

TOWN OF BEACON FALLS, CONNECTICUT

FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
JUNE 30, 2022**

TOWN OF BEACON FALLS, CONNECTICUT
TABLE OF CONTENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

	Page
Independent Auditor's Report	1
Management's Discussion and Analysis - Unaudited	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	14
Statement of Activities	15
Governmental Fund Financial Statements:	
Balance Sheet	16
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	17
Statement of Revenues, Expenditures and Changes in Fund Balances	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	19
Notes to Financial Statements	20
Required Supplementary Information - Unaudited:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budgetary Basis - General Fund	45
Schedule of the Town's Proportionate Share of the Collective Net Pension Liability - Connecticut Municipal Employees' Retirement System	46
Schedule of Contributions - Connecticut Municipal Employees' Retirement System	47
Schedule of Changes in Total OPEB Liability - Other Post-Employment Benefits	48
Schedule of Changes in Total LOSAP Liability - Other Post-Employment Benefits	49
Notes to Required Supplementary Information	50
Combining and Individual Fund Statements and Schedules:	
General Fund:	
Schedule of Revenues and Other Financing Sources - Budget and Actual - Budgetary Basis	53
Schedule of Expenditures and Other Financing Uses - Budget and Actual - Budgetary Basis	55
Schedule of Property Taxes Levied, Collected and Outstanding	57
Schedule of Debt Limitation	58
Nonmajor Governmental Funds:	
Combining Balance Sheet	59
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	61

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

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13 and the information on pages 45 through 52 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 accompanying combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 financial 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, 2022, 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 the effectiveness of the Town's 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.

Mahoney Sabol & Company, LLP

Certified Public Accountants
Glastonbury, Connecticut
December 23, 2022

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, 2022

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, 2022.

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 \$17,500,717 (net position). Of this amount, \$4,596,906 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 \$2,095,013 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 \$13,368,181, an increase of \$1,774,844 in comparison with the prior year.
- At the close of the current fiscal year, unassigned fund balance of the General Fund was \$3,637,214 or 15.4% of the Town's fiscal year 2023 budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 1.84 months of General Fund expenditures.
- The Town's total capital assets increased by \$2,565,502 or 14.1% during the current year.
- The Town's total long-term bonded debt increased by \$5,375,000 and its total short-term bonded debt decreased 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, 2022

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 14 and 15 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town are governmental 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 16 through 19 of this report.

TOWN OF BEACON FALLS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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 20 through 44 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 45 through 52 of this report. Combining and individual fund statements and schedules can be found on pages 53 through 62 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

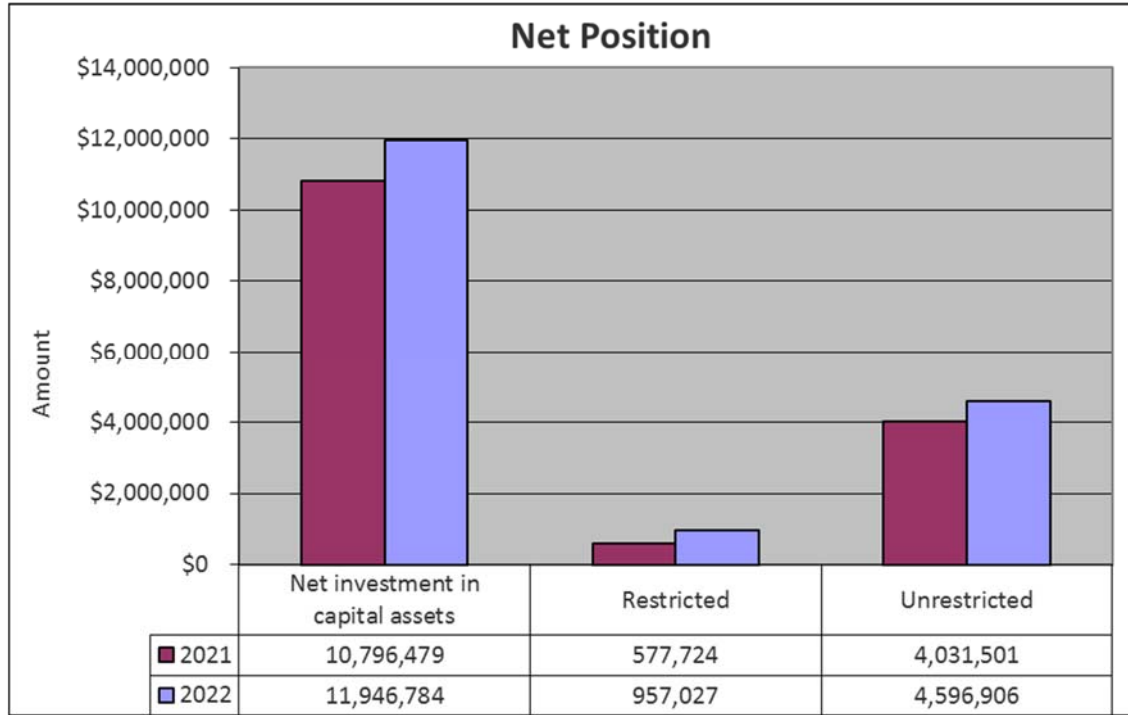
Over time, net position may serve as one measure of a government's financial position. Net position of the Town totaled \$17,500,717 and \$15,405,704 as of June 30, 2022 and 2021, respectively, and are summarized as follows.

	<u>2022</u>	<u>2021</u>	<u>\$ Variance</u>	<u>% Variance</u>
Current and other assets	\$ 15,763,464	\$ 15,235,081	\$ 528,383	3.5%
Capital assets	<u>20,722,534</u>	<u>18,157,032</u>	<u>2,565,502</u>	14.1%
Total assets	<u>36,485,998</u>	<u>33,392,113</u>	<u>3,093,885</u>	9.3%
Deferred outflows of resources	<u>1,045,854</u>	<u>1,522,752</u>	<u>(476,898)</u>	-31.3%
Other liabilities	1,188,807	6,382,076	(5,193,269)	-81.4%
Long-term liabilities	<u>17,418,084</u>	<u>12,583,102</u>	<u>4,834,982</u>	38.4%
Total liabilities	<u>18,606,891</u>	<u>18,965,178</u>	<u>(358,287)</u>	-1.9%
Deferred inflows of resources	<u>1,424,244</u>	<u>543,983</u>	<u>880,261</u>	161.8%
Net position:				
Net investment in capital assets	11,946,784	10,796,479	1,150,305	10.7%
Restricted	957,027	577,724	379,303	65.7%
Unrestricted	<u>4,596,906</u>	<u>4,031,501</u>	<u>565,405</u>	14.0%
Total net position	<u>\$ 17,500,717</u>	<u>\$ 15,405,704</u>	<u>\$ 2,095,013</u>	13.6%

TOWN OF BEACON FALLS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)



As of June 30, 2022, approximately 68.3% 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.

5.5% 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 \$2,095,013 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, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Change in Net Position

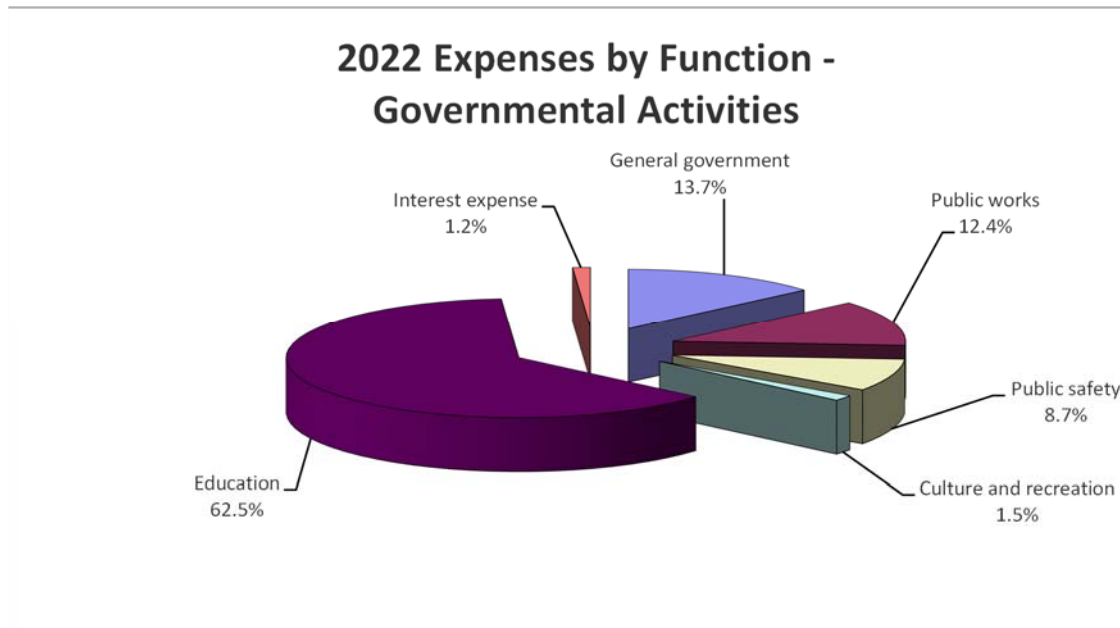
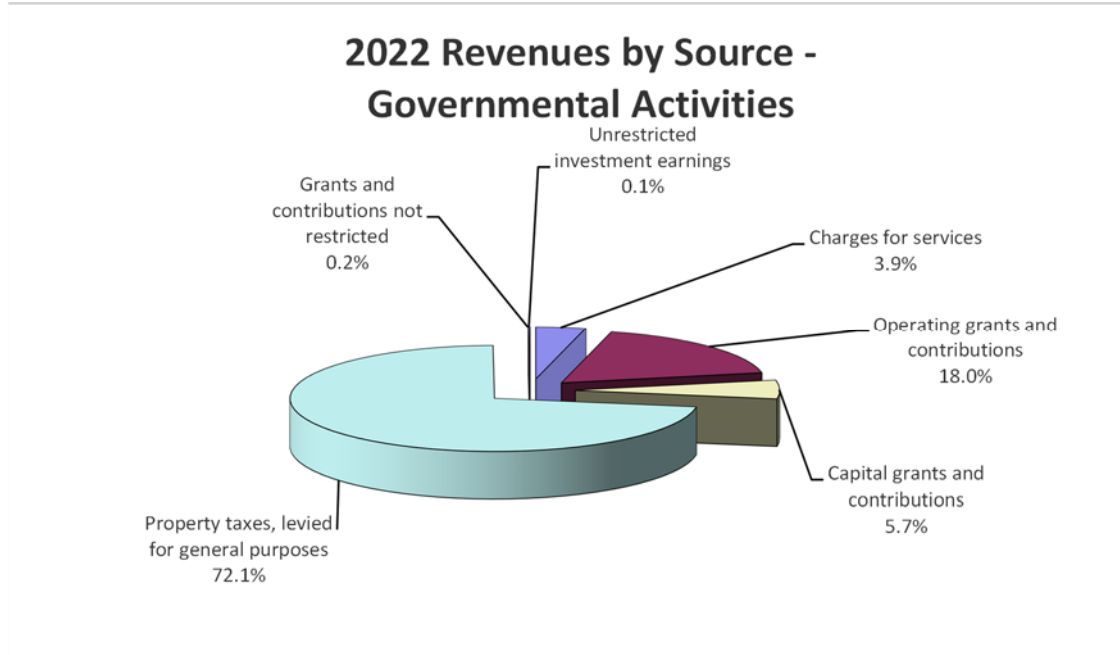
Changes in net position for the years ended June 30, 2022 and 2021 are as follows.

	<u>2022</u>	<u>2021</u>	<u>\$ Variance</u>	<u>% Variance</u>
Revenues				
Program revenues:				
Charges for services	\$ 973,989	\$ 759,477	\$ 214,512	28.2%
Operating grants and contributions	4,432,827	4,911,848	(479,021)	-9.8%
Capital grants and contributions	1,398,387	92,236	1,306,151	1416.1%
General revenues:				
Property taxes, levied for general purposes	17,839,968	17,762,482	77,486	0.4%
Grants and contributions not restricted to specific programs	61,607	48,598	13,009	26.8%
Unrestricted investment earnings	30,054	31,582	(1,528)	-4.8%
Total revenues	<u>24,736,832</u>	<u>23,606,223</u>	<u>1,130,609</u>	<u>4.8%</u>
Expenses				
General government	3,092,194	2,672,676	419,518	15.7%
Public works	2,820,434	2,957,900	(137,466)	-4.6%
Public safety	1,969,032	2,153,655	(184,623)	-8.6%
Culture and recreation	332,552	300,625	31,927	10.6%
Education	14,151,316	14,773,551	(622,235)	-4.2%
Interest expense	276,291	127,035	149,256	117.5%
Total expenses	<u>22,641,819</u>	<u>22,985,442</u>	<u>(343,623)</u>	<u>-1.5%</u>
Change in net position	<u>\$ 2,095,013</u>	<u>\$ 620,781</u>	<u>\$ 1,474,232</u>	<u>237.5%</u>

TOWN OF BEACON FALLS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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, 2022

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 \$13,368,181.

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 \$4,990,424, of which \$3,637,214 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 2023 budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 1.84 months of General Fund expenditures.

The fund balance of the Town's General Fund decreased by \$202,679 during the current fiscal year.

Bonded Projects Fund

The fund balance of the Bonded Projects Fund increased by \$1,117,764 during the current fiscal year, which resulted in an ending fund balance of \$4,549,930 as of June 30, 2022.

Unbudgeted Grants Fund

The fund balance of the Unbudgeted Grants Fund decreased by \$6,059 during the current fiscal year, which resulted in an ending fund balance of \$11,688 as of June 30, 2022.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original operating budget for the General Fund planned for the utilization of fund balance in the amount of \$1,143,704. Additional appropriations in the amount of \$129,000 were authorized during the year ended June 30, 2022.

The actual net change in fund balance of the General Fund on a budgetary basis was a decrease of \$253,294, resulting in an overall favorable budgetary variance of \$1,019,410. Budgetary revenues were \$410,645 more than expected, primarily due to favorable variances on tax collections, building permits, conveyance fees and the school equalization grant. Expenditures were \$608,765 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, 2022

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

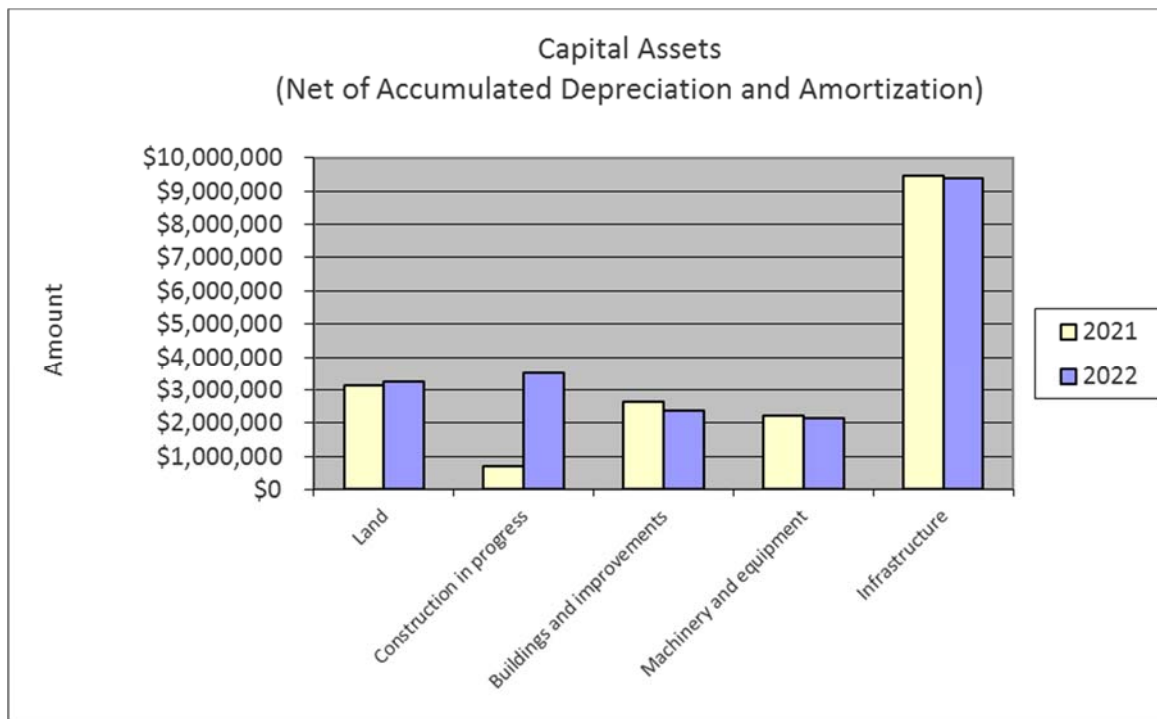
The Town's investment in capital assets for its governmental activities as of June 30, 2022 and 2021 totaled \$20,722,534 and \$18,157,032, respectively (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure. The total increase in the Town's investment in capital assets for the current fiscal year was \$2,565,502 or 14.1%.

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

- Outlays related to road and bridge improvements in the amount of \$2.1 million;
- Outlays related to the purchase of a fire truck in the amount of \$1.2 million;
- Outlays related to athletic court improvements in the amount of \$128 thousand;

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

	2022	2021	\$ Variance	% Variance
Land	\$ 3,254,425	\$ 3,138,525	\$ 115,900	3.7%
Construction in progress	3,518,776	683,853	2,834,923	414.6%
Buildings and improvements	2,382,552	2,638,844	(256,292)	-9.7%
Machinery and equipment	2,159,790	2,233,541	(73,751)	-3.3%
Infrastructure	9,406,991	9,462,269	(55,278)	-0.6%
Totals	<u>\$ 20,722,534</u>	<u>\$ 18,157,032</u>	<u>\$ 2,565,502</u>	14.1%



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, 2022

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

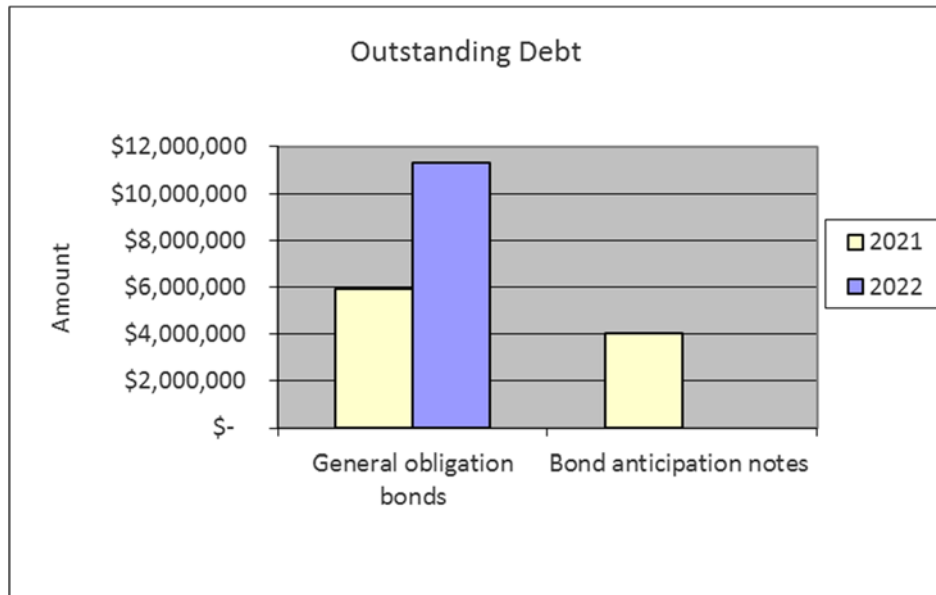
Bonded Debt

At the end of the current fiscal year, the Town had total long-term bonded debt outstanding of \$11,300,000. 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 increased by \$5,375,000 or 90.7% during the current fiscal year. In November 2021, the Town issued \$6,000,000 in general obligation bonds, with an original issue premium of \$379,762. Of the \$6,000,000 of general obligation bonds issued, \$4,000,000 was utilized to repay bond anticipation notes.

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:

	2022	2021	\$ Variance	% Variance
General obligation bonds	\$ 11,300,000	\$ 5,925,000	\$ 5,375,000	90.7%
Bond anticipation notes	-	4,000,000	(4,000,000)	-
Totals	<u>\$ 11,300,000</u>	<u>\$ 9,925,000</u>	<u>\$ 1,375,000</u>	13.9%



Additional information on the Town's 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, 2022

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 2023, 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 2023.

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, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 13,283,459
Investments	492,006
Receivables:	
Property taxes and interest, net	720,638
Assessments and interest, net	112,033
Grants and contracts	59,452
Other	64,918
Other assets	20,117
Noncurrent assets:	
Receivables:	
Assessments	507,414
Loans	503,427
Capital assets:	
Non-depreciable	6,773,201
Depreciable, net	13,949,333
Total assets	<u>36,485,998</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	644,323
OPEB related	272,084
LOSAP related	91,764
Deferred charges on refunding	37,683
Total deferred outflows of resources	<u>1,045,854</u>
LIABILITIES	
Accounts payable	689,485
Salaries and benefits payable	97,471
Accrued interest payable	74,690
Unearned revenue	327,161
Noncurrent liabilities:	
Due within one year	1,145,549
Due in more than one year	16,272,535
Total liabilities	<u>18,606,891</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	930,651
OPEB related	140,832
LOSAP related	352,761
Total deferred inflows of resources	<u>1,424,244</u>
NET POSITION	
Net investment in capital assets	11,946,784
Restricted for:	
Loan rehabilitation program	566,281
Debt service	379,762
Other programs	10,984
Unrestricted	4,596,906
Total net position	<u><u>\$ 17,500,717</u></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, 2022

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	\$ 3,092,194	\$ 432,341	\$ 58,895	\$ -	\$ (2,600,958)
Public works	2,820,434	109,015	335,892	1,398,387	(977,140)
Public safety	1,969,032	413,552	70,313	-	(1,485,167)
Culture and recreation	332,552	19,081	7,919	-	(305,552)
Education	14,151,316	-	3,959,808	-	(10,191,508)
Interest expense	276,291	-	-	-	(276,291)
Total governmental activities	<u>\$ 22,641,819</u>	<u>\$ 973,989</u>	<u>\$ 4,432,827</u>	<u>\$ 1,398,387</u>	<u>(15,836,616)</u>
General revenues:					
Property taxes and assessments, levied for general purposes					17,839,968
Grants and contributions not restricted to specific programs					61,607
Unrestricted investment earnings					30,054
Total general revenues					<u>17,931,629</u>
		Change in net position			2,095,013
		Net position - beginning			<u>15,405,704</u>
		Net position - ending			\$ 17,500,717

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

TOWN OF BEACON FALLS, CONNECTICUT
BALANCE SHEET -
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2022

	General Fund	Bonded Projects Fund	Unbudgeted Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 5,842,180	\$ 4,776,992	\$ 570,845	\$ 2,093,442	\$ 13,283,459
Investments	482,002	-	-	10,004	492,006
Receivables:					
Property taxes and interest, net	720,638	-	-	-	720,638
Assessments and interest, net	619,447	-	-	-	619,447
Intergovernmental	23,681	-	22,518	13,253	59,452
Loans	-	-	-	503,427	503,427
Other	3,507	-	-	61,411	64,918
Due from other funds	171,937	98,924	-	1,338,398	1,609,259
Inventories	20,117	-	-	-	20,117
Total assets	<u>\$ 7,883,509</u>	<u>\$ 4,875,916</u>	<u>\$ 593,363</u>	<u>\$ 4,019,935</u>	<u>\$ 17,372,723</u>
LIABILITIES					
Accounts payable	\$ 295,337	\$ 319,291	\$ 50,891	\$ 23,966	\$ 689,485
Salaries and benefits payable	97,471	-	-	-	97,471
Due to other funds	1,208,911	6,695	220,093	173,560	1,609,259
Unearned revenue	10,200	-	310,691	6,270	327,161
Total liabilities	<u>1,611,919</u>	<u>325,986</u>	<u>581,675</u>	<u>203,796</u>	<u>2,723,376</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes and interest	661,719	-	-	-	661,719
Unavailable revenue - assessments and interest	619,447	-	-	-	619,447
Total deferred inflows of resources	<u>1,281,166</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,281,166</u>
FUND BALANCES					
Nonspendable	20,117	-	-	10,000	30,117
Restricted	-	4,549,930	-	947,027	5,496,957
Committed	485,112	-	11,688	2,859,112	3,355,912
Assigned	847,981	-	-	-	847,981
Unassigned	3,637,214	-	-	-	3,637,214
Total fund balances	<u>4,990,424</u>	<u>4,549,930</u>	<u>11,688</u>	<u>3,816,139</u>	<u>13,368,181</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,883,509</u>	<u>\$ 4,875,916</u>	<u>\$ 593,363</u>	<u>\$ 4,019,935</u>	<u>\$ 17,372,723</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, 2022

Total fund balance for governmental funds	\$	13,368,181
---	----	------------

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	\$	3,254,425	
Construction in progress		3,518,776	
Buildings and improvements		4,597,628	
Machinery and equipment		7,267,606	
Infrastructure		19,612,151	
Less: accumulated depreciation and amortization		<u>(17,528,052)</u>	
Total capital assets, net			20,722,534

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.		(416,073)
---	--	-----------

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.		1,281,166
--	--	-----------

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		(74,690)	
Long-term debt:			
Bonds		(11,300,000)	
Unamortized premium		(918,117)	
Deferred charges on refunding		37,683	
Financed purchases		(825,955)	
Other long-term liabilities:			
Compensated absences		(100,691)	
Pension obligation		(1,243,064)	
Net pension liability		(1,326,241)	
Total OPEB liability		(951,516)	
Total LOSAP liability		<u>(752,500)</u>	
Total long-term liabilities			<u>(17,455,091)</u>

Net position of governmental activities	\$	<u><u>17,500,717</u></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, 2022

	General Fund	Bonded Projects Fund	Unbudgeted Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 17,770,150	\$ -	\$ -	\$ -	\$ 17,770,150
Assessments	116,074	-	-	-	116,074
Intergovernmental	4,294,932	-	1,448,125	13,253	5,756,310
Charges for services	452,273	-	-	490,886	943,159
Interest income	21,717	5,302	633	2,402	30,054
Other	45,460	-	21,306	100,575	167,341
Total revenues	<u>22,700,606</u>	<u>5,302</u>	<u>1,470,064</u>	<u>607,116</u>	<u>24,783,088</u>
EXPENDITURES					
Current:					
General government	2,841,981	-	8,705	1,622	2,852,308
Public works	1,860,391	-	-	17,695	1,878,086
Public safety	1,386,653	-	4,187	319,013	1,709,853
Culture and recreation	258,238	-	4,879	21,053	284,170
Education	14,151,316	-	-	-	14,151,316
Debt service:					
Principal payments	625,000	-	-	194,714	819,714
Interest and fiscal charges	326,181	-	-	71,689	397,870
Capital outlays	-	906,935	1,458,352	1,686,840	4,052,127
Total expenditures	<u>21,449,760</u>	<u>906,935</u>	<u>1,476,123</u>	<u>2,312,626</u>	<u>26,145,444</u>
Excess (deficiency) of revenues over expenditures	1,250,846	(901,633)	(6,059)	(1,705,510)	(1,362,356)
OTHER FINANCING SOURCES (USES)					
Financed purchases	-	-	-	757,438	757,438
Bonds issued	-	6,000,000	-	-	6,000,000
Repayment of bond anticipation notes	-	(4,000,000)	-	-	(4,000,000)
Premium on bonds issued	-	-	-	379,762	379,762
Transfers in	71,423	24,699	-	1,531,125	1,627,247
Transfers out	(1,524,948)	(5,302)	-	(96,997)	(1,627,247)
Total other financing sources (uses)	<u>(1,453,525)</u>	<u>2,019,397</u>	<u>-</u>	<u>2,571,328</u>	<u>3,137,200</u>
Net change in fund balances	(202,679)	1,117,764	(6,059)	865,818	1,774,844
Fund balances - beginning	<u>5,193,103</u>	<u>3,432,166</u>	<u>17,747</u>	<u>2,950,321</u>	<u>11,593,337</u>
Fund balances - ending	<u>\$ 4,990,424</u>	<u>\$ 4,549,930</u>	<u>\$ 11,688</u>	<u>\$ 3,816,139</u>	<u>\$ 13,368,181</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, 2022

Net change in fund balances - total governmental funds	\$	1,774,844
--	----	-----------

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 capital outlays exceeded depreciation and amortization expense in the current period is as follows:

Expenditures for capital assets	\$ 3,920,802		
Depreciation and amortization expense	(1,271,374)		
Net adjustment			2,649,428

In the statement of activities, only the loss on the sale of capital assets is reported whereas the proceeds from the sale increase financial resources in the governmental funds.	(83,926)
--	----------

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:			
Bonds	(2,000,000)		
Premium on bonds	(379,762)		
Financed purchases	(757,438)		
Principal repayments:			
Bonds	625,000		
Financed purchases	194,714		
Net adjustment			(2,317,486)

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	(6,936)		
Amortization of bond premium	138,722		
Deferred amount on refunding	(10,207)		
Compensated absences	(4,905)		
Pension obligation	53,162		
Net pension liability	991,851		
Total OPEB liability	(41,823)		
Total LOSAP liability	345,497		
			1,465,361

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.	(1,346,952)
--	-------------

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.	(46,256)
---	----------

Change in net position of governmental activities	\$	2,095,013
---	----	-----------

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

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Town of Beacon Falls, Connecticut (the Town), have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Town's significant accounting policies are described below.

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

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

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

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

Fund Financial Statements

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

The Town reports the following major governmental funds:

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

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 recognition in the financial statements of various kinds of transactions or events.

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 when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, claims and judgments, and postemployment benefits are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the Town the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases 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, 2022

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 either received or available to be received during the period or within the availability period for this revenue source (within 60 days of yearend). 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 either received or available to be received during the period or within the availability period for this revenue source (within 60 days of yearend). All other revenue items are considered to be measurable and available only when the cash is received.

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

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, which approximates fair value.

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 become delinquent thirty days after the installment is due and interest on delinquent accounts is charged at a rate of 1.5% per month. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes and interest of \$125,000 as of June 30, 2022.

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.

Leases (as Lessor)

The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

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

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. Donated capital assets are recorded at acquisition value at the date of donation. All other assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Intangible assets lack physical substance, are nonfinancial in nature and have a useful life that extends beyond a single reporting period. Intangible assets with no legal, contractual, or regulatory factors limiting their useful life are considered to have an indefinite useful life. The costs of normal maintenance and repairs that do not add to the value of a capital asset or materially extend capital asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets 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.

Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources represent a consumption or an acquisition of net assets 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.

Long-term Obligations

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 assets.

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

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

Long-term Obligations *(Continued)*

Long-term Debt (Continued)

In the government-wide financial statements, long-term debt is reported as liabilities in the statement of net position. Premiums and discounts on long-term debt are deferred and amortized over the life of the related debt using the effective interest rate method and the debt is reported net of any unamortized premium or discount. In the governmental fund financial statements, premiums and discounts are recognized in the current period.

In the governmental fund financial statements, debt premiums and discounts are recognized 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.

Leases (as Lessee)

The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) for a noncancellable lease in the government-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of \$20,000 or more. At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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.

Net Position

For government-wide reporting, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

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 those assets. Deferred outflows and inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related are also included in this component of net position.

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

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

Net Position *(Continued)*

Restricted net position - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on the use of those assets either by external parties or by law through constitutional provision or enabling legislation.

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

Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's practice to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called fund balance. The Town's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

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.

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

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

Fund Balance *(Continued)*

Fund Balance Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's practice to use restricted resources first, then unrestricted resources as needed. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance.

Interfund Activity

During the course of operations the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

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, 2022 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 13,283,459
Add: Certificate of deposit presented as an investment	10,004
	<u>\$ 13,293,463</u>

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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, 2022, \$12,900,852 of the Town's bank balance of \$13,410,856 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 11,610,767
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	<u>1,290,085</u>
	<u><u>\$ 12,900,852</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, 2022 is as follows:

Government-wide statement of net position:	
Investments	\$ 492,006
Less: Certificate of deposit presented as an investment	<u>(10,004)</u>
	<u><u>\$ 482,002</u></u>

As of June 30, 2022, investments of \$482,002 consists of insurance contracts held by the Town for the purpose of paying Length of Service Award program 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, 2022

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 consisted of the following:

Governmental Activities	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 3,138,525	\$ -	\$ -	\$ 115,900	\$ 3,254,425
Construction in progress	683,853	3,382,311	-	(547,388)	3,518,776
Total capital assets, not being depreciated	3,822,378	3,382,311	-	(431,488)	6,773,201
Capital assets, being depreciated:					
Buildings and improvements	4,827,853	39,808	(154,133)	(115,900)	4,597,628
Machinery and equipment	6,930,870	374,236	(37,500)	-	7,267,606
Infrastructure	24,161,504	124,447	(5,221,188)	547,388	19,612,151
Total capital assets, being depreciated	35,920,227	538,491	(5,412,821)	431,488	31,477,385
Less accumulated depreciation and amortization for:					
Buildings and improvements	2,189,009	96,274	(70,207)	-	2,215,076
Machinery and equipment	4,697,329	447,987	(37,500)	-	5,107,816
Infrastructure	14,699,235	727,113	(5,221,188)	-	10,205,160
Total accumulated depreciation and amortization	21,585,573	1,271,374	(5,328,895)	-	17,528,052
Total capital assets, being depreciated, net	14,334,654	(732,883)	(83,926)	431,488	13,949,333
Governmental activities capital assets, net	<u>\$ 18,157,032</u>	<u>\$ 2,649,428</u>	<u>\$ (83,926)</u>	<u>\$ -</u>	<u>\$ 20,722,534</u>

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

Governmental Activities:	
General government	\$ 38,275
Public works	903,323
Public safety	281,872
Culture and recreation	47,904
Total depreciation and amortization expense - governmental activities	<u>\$ 1,271,374</u>

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2022 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds:		
General Fund	Bonded Projects Fund	\$ 6,695
	Unbudgeted Grants Fund	318
	Other Governmental Funds	164,924
		<u>171,937</u>
Bonded Projects Fund	Unbudgeted Grants Fund	90,288
	Other Governmental Funds	8,636
		<u>98,924</u>
Other Governmental Funds	General Fund	1,208,911
	Unbudgeted Grants Fund	129,487
		<u>1,338,398</u>
Total interfund receivables/payables		<u><u>\$ 1,609,259</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, 2022 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
General Fund	Other Governmental Funds	\$ 71,423
Bonded Projects Fund	Other Governmental Funds	24,699
Other Governmental Funds	General Fund	1,524,948
	Bonded Projects Fund	5,302
	Other Governmental Funds	875
		<u>1,531,125</u>
Total transfers		<u><u>\$ 1,627,247</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.

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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, 2022:

	<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>\$ 4,000,000</u>	<u>\$ -</u>	<u>\$ (4,000,000)</u>	<u>\$ -</u>

The purpose of the short-time borrowings was to provide temporary financing for authorized capital projects. In November 2021 the \$4,000,000 in bond anticipation notes were retired through proceeds from the issuance of general obligation bonds.

NOTE 7 - LONG-TERM LIABILITIES

Changes in Long-term Liabilities

Changes in the Town's long-term liabilities for the year ended June 30, 2022, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds payable:					
General obligation bonds	\$ 5,925,000	\$ 6,000,000	\$ (625,000)	\$ 11,300,000	\$ 890,000
Unamortized premium	<u>677,077</u>	<u>379,762</u>	<u>(138,722)</u>	<u>918,117</u>	<u>-</u>
Total bonds payable	6,602,077	6,379,762	(763,722)	12,218,117	890,000
Financed purchases	263,231	757,438	(194,714)	825,955	178,095
Compensated absences	95,786	9,797	(4,892)	100,691	20,000
Pension obligation	1,296,226	-	(53,162)	1,243,064	57,454
Net pension liability <i>(see Note 8)</i>	2,318,092	-	(991,851)	1,326,241	-
Total LOSAP liability <i>(see Note 8)</i>	1,097,997	-	(345,497)	752,500	-
Total OPEB liability <i>(see Note 10)</i>	<u>909,693</u>	<u>41,823</u>	<u>-</u>	<u>951,516</u>	<u>-</u>
	<u>\$ 12,583,102</u>	<u>\$ 7,188,820</u>	<u>\$ (2,353,838)</u>	<u>\$ 17,418,084</u>	<u>\$ 1,145,549</u>

Long-term liabilities have typically been liquidated by the General Fund.

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the Town for which full faith and credit are pledged and payable from taxes levied on all taxable properties located within the Town. General obligation bonds currently outstanding are as follows:

Purpose of Bonds	Date of Issue	Original Issue	Interest Rates	Maturity Date	Amount Outstanding
Governmental Activities					
Bonds Payable					
General Obligation Bonds	1/2017	\$ 4,350,000	2.0% - 3.0%	1/15/2037	\$ 2,800,000
General Obligation Refunding Bonds	11/2020	3,195,000	2.0% - 5.0%	3/15/2033	2,500,000
General Obligation Bonds	11/2021	6,000,000	2.0% - 5.0%	12/1/2041	6,000,000
					<u>\$ 11,300,000</u>

Financed Purchases

The Town has entered into financed purchase contracts for the acquisition of capital assets. The contracts include non-appropriation clauses and provide the obligors with security interests in the underlying assets in the event of default. Ownership of the underlying assets are transferred to the Town at the end of the contract. The Town makes equal annual payments of principal and interest at an interest rates ranging from 2.3% to 4.4% through various maturity dates.

Advance Refundings

The Town has refunded general obligation bonds in prior years. At June 30, 2022, \$2,875,000 of defeased bonds remain outstanding. The difference between the reacquisition price (the amount placed in escrow) and the net carrying amount of the refunded bonds resulted in deferred charges on refundings. This amount, net of accumulated amortization, has been presented as a deferred outflow of resources in the government-wide financial statements and is being amortized to interest expense using the effective-interest method over the life of the new bonds. Amortization of deferred charges on refundings totaled \$10,207 for the year ended June 30, 2022.

The general obligation bonds refunded are considered defeased and the liability for those bonds has been removed from the statement of net position. Proceeds from the issuance of the refunding bonds are being held by an escrow agent in an irrevocable trust fund to provide all future debt service payments on the refunded bonds.

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

Legal Debt Limit

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the statute. Further, the statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The statute does exclude from the Town's aggregate debt calculation any debt issued (a) in anticipation of taxes; (b) for water, gas, or electricity supply, electric demand response, conservation and load management, distributed generation, renewable energy projects, cable, wire, and pipe subway construction, underground cable, wire, and pipe conduit construction, constructing and operating a municipal community antenna television system, or a combination of such projects; (c) in anticipation of public improvement benefit assessment revenue; (d) in anticipation of state or federal grant funding; (e) for water pollution control projects in order to meet the energy and environmental protection commissioner's abatement order requirements; and debt issued (f) for which funds have been placed in escrow (from the proceeds of refunding bonds, notes, or other obligations or other municipal funds) in an amount sufficient, together with investment earnings, to provide for the payment when due of the principal of and interest on such debt. The Town did not exceed this statutory debt limitation as of June 30, 2022.

Overlapping Debt

The Town is a member of Regional School District No. 16 (the District). The Town is contingently liable for its pro-rata share of the District's outstanding bonds. At June 30, 2022, the District's total outstanding debt, consisting of bonds and bond anticipation notes, net of estimated school construction reimbursements was \$17,455,000. The Town's share is approximately 35.00% of the total, or \$6,109,250. 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.

Long-term Debt Service Requirements

The debt service requirements for the Town's long-term debt are as follows:

Year ending June 30:	General Obligation Bonds		Financed Purchases	
	Principal	Interest	Principal	Interest
2023	\$ 890,000	\$ 352,250	\$ 178,095	\$ 20,714
2024	880,000	312,950	182,955	15,855
2025	885,000	275,450	151,407	10,851
2026	890,000	239,000	154,941	7,316
2027	890,000	202,300	158,557	3,701
2028-2032	3,565,000	550,950	-	-
2033-2037	1,800,000	240,687	-	-
2038-2042	1,500,000	75,000	-	-
	<u>\$ 11,300,000</u>	<u>\$ 2,248,587</u>	<u>\$ 825,955</u>	<u>\$ 58,437</u>

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, 2022

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

Pension Obligation *(Continued)*

Annual debt service requirements to maturity on the unfunded pension obligation are as follows as of June 30, 2022:

Year ending June 30:	Governmental Activities	
	Principal	Interest
2023	\$ 57,454	\$ 100,379
2024	62,093	95,740
2025	67,107	90,726
2026	72,525	85,308
2027	78,381	79,452
2028-2032	497,696	291,469
2033-2036	407,808	68,470
	<u>\$ 1,243,064</u>	<u>\$ 811,544</u>

NOTE 8 - PENSION PLANS

The Town accounts for activity relating to two pension plans, (1) the Connecticut's Municipal Employees' Retirement System and 2) a Length of Service Award Program (LOSAP).

As of and for the year ended June 30, 2022, the plans had the following balances reported in the Town's government-wide financial statements:

	Total Pension Liability	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Connecticut Municipal Employees' Retirement System	\$ -	\$ 1,326,241	\$ 644,323	\$ 930,651	\$ 252,859
Length of Service Award Program (LOSAP)	752,500	-	91,764	352,761	27,683
	<u>\$ 752,500</u>	<u>\$ 1,326,241</u>	<u>\$ 736,087</u>	<u>\$ 1,283,412</u>	<u>\$ 280,542</u>

Detailed disclosures for each plan follow.

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.

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 - PENSION PLANS *(Continued)*

Connecticut Municipal Employees' Retirement System *(Continued)*

Plan Description *(Continued)*

The plan has 4 sub plans as follows:

- General employees with social security
- General employees without social security
- Police officers and fire fighters men with social security
- Police officers and fire fighters without social security

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

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

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

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

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

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

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

Employees are eligible for service-related disability benefits from being permanently or totally disabled from engaging in the service of the municipality provided such disability has arisen out of and in the course of employment with the municipality. Disability due to hypertension or heart disease, in the case of fire fighters 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.

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 - PENSION PLANS *(Continued)*

Connecticut Municipal Employees' Retirement System *(Continued)*

Plan Description *(Continued)*

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. There is also an administrative fee per active and retired member.

For employees covered by social security, each person is required to contribute 3.75% of compensation up to the social security taxable wage base plus 6.0% of compensation, if any, in excess of such base.

Summary of Significant Accounting Policies

Pensions - For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions and pension expense, information about the fiduciary net position of CMERS and additions and deletions from CMERS' net position are prepared on the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

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 \$710.0 million, the most recent available reporting provided by the Board. The portion that was associated with the Town totaled \$1,326,241 or approximately 0.187%. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The portion of the net pension liability associated with the Town was based on the 2021 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, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.5% - 10.00%, including inflation
Long-term investment rate of return	7.00%, net of pension plan investment expense, including inflation

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 - PENSION PLANS *(Continued)*

Connecticut Municipal Employees' Retirement System *(Continued)*

Collective Net Pension Liability *(Continued)*

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

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

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

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

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 - PENSION PLANS *(Continued)*

Connecticut Municipal Employees' Retirement System *(Continued)*

Collective Net Pension Liability *(Continued)*

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:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
Proportionate share of the collective net pension liability	\$ 2,232,633	\$ 1,326,241	\$ 548,796

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

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2022, the Town recognized pension expense related to the CMERS of \$252,859. At June 30, 2022, the Town reported its proportionate share of deferred outflows of resources related to the CMERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferrals</u>
Difference between expected and actual experience	\$ 113,302	\$ (191,294)	\$ (77,992)
Net difference between projected and actual earnings on pension plan investments	-	(570,850)	(570,850)
Changes of assumptions	177,459	-	177,459
Contributions paid to the CMERS subsequent to the measurement date	272,081	-	272,081
Other	81,481	(168,507)	(87,026)
Total	<u>\$ 644,323</u>	<u>\$ (930,651)</u>	<u>\$ (286,328)</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,	
2023	\$ 295,656
2024	(206,448)
2025	(179,276)
2026	(196,260)
	<u>\$ (286,328)</u>

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 - PENSION PLANS *(Continued)*

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	45
Vested terminated	25
Retired and beneficiaries	4
	<u>74</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 \$48,796 for the year ended June 30, 2022 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, 2022 totaled \$752,500. The total LOSAP liability was determined by an actuarial valuation as of July 1, 2021 rolled forward to June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	3.69%, net of investment expense
Discount rate	3.69%
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, 2022

NOTE 8 - PENSION PLANS *(Continued)*

Length of Service Award Program (LOSAP) *(Continued)*

Changes in the Total LOSAP Liability

	Total LOSAP Liability
Balance as of June 30, 2021	\$ 1,097,997
Changes for the year:	
Service cost	24,555
Interest	40,413
Difference between expected and actual experience	(65,187)
Changes of assumptions	(337,968)
Benefit payments, including refunds of member contributions	(7,310)
Net changes	(345,497)
Balance as of June 30, 2022	\$ 752,500

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 (2.69%) or 1-percentage-point higher (4.69%) than the current discount rate:

	1% Decrease	Current Discount	1% Increase
Total LOSAP Liability	\$ 923,288	\$ 752,500	\$ 620,254

LOSAP Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2022, the Town recognized LOSAP expense of \$27,683. As of June 30, 2022, the Town reported deferred outflows of resources related to LOSAP from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferrals
Difference between expected and actual experience	\$ -	\$ (57,039)	\$ (57,039)
Changes of assumptions	91,764	(295,722)	(203,958)
	\$ 91,764	\$ (352,761)	\$ (260,997)

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:	
2023	\$ (37,285)
2024	(37,285)
2025	(37,285)
2026	(37,285)
2027	(37,285)
Thereafter	(74,572)
	\$ (260,997)

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 9 - OTHER RETIREMENT PLAN

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, \$52,445 for the year ended June 30, 2022. 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.

NOTE 10 - 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 2022, the Town and retirees contributions totaled \$21,485 and were funded on a pay-as-you-go basis.

The Town has not established a trust fund as of June 30, 2022, 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, 2022, the measurement date, the following employees were covered by the benefit terms:

Retirees, beneficiaries, and dependents currently receiving benefits	11
Active participants	<u>20</u>
	<u><u>31</u></u>

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town Plan *(Continued)*

Total OPEB Liability

The Town's OPEB liability reported as of June 30, 2022 totaled \$951,516. The total OPEB liability was measured as of July 1, 2021 based upon the results of the actuarial valuation performed as of July 1, 2020, adjusted to the measurement date using standard actuarial techniques.

Actuarial Assumptions and Other Inputs - The total OPEB liability reported as of June 30, 2022 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	2.16%
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.

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, 2021	<u>\$ 909,693</u>
Changes for the year:	
Service cost	35,302
Interest	20,648
Changes of assumptions	7,358
Benefit payments, including refunds of member contributions	<u>(21,485)</u>
Net changes	<u>41,823</u>
Balance as of June 30, 2022	<u><u>\$ 951,516</u></u>

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 (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

	1% Decrease	Current Discount	1% Increase
Total OPEB Liability	<u>\$ 1,116,140</u>	<u>\$ 951,516</u>	<u>\$ 817,839</u>

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town Plan *(Continued)*

Changes in the Total OPEB Liability *(Continued)*

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:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 794,017	\$ 951,516	\$ 1,155,817

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2022, the Town recognized OPEB expense of \$70,677. As of June 30, 2022, 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	\$ 58,569	\$ (19,419)	\$ 39,150
Changes of assumptions	213,515	(121,413)	92,102
	<u>\$ 272,084</u>	<u>\$ (140,832)</u>	<u>\$ 131,252</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:	
2023	\$ 14,727
2024	14,727
2025	14,727
2026	15,511
2027	25,614
Thereafter	45,946
	<u>\$ 131,252</u>

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 11 - RISK MANAGEMENT

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

NOTE 12 - FUND BALANCE

Fund balance of the Town's governmental funds have been classified as follows as of June 30, 2022:

	General Fund	Bonded Projects Fund	Unbudgeted Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Inventories	\$ 20,117	\$ -	\$ -	\$ -	\$ 20,117
Endowment	-	-	-	10,000	10,000
	<u>20,117</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>30,117</u>
Restricted for:					
Capital purposes	-	4,549,930	-	-	4,549,930
Loan rehabilitation program	-	-	-	566,281	566,281
Other purposes	-	-	-	984	984
Debt service	-	-	-	379,762	379,762
	<u>-</u>	<u>4,549,930</u>	<u>-</u>	<u>947,027</u>	<u>5,496,957</u>
Committed to:					
Town Clerk activities	3,110	-	-	-	3,110
Public safety programs	-	-	-	154,883	154,883
Public safety - LOSAP Benefits	482,002	-	-	-	482,002
Sewer waste water system	-	-	-	1,394,050	1,394,050
Library programs	-	-	-	18,267	18,267
Recreation programs	-	-	-	19,462	19,462
Grant programs	-	-	11,688	-	11,688
Capital purposes	-	-	-	452,321	452,321
Debt service	-	-	-	820,129	820,129
	<u>485,112</u>	<u>-</u>	<u>11,688</u>	<u>2,859,112</u>	<u>3,355,912</u>
Assigned to:					
Subsequent year's budget:					
Capital and nonrecurring	476,942	-	-	-	476,942
Operating	371,039	-	-	-	371,039
	<u>847,981</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>847,981</u>
Unassigned	3,637,214	-	-	-	3,637,214
	<u>\$ 4,990,424</u>	<u>\$ 4,549,930</u>	<u>\$ 11,688</u>	<u>\$ 3,816,139</u>	<u>\$ 13,368,181</u>

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Litigation, Claims and Assessments

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.

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 13 - COMMITMENTS AND CONTINGENCIES *(Continued)*

Federal Awards and State Financial Assistance

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.

Capital Projects Authorizations

The following is a summary of available commitments for authorized capital projects as of June 30, 2022:

	<u>Authorization</u>	<u>Cumulative Expenditures</u>	<u>Balance</u>
Lower Highland, Burton & Noe Place	\$ 2,100,000	\$ 2,085,642	\$ 14,358
Town roads	5,000,000	1,623,204	3,376,796
Wastewater treatment plant upgrades	<u>2,000,000</u>	<u>841,468</u>	<u>1,158,532</u>
	9,100,000	4,550,314	4,549,686
Road work	623,156	529,565	93,591
Codification	9,960	6,972	2,988
Fire - workout room	48,360	2,655	45,705
Assembly room upgrades	10,000	3,338	6,662
Accounting software	35,000	20,065	14,935
Transfer station - 10 year permit renewal	10,000	-	10,000
Demo/abatement Wolfe Ave	99,999	93,450	6,549
Spreader & Ram	4,460	-	4,460
EMS first responder vehicle	50,000	49,989	11
Building & parks security	51,500	29,859	21,641
Side conveyor	16,400	16,338	62
Dump trailer	25,000	15,401	9,599
Garage generator	58,500	-	58,500
Town hall roof replacement	50,806	-	50,806
Generator for 35 North Main	47,670	-	47,670
Fire /Fire Marshal office renovations	11,825	11,829	(4)
Fire marshal vehicle	28,000	-	28,000
Fire extinguisher simulator	1,323	-	1,323
Excavator	77,000	75,224	1,776
Rimmon Hill Schoolhouse	5,000	765	4,235
Guardrail replacement	20,000	-	20,000
Unassigned	<u>14,879</u>	<u>-</u>	<u>14,879</u>
	<u>1,298,838</u>	<u>855,450</u>	<u>443,388</u>
	<u>\$ 10,398,838</u>	<u>\$ 5,405,764</u>	<u>\$ 4,993,074</u>

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF BEACON FALLS, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 17,641,971	\$ 17,641,971	\$ 17,770,150	\$ 128,179
Assessments	120,000	120,000	116,074	(3,926)
Intergovernmental	4,192,389	4,192,389	4,294,932	102,543
Charges for services	304,100	304,100	467,273	163,173
Other	18,000	18,000	45,460	27,460
Interest income	15,000	15,000	8,216	(6,784)
Total revenues	<u>22,291,460</u>	<u>22,291,460</u>	<u>22,702,105</u>	<u>410,645</u>
EXPENDITURES				
Current:				
General government	3,088,367	3,106,510	2,835,444	(271,066)
Public works	2,005,270	2,042,430	1,860,391	(182,039)
Public safety	1,571,139	1,566,866	1,430,304	(136,562)
Library	179,425	180,190	178,820	(1,370)
Recreation	93,580	96,214	79,418	(16,796)
Education	14,151,316	14,151,316	14,151,316	-
Contingency	81,579	932	-	(932)
Debt service:				
Principal payments	625,000	625,000	625,000	-
Interest and fiscal charges	311,290	326,181	326,181	-
Total expenditures	<u>22,106,966</u>	<u>22,095,639</u>	<u>21,486,874</u>	<u>(608,765)</u>
Excess (deficiency) of revenues over expenditures	184,494	195,821	1,215,231	1,019,410
OTHER FINANCING SOURCES (USES)				
Appropriation of fund balance	1,143,704	1,272,704	-	(1,272,704)
Transfers in	-	56,423	56,423	-
Transfers out	(1,328,198)	(1,524,948)	(1,524,948)	-
Total other financing sources (uses)	<u>(184,494)</u>	<u>(195,821)</u>	<u>(1,468,525)</u>	<u>(1,272,704)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (253,294)</u>	<u>\$ (253,294)</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 EIGHT FISCAL YEARS*

	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	0.19%	0.21%	0.21%	0.22%	0.42%	0.37%	0.39%	0.24%
Town's proportionate share of the net pension liability	<u>\$ 1,326,241</u>	<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	\$ 1,467,115	\$ 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	90.4%	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	82.59%	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 EIGHT FISCAL YEARS*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 239,277	\$ 218,810	\$ 200,241	\$ 187,619	\$ 180,710	\$ 188,395	\$ 180,221	\$ 182,357
Contributions in relation to the contractually required contribution	<u>239,277</u>	<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>	<u>\$ -</u>
Covered payroll	\$ 1,467,115	\$ 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	16.31%	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 FIVE FISCAL YEARS*

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 35,302	\$ 26,735	\$ 23,481	\$ 30,329	\$ 30,329
Interest on total OPEB liability	20,648	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	7,358	241,052	33,198	(162,329)	(162,329)
Benefit payments, including refunds	(21,485)	(45,728)	(43,003)	(37,991)	(37,991)
Net change in total OPEB liability	41,823	221,045	38,898	(36,080)	(36,080)
Total OPEB liability - beginning	909,693	688,648	649,750	685,830	685,830
Total OPEB liability - ending	<u>\$ 951,516</u>	<u>\$ 909,693</u>	<u>\$ 688,648</u>	<u>\$ 649,750</u>	<u>\$ 649,750</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)
LAST TWO FISCAL YEARS*

	2022	2021
Total LOSAP liability		
Service Cost	\$ 24,555	\$ 42,225
Interest	40,413	17,723
Differences between expected and actual experience	(65,187)	-
Changes of assumptions	(337,968)	117,982
Benefit payments, including refunds	(7,310)	(4,390)
Net change in total LOSAP liability	(345,497)	173,540
Total LOSAP liability - beginning	1,097,997	924,457
Total LOSAP liability - ending	<u>\$ 752,500</u>	<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, 2022

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, 2022

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, 2022:

	Total Revenues	Total Expenditures	Other Financing Sources (Uses), Net	Net Change in Fund Balance
Budgetary basis	\$ 22,702,105	\$ 21,486,874	\$ (1,468,525)	\$ (253,294)
Transfers out recorded as expenditures for budgetary purposes	(15,000)	-	15,000	-
LOSAP activity	13,480	(43,651)	-	57,131
Town Clerk Fund activity	21	6,537	-	(6,516)
GAAP basis	<u>\$ 22,700,606</u>	<u>\$ 21,449,760</u>	<u>\$ (1,453,525)</u>	<u>\$ (202,679)</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, 2021. This information is utilized by the Town for reporting as of June 30, 2022.

Benefit Changes - There were no changes in benefit terms that had a significant effect on the measurement of the collective total pension liability reported as of June 30, 2022.

Assumption Changes - There were no changes in assumptions that had a significant effect on the measurement of the collective total pension liability reported as of June 30, 2022.

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.

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

Actuarially determined contribution rates are calculated as of June 30 for the fiscal year ending two years after the valuation date.

Methods and Assumptions Utilized

- Actuarial cost method: Entry Age Actuarial Cost Method;
- Amortization method: Level dollar, closed;
- Remaining amortization period: 20 years;
- Asset valuation method: 5-year smoothed market
- Inflation: 2.50%;
- Salary increases: 3.50% to 10.00%, including inflation
- Investment rate of return: 7.00%, net of investment related expenses; and
- 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.

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, 2021. This information is utilized by the Town for reporting as of June 30, 2022.

Benefit Changes - There have been no changes in benefit terms that have had a significant effect on the measurement of the total LOSAP liability reported as of June 30, 2022.

Assumption Changes - The discount rate was increased from 1.92% to 3.69%, which had a significant effect on the measurement of the total LOSAP liability reported as of June 30, 2022.

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, 2021. This information is utilized by the Town for reporting as of June 30, 2022.

Benefit Changes - There have been no changes in benefit terms that have had a significant effect on the measurement of the total OPEB liability reported as of June 30, 2022.

Assumption Changes - There have been no changes in assumptions that have had a significant effect on the measurement of the total OPEB liability reported as of June 30, 2022.

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, 2022

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
PROPERTY TAXES				
Property taxes - current year	\$ 17,030,830	\$ 17,030,830	\$ 17,127,088	\$ 96,258
Property taxes - prior years	250,000	250,000	238,695	(11,305)
Supplemental Motor Vehicle Tax - Current	200,000	200,000	247,907	47,907
Interest and lien fees	151,500	151,500	148,927	(2,573)
Telecommunication property tax	9,641	9,641	7,533	(2,108)
Total property taxes	17,641,971	17,641,971	17,770,150	128,179
WATER AND SEWER ASSESSMENTS				
	120,000	120,000	116,074	(3,926)
INTERGOVERNMENTAL REVENUES				
School equalization grant	3,884,172	3,884,172	3,959,808	75,636
Town aid road maintenance	192,522	192,522	192,974	452
Municipal Grants-In-Aid	43,809	43,809	43,809	-
State property tax	39,180	39,180	28,908	(10,272)
Mashantucket Pequot grant	12,467	12,467	12,467	-
Additional exemptions for veterans	9,621	9,621	8,236	(1,385)
Emergency management performance grant	5,000	5,000	-	(5,000)
Police traffic tickets	2,500	2,500	2,380	(120)
Disability tax relief	2,118	2,118	1,723	(395)
Miscellaneous reimbursements	1,000	1,000	15,000	14,000
Distressed municipalities	-	-	19,354	19,354
MRSA sales tax sharing	-	-	10,273	10,273
Total intergovernmental revenues	4,192,389	4,192,389	4,294,932	102,543
CHARGES FOR SERVICES				
Building permits	135,000	135,000	194,930	59,930
Town clerk conveyance	90,000	90,000	155,868	65,868
Town clerk recording fees and vitals	30,000	30,000	22,993	(7,007)
Police extra duty/vehicles/fees	15,000	15,000	15,000	-
MERS - Town share	10,000	10,000	9,566	(434)
Ambulance corps reimbursement	5,000	5,000	39,973	34,973
Mini-bus	4,000	4,000	6,848	2,848
Planning & zoning commission	4,000	4,000	9,961	5,961
Fire marshal inspections	3,000	3,000	2,421	(579)
Police - other revenue	2,500	2,500	4,155	1,655
LOCIP - Town Clerk	2,000	2,000	2,382	382
Inlands wetlands fees	1,500	1,500	1,341	(159)
Miscellaneous permits	500	500	870	370
Miscellaneous income	500	500	-	(500)
Zoning board of appeals	500	500	377	(123)
Dog licenses - town share	350	350	241	(109)
Xerox equipment	150	150	123	(27)
Disposal fees	100	100	224	124
Total charges for services	304,100	304,100	467,273	163,173

(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, 2022

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
OTHER REVENUES				
Insurance refund	\$ 10,000	\$ 10,000	\$ 15,630	\$ 5,630
Miscellaneous reimbursements	5,000	5,000	1,760	(3,240)
Miscellaneous income	1,000	1,000	28,070	27,070
Insurance claim	1,000	1,000	-	(1,000)
Sale of town property	1,000	1,000	-	(1,000)
Total other revenues	18,000	18,000	45,460	27,460
INTEREST INCOME	15,000	15,000	8,216	(6,784)
Total revenues	22,291,460	22,291,460	22,702,105	410,645
OTHER FINANCING SOURCES				
Appropriation from fund balance	1,143,704	1,272,704	-	(1,272,704)
Transfer in	-	56,423	56,423	-
Total other financing sources	1,143,704	1,329,127	56,423	(1,272,704)
Total revenues and other financing sources	\$ 23,435,164	\$ 23,620,587	\$ 22,758,528	\$ (862,059)
				(Concluded)

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, 2022

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Over (Under)
GENERAL GOVERNMENT				
First selectman	\$ 177,115	\$ 181,295	\$ 177,250	\$ (4,045)
Town hall	294,011	297,805	272,747	(25,058)
Town clerk	146,028	146,028	132,884	(13,144)
Tax collector	114,436	114,436	112,004	(2,432)
Treasurer	13,680	13,680	13,656	(24)
Building inspector	62,050	63,008	60,018	(2,990)
Employee benefits	1,217,840	1,214,365	1,160,849	(53,516)
Board of assessors	122,255	125,810	123,869	(1,941)
Board of assessment appeals	1,800	1,800	1,800	-
Board of finance	37,100	37,100	36,950	(150)
Finance department	154,771	154,771	143,389	(11,382)
Economic development	46,000	26,001	1,591	(24,410)
Inland wetlands	5,551	8,551	8,402	(149)
Conservation commission	6,500	6,500	1,869	(4,631)
Planning & zoning commission	36,748	39,245	37,044	(2,201)
Registrars of voters	43,800	43,800	38,763	(5,037)
Professional fees	288,951	308,200	222,316	(85,884)
Insurance	115,584	115,577	112,618	(2,959)
Agency memberships	11,881	11,881	9,281	(2,600)
Community welfare	88,655	90,776	88,262	(2,514)
Minibus operations	27,161	27,651	22,620	(5,031)
Senior citizen center	51,200	52,980	32,262	(20,718)
Miscellaneous boards and commissions	25,250	25,250	25,000	(250)
Total general government	3,088,367	3,106,510	2,835,444	(271,066)
PUBLIC WORKS				
Highway maintenance	926,575	923,946	802,202	(121,744)
Refuse	420,100	420,100	372,247	(47,853)
Wastewater treatment	658,595	698,384	685,942	(12,442)
Total public works	2,005,270	2,042,430	1,860,391	(182,039)
(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, 2022

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
PUBLIC SAFETY				
Emergency services	\$ 393,557	\$ 390,014	\$ 372,103	\$ (17,911)
Fire marshal	55,350	53,755	50,534	(3,221)
Emergency management	11,400	11,400	11,400	-
Safety committee	6,000	6,000	5,690	(310)
Water hydrants	227,060	227,060	216,899	(10,161)
Police	784,553	784,552	680,182	(104,370)
Animal control	10,793	10,793	10,277	(516)
Public safety	82,426	83,292	83,219	(73)
Total public safety	<u>1,571,139</u>	<u>1,566,866</u>	<u>1,430,304</u>	<u>(136,562)</u>
LIBRARY	<u>179,425</u>	<u>180,190</u>	<u>178,820</u>	<u>(1,370)</u>
RECREATION	<u>93,580</u>	<u>96,214</u>	<u>79,418</u>	<u>(16,796)</u>
DEBT SERVICE				
Principal	625,000	625,000	625,000	-
Interest	311,290	326,181	326,181	-
Total debt service	<u>936,290</u>	<u>951,181</u>	<u>951,181</u>	<u>-</u>
CONTINGENCY	<u>81,579</u>	<u>932</u>	<u>-</u>	<u>(932)</u>
EDUCATION	<u>14,151,316</u>	<u>14,151,316</u>	<u>14,151,316</u>	<u>-</u>
Total expenditures	<u>22,106,966</u>	<u>22,095,639</u>	<u>21,486,874</u>	<u>(608,765)</u>
OTHER FINANCING USES				
Transfers out	<u>1,328,198</u>	<u>1,524,948</u>	<u>1,524,948</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 23,435,164</u>	<u>\$ 23,620,587</u>	<u>\$ 23,011,822</u>	<u>\$ (608,765)</u> <i>(Concluded)</i>

TOWN OF BEACON FALLS, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2022

Grand List Year	Balance Uncollected June 30, 2021	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2022
			Additions	Deductions			Taxes	Interest, Liens and Fees	Total	
2006 and prior	\$ 11,204	\$ -	\$ -	\$ (5,065)	\$ (549)	\$ 5,590	\$ -	\$ -	\$ -	\$ 5,590
2007	6,433	-	-	-	(453)	5,980	-	-	-	5,980
2008	7,222	-	-	-	(444)	6,778	-	-	-	6,778
2009	8,490	-	-	-	(976)	7,514	-	-	-	7,514
2010	10,909	-	-	-	(995)	9,914	-	-	-	9,914
2011	8,985	-	-	-	(1,523)	7,462	-	-	-	7,462
2012	10,645	-	-	-	(1,861)	8,784	-	-	-	8,784
2013	10,149	-	-	-	(1,896)	8,253	-	279	279	8,253
2014	9,833	-	-	-	(1,949)	7,884	-	-	-	7,884
2015	14,592	-	-	-	(2,439)	12,153	3,670	1,845	5,515	8,483
2016	27,756	-	-	(549)	(2,031)	25,176	13,969	6,549	20,518	11,207
2017	81,062	-	-	(946)	(32,610)	47,506	34,003	19,823	53,826	13,503
2018	117,808	-	66	(2,566)	(1,131)	114,177	56,961	23,803	80,764	57,216
2019	233,186	-	1,078	(7,931)	(535)	225,798	109,659	30,960	140,619	116,139
2020	-	17,705,007	37,177	(48,859)	-	17,693,325	17,396,488	51,279	17,447,767	296,837
	<u>\$ 558,274</u>	<u>\$ 17,705,007</u>	<u>\$ 38,321</u>	<u>\$ (65,916)</u>	<u>\$ (49,392)</u>	<u>\$ 18,186,294</u>	<u>\$ 17,614,750</u>	<u>\$ 134,538</u>	<u>\$ 17,749,288</u>	<u>\$ 571,544</u>

TOWN OF BEACON FALLS, CONNECTICUT
SCHEDULE OF DEBT LIMITATION -
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2022

Total cash collections for the year ended
June 30, 2022:

Taxes	\$ 17,614,750
Interest and lien fees	134,538
Total	<u>17,749,288</u>

Reimbursement for revenue loss:

Tax relief (CGS 12-129d)	9,959
--------------------------	-------

Base \$ 17,759,247

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 39,958,306	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	79,916,612	-	-	-
3-3/4 times base	-	-	66,597,176	-	-
3-1/4 times base	-	-	-	57,717,553	-
3 times base	-	-	-	-	53,277,741
Total debt limitation	<u>39,958,306</u>	<u>79,916,612</u>	<u>66,597,176</u>	<u>57,717,553</u>	<u>53,277,741</u>
Indebtedness:					
Bonds payable	6,834,442	-	4,465,558	-	-
Bonds and bond anticipation notes payable, net - Regional School District No. 16	-	6,109,250 *	-	-	-
Total indebtedness	<u>6,834,442</u>	<u>6,109,250</u>	<u>4,465,558</u>	<u>-</u>	<u>-</u>
Less: assessments receivable	-	-	619,447	-	-
Net indebtedness	<u>6,834,442</u>	<u>4,895,319</u>	<u>3,846,111</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u><u>\$ 33,123,864</u></u>	<u><u>\$ 75,021,293</u></u>	<u><u>\$ 62,751,065</u></u>	<u><u>\$ 57,717,553</u></u>	<u><u>\$ 53,277,741</u></u>
Total capacity of borrowing (7 times base)	\$ 124,314,729				
Total present indebtedness	<u>15,575,872</u>				
Margin for additional borrowing	<u><u>\$ 108,738,857</u></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, 2022

	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	\$ 25,800	\$ 19,930	\$ 3,414	\$ 72,442	\$ -	\$ 980	\$ -
Investments	-	-	-	-	-	10,004	-
Receivables:							
Intergovernmental	-	-	-	-	-	-	-
Loans	-	-	-	503,427	-	-	-
Other	-	-	-	-	52,499	-	-
Due from other funds	-	-	84	-	124,585	-	-
Total assets	<u>\$ 25,800</u>	<u>\$ 19,930</u>	<u>\$ 3,498</u>	<u>\$ 575,869</u>	<u>\$ 177,084</u>	<u>\$ 10,984</u>	<u>\$ -</u>
LIABILITIES							
Accounts payable	\$ 68	\$ 1,152	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	511	292	9,588	25,407	-	-
Unearned revenue	6,270	-	-	-	-	-	-
Total liabilities	<u>6,338</u>	<u>1,663</u>	<u>292</u>	<u>9,588</u>	<u>25,407</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	10,000	-
Restricted	-	-	-	566,281	-	984	-
Committed	19,462	18,267	3,206	-	151,677	-	-
Total fund balances	<u>19,462</u>	<u>18,267</u>	<u>3,206</u>	<u>566,281</u>	<u>151,677</u>	<u>10,984</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 25,800</u>	<u>\$ 19,930</u>	<u>\$ 3,498</u>	<u>\$ 575,869</u>	<u>\$ 177,084</u>	<u>\$ 10,984</u>	<u>\$ -</u>

(Continued)

TOWN OF BEACON FALLS, CONNECTICUT
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS *(Concluded)*
 AS OF JUNE 30, 2022

	Nonmajor Special Revenue Funds		Nonmajor Capital Project Funds					
	Sewer Waste Water Fund	Total Special Revenue Funds	Capital Nonrecurring Fund	Open Space Fund	Vehicle Replacement Fund	Total Capital Project Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 1,408,153	\$ 1,530,719	\$ 554,091	\$ 8,632	\$ -	\$ 562,723	\$ -	\$ 2,093,442
Investments	-	10,004	-	-	-	-	-	10,004
Receivables:								
Intergovernmental	-	-	13,253	-	-	13,253	-	13,253
Loans	-	503,427	-	-	-	-	-	503,427
Other	8,912	61,411	-	-	-	-	-	61,411
Due from other funds	-	124,669	4,902	-	300	5,202	1,208,527	1,338,398
Total assets	<u>\$ 1,417,065</u>	<u>\$ 2,230,230</u>	<u>\$ 572,246</u>	<u>\$ 8,632</u>	<u>\$ 300</u>	<u>\$ 581,178</u>	<u>\$ 1,208,527</u>	<u>\$ 4,019,935</u>
LIABILITIES								
Accounts payable	\$ 1,483	\$ 2,703	\$ 21,263	\$ -	\$ -	21,263	\$ -	\$ 23,966
Due to other funds	21,532	57,330	107,594	-	-	107,594	8,636	173,560
Unearned revenue	-	6,270	-	-	-	-	-	6,270
Total liabilities	<u>23,015</u>	<u>66,303</u>	<u>128,857</u>	<u>-</u>	<u>-</u>	<u>128,857</u>	<u>8,636</u>	<u>203,796</u>
FUND BALANCES								
Nonspendable	-	10,000	-	-	-	-	-	10,000
Restricted	-	567,265	-	-	-	-	379,762	947,027
Committed	1,394,050	1,586,662	443,389	8,632	300	452,321	820,129	2,859,112
Total fund balances	<u>1,394,050</u>	<u>2,163,927</u>	<u>443,389</u>	<u>8,632</u>	<u>300</u>	<u>452,321</u>	<u>1,199,891</u>	<u>3,816,139</u>
Total liabilities and fund balances	<u>\$ 1,417,065</u>	<u>\$ 2,230,230</u>	<u>\$ 572,246</u>	<u>\$ 8,632</u>	<u>\$ 300</u>	<u>\$ 581,178</u>	<u>\$ 1,208,527</u>	<u>\$ 4,019,935</u>
								<i>(Concluded)</i>

TOWN OF BEACON FALLS, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	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							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	11,425	808	2,635	-	367,003	-	-
Interest income	30	8	2	28	-	23	-
Other	200	266	-	-	-	-	-
Total revenues	11,655	1,082	2,637	28	367,003	23	-
EXPENDITURES							
Current:							
General government	-	-	-	10	-	500	1,112
Public safety	-	-	2,413	-	316,600	-	-
Culture and recreation	19,763	1,290	-	-	-	-	-
Debt service:							
Principal payments	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	42,794	-	-
Total expenditures	19,763	1,290	2,413	10	359,394	500	1,112
Excess (deficiency) of revenues over expenditures	(8,108)	(208)	224	18	7,609	(477)	(1,112)
OTHER FINANCING SOURCES (USES)							
Financed purchases	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	875	-
Transfers out	-	-	-	-	(15,000)	(875)	-
Total other financing sources (uses)	-	-	-	-	(15,000)	-	-
Net change in fund balances	(8,108)	(208)	224	18	(7,391)	(477)	(1,112)
Fund balances - beginning	27,570	18,475	2,982	566,263	159,068	11,461	1,112
Fund balances - ending	\$ 19,462	\$ 18,267	\$ 3,206	\$ 566,281	\$ 151,677	\$ 10,984	\$ -

(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, 2022

	Nonmajor Special Revenue Funds		Nonmajor Capital Project Funds					
	Sewer Waste Water Fund	Total Special Revenue Funds	Capital Nonrecurring Fund	Open Space Fund	Vehicle Replacement Fund	Total Capital Project Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES								
Intergovernmental	\$ -	\$ -	\$ 13,253	\$ -	\$ -	\$ 13,253	\$ -	\$ 13,253
Charges for services	109,015	490,886	-	-	-	-	-	490,886
Interest income	1,638	1,729	667	6	-	673	-	2,402
Other	40,571	41,037	58,538	1,000	-	59,538	-	100,575
Total revenues	151,224	533,652	72,458	1,006	-	73,464	-	607,116
EXPENDITURES								
Current:								
General government	-	1,622	-	-	-	-	-	1,622
Public works	17,695	17,695	-	-	-	-	-	17,695
Public safety	-	319,013	-	-	-	-	-	319,013
Culture and recreation	-	21,053	-	-	-	-	-	21,053
Debt service:								
Principal payments	-	-	194,714	-	-	194,714	-	194,714
Interest and fiscal charges	-	-	14,995	-	-	14,995	56,694	71,689
Capital outlays	14,654	57,448	1,418,392	-	211,000	1,629,392	-	1,686,840
Total expenditures	32,349	416,831	1,628,101	-	211,000	1,839,101	56,694	2,312,626
Excess (deficiency) of revenues over expenditures	118,875	116,821	(1,555,643)	1,006	(211,000)	(1,765,637)	(56,694)	(1,705,510)
OTHER FINANCING SOURCES (USES)								
Financed purchases	-	-	757,438	-	-	757,438	-	757,438
Premium on bonds issued	-	-	-	-	-	-	379,762	379,762
Transfers in	19,999	20,874	993,649	-	211,300	1,204,949	305,302	1,531,125
Transfers out	(41,531)	(57,406)	-	-	-	-	(39,591)	(96,997)
Total other financing sources (uses)	(21,532)	(36,532)	1,751,087	-	211,300	1,962,387	645,473	2,571,328
Net change in fund balances	97,343	80,289	195,444	1,006	300	196,750	588,779	865,818
Fund balances - beginning	1,296,707	2,083,638	247,945	7,626	-	255,571	611,112	2,950,321
Fund balances - ending	\$ 1,394,050	\$ 2,163,927	\$ 443,389	\$ 8,632	\$ 300	\$ 452,321	\$ 1,199,891	\$ 3,816,139

(Concluded)