was based on the Bond Buyer 20 (GO 20 Index) as of the measurement date, which represents municipal bond trends based on a portfolio of 20 general obligation bonds that mature in 20 years.

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

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Total OPEB Liability *(Continued)*

Mortality rates were based on separate RP-2014 headcount-weighted tables (adjusted back to 2006) for active employees and annuitants, projected generationally with Scale MP-2018.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2020	\$ 688,648
Changes for the year:	
Service cost	26,735
Interest	24,245
Changes of assumptions	215,793
Benefit payments, including refunds of member contributions	(45,728)
Net changes	221,045
Balance as of June 30, 2021	\$ 909,693

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1- percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

	1% Decrease	Current Discount	1% Increase
Total OPEB Liability	\$ 1,068,552	\$ 909,693	\$ 780,906

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

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 766,173	\$ 909,693	\$ 1,094,840

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

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, the Town recognized OPEB expense of \$64,862. As of June 30, 2021, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferrals</u>
Difference between expected and actual experience	\$ 71,165	\$ (22,339)	\$ 48,826
Changes of assumptions	238,707	(148,912)	89,795
	<u>\$ 309,872</u>	<u>\$ (171,251)</u>	<u>\$ 138,621</u>

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

Year Ended June 30:	
2022	\$ 13,882
2023	13,882
2024	13,882
2025	13,882
2026	14,666
Thereafter	68,427
	<u>\$ 138,621</u>

NOTE 12 - RISK MANAGEMENT AND UNCERTAINTIES

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God. The Town purchases commercial insurance for all other risks of loss, including blanket and umbrella. Coverage has not been materially reduced, nor have settled claims exceeded commercial coverage in any of the past three years.

Uncertainties - Pandemic

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

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

NOTE 13 - FUND BALANCE

Fund balance of the Town's governmental funds have been classified as follows as of June 30, 2021:

	General Fund	Bonded Projects Fund	Unbudgeted Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Inventories	\$ 7,782	\$ -	\$ -	\$ -	\$ 7,782
Endowment	-	-	-	10,000	10,000
Restricted for:					
Capital purposes	-	3,456,865	-	-	3,456,865
Loan rehabilitation program	-	-	-	566,263	566,263
Other purposes	-	-	-	1,461	1,461
Committed to:					
Town Clerk activities	9,626	-	-	-	9,626
Public safety programs	-	-	-	162,050	162,050
Public safety - LOSAP Benefits	424,871	-	-	-	424,871
Sewer waste water system	-	-	-	1,296,707	1,296,707
Library programs	-	-	-	18,475	18,475
Recreation programs	-	-	-	27,570	27,570
Grant programs	-	-	17,747	-	17,747
Capital purposes	-	-	-	255,571	255,571
Other purposes	-	-	-	1,112	1,112
Debt service	-	-	-	611,112	611,112
Assigned to:					
Subsequent year's budget	246,500	-	-	-	246,500
Capital and nonrecurring	897,204	-	-	-	897,204
Unassigned	3,607,120	(24,699)	-	-	3,582,421
	<u>\$ 5,193,103</u>	<u>\$ 3,432,166</u>	<u>\$ 17,747</u>	<u>\$ 2,950,321</u>	<u>\$ 11,593,337</u>

NOTE 14 - COMMITMENTS AND CONTINGENCIES

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

The Town has received state and federal 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 agency for any expenditure disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

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

NOTE 14 - COMMITMENTS AND CONTINGENCIES *(Continued)*

Capital Projects Authorizations

The following is a summary of available commitments for authorized capital projects as of June 30, 2021:

	<u>Authorization</u>	<u>Cumulative Expenditures</u>	<u>Balance</u>
Lower Highland, Burton & Noe Place	\$ 2,100,000	\$ 2,056,790	\$ 43,210
Town Roads	3,000,000	815,695	2,184,305
Wastewater Treatment Plant Upgrades	<u>2,000,000</u>	<u>772,595</u>	<u>1,227,405</u>
	7,100,000	3,645,080	3,454,920
Road work	420,371	415,721	4,650
Codification	9,960	6,972	2,988
Fire - Workout Room	17,500	2,250	15,250
Assembly room upgrades	10,000	3,338	6,662
Accounting Software	35,000	17,265	17,735
Transfer station - 10 year permit renewal	10,000	-	10,000
5 Year Lease for Ambulance	94,158	94,157	1
Demo/Abatement Wolfe Ave	80,000	5,920	74,080
Town hall phone system upgrades	26,000	25,260	740
Replace/upgrade computers	10,298	10,297	1
Portable radios - Fire	43,669	43,669	-
COVID-19 Expenses	49,999	46,231	3,768
Guardrail replacement	14,701	14,075	626
Spreader & Ram	1,493	-	1,493
EMS First Responder Vehicle	50,000	41,901	8,099
20 SCBA Cylinders	22,000	22,000	-
Building & Parks Security	21,500	14,640	6,860
Jib Pole	12,800	9,986	2,814
Side Conveyor	16,400	-	16,400
Dump Trailer	25,000	-	25,000
Garage Generator	41,000	-	41,000
Field Edger	7,250	7,155	95
Pent Road Bleachers	5,000	4,999	1
Nurse Closet	1,500	1,400	100
Bulkhead Door & Awning	6,000	2,595	3,405
Sidewalk, Ramp & Doorway	1,550	1,550	-
Public Works Truck - Existing Lease	36,551	36,551	-
Revaluation	40,000	40,000	-
Rescue 4 Repairs	9,440	9,390	50
Storm Isaías	19,999	18,010	1,989
Forceable Entry Door	6,455	6,455	-
Athletic Courts Rehab & Resurfacing	60,191	60,191	-
Public Works Road Saw	5,299	5,299	-
Playscape	43,000	42,277	723
Unassigned	<u>3,415</u>	<u>-</u>	<u>3,415</u>
	<u>1,257,499</u>	<u>1,009,554</u>	<u>247,945</u>
	<u>\$ 8,357,499</u>	<u>\$ 4,654,634</u>	<u>\$ 3,702,865</u>

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

NOTE 15 - SUBSEQUENT EVENT

In December 2021, the Town issued \$6,000,000 in general obligation bonds. The bonds bear coupon rates ranging from 2.0% to 5.0% and mature in December 2041. Proceeds from the issuance were used to retire \$4,000,000 in previously outstanding bond anticipation notes and to provide additional proceeds to finance upgrades to the Town's wastewater treatment plant and improvements to Town roads and bridges.

NOTE 16 - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE

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

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

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

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

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

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

NOTE 16 - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE *(Continued)*

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Over (Under)
REVENUES				
Property taxes	\$ 17,477,437	\$ 17,477,437	\$ 17,781,129	\$ 303,692
Assessments	137,090	137,090	154,188	17,098
Intergovernmental	4,242,461	4,242,461	4,284,632	42,171
Charges for services	243,437	243,437	369,304	125,867
Other	81,300	81,300	598,694	517,394
Interest income	75,750	75,750	12,812	(62,938)
Total revenues	<u>22,257,475</u>	<u>22,257,475</u>	<u>23,200,759</u>	<u>943,284</u>
EXPENDITURES				
Current:				
General government	2,723,957	2,742,927	2,536,865	(206,062)
Public works	1,869,088	1,917,532	1,867,283	(50,249)
Public safety	1,492,202	1,498,397	1,392,590	(105,807)
Library	175,221	175,221	170,017	(5,204)
Recreation	154,050	112,031	83,132	(28,899)
Education	14,773,550	14,773,551	14,773,551	-
Contingency	100,000	9,514	-	(9,514)
Debt service:				
Principal payments	690,000	690,000	680,000	(10,000)
Interest and fiscal charges	293,432	293,432	175,628	(117,804)
Total expenditures	<u>22,271,500</u>	<u>22,212,605</u>	<u>21,679,066</u>	<u>(533,539)</u>
Excess (deficiency) of revenues over expenditures	(14,025)	44,870	1,521,693	1,476,823
OTHER FINANCING SOURCES (USES)				
Appropriation of fund balance	376,727	456,917	-	(456,917)
Transfers in	-	-	13	13
Transfers out	(362,702)	(501,787)	(501,787)	-
Total other financing sources (uses)	<u>14,025</u>	<u>(44,870)</u>	<u>(501,774)</u>	<u>(456,904)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,019,919</u>	<u>\$ 1,019,919</u>

See accompanying notes to required supplementary information.

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

	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	0.21%	0.21%	0.22%	0.42%	0.37%	0.39%	0.24%
Town's proportionate share of the net pension liability	<u>\$ 2,318,092</u>	<u>\$ 2,148,456</u>	<u>\$ 2,079,219</u>	<u>\$ 1,048,812</u>	<u>\$ 1,239,994</u>	<u>\$ 751,849</u>	<u>\$ 571,948</u>
Town's covered payroll	\$ 1,449,184	\$ 1,458,170	\$ 1,576,326	\$ 1,427,086	\$ 1,483,591	\$ 1,421,731	\$ 1,162,152
Town's proportionate share of the net pension liability as a percentage of its covered payroll	160.0%	147.3%	131.9%	73.5%	83.6%	52.9%	49.2%
Plan fiduciary net position as a percentage of the total pension liability	71.18%	72.69%	73.60%	91.68%	88.29%	92.72%	90.48%

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

See accompanying notes to required supplementary information.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 218,810	\$ 200,241	\$ 187,619	\$ 180,710	\$ 188,395	\$ 180,221	\$ 182,357
Contributions in relation to the contractually required contribution	<u>218,810</u>	<u>200,241</u>	<u>187,619</u>	<u>180,710</u>	<u>188,395</u>	<u>180,221</u>	<u>182,357</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,449,184	\$ 1,458,170	\$ 1,576,326	\$ 1,427,086	\$ 1,483,591	\$ 1,421,731	\$ 1,162,152
Contributions as a percentage of covered payroll	15.10%	13.73%	11.90%	12.66%	12.70%	12.68%	15.69%

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

See accompanying notes to required supplementary information.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability				
Service cost	\$ 26,735	\$ 23,481	\$ 30,329	\$ 30,329
Interest on total OPEB liability	24,245	25,222	24,958	24,958
Effect of economic/demographic gains and losses	(25,259)	-	108,953	108,953
Effect of assumptions changes or inputs	241,052	33,198	(162,329)	(162,329)
Benefit payments, including refunds	<u>(45,728)</u>	<u>(43,003)</u>	<u>(37,991)</u>	<u>(37,991)</u>
Net change in total OPEB liability	221,045	38,898	(36,080)	(36,080)
Total OPEB liability - beginning	<u>688,648</u>	<u>649,750</u>	<u>685,830</u>	<u>685,830</u>
Total OPEB liability - ending	<u><u>\$ 909,693</u></u>	<u><u>\$ 688,648</u></u>	<u><u>\$ 649,750</u></u>	<u><u>\$ 649,750</u></u>

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

See accompanying notes to required supplementary information.

TOWN OF BEACON FALLS, CONNECTICUT
SCHEDULE OF CHANGES IN TOTAL LOSAP LIABILITY -
LENGTH OF SERVICE AWARD PROGRAM (UNAUDITED)
CURRENT FISCAL YEAR*

	2021
Total LOSAP liability	
Service Cost	\$ 42,225
Interest	17,723
Changes of assumptions	117,982
Benefit payments, including refunds	(4,390)
Net change in total LOSAP liability	173,540
Total LOSAP liability - beginning	924,457
Total LOSAP liability - ending	<u>\$ 1,097,997</u>

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

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

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

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

- The head of each department, office or agency of the Town, supported wholly or in part from Town funds, except the Regional Board of Education, files with the Board of Selectmen a detailed estimate of the expenditures to be made and the revenues, other than property taxes, to be collected in the ensuing fiscal year.
- Expenditures are budgeted by function, department and object. The legal level of budgetary control, the level at which expenditures may not exceed appropriations, is established at the department level.
- The Board of Selectmen reviews the budget estimates with the heads of all Town supported departments, offices and agencies. In preparing the proposed budget, the Board of Selectmen may add to, delete from or eliminate requests made by the various departments, offices and agencies. The Board of Selectmen includes in the budget the estimated budget request of Regional School District No. 16. The Board of Selectmen submits its budget recommendations to the Board of Finance.
- The Board of Finance may review the budget requests with the head of each department, board, agency and commission. These estimates are recommended as the annual operating budget for adoption either at the Town meeting in May or at Town referendum, in accordance with Connecticut General Statutes.
- The Board of Finance may authorize the transfer of appropriations between departments, and may authorize supplemental appropriations during the year provided that such appropriations do not cumulatively exceed \$20,000. Transfers and additional appropriations exceeding \$20,000 require Town meeting approval.
- Unexpended appropriations lapse at the end of the fiscal year. Appropriations for capital projects do not lapse until completion of the applicable project.
- The General Fund budget is prepared on a modified accrual basis of accounting. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued, and accordingly encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year.

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

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

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

	Total Revenues	Total Expenditures	Other Financing Sources (Uses), Net	Net Change in Fund Balance
Budgetary basis	\$ 23,200,759	\$ 21,679,066	\$ (501,774)	\$ 1,019,919
Changes in encumbrances	-	47,142	-	(47,142)
Transfers out recorded as expenditures for budgetary purposes	(30,000)	-	30,000	-
LOSAP activity	12,208	(45,609)	-	57,817
Town Clerk Fund activity	37	(2,899)	-	2,936
GAAP basis	<u>\$ 23,183,004</u>	<u>\$ 21,677,700</u>	<u>\$ (471,774)</u>	<u>\$ 1,033,530</u>

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

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

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

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

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

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

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

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

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

Methods and Assumptions Utilized

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

NOTE 4 - SCHEDULE OF CHANGES IN TOTAL LOSAP LIABILITY

The Town began to report this schedule in the current fiscal year. GASB Statement No. 73 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of July 1, 2020. This information is utilized by the Town for reporting as of June 30, 2021.

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

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

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

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

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

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of July 1, 2020. This information is utilized by the Town for reporting as of June 30, 2021.

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

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

GENERAL FUND

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

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
PROPERTY TAXES				
Property taxes - current year	\$ 16,982,500	\$ 16,982,500	\$ 17,126,967	\$ 144,467
Property taxes - prior years	190,000	190,000	291,495	101,495
Supplemental Motor Vehicle Tax - Current	195,000	195,000	189,600	(5,400)
Interest and lien fees	101,200	101,200	163,425	62,225
Telecommunication property tax	8,737	8,737	9,642	905
Total property taxes	17,477,437	17,477,437	17,781,129	303,692
WATER AND SEWER ASSESSMENTS	137,090	137,090	154,188	17,098
INTERGOVERNMENTAL REVENUES				
School equalization grant	3,946,560	3,946,560	3,946,560	-
Town aid road maintenance	192,176	192,176	192,522	346
Municipal Grants-In-Aid	43,809	43,809	43,809	-
State property tax	24,899	24,899	24,899	-
Mashantucket Pequot grant	12,467	12,467	12,467	-
Police traffic tickets	2,100	2,100	2,710	610
Additional exemptions for veterans	8,300	8,300	9,621	1,321
Disability tax relief	1,650	1,650	1,611	(39)
Emergency management performance grant	5,000	5,000	-	(5,000)
Distressed municipalities	5,000	5,000	47,668	42,668
Miscellaneous reimbursements	500	500	2,765	2,265
Total intergovernmental revenues	4,242,461	4,242,461	4,284,632	42,171
CHARGES FOR SERVICES				
Building permits	130,000	130,000	185,129	55,129
Town clerk conveyance	60,000	60,000	98,888	38,888
Police extra duty/vehicles/fees	30,000	30,000	30,000	-
Ambulance corps reimbursement	5,000	5,000	16,922	11,922
Mini-bus	4,000	4,000	20	(3,980)
Planning & zoning commission	3,900	3,900	6,206	2,306
MERS - Town share	3,500	3,500	12,209	8,709
Fire marshal inspections	1,800	1,800	2,975	1,175
Inlands wetlands fees	1,750	1,750	1,154	(596)
Miscellaneous permits	1,500	1,500	2,230	730
Police - other revenue	1,000	1,000	10,295	9,295
Miscellaneous income	512	512	1	(511)
Zoning board of appeals	250	250	756	506
Xerox equipment	125	125	59	(66)
Disposal fees	100	100	162	62
LOCIP - Town Clerk	-	-	2,298	2,298
Total charges for services	243,437	243,437	369,304	125,867

(Continued)

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

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Over (Under)
OTHER REVENUES				
Leachate collection system	\$ 45,000	\$ 45,000	\$ 32,699	\$ (12,301)
Regional School District No. 16 surplus	20,000	20,000	243,023	223,023
Insurance refund	15,000	15,000	6,480	(8,520)
Insurance claim	1,000	1,000	261,900	260,900
Gas and miscellaneous refunds	100	100	-	(100)
Miscellaneous income	100	100	-	(100)
Miscellaneous reimbursements	100	100	54,197	54,097
Sale of town property	-	-	395	395
Total other revenues	<u>81,300</u>	<u>81,300</u>	<u>598,694</u>	<u>517,394</u>
INTEREST INCOME	<u>75,750</u>	<u>75,750</u>	<u>12,812</u>	<u>(62,938)</u>
Total revenues	<u>22,257,475</u>	<u>22,257,475</u>	<u>23,200,759</u>	<u>943,284</u>
OTHER FINANCING SOURCES				
Appropriation from fund balance	376,727	456,917	-	(456,917)
Transfer in	-	-	13	13
Total other financing sources	<u>376,727</u>	<u>456,917</u>	<u>13</u>	<u>(456,904)</u>
Total revenues and other financing sources	<u>\$ 22,634,202</u>	<u>\$ 22,714,392</u>	<u>\$ 23,200,772</u>	<u>\$ 486,380</u>
				<i>(Concluded)</i>

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

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Over (Under)
GENERAL GOVERNMENT				
First selectman	\$ 159,866	\$ 165,348	\$ 160,622	\$ (4,726)
Town hall	246,168	258,011	242,552	(15,459)
Town clerk	112,535	118,012	111,738	(6,274)
Tax collector	108,291	113,636	109,991	(3,645)
Treasurer	13,500	13,500	13,500	-
Building inspector	39,912	41,415	39,090	(2,325)
Employee benefits	1,152,310	1,112,123	1,076,644	(35,479)
Board of assessors	117,127	127,343	124,990	(2,353)
Board of assessment appeals	1,800	1,800	1,800	-
Board of finance	34,000	34,000	26,500	(7,500)
Finance department	138,930	145,382	144,785	(597)
Economic development	53,000	53,000	240	(52,760)
Inland wetlands	5,233	6,090	6,090	-
Conservation commission	6,500	2,100	2,100	-
Planning & zoning commission	35,520	37,806	37,705	(101)
Registrars of voters	51,800	51,800	40,951	(10,849)
Professional fees	194,660	200,708	176,000	(24,708)
Insurance	99,000	101,500	100,151	(1,349)
Agency memberships	9,031	11,881	11,790	(91)
Community welfare	88,455	91,170	87,777	(3,393)
Minibus operations	32,969	33,051	6,049	(27,002)
Senior citizen center	21,100	21,001	13,800	(7,201)
Miscellaneous boards and commissions	2,250	2,250	2,000	(250)
Total general government	2,723,957	2,742,927	2,536,865	(206,062)
PUBLIC WORKS				
Highway maintenance	819,433	848,816	816,926	(31,890)
Town garage	17,740	19,940	17,737	(2,203)
Refuse	384,273	387,048	375,223	(11,825)
Wastewater treatment	647,642	661,728	657,397	(4,331)
Total public works	1,869,088	1,917,532	1,867,283	(50,249)
(Continued)				

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

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
PUBLIC SAFETY				
Emergency services	\$ 341,425	\$ 338,525	\$ 335,574	\$ (2,951)
Fire marshal	52,016	52,105	51,376	(729)
Emergency management	5,550	5,587	5,587	-
Safety committee	6,300	6,300	5,498	(802)
Water hydrants	222,755	226,656	225,410	(1,246)
Police	770,514	768,959	670,455	(98,504)
Animal control	10,966	10,966	9,561	(1,405)
Public safety	82,676	89,299	89,129	(170)
Total public safety	<u>1,492,202</u>	<u>1,498,397</u>	<u>1,392,590</u>	<u>(105,807)</u>
LIBRARY	<u>175,221</u>	<u>175,221</u>	<u>170,017</u>	<u>(5,204)</u>
RECREATION	<u>154,050</u>	<u>112,031</u>	<u>83,132</u>	<u>(28,899)</u>
DEBT SERVICE				
Principal	690,000	690,000	680,000	(10,000)
Interest	293,432	293,432	175,628	(117,804)
Total debt service	<u>983,432</u>	<u>983,432</u>	<u>855,628</u>	<u>(127,804)</u>
CONTINGENCY	<u>100,000</u>	<u>9,514</u>	<u>-</u>	<u>(9,514)</u>
EDUCATION	<u>14,773,550</u>	<u>14,773,551</u>	<u>14,773,551</u>	<u>-</u>
Total expenditures	<u>22,271,500</u>	<u>22,212,605</u>	<u>21,679,066</u>	<u>(533,539)</u>
OTHER FINANCING USES				
Transfers out	<u>362,702</u>	<u>501,787</u>	<u>501,787</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 22,634,202</u>	<u>\$ 22,714,392</u>	<u>\$ 22,180,853</u>	<u>\$ (533,539)</u> <i>(Concluded)</i>

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

Grand List Year	Balance Uncollected June 30, 2020	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2021
			Additions	Deductions			Taxes	Interest, Liens and Fees	Total	
2005 and prior	\$ 9,997	\$ -	\$ -	\$ (4,932)	\$ -	\$ 5,065	\$ -	\$ -	\$ -	\$ 5,065
2006	6,139	-	-	-	-	6,139	-	-	-	6,139
2007	6,434	-	-	-	-	6,434	-	-	-	6,434
2008	7,223	-	-	-	-	7,223	-	-	-	7,223
2009	8,490	-	-	-	-	8,490	-	-	-	8,490
2010	10,909	-	-	-	-	10,909	-	-	-	10,909
2011	8,985	-	-	-	-	8,985	-	-	-	8,985
2012	10,900	-	-	-	-	10,900	256	60	-	10,644
2013	14,210	-	-	-	-	14,210	4,061	1,105	24	10,149
2014	16,097	-	1	-	-	16,098	6,265	5,512	48	9,833
2015	24,095	-	24	-	-	24,119	9,512	6,252	72	14,607
2016	87,492	-	139	(1,080)	(36,539)	50,012	22,242	14,584	770	27,770
2017	129,055	-	150	(2,586)	-	126,619	45,412	15,630	2,213	81,207
2018	296,571	-	261	(3,940)	-	292,892	173,520	35,801	4,568	119,372
2019	-	17,615,939	25,858	(52,638)	-	17,589,159	17,352,049	47,694	392	237,110
	<u>\$ 636,597</u>	<u>\$ 17,615,939</u>	<u>\$ 26,433</u>	<u>\$ (65,176)</u>	<u>\$ (36,539)</u>	<u>\$ 18,177,254</u>	<u>\$ 17,613,317</u>	<u>\$ 126,638</u>	<u>\$ 8,087</u>	<u>\$ 563,937</u>

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

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

Taxes	\$ 17,613,317
Interest and lien fees	126,638
Total	<u>17,739,955</u>

Reimbursement for revenue loss:

Tax relief (CGS 12-129d)	-
Base	<u>\$ 17,739,955</u>

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 39,914,899	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	79,829,798	-	-	-
3-3/4 times base	-	-	66,524,831	-	-
3-1/4 times base	-	-	-	57,654,854	-
3 times base	-	-	-	-	53,219,865
Total debt limitation	<u>39,914,899</u>	<u>79,829,798</u>	<u>66,524,831</u>	<u>57,654,854</u>	<u>53,219,865</u>
Indebtedness:					
Bonds payable	2,050,767	-	3,874,233	-	-
Bond anticipation notes	3,000,000	-	1,000,000	-	-
Bonds and BANS payable, net - Regional School District No. 16	-	6,938,400 *	-	-	-
Authorized but unissued bonds	2,000,000	-	-	-	-
Total indebtedness	<u>7,050,767</u>	<u>6,938,400</u>	<u>4,874,233</u>	<u>-</u>	<u>-</u>
Less: assessments receivable	-	-	692,175	-	-
Net indebtedness	<u>7,050,767</u>	<u>5,724,469</u>	<u>4,182,058</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 32,864,132</u>	<u>\$ 74,105,329</u>	<u>\$ 62,342,773</u>	<u>\$ 57,654,854</u>	<u>\$ 53,219,865</u>
Total capacity of borrowing (7 times base)	\$ 124,179,685				
Total present indebtedness	<u>16,957,294</u>				
Margin for additional borrowing	<u>\$ 107,222,391</u>				

* Amount is presented net of estimated State grant reimbursements.

NONMAJOR GOVERNMENTAL FUNDS

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

	Nonmajor Special Revenue Funds						
	Recreation Special Activities Fund	Library Fund	Dog Fund	Small Cities Fund	Police Private Duty Fund	Melbourne Trust Fund	Flag Fund
ASSETS							
Cash and cash equivalents	\$ 37,229	\$ 19,117	\$ 3,219	\$ 21,789	\$ -	\$ 605	\$ 1,112
Investments	-	-	-	-	-	10,856	-
Receivables:							
Loans	-	-	-	554,062	-	-	-
Other	-	-	-	-	114,357	-	-
Due from other funds	-	-	-	-	44,711	-	-
Total assets	\$ 37,229	\$ 19,117	\$ 3,219	\$ 575,851	\$ 159,068	\$ 11,461	\$ 1,112
LIABILITIES							
Accounts payable	\$ 2,151	\$ 219	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	423	237	9,588	-	-	-
Unearned revenue	7,508	-	-	-	-	-	-
Total liabilities	9,659	642	237	9,588	-	-	-
FUND BALANCES							
Nonspendable	-	-	-	-	-	10,000	-
Restricted	-	-	-	566,263	-	1,461	-
Committed	27,570	18,475	2,982	-	159,068	-	1,112
Total fund balances	27,570	18,475	2,982	566,263	159,068	11,461	1,112
Total liabilities and fund balances	\$ 37,229	\$ 19,117	\$ 3,219	\$ 575,851	\$ 159,068	\$ 11,461	\$ 1,112

(Continued)

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

	Nonmajor Special Revenue Funds		Nonmajor Capital Project Funds				
	Sewer Waste Water Fund	Total Special Revenue Funds	Capital Nonrecurring Fund	Open Space Fund	Total Capital Project Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 1,298,190	\$ 1,381,261	\$ 222,733	\$ 7,626	\$ 230,359	\$ -	\$ 1,611,620
Investments	-	10,856	-	-	-	-	10,856
Receivables:							
Loans	-	554,062	-	-	-	-	554,062
Other	-	114,357	-	-	-	-	114,357
Due from other funds	-	44,711	117,082	-	117,082	611,112	772,905
Total assets	<u>\$ 1,298,190</u>	<u>\$ 2,105,247</u>	<u>\$ 339,815</u>	<u>\$ 7,626</u>	<u>\$ 347,441</u>	<u>\$ 611,112</u>	<u>\$ 3,063,800</u>
LIABILITIES							
Accounts payable	\$ 1,483	\$ 3,853	\$ 91,870	\$ -	\$ 91,870	\$ -	\$ 95,723
Due to other funds	-	10,248	-	-	-	-	10,248
Unearned revenue	-	7,508	-	-	-	-	7,508
Total liabilities	<u>1,483</u>	<u>21,609</u>	<u>91,870</u>	<u>-</u>	<u>91,870</u>	<u>-</u>	<u>113,479</u>
FUND BALANCES							
Nonspendable	-	10,000	-	-	-	-	10,000
Restricted	-	567,724	-	-	-	-	567,724
Committed	1,296,707	1,505,914	247,945	7,626	255,571	611,112	2,372,597
Total fund balances	<u>1,296,707</u>	<u>2,083,638</u>	<u>247,945</u>	<u>7,626</u>	<u>255,571</u>	<u>611,112</u>	<u>2,950,321</u>
Total liabilities and fund balances	<u>\$ 1,298,190</u>	<u>\$ 2,105,247</u>	<u>\$ 339,815</u>	<u>\$ 7,626</u>	<u>\$ 347,441</u>	<u>\$ 611,112</u>	<u>\$ 3,063,800</u>

(Concluded)

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

	Nonmajor Special Revenue Funds						
	Recreation Special Activities Fund	Library Fund	Dog Fund	Small Cities Fund	Police Private Duty Fund	Melbourne Trust Fund	Flag Fund
REVENUES							
Charges for services	\$ 3,259	\$ 82	\$ 4,327	\$ -	\$ 265,049	\$ -	\$ -
Interest income	48	19	3	16	-	85	2
Other	-	1,235	-	-	-	-	-
Total revenues	3,307	1,336	4,330	16	265,049	85	2
EXPENDITURES							
Current:							
General government	-	-	-	1,000	-	500	-
Public safety	-	-	2,004	-	239,121	-	-
Culture and recreation	3,690	1,705	-	-	-	-	-
Debt service:							
Principal payments	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-
Total expenditures	3,690	1,705	2,004	1,000	239,121	500	-
Excess (deficiency) of revenues over expenditures	(383)	(369)	2,326	(984)	25,928	(415)	2
OTHER FINANCING SOURCES (USES)							
Capital lease financing	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-
Premium on refunding bonds issued	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(13)	(30,000)	-	-
Total other financing sources (uses)	-	-	-	(13)	(30,000)	-	-
Net change in fund balances	(383)	(369)	2,326	(997)	(4,072)	(415)	2
Fund balances - beginning, as originally reported	27,953	18,844	656	567,260	163,140	-	1,110
Adjustment (see Note 1)	-	-	-	-	-	11,876	-
Fund balances - beginning, as adjusted	27,953	18,844	656	567,260	163,140	11,876	1,110
Fund balances - ending	\$ 27,570	\$ 18,475	\$ 2,982	\$ 566,263	\$ 159,068	\$ 11,461	\$ 1,112

(Continued)

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

	Nonmajor Special Revenue Funds		Nonmajor Capital Project Funds				
	Sewer Waste Water Fund	Total Special Revenue Funds	Capital Nonrecurring Fund	Open Space Fund	Total Capital Project Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES							
Charges for services	\$ 113,130	\$ 385,847	\$ -	\$ -	\$ -	\$ -	\$ 385,847
Interest income	2,027	2,200	533	13	546	-	2,746
Other	-	1,235	4,630	1,006	5,636	-	6,871
Total revenues	<u>115,157</u>	<u>389,282</u>	<u>5,163</u>	<u>1,019</u>	<u>6,182</u>	<u>-</u>	<u>395,464</u>
EXPENDITURES							
Current:							
General government	-	1,500	-	-	-	-	1,500
Public safety	-	241,125	-	-	-	-	241,125
Culture and recreation	-	5,395	-	-	-	-	5,395
Debt service:							
Principal payments	-	-	68,110	-	68,110	-	68,110
Interest and fiscal charges	-	-	12,599	-	12,599	97,547	110,146
Capital outlays	52,634	52,634	661,424	-	661,424	-	714,058
Total expenditures	<u>52,634</u>	<u>300,654</u>	<u>742,133</u>	<u>-</u>	<u>742,133</u>	<u>97,547</u>	<u>1,140,334</u>
Excess (deficiency) of revenues over expenditures	62,523	88,628	(736,970)	1,019	(735,951)	(97,547)	(744,870)
OTHER FINANCING SOURCES (USES)							
Capital lease financing	-	-	199,998	-	199,998	-	199,998
Refunding bonds issued	-	-	-	-	-	3,195,000	3,195,000
Premium on refunding bonds issued	-	-	-	-	-	512,110	512,110
Payment to refunded bond escrow agent	-	-	-	-	-	(3,696,119)	(3,696,119)
Transfers in	-	-	501,787	-	501,787	96,301	598,088
Transfers out	-	(30,013)	-	-	-	-	(30,013)
Total other financing sources (uses)	<u>-</u>	<u>(30,013)</u>	<u>701,785</u>	<u>-</u>	<u>701,785</u>	<u>107,292</u>	<u>779,064</u>
Net change in fund balances	62,523	58,615	(35,185)	1,019	(34,166)	9,745	34,194
Fund balances - beginning, as originally reported	1,234,184	2,013,147	283,130	6,607	289,737	601,367	2,904,251
Adjustment (see Note 1)	-	11,876	-	-	-	-	11,876
Fund balances - beginning, as adjusted	<u>1,234,184</u>	<u>2,025,023</u>	<u>283,130</u>	<u>6,607</u>	<u>289,737</u>	<u>601,367</u>	<u>2,916,127</u>
Fund balances - ending	<u>\$ 1,296,707</u>	<u>\$ 2,083,638</u>	<u>\$ 247,945</u>	<u>\$ 7,626</u>	<u>\$ 255,571</u>	<u>\$ 611,112</u>	<u>\$ 2,950,321</u>

(Concluded)