

TOWN OF BEACON FALLS, CONNECTICUT

FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023**

TOWN OF BEACON FALLS, CONNECTICUT
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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2023, 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, 2023, 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 47 through 54 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 27, 2023, 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 27, 2023

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, 2023

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, 2023.

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 \$20,606,502 (net position). Of this amount, \$4,225,720 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 \$3,105,785 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 \$12,057,768, a decrease of \$1,310,413 in comparison with the prior year.
- At the close of the current fiscal year, unassigned fund balance of the General Fund was \$3,858,828 or 15.9% of the Town's fiscal year 2024 budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 1.90 months of General Fund expenditures.
- The Town's total capital assets increased by \$3,459,727 or 16.7% during the current year.
- The Town's total long-term debt, consisting of general obligation bonds and financed purchase arrangements, decreased by \$991,716 or 8.2% during the current fiscal 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, 2023

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, 2023

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 46 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 47 through 54 of this report. Combining and individual fund statements and schedules can be found on pages 55 through 64 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

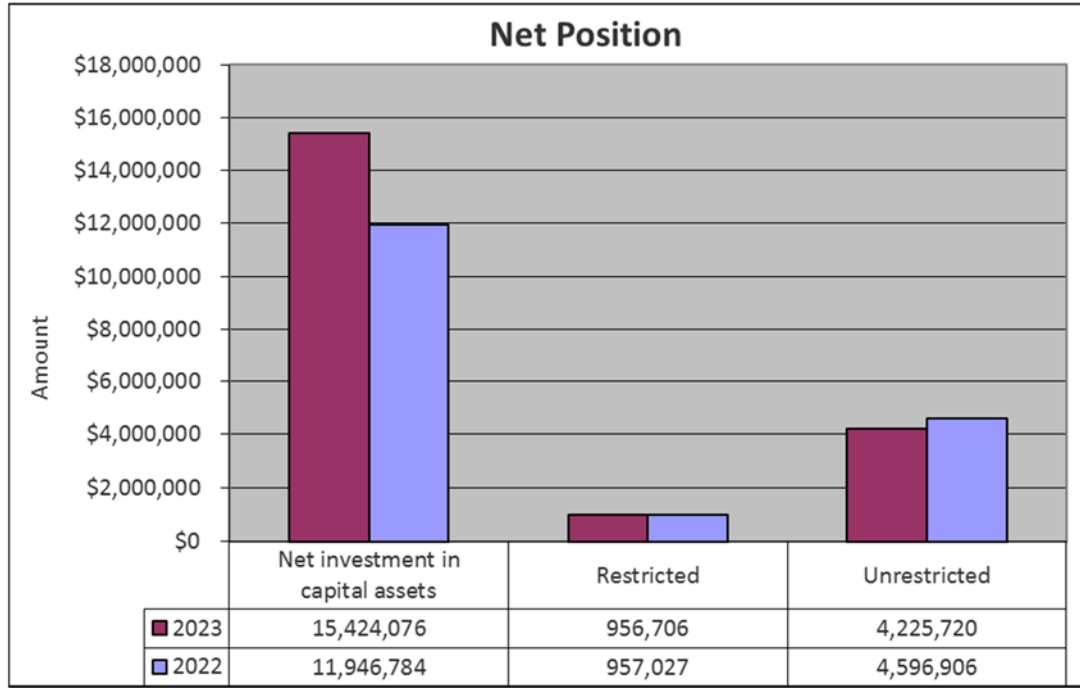
Over time, net position may serve as one measure of a government's financial position. Net position of the Town totaled \$20,606,502 and \$17,500,717 as of June 30, 2023 and 2022, respectively, and are summarized as follows.

	<u>2023</u>	<u>2022</u>	<u>\$ Variance</u>	<u>% Variance</u>
Current and other assets	\$ 16,119,942	\$ 15,763,464	\$ 356,478	2.3%
Capital assets	<u>24,182,261</u>	<u>20,722,534</u>	<u>3,459,727</u>	<u>16.7%</u>
Total assets	<u>40,302,203</u>	<u>36,485,998</u>	<u>3,816,205</u>	<u>10.5%</u>
Deferred outflows of resources	<u>1,427,229</u>	<u>1,045,854</u>	<u>381,375</u>	<u>36.5%</u>
Other liabilities	2,894,988	1,188,807	1,706,181	143.5%
Long-term liabilities	<u>17,271,591</u>	<u>17,418,084</u>	<u>(146,493)</u>	<u>-0.8%</u>
Total liabilities	<u>20,166,579</u>	<u>18,606,891</u>	<u>1,559,688</u>	<u>8.4%</u>
Deferred inflows of resources	<u>956,351</u>	<u>1,424,244</u>	<u>(467,893)</u>	<u>-32.9%</u>
Net position:				
Net investment in capital assets	15,424,076	11,946,784	3,477,292	29.1%
Restricted	956,706	957,027	(321)	0.0%
Unrestricted	<u>4,225,720</u>	<u>4,596,906</u>	<u>(371,186)</u>	<u>-8.1%</u>
Total net position	<u>\$ 20,606,502</u>	<u>\$ 17,500,717</u>	<u>\$ 3,105,785</u>	<u>17.7%</u>

TOWN OF BEACON FALLS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)



As of June 30, 2023, approximately 74.9% 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.

4.6% 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 \$3,105,785 in comparison with the prior year.

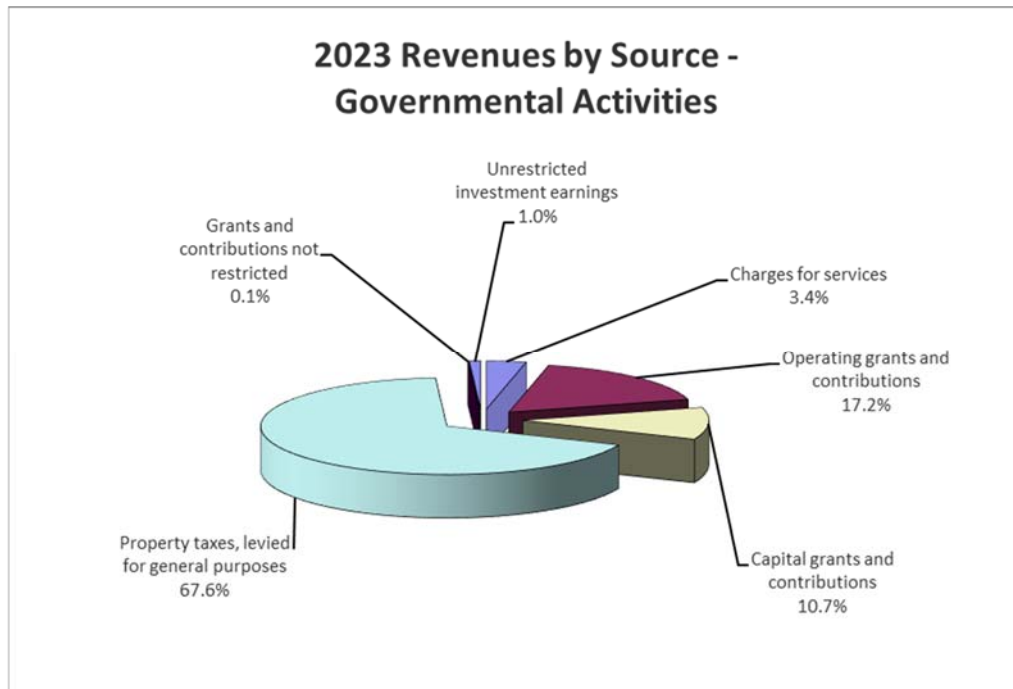
TOWN OF BEACON FALLS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Change in Net Position

Changes in net position for the years ended June 30, 2023 and 2022 are as follows.

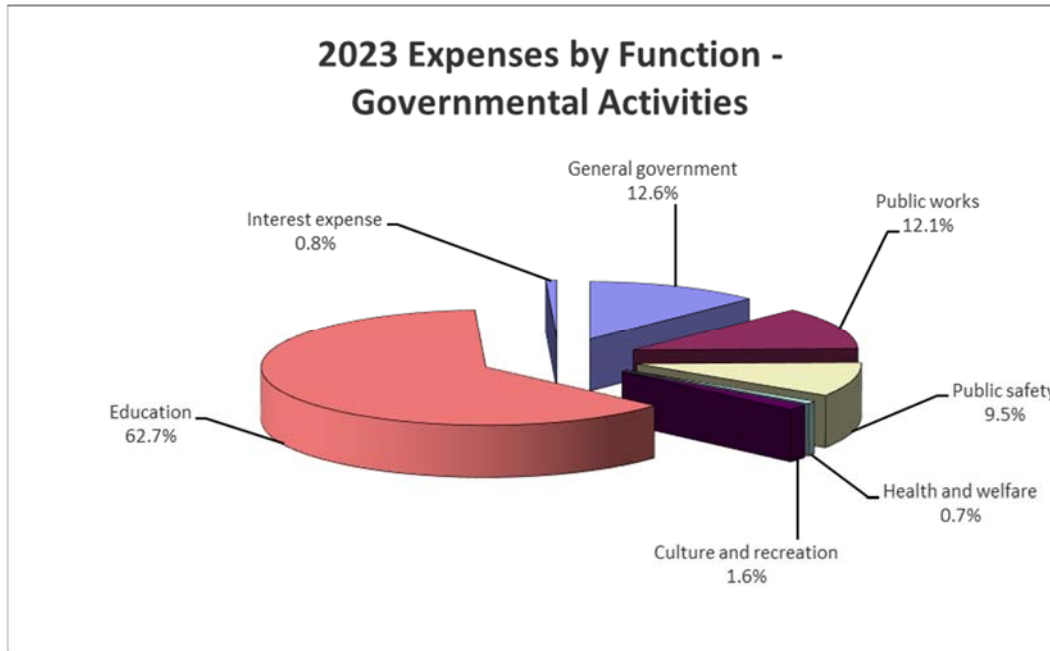
	<u>2023</u>	<u>2022</u>	<u>\$ Variance</u>	<u>% Variance</u>
Revenues				
Program revenues:				
Charges for services	\$ 900,784	\$ 973,989	\$ (73,205)	-7.5%
Operating grants and contributions	4,514,599	4,432,827	81,772	1.8%
Capital grants and contributions	2,802,305	1,398,387	1,403,918	100.4%
General revenues:				
Property taxes, levied for general purposes	17,718,319	17,839,968	(121,649)	-0.7%
Grants and contributions not restricted to specific programs	321,610	61,607	260,003	422.0%
Unrestricted investment earnings	257,534	30,054	227,480	756.9%
Total revenues	<u>26,515,151</u>	<u>24,736,832</u>	<u>1,778,319</u>	<u>7.2%</u>
Expenses				
General government	2,941,994	2,949,050	(7,056)	-0.2%
Public works	2,828,544	2,820,434	8,110	0.3%
Public safety	2,229,656	1,969,032	260,624	13.2%
Health and welfare	172,146	143,144	29,002	20.3%
Culture and recreation	381,615	332,552	49,063	14.8%
Education	14,670,570	14,151,316	519,254	3.7%
Interest expense	184,841	276,291	(91,450)	-33.1%
Total expenses	<u>23,409,366</u>	<u>22,641,819</u>	<u>767,547</u>	<u>3.4%</u>
Change in net position	<u>\$ 3,105,785</u>	<u>\$ 2,095,013</u>	<u>\$ 1,010,772</u>	<u>48.2%</u>



TOWN OF BEACON FALLS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Change in Net Position *(Continued)*



Governmental Activities

Governmental activities increased the Town's net position by \$3,105,785. This is a \$1,010,772 increase over the Town's prior year change in net position.

Revenues generated by the Town increased by \$1,778,319 or 7.2% in comparison to the prior year. Significant changes in revenues were as follows:

- An increase in capital grants and contributions of \$1,403,918 or 100.4%. Capital grants and contributions typically fluctuate year over year since revenues are recognized in connection with non-recurring capital projects. During fiscal year 2023, capital grants and contributions were recognized in connection with road, sewer and other infrastructure improvements funded by the State of Connecticut's Local Transportation Capital Improvement Program and the federal American Rescue Plan Act.
- An increase in grants and contributions not restricted to specific programs of \$260,003. This increase was driven by the receipt of a Municipal Transition grant in the amount of \$142,406 and a Municipal Revenue sharing grant in the amount of \$122,214.
- An increase in unrestricted investment earnings of \$227,480, driven by an increase in interest earned on short-term investments resulting from the historic increases interest rates during fiscal year 2023.

Expenses incurred by the Town increased by \$767,547 or 3.4% in comparison to the prior year. Significant changes in expenses were as follows:

- An increase in public safety expenses of \$260,624 or 13.2% over the prior year. This increase was driven by increases in police wages and benefits, vehicle repairs and maintenance, and information technology related costs.
- An increase in education expenses of \$519,254 or 3.7%, which is entirely related to the increase in the assessment levied by Regional School District No. 16 to fund the District's operating costs.

TOWN OF BEACON FALLS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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 \$12,057,768.

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 \$4,914,560, of which \$3,858,828 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 15.9% of the Town's fiscal year 2024 budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 1.90 months of General Fund expenditures.

The fund balance of the Town's General Fund decreased by \$75,864 during the current fiscal year.

Bonded Projects Fund

The fund balance of the Bonded Projects Fund decreased by \$1,230,485 during the current fiscal year, which resulted in an ending fund balance of \$3,319,445 as of June 30, 2023.

Unbudgeted Grants Fund

The fund balance of the Unbudgeted Grants Fund increased by \$25,923 during the current fiscal year, which resulted in an ending fund balance of \$37,611 as of June 30, 2023.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original operating budget for the General Fund planned for the utilization of fund balance in the amount of \$847,981. Additional appropriations in the amount of \$79,999 were authorized during the year ended June 30, 2023.

The actual net change in fund balance of the General Fund on a budgetary basis was a decrease of \$141,832, resulting in an overall favorable budgetary variance of \$786,148. Budgetary revenues were \$307,378 more than expected, primarily due to favorable variances on tax collections, interest income and a Municipal Revenue Sharing grant. Expenditures were \$478,770 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, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

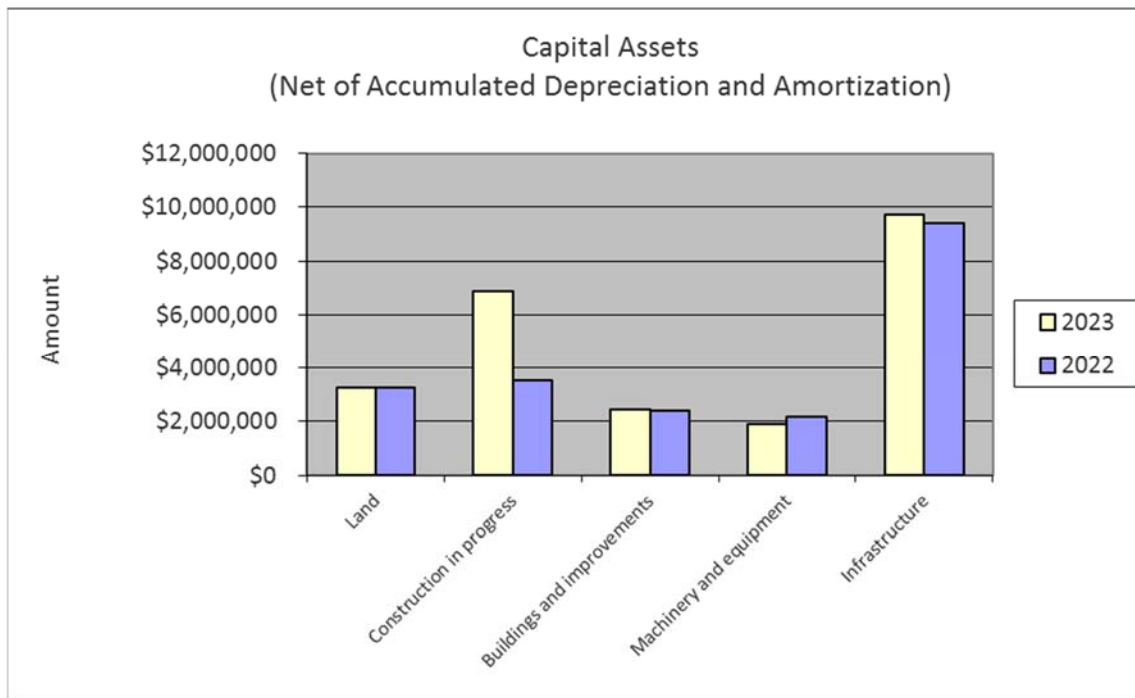
The Town's investment in capital assets for its governmental activities as of June 30, 2023 and 2022 totaled \$24,182,261 and \$20,722,534, respectively (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure. The total increase in the Town's investment in capital assets for the current fiscal year was \$3,459,727 or 16.7%.

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

- Outlays related to bridge improvements in the amount of \$369 thousand;
- Outlays related to road and sewer improvements in the amount of \$3.6 million;
- Outlays related to the digester tank project in the amount of \$287 thousand;
- Outlays related to the purchase of dash and body cameras in the amount of \$108 thousand

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

	2023	2022	\$ Variance	% Variance
Land	\$ 3,254,425	\$ 3,254,425	\$ -	0.0%
Construction in progress	6,862,373	3,518,776	3,343,597	95.0%
Buildings and improvements	2,435,524	2,382,552	52,972	2.2%
Machinery and equipment	1,899,524	2,159,790	(260,266)	-12.1%
Infrastructure	9,730,415	9,406,991	323,424	3.4%
Totals	<u>\$ 24,182,261</u>	<u>\$ 20,722,534</u>	<u>\$ 3,459,727</u>	16.7%



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, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

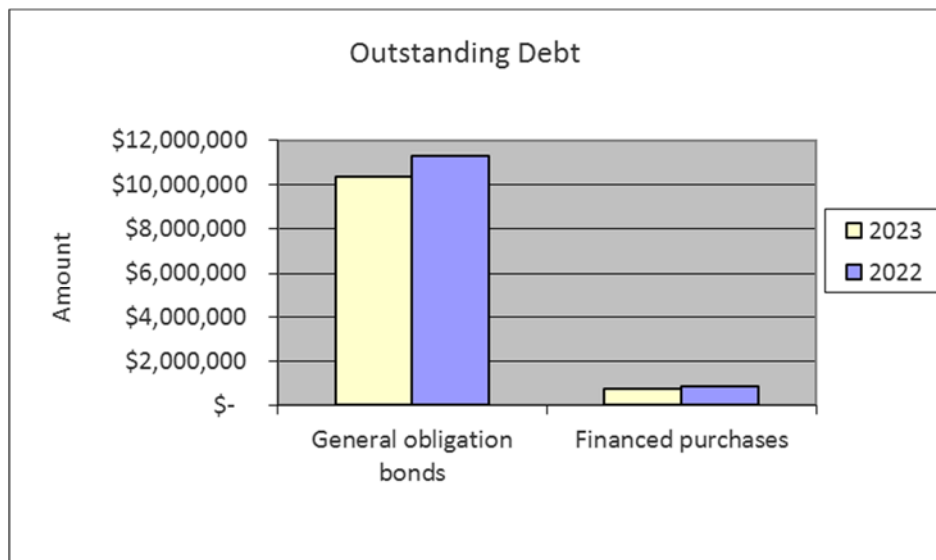
Long-term Debt

At the end of the current fiscal year, the Town had total long-term debt outstanding of \$11,134,239. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total long-term debt decreased by \$991,716 or 8.2% during the current fiscal year. Current year debt activity includes the issuance of \$97,856 of financed purchases off set by regularly scheduled debt service payments.

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:

	2023	2022	\$ Variance	% Variance
General obligation bonds	\$ 10,410,000	\$ 11,300,000	\$ (890,000)	-7.9%
Financed purchases	724,239	825,955	(101,716)	-12.3%
	<u>\$ 11,134,239</u>	<u>\$ 12,125,955</u>	<u>\$ (991,716)</u>	-8.2%



Additional information on the Town's bonded debt can be found in Note 6 of this report.

TOWN OF BEACON FALLS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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 2024, 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 2024.

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, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 13,230,000
Investments	552,710
Receivables:	
Property taxes and interest, net	893,384
Assessments and interest, net	128,840
Grants and contracts	200,458
Other	163,340
Other assets	15,728
Noncurrent assets:	
Receivables:	
Assessments	432,055
Loans	503,427
Capital assets:	
Non-depreciable	10,116,798
Depreciable, net	14,065,463
Total assets	<u>40,302,203</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	1,087,578
OPEB related	226,938
LOSAP related	84,008
Deferred charges on refunding	28,705
Total deferred outflows of resources	<u>1,427,229</u>
LIABILITIES	
Accounts payable	1,045,162
Salaries and benefits payable	126,535
Accrued interest payable	65,052
Unearned revenue	1,658,239
Noncurrent liabilities:	
Due within one year	1,163,738
Due in more than one year	16,107,853
Total liabilities	<u>20,166,579</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	273,466
OPEB related	357,748
LOSAP related	325,137
Total deferred inflows of resources	<u>956,351</u>
NET POSITION	
Net investment in capital assets	15,424,076
Restricted for:	
Loan rehabilitation program	566,351
Debt service	379,762
Other programs	10,593
Unrestricted	4,225,720
Total net position	<u><u>\$ 20,606,502</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, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Position
Primary Government:					
Governmental activities:					
General government	\$ 2,941,994	\$ 356,770	\$ 142,491	\$ -	\$ (2,442,733)
Public works	2,828,544	61,065	315,786	2,802,305	350,612
Public safety	2,229,656	463,690	37,587	-	(1,728,379)
Health and welfare	172,146	-	-	-	(172,146)
Culture and recreation	381,615	19,259	5,939	-	(356,417)
Education	14,670,570	-	4,012,796	-	(10,657,774)
Interest expense	184,841	-	-	-	(184,841)
Total governmental activities	<u>\$ 23,409,366</u>	<u>\$ 900,784</u>	<u>\$ 4,514,599</u>	<u>\$ 2,802,305</u>	<u>(15,191,678)</u>
General revenues:					
					17,718,319
					321,610
					257,534
					<u>18,297,463</u>
		Change in net position			3,105,785
		Net position - beginning			<u>17,500,717</u>
		Net position - ending			\$ 20,606,502

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

TOWN OF BEACON FALLS, CONNECTICUT

BALANCE SHEET -
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2023

	General Fund	Bonded Projects Fund	Unbudgeted Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 5,740,395	\$ 3,564,978	\$ 1,889,180	\$ 2,035,447	\$ 13,230,000
Investments	542,597	-	-	10,113	552,710
Receivables:					
Property taxes and interest, net	893,384	-	-	-	893,384
Assessments and interest, net	560,895	-	-	-	560,895
Intergovernmental	22,029	-	165,176	13,253	200,458
Loans	-	-	-	503,427	503,427
Other	4,472	-	73,606	85,262	163,340
Due from other funds	18,032	-	9,502	1,245,522	1,273,056
Prepaid items	-	-	2,090	-	2,090
Inventories	13,638	-	-	-	13,638
Total assets	<u>\$ 7,795,442</u>	<u>\$ 3,564,978</u>	<u>\$ 2,139,554</u>	<u>\$ 3,893,024</u>	<u>\$ 17,392,998</u>
LIABILITIES					
Accounts payable	\$ 364,060	\$ 241,563	\$ 356,316	\$ 83,223	\$ 1,045,162
Salaries and benefits payable	126,535	-	-	-	126,535
Due to other funds	1,132,642	3,970	118,930	17,514	1,273,056
Unearned revenue	25,407	-	1,626,697	6,135	1,658,239
Total liabilities	<u>1,648,644</u>	<u>245,533</u>	<u>2,101,943</u>	<u>106,872</u>	<u>4,102,992</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes and interest	671,343	-	-	-	671,343
Unavailable revenue - assessments and interest	560,895	-	-	-	560,895
Total deferred inflows of resources	<u>1,232,238</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,232,238</u>
FUND BALANCES					
Nonspendable	13,638	-	-	10,000	23,638
Restricted	-	3,319,445	-	946,706	4,266,151
Committed	551,080	-	37,611	2,829,446	3,418,137
Assigned	491,014	-	-	-	491,014
Unassigned	3,858,828	-	-	-	3,858,828
Total fund balances	<u>4,914,560</u>	<u>3,319,445</u>	<u>37,611</u>	<u>3,786,152</u>	<u>12,057,768</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,795,442</u>	<u>\$ 3,564,978</u>	<u>\$ 2,139,554</u>	<u>\$ 3,893,024</u>	<u>\$ 17,392,998</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, 2023

Total fund balance for governmental funds	\$	12,057,768
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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		6,862,373	
Buildings and improvements		4,747,982	
Machinery and equipment		7,435,700	
Infrastructure		20,715,059	
Less: accumulated depreciation and amortization		<u>(18,833,278)</u>	
Total capital assets, net			24,182,261

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.		442,173
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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.		1,232,238
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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		(65,052)	
Long-term debt:			
Bonds		(10,410,000)	
Unamortized premium		(730,533)	
Deferred charges on refunding		28,705	
Financed purchases		(724,239)	
Other long-term liabilities:			
Compensated absences		(105,180)	
Pension obligation		(1,185,610)	
Net pension liability		(2,615,740)	
Total OPEB liability		(720,594)	
Total LOSAP liability		<u>(779,695)</u>	
Total long-term liabilities			<u>(17,307,938)</u>

Net position of governmental activities	\$	<u><u>20,606,502</u></u>
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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, 2023

	General Fund	Bonded Projects Fund	Unbudgeted Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 17,669,859	\$ -	\$ -	\$ -	\$ 17,669,859
Assessments	97,388	-	-	-	97,388
Intergovernmental	4,608,156	-	2,814,500	-	7,422,656
Charges for services	356,964	-	-	525,569	882,533
Interest income	114,376	71,673	27,012	44,473	257,534
Other	38,449	-	86,438	109,222	234,109
Total revenues	<u>22,885,192</u>	<u>71,673</u>	<u>2,927,950</u>	<u>679,264</u>	<u>26,564,079</u>
EXPENDITURES					
Current:					
General government	2,860,921	-	6,325	500	2,867,746
Public works	1,873,986	-	-	3,520	1,877,506
Public safety	1,512,102	-	-	385,335	1,897,437
Health and welfare	172,146	-	-	-	172,146
Culture and recreation	313,273	-	4,660	13,738	331,671
Education	14,670,570	-	-	-	14,670,570
Debt service:					
Principal payments	911,477	-	-	178,095	1,089,572
Interest and fiscal charges	352,371	-	-	20,714	373,085
Capital outlays	<u>97,856</u>	<u>1,230,487</u>	<u>2,891,042</u>	<u>473,230</u>	<u>4,692,615</u>
Total expenditures	<u>22,764,702</u>	<u>1,230,487</u>	<u>2,902,027</u>	<u>1,075,132</u>	<u>27,972,348</u>
Excess (deficiency) of revenues over expenditures	120,490	(1,158,814)	25,923	(395,868)	(1,408,269)
OTHER FINANCING SOURCES (USES)					
Financed purchases	97,856	-	-	-	97,856
Transfers in	272,458	-	-	638,339	910,797
Transfers out	<u>(566,668)</u>	<u>(71,671)</u>	<u>-</u>	<u>(272,458)</u>	<u>(910,797)</u>
Total other financing sources (uses)	<u>(196,354)</u>	<u>(71,671)</u>	<u>-</u>	<u>365,881</u>	<u>97,856</u>
Net change in fund balances	(75,864)	(1,230,485)	25,923	(29,987)	(1,310,413)
Fund balances - beginning	<u>4,990,424</u>	<u>4,549,930</u>	<u>11,688</u>	<u>3,816,139</u>	<u>13,368,181</u>
Fund balances - ending	<u>\$ 4,914,560</u>	<u>\$ 3,319,445</u>	<u>\$ 37,611</u>	<u>\$ 3,786,152</u>	<u>\$ 12,057,768</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, 2023

Net change in fund balances - total governmental funds	\$ (1,310,413)
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Total change in net position reported for governmental activities in the statement of activities is different because:

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

Expenditures for capital assets	\$ 4,764,953	
Depreciation and amortization expense	(1,305,226)	
Net adjustment		3,459,727

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:		
Financed purchases	(97,856)	
Principal repayments:		
Bonds	890,000	
Financed purchases	199,572	
Net adjustment		991,716

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	9,638	
Amortization of bond premium	187,584	
Deferred amount on refunding	(8,978)	
Compensated absences	(4,489)	
Pension obligation	57,454	
Net pension liability	(1,289,499)	
Total OPEB liability	230,922	
Total LOSAP liability	(27,195)	
		(844,563)

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.	858,246
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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.	(48,928)
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Change in net position of governmental activities	\$ 3,105,785
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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, 2023

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, 2023

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, 2023

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 \$138,000 as of June 30, 2023.

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 13,230,000
Add: Certificate of deposit presented as an investment	10,113
Less: cash equivalents considered investments	
for disclosure purposes	<u>(4,099,093)</u>
	<u>\$ 9,141,020</u>

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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, 2023, \$8,711,097 of the Town's bank balance of \$9,221,210 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 7,839,987
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	871,110
	<u>\$ 8,711,097</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, 2023 is as follows:

Government-wide statement of net position:	
Investments	\$ 552,710
Less: Certificate of deposit presented as an investment	(10,113)
Add: cash equivalents considered investments for disclosure purposes	4,099,093
	<u>\$ 4,641,690</u>

As of June 30, 2023, the Town's investments consist of the following:

Investment type	Valuation Basis	Value	Investment Maturities (In Years)		
			Less Than 1	1 to 5	6 to 10
Debt securities:					
Governmental Activities:					
Short-Term Investment Fund	Amortized cost	\$ 4,099,093	\$ 4,099,093	\$ -	\$ -
		4,099,093	\$ 4,099,093	\$ -	\$ -
Other investments:					
Governmental Activities:					
Insurance contracts	Contract value	542,597			
		\$ 4,641,690			

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Investments *(Continued)*

Interest Rate Risk

The Town does not have a formal investment policy that limits Town investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, its practice is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

Credit Risk

The Town has no investment policy that would further limit its investment choices beyond those already limited by Connecticut state statutes. Connecticut state statutes permit the Town to invest in: (1) obligations of the United States, including its instrumentalities and agencies; (2) in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; (3) in shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations; (4) or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service. Other provisions of the statutes cover specific municipal funds with particular investment authority. The provisions of the statutes regarding the investment of municipal pension funds does not specify permitted investments. Therefore, the investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable pension plan.

The Town's investments in debt securities, whose ratings are required to be disclosed, were rated by Standard & Poor's as follows:

	<u>AAA</u>	<u>Total</u>
Debt Securities:		
<i>Governmental Activities:</i>		
Short-Term Investment Fund	\$ 4,099,093	\$ 4,099,093
	<u>\$ 4,099,093</u>	4,099,093
		542,597
		<u>\$ 4,641,690</u>

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investments in external investment pools, mutual funds and insurance contracts are not evidenced by securities and are therefore not exposed to custodial credit risk. The Town's investments in corporate bonds and common stock are held in book entry form in the name of the Town and are therefore also not exposed to custodial credit risk.

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Investments *(Continued)*

Concentrations of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from concentration of credit risk disclosures. The Town places no limit on the amount of investment in any one issuer. As of June 30, 2023, 11.7% of the Town's investments consist of insurance contracts held with Empower. The Short-Term Investment Fund is managed by the Cash Management Division of the Office of the State Treasurer and is not subject to concentration of credit risk disclosures.

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 consisted of the following:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 3,254,425	\$ -	\$ -	\$ -	\$ 3,254,425
Construction in progress	3,518,776	4,446,505	-	(1,102,908)	6,862,373
Total capital assets, not being depreciated	6,773,201	4,446,505	-	(1,102,908)	10,116,798
Capital assets, being depreciated:					
Buildings and improvements	4,597,628	150,354	-	-	4,747,982
Machinery and equipment	7,267,606	168,094	-	-	7,435,700
Infrastructure	19,612,151	-	-	1,102,908	20,715,059
Total capital assets, being depreciated	31,477,385	318,448	-	1,102,908	32,898,741
Less accumulated depreciation and amortization for:					
Buildings and improvements	2,215,076	97,382	-	-	2,312,458
Machinery and equipment	5,107,816	428,360	-	-	5,536,176
Infrastructure	10,205,160	779,484	-	-	10,984,644
Total accumulated depreciation and amortization	17,528,052	1,305,226	-	-	18,833,278
Total capital assets, being depreciated, net	13,949,333	(986,778)	-	1,102,908	14,065,463
Governmental activities capital assets, net	\$ 20,722,534	\$ 3,459,727	\$ -	\$ -	\$ 24,182,261

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

Governmental Activities:	
General government	\$ 54,992
Public works	917,379
Public safety	283,986
Culture and recreation	48,869
Total depreciation and amortization expense - governmental activities	<u>\$ 1,305,226</u>

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2023 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds:		
General Fund	Bonded Projects Fund	\$ 518
	Other Governmental Funds	17,514
		<u>18,032</u>
Unbudgeted Grants Fund	General Fund	<u>9,502</u>
Other Governmental Funds	General Fund	1,123,140
	Unbudgeted Grants Fund	118,930
	Bonded Projects Fund	3,452
		<u>1,245,522</u>
Total interfund receivables/payables		<u><u>\$ 1,273,056</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, 2023 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
General Fund	Other Governmental Funds	<u>\$ 272,458</u>
Other Governmental Funds	General Fund	566,668
	Bonded Projects Fund	71,671
		<u>638,339</u>
Total transfers		<u><u>\$ 910,797</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, 2023

NOTE 6 - LONG-TERM LIABILITIES

Changes in Long-term Liabilities

Changes in the Town's long-term liabilities for the year ended June 30, 2023, are as follows:

	Beginning Balance	Increases	Decreases	Ending	Due Within One Year
Governmental Activities					
<i>Long-term Debt:</i>					
Bonds payable:					
General obligation bonds	\$ 11,300,000	\$ -	\$ (890,000)	\$ 10,410,000	\$ 880,000
Unamortized premium	918,117	-	(187,584)	730,533	-
Total bonds payable	12,218,117	-	(1,077,584)	11,140,533	880,000
Financed purchases	825,955	97,856	(199,572)	724,239	200,645
<i>Other Long-term Liabilities:</i>					
Compensated absences	100,691	9,957	(5,468)	105,180	21,000
Pension obligation	1,243,064	-	(57,454)	1,185,610	62,093
Net pension liability (see Note 7)	1,326,241	1,289,499	-	2,615,740	-
Total LOSAP liability (see Note 7)	752,500	27,195	-	779,695	-
Total OPEB liability (see Note 9)	951,516	-	(230,922)	720,594	-
	<u>\$ 17,418,084</u>	<u>\$ 1,424,507</u>	<u>\$ (1,571,000)</u>	<u>\$ 17,271,591</u>	<u>\$ 1,163,738</u>

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

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	\$ 2,540,000
General Obligation Refunding Bonds	11/2020	3,195,000	2.0% - 5.0%	3/15/2033	2,170,000
General Obligation Bonds	11/2021	6,000,000	2.0% - 5.0%	12/1/2041	5,700,000
					<u>\$ 10,410,000</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.

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 6 - LONG-TERM LIABILITIES *(Continued)*

Advance Refundings

The Town has refunded general obligation bonds in prior years. At June 30, 2023, \$2,495,000 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 \$8,978 for the year ended June 30, 2023.

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.

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, 2023.

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, 2023, the District's total outstanding debt, consisting of general obligation bonds was \$16,035,000. The Town's share is approximately 35.62% of the total, or \$5,711,667. 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.

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 6 - LONG-TERM LIABILITIES *(Continued)*

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
2024	\$ 880,000	\$ 312,950	\$ 200,645	\$ 19,763
2025	885,000	275,450	170,002	13,854
2026	890,000	239,000	174,488	9,367
2027	890,000	202,300	179,104	4,752
2028	880,000	165,700	-	-
2029-2033	3,085,000	448,469	-	-
2034-2038	1,700,000	204,468	-	-
2039-2042	1,200,000	48,000	-	-
	<u>\$ 10,410,000</u>	<u>\$ 1,896,337</u>	<u>\$ 724,239</u>	<u>\$ 47,736</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.

Annual debt service requirements to maturity on the unfunded pension obligation are as follows as of June 30, 2023:

Year ending June 30:	Governmental Activities	
	Principal	Interest
2024	\$ 62,093	\$ 95,740
2025	67,107	90,726
2026	72,525	85,308
2027	78,381	79,452
2028	84,710	73,123
2029-2033	537,881	251,284
2034-2036	282,913	35,533
	<u>\$ 1,185,610</u>	<u>\$ 711,166</u>

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - 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, 2023, the plans had the following balances reported in the Town's government-wide financial statements:

	Total/Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Connecticut Municipal Employees' Retirement System	\$ 2,615,740	\$ 1,087,578	\$ 273,466	\$ 514,462
Length of Service Award Program (LOSAP)	779,695	84,008	325,137	14,787
	<u>\$ 3,395,435</u>	<u>\$ 1,171,586</u>	<u>\$ 598,603</u>	<u>\$ 529,249</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.

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.

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - PENSION PLANS *(Continued)*

Connecticut Municipal Employees' Retirement System *(Continued)*

Plan Description *(Continued)*

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.

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 the fiscal year beginning July 1, 2022, employees covered by social security are required to contribute 4.25% of compensation up to the social security taxable wage base plus 7.00% of compensation, if any, in excess of such base. The contribution rate will increase each year through fiscal year 2025 per Public Act 19-124.

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.

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - PENSION PLANS *(Continued)*

Connecticut Municipal Employees' Retirement System *(Continued)*

Summary of Significant Accounting Policies *(Continued)*

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, 2022 was \$1.375 billion, the most recent available reporting provided by the Board. The portion that was associated with the Town totaled \$2,615,740 or approximately 0.190%. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The portion of the net pension liability associated with the Town was based on the 2022 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

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.

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - PENSION PLANS *(Continued)*

Connecticut Municipal Employees' Retirement System *(Continued)*

Collective Net Pension Liability *(Continued)*

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	37.0%	6.9%
Public Credit	2.0%	2.9%
Core Fixed Income	13.0%	0.4%
Liquidity Fund	1.0%	-0.4%
Risk Mitigation	5.0%	0.1%
Private Equity	15.0%	11.2%
Private Credit	10.0%	6.2%
Real Estate	10.0%	6.3%
Infra. & Natural Resources	7.0%	7.7%
	100.0%	

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.

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

	1% Decrease	Current Discount	1% Increase
Proportionate share of the collective net pension liability	\$ 3,599,883	\$ 2,615,740	\$ 1,785,523

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

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - PENSION PLANS *(Continued)*

Connecticut Municipal Employees' Retirement System *(Continued)*

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023, the Town recognized pension expense related to the CMERS of \$514,462. At June 30, 2023, the Town reported its proportionate share of deferred outflows of resources related to the CMERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferrals
Difference between expected and actual experience	\$ 242,475	\$ 102,494	\$ 139,981
Net difference between projected and actual earnings on pension plan investments	382,001	-	382,001
Changes of assumptions	-	-	-
Contributions paid to the CMERS subsequent to the measurement date	327,750	-	327,750
Other	135,352	170,972	(35,620)
Total	<u>\$ 1,087,578</u>	<u>\$ 273,466</u>	<u>\$ 814,112</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,	
2024	\$ 394,016
2025	91,152
2026	69,005
2027	259,939
	<u>\$ 814,112</u>

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	47
Vested terminated	23
Retired and beneficiaries	6
	<u>76</u>

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - PENSION PLANS *(Continued)*

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

Plan Description *(Continued)*

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 \$52,848 for the year ended June 30, 2023 which exceeded the actuarial determined contribution of \$48,865.

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, 2023 totaled \$779,695. The total LOSAP liability was determined by an actuarial valuation as of July 1, 2022 rolled forward to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	3.86%, net of investment expense
Discount rate	3.86%
Mortality	RP-2000 projected to 2030

Changes in the Total LOSAP Liability

	Total LOSAP Liability
Balance as of June 30, 2022	\$ 752,500
Changes for the year:	
Service cost	25,614
Interest	28,946
Difference between expected and actual experience	6,118
Changes of assumptions	(26,023)
Benefit payments, including refunds of member contributions	(7,460)
Net changes	27,195
Balance as of June 30, 2023	\$ 779,695

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - PENSION PLANS *(Continued)*

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

Changes in the Total LOSAP Liability *(Continued)*

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 (2.86%) or 1-percentage-point higher (4.86%) than the current discount rate:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
Total LOSAP Liability	\$ 949,491	\$ 779,695	\$ 647,569

LOSAP Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023, the Town recognized LOSAP expense of \$14,787. As of June 30, 2023, the Town reported deferred outflows of resources related to LOSAP from the following source:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferrals</u>
Difference between expected and actual experience	\$ 5,353	\$ 48,892	\$ (43,539)
Changes of assumptions	78,655	276,245	(197,590)
	<u>\$ 84,008</u>	<u>\$ 325,137</u>	<u>\$ (241,129)</u>

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

Year Ended June 30:	
2024	\$ (39,772)
2025	(39,773)
2026	(39,773)
2027	(39,773)
2028	(39,773)
Thereafter	<u>(42,265)</u>
	<u>\$ (241,129)</u>

NOTE 8 - 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, \$38,320 for the year ended June 30, 2023. Deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

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

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - 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 2023, the Town and retirees contributions totaled \$19,918 and were funded on a pay-as-you-go basis. The Town has not established a trust fund as of June 30, 2023, 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, 2023, the measurement date, the following employees were covered by the benefit terms:

Retirees, beneficiaries, and dependents currently receiving benefits	9
Inactive plan members entitled to but not yet receiving benefits	1
Active participants	<u>22</u>
	<u>32</u>

The Town's OPEB liability reported as of June 30, 2023 totaled \$720,594. The total OPEB liability was measured as of June 30, 2023 based upon the results of the actuarial valuation performed as of June 30, 2023.

Actuarial Assumptions and Other Inputs - The total OPEB liability reported as of June 30, 2023 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.65%
Payroll growth rate	2.40%
Healthcare cost trend rates:	6.25% 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 pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables projected to the valuation date with Scale MP-2021.

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town Plan *(Continued)*

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2022	<u>\$ 951,516</u>
Changes for the year:	
Service cost	36,891
Interest	21,136
Difference between expected and actual experience	(76,824)
Changes of assumptions	(192,207)
Benefit payments, including refunds of member contributions	<u>(19,918)</u>
Net changes	<u>(230,922)</u>
Balance as of June 30, 2023	<u><u>\$ 720,594</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 (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

	1% Decrease	Current Discount	1% Increase
Total OPEB Liability	<u>\$ 842,628</u>	<u>\$ 720,594</u>	<u>\$ 621,706</u>

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

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	<u>\$ 607,408</u>	<u>\$ 720,594</u>	<u>\$ 867,199</u>

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town Plan *(Continued)*

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023, the Town recognized OPEB expense of \$51,058. As of June 30, 2023, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferrals
Difference between expected and actual experience	\$ 45,973	\$ 87,128	\$ (41,155)
Changes of assumptions	180,965	270,620	(89,655)
	<u>\$ 226,938</u>	<u>\$ 357,748</u>	<u>\$ (130,810)</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:	
2024	\$ (6,969)
2025	(6,969)
2026	(6,185)
2027	3,918
2028	6,590
Thereafter	(121,195)
	<u>\$ (130,810)</u>

NOTE 10 - 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.

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 11 - FUND BALANCE

Fund balance of the Town's governmental funds have been classified as follows as of June 30, 2023:

	General Fund	Bonded Projects Fund	Unbudgeted Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Inventories	\$ 13,638	\$ -	\$ -	\$ -	\$ 13,638
Endowment	-	-	-	10,000	10,000
	13,638	-	-	10,000	23,638
Restricted for:					
Capital purposes	-	3,319,445	-	-	3,319,445
Loan rehabilitation program	-	-	-	566,351	566,351
Other purposes	-	-	-	593	593
Debt service	-	-	-	379,762	379,762
	-	3,319,445	-	946,706	4,266,151
Committed to:					
Town Clerk activities	8,483	-	-	-	8,483
Public safety programs	-	-	-	158,300	158,300
Public safety - LOSAP Benefits	542,597	-	-	-	542,597
Sewer waste water system	-	-	-	1,428,580	1,428,580
Library programs	-	-	-	15,707	15,707
Recreation programs	-	-	-	19,247	19,247
Grant programs	-	-	37,611	-	37,611
Capital purposes	-	-	-	565,812	565,812
Debt service	-	-	-	641,800	641,800
	551,080	-	37,611	2,829,446	3,418,137
Assigned to:					
Subsequent year's budget:					
Capital and nonrecurring	491,014	-	-	-	491,014
	491,014	-	-	-	491,014
Unassigned	3,858,828	-	-	-	3,858,828
	<u>\$ 4,914,560</u>	<u>\$ 3,319,445</u>	<u>\$ 37,611</u>	<u>\$ 3,786,152</u>	<u>\$ 12,057,768</u>

NOTE 12 - 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.

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.

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 12 - COMMITMENTS AND CONTINGENCIES *(Continued)*

Capital Projects Authorizations

The following is a summary of available commitments for authorized capital projects as of June 30, 2023:

	<u>Authorization</u>	<u>Cumulative Expenditures</u>	<u>Balance</u>
Town roads	\$ 5,000,000	\$ 2,817,800	\$ 2,182,200
Wastewater treatment plant upgrades	2,000,000	864,701	1,135,299
	<u>7,000,000</u>	<u>3,682,501</u>	<u>3,317,499</u>
Road work	623,156	552,075	71,081
Codification	9,960	6,972	2,988
Fire - workout room	18,015	2,655	15,360
Assembly room upgrades	10,000	5,043	4,957
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
Building & parks security	51,500	32,009	19,491
Dump trailer	15,460	15,401	59
Garage generator	58,500	-	58,500
Town hall roof replacement	50,806	50,806	-
Generator for 35 North Main	59,012	-	59,012
Fire marshal vehicle	3,764	-	3,764
Fire extinguisher simulator	1,711	-	1,711
Excavator	77,000	75,224	1,776
Rimmon Hill Schoolhouse	5,000	765	4,235
Guardrail replacement	20,000	20,000	-
Data Center Development	100,000	-	100,000
Town AED Replacement	12,246	12,104	142
POCD	24,000	20,005	3,995
Rescue Rope Replacement	8,455	8,455	-
Replacement of Engine 2/Tanker Lease	162,300	162,258	42
Freightliner PlowTruck Lease	36,551	36,551	-
Repaint Volvo Loader	11,000	11,000	-
Playscape Additions @ Pent Road	10,000	9,413	587
Boiler Replacement at Firehouse	60,000	59,576	424
UTVs, Trailers & Skid Pumps	55,281	24,824	30,457
John Deere Compact Trailer - part 1	19,999	37,372	(17,373)
John Deere Compact Trailer - part 2	7,873	-	7,873
John Deere Compact Trailer - part 3	9,500	-	9,500
Unassigned	14,950	-	14,950
	<u>1,685,498</u>	<u>1,256,023</u>	<u>429,476</u>
	<u>\$ 8,685,498</u>	<u>\$ 4,938,524</u>	<u>\$ 3,746,975</u>

TOWN OF BEACON FALLS, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 13 - SUBSEQUENT EVENTS

In September 2023, the Town entered into a financed purchase arrangement for the purchase of an Ambulance in the amount of \$345,642. The arrangement requires seven (7) annual payments of principal and interest in the amount of \$60,474 commencing in September 2024. Interest is payable at 5.341%.

In September 2023, the Town entered into a financed purchase arrangement for the purchase of a plow truck in the amount of \$227,675. The arrangement requires seven (7) annual payments of principal and interest in the amount of \$39,834 commencing in September 2024. Interest is payable at 5.341%.

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, 2023

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Over (Under)
REVENUES				
Property taxes	\$ 17,532,190	\$ 17,532,190	\$ 17,669,859	\$ 137,669
Assessments	120,000	120,000	97,388	(22,612)
Intergovernmental	4,480,760	4,480,760	4,608,156	127,396
Charges for services	424,100	424,100	371,964	(52,136)
Other	18,000	18,000	38,449	20,449
Interest income	10,000	10,000	106,612	96,612
Total revenues	<u>22,585,050</u>	<u>22,585,050</u>	<u>22,892,428</u>	<u>307,378</u>
EXPENDITURES				
Current:				
General government	3,056,845	3,082,276	2,866,279	(215,997)
Public works	2,024,200	2,034,439	1,873,986	(160,453)
Public safety	1,623,752	1,652,541	1,579,088	(73,453)
Library	225,680	225,680	224,295	(1,385)
Health and welfare	165,992	176,445	172,146	(4,299)
Recreation	96,800	96,800	88,978	(7,822)
Education	14,670,570	14,670,570	14,670,570	-
Contingency	100,000	15,361	-	(15,361)
Debt service:				
Principal payments	890,000	890,000	890,000	-
Interest and fiscal charges	352,250	352,250	352,250	-
Total expenditures	<u>23,206,089</u>	<u>23,196,362</u>	<u>22,717,592</u>	<u>(478,770)</u>
Excess (deficiency) of revenues over expenditures	(621,039)	(611,312)	174,836	786,148
OTHER FINANCING SOURCES (USES)				
Appropriation of fund balance	847,981	927,980	-	(927,980)
Transfers in	250,000	250,000	250,000	-
Transfers out	(476,942)	(566,668)	(566,668)	-
Total other financing sources (uses)	<u>621,039</u>	<u>611,312</u>	<u>(316,668)</u>	<u>(927,980)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (141,832)</u>	<u>\$ (141,832)</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 NINE FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	0.19%	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>\$ 2,615,740</u>	<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	\$ 1,557,661	\$ 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	167.9%	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	68.71%	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 NINE FISCAL YEARS*

	<u>2023</u>	<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	\$ 269,736	\$ 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>269,736</u>	<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>	<u>\$ -</u>
Covered payroll	\$ 1,557,661	\$ 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	17.32%	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 SIX FISCAL YEARS*

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 36,891	\$ 35,302	\$ 26,735	\$ 23,481	\$ 30,329	\$ 35,639
Interest on total OPEB liability	21,136	20,648	24,245	25,222	24,958	21,948
Difference between expected and actual experience	(76,824)	-	(25,259)	-	108,953	-
Changes of assumptions	(192,207)	7,358	241,052	33,198	(162,329)	(77,813)
Benefit payments, including refunds	(19,918)	(21,485)	(45,728)	(43,003)	(37,991)	(56,844)
Net change in total OPEB liability	(230,922)	41,823	221,045	38,898	(36,080)	(77,070)
Total OPEB liability - beginning	951,516	909,693	688,648	649,750	685,830	762,900
Total OPEB liability - ending	<u>\$ 720,594</u>	<u>\$ 951,516</u>	<u>\$ 909,693</u>	<u>\$ 688,648</u>	<u>\$ 649,750</u>	<u>\$ 685,830</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 THREE FISCAL YEARS*

	2023	2022	2021
Total LOSAP liability			
Service Cost	\$ 25,614	\$ 24,555	\$ 42,225
Interest	28,946	40,413	17,723
Differences between expected and actual experience	6,118	(65,187)	-
Changes of assumptions	(26,023)	(337,968)	117,982
Benefit payments, including refunds	(7,460)	(7,310)	(4,390)
Net change in total LOSAP liability	27,195	(345,497)	173,540
Total LOSAP liability - beginning	752,500	1,097,997	924,457
Total LOSAP liability - ending	<u>\$ 779,695</u>	<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, 2023

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, 2023

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, 2023:

	Total Revenues	Total Expenditures	Other Financing Sources (Uses), Net	Net Change in Fund Balance
Budgetary basis	\$ 22,892,428	\$ 22,717,592	\$ (316,668)	\$ (141,832)
Changes in encumbrances	-	-	-	-
Transfers out recorded as expenditures for budgetary purposes	(22,458)	-	22,458	-
Noncash financed purchase activity	-	97,856	97,856	-
LOSAP activity	15,207	(45,388)	-	60,595
Town Clerk Fund activity	15	(5,358)	-	5,373
GAAP basis	<u>\$ 22,885,192</u>	<u>\$ 22,764,702</u>	<u>\$ (196,354)</u>	<u>\$ (75,864)</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, 2022. This information is utilized by the Town for reporting as of June 30, 2023.

Benefit Changes - There were no changes in benefit terms that had a significant effect on the measurement of the collective net pension liability reported as of June 30, 2023.

Assumption Changes - There were no changes in assumptions that had a significant effect on the measurement of the collective net pension liability reported as of June 30, 2023.

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, 2023

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, 2022. This information is utilized by the Town for reporting as of June 30, 2023.

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, 2023.

Assumption Changes - There were no changes in assumptions that had a significant effect on the measurement of the total LOSAP liability reported as of June 30, 2023.

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, 2022. This information is utilized by the Town for reporting as of June 30, 2023.

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, 2023.

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, 2023.

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, 2023

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
PROPERTY TAXES				
Property taxes - current year	\$ 16,921,049	\$ 16,921,049	\$ 17,184,608	\$ 263,559
Property taxes - prior years	250,000	250,000	170,586	(79,414)
Supplemental Motor Vehicle Tax - Current	200,000	200,000	192,284	(7,716)
Interest and lien fees	151,500	151,500	113,496	(38,004)
Telecommunication property tax	9,641	9,641	8,885	(756)
Total property taxes	17,532,190	17,532,190	17,669,859	137,669
WATER AND SEWER ASSESSMENTS				
	120,000	120,000	97,388	(22,612)
INTERGOVERNMENTAL REVENUES				
School equalization grant	4,012,796	4,012,796	4,012,796	-
Town aid road maintenance	192,974	192,974	190,482	(2,492)
Municipal Grants-In-Aid	43,809	43,809	43,809	-
State property tax	38,089	38,089	38,089	-
Mashantucket Pequot grant	12,467	12,467	12,467	-
Additional exemptions for veterans	8,236	8,236	4,983	(3,253)
Emergency management performance grant	5,000	5,000	10,000	5,000
Police traffic tickets	2,500	2,500	5,115	2,615
Disability tax relief	2,129	2,129	1,451	(678)
Miscellaneous reimbursements	1,000	1,000	2,326	1,326
Municipal Transition grant	142,406	142,406	142,406	-
Distressed municipalities	19,354	19,354	22,018	2,664
MRSA sales tax sharing	-	-	122,214	122,214
Total intergovernmental revenues	4,480,760	4,480,760	4,608,156	127,396
CHARGES FOR SERVICES				
Building permits	200,000	200,000	160,492	(39,508)
Town clerk conveyance	125,000	125,000	112,685	(12,315)
Town clerk recording fees and vitals	45,000	45,000	38,179	(6,821)
Police extra duty/vehicles/fees	15,000	15,000	15,000	-
MERS - Town share	12,000	12,000	3,895	(8,105)
Ambulance corps reimbursement	5,000	5,000	5,000	-
Mini-bus	6,000	6,000	8,655	2,655
Planning & zoning commission	5,000	5,000	6,501	1,501
Fire marshal inspections	3,000	3,000	4,345	1,345
Police - other revenue	2,500	2,500	3,375	875
LOCIP - Town Clerk	2,000	2,000	2,319	319
Inlands wetlands fees	1,500	1,500	5,529	4,029
Miscellaneous permits	500	500	4,900	4,400
Miscellaneous income	500	500	-	(500)
Zoning board of appeals	500	500	-	(500)
Dog licenses - town share	350	350	376	26
Xerox equipment	150	150	300	150
Disposal fees	100	100	413	313
Total charges for services	424,100	424,100	371,964	(52,136)

(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, 2023

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
OTHER REVENUES				
Insurance refund	\$ 10,000	\$ 10,000	\$ 13,250	\$ 3,250
Miscellaneous reimbursements	5,000	5,000	2,114	(2,886)
Miscellaneous income	1,000	1,000	15,137	14,137
Insurance claim	1,000	1,000	6,948	5,948
Sale of town property	1,000	1,000	1,000	-
Total other revenues	18,000	18,000	38,449	20,449
INTEREST INCOME	10,000	10,000	106,612	96,612
Total revenues	22,585,050	22,585,050	22,892,428	307,378
OTHER FINANCING SOURCES				
Appropriation from fund balance	847,981	927,980	-	(927,980)
Transfer in	250,000	250,000	250,000	-
Total other financing sources	1,097,981	1,177,980	250,000	(927,980)
Total revenues and other financing sources	\$ 23,683,031	\$ 23,763,030	\$ 23,142,428	\$ (620,602)
				(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, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
GENERAL GOVERNMENT				
First selectman	\$ 185,674	\$ 185,674	\$ 168,150	\$ (17,524)
Town hall	304,679	312,179	285,337	(26,842)
Town clerk	171,440	171,517	159,959	(11,558)
Tax collector	116,691	116,691	115,401	(1,290)
Treasurer	13,750	13,750	13,750	-
Building inspector	138,541	151,704	113,627	(38,077)
Employee benefits	1,314,615	1,312,966	1,262,739	(50,227)
Board of assessors	131,159	133,989	132,930	(1,059)
Board of finance	34,700	35,200	28,200	(7,000)
Finance department	166,403	167,367	155,633	(11,734)
Economic development	5,000	5,000	242	(4,758)
Registrars of voters	46,300	48,346	45,991	(2,355)
Professional fees	301,955	300,994	266,297	(34,697)
Insurance	116,500	116,500	107,701	(8,799)
Agency memberships	9,438	10,399	10,322	(77)
Total general government	3,056,845	3,082,276	2,866,279	(215,997)
PUBLIC WORKS				
Highway maintenance	894,450	886,654	834,827	(51,827)
Refuse	457,000	458,145	405,335	(52,810)
Wastewater treatment	672,750	689,640	633,824	(55,816)
Total public works	2,024,200	2,034,439	1,873,986	(160,453)
PUBLIC SAFETY				
Emergency services	407,604	427,804	419,272	(8,532)
Fire marshal	73,200	73,200	60,847	(12,353)
Emergency management	11,817	11,817	11,817	-
Water hydrants	227,050	227,050	221,860	(5,190)
Police	800,709	798,855	754,035	(44,820)
Animal control	11,025	11,738	10,595	(1,143)
Public safety	92,347	102,077	100,662	(1,415)
Total public safety	1,623,752	1,652,541	1,579,088	(73,453)
HEALTH AND WELFARE				
Community welfare	88,109	91,029	88,463	(2,566)
Minibus operations	44,208	49,496	49,253	(243)
Senior citizen center	33,675	35,920	34,430	(1,490)
Total health and welfare	165,992	176,445	172,146	(4,299)
LIBRARY	225,680	225,680	224,295	(1,385)
RECREATION	96,800	96,800	88,978	(7,822)
				(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, 2023

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
DEBT SERVICE				
Principal	\$ 890,000	\$ 890,000	\$ 890,000	\$ -
Interest	352,250	352,250	352,250	-
Total debt service	<u>1,242,250</u>	<u>1,242,250</u>	<u>1,242,250</u>	<u>-</u>
CONTINGENCY	<u>100,000</u>	<u>15,361</u>	<u>-</u>	<u>(15,361)</u>
EDUCATION	<u>14,670,570</u>	<u>14,670,570</u>	<u>14,670,570</u>	<u>-</u>
Total expenditures	<u>23,206,089</u>	<u>23,196,362</u>	<u>22,717,592</u>	<u>(478,770)</u>
OTHER FINANCING USES				
Transfers out	<u>476,942</u>	<u>566,668</u>	<u>566,668</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 23,683,031</u>	<u>\$ 23,763,030</u>	<u>\$ 23,284,260</u>	<u>\$ (478,770)</u> <i>(Concluded)</i>

TOWN OF BEACON FALLS, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2023

Grand List Year	Balance Uncollected June 30, 2022	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2023
			Additions	Deductions			Taxes	Interest, Liens and Fees	Total	
2007 and prior	\$ 11,570	\$ -	\$ -	\$ (5,590)	\$ -	\$ 5,980	\$ -	\$ -	\$ -	\$ 5,980
2008	6,778	-	-	-	-	6,778	-	-	-	6,778
2009	7,514	-	-	-	-	7,514	-	-	-	7,514
2010	9,914	-	-	-	-	9,914	-	-	-	9,914
2011	7,462	-	-	-	-	7,462	-	-	-	7,462
2012	8,784	-	-	-	-	8,784	-	-	-	8,784
2013	8,253	-	-	-	-	8,253	50	120	170	8,203
2014	7,884	-	-	-	-	7,884	153	175	327	7,731
2015	8,483	-	-	-	-	8,483	-	162	162	8,483
2016	11,207	-	-	-	-	11,207	3,471	2,334	5,805	7,736
2017	13,503	-	-	-	-	13,503	3,556	3,417	6,972	9,947
2018	57,216	-	-	(563)	(39,663)	16,990	5,346	3,458	8,805	11,644
2019	116,139	-	1,068	(1,403)	-	115,804	42,266	15,780	58,046	73,538
2020	296,837	-	572	(4,621)	-	292,788	108,338	27,923	136,261	184,451
2021	-	17,569,714	26,741	(40,102)	-	17,556,353	17,203,340	56,624	17,259,963	353,013
	<u>\$ 571,544</u>	<u>\$ 17,569,714</u>	<u>\$ 28,381</u>	<u>\$ (52,279)</u>	<u>\$ (39,663)</u>	<u>\$ 18,077,697</u>	<u>\$ 17,366,518</u>	<u>\$ 109,992</u>	<u>\$ 17,476,511</u>	<u>\$ 711,179</u>

TOWN OF BEACON FALLS, CONNECTICUT
SCHEDULE OF DEBT LIMITATION -
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2023

Total cash collections for the year ended
June 30, 2023:

Taxes	\$ 17,366,518
Interest and lien fees	109,992
Total	<u>17,476,511</u>

Reimbursement for revenue loss:

Tax relief (CGS 12-129d)	6,434
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Base \$ 17,482,945

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 39,336,626	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	78,673,251	-	-	-
3-3/4 times base	-	-	65,561,043	-	-
3-1/4 times base	-	-	-	56,819,570	-
3 times base	-	-	-	-	52,448,834
Total debt limitation	<u>39,336,626</u>	<u>78,673,251</u>	<u>65,561,043</u>	<u>56,819,570</u>	<u>52,448,834</u>
Indebtedness:					
Bonds payable	6,380,230	-	4,029,770	-	-
Bonds payable - Regional School District No. 16	-	5,711,667	-	-	-
Total indebtedness	<u>6,380,230</u>	<u>5,711,667</u>	<u>4,029,770</u>	<u>-</u>	<u>-</u>
Less: assessments receivable	-	-	560,895	-	-
Net indebtedness	<u>6,380,230</u>	<u>4,497,736</u>	<u>3,468,875</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u><u>\$ 32,956,396</u></u>	<u><u>\$ 74,175,515</u></u>	<u><u>\$ 62,092,168</u></u>	<u><u>\$ 56,819,570</u></u>	<u><u>\$ 52,448,834</u></u>
Total capacity of borrowing (7 times base)	\$ 122,380,613				
Total present indebtedness	<u>14,346,841</u>				
Margin for additional borrowing	<u><u>\$ 108,033,772</u></u>				

NONMAJOR GOVERNMENTAL FUNDS

TOWN OF BEACON FALLS, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
AS OF JUNE 30, 2023

	Nonmajor Special Revenue Funds							Nonmajor Special Revenue Funds
	Recreation Special Activities Fund	Library Fund	Dog Fund	Small Cities Fund	Police Private Duty Fund	Melbourne Trust Fund	Sewer Waste Water Fund	Total Special Revenue Funds
ASSETS								
Cash and cash equivalents	\$ 28,814	\$ 15,920	\$ 4,257	\$ 72,512	\$ -	\$ 480	\$ 1,451,708	\$ 1,573,691
Investments	-	-	-	-	-	10,113	-	10,113
Receivables:								
Intergovernmental	-	-	-	-	-	-	-	-
Loans	-	-	-	503,427	-	-	-	503,427
Other	-	-	-	-	73,927	-	11,335	85,262
Due from other funds	-	-	-	-	80,463	-	16,797	97,260
Total assets	<u>\$ 28,814</u>	<u>\$ 15,920</u>	<u>\$ 4,257</u>	<u>\$ 575,939</u>	<u>\$ 154,390</u>	<u>\$ 10,593</u>	<u>\$ 1,479,840</u>	<u>\$ 2,269,753</u>
LIABILITIES								
Accounts payable	\$ 3,432	\$ 92	\$ -	\$ -	\$ -	\$ -	\$ 51,260	\$ 54,784
Due to other funds	-	121	347	9,588	-	-	-	10,056
Unearned revenue	6,135	-	-	-	-	-	-	6,135
Total liabilities	<u>9,567</u>	<u>213</u>	<u>347</u>	<u>9,588</u>	<u>-</u>	<u>-</u>	<u>51,260</u>	<u>70,975</u>
FUND BALANCES								
Nonspendable	-	-	-	-	-	10,000	-	10,000
Restricted	-	-	-	566,351	-	593	-	566,944
Committed	19,247	15,707	3,910	-	154,390	-	1,428,580	1,621,834
Total fund balances	<u>19,247</u>	<u>15,707</u>	<u>3,910</u>	<u>566,351</u>	<u>154,390</u>	<u>10,593</u>	<u>1,428,580</u>	<u>2,198,778</u>
Total liabilities and fund balances	<u>\$ 28,814</u>	<u>\$ 15,920</u>	<u>\$ 4,257</u>	<u>\$ 575,939</u>	<u>\$ 154,390</u>	<u>\$ 10,593</u>	<u>\$ 1,479,840</u>	<u>\$ 2,269,753</u>

(Continued)

TOWN OF BEACON FALLS, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS (Concluded)
AS OF JUNE 30, 2023

	Nonmajor Capital Project Funds				Nonmajor	Total Nonmajor
	Capital Nonrecurring Fund	Open Space Fund	Vehicle Replacement Fund	Total Capital Project Funds	Debt Service Fund	Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 452,119	\$ 9,637	\$ -	\$ 461,756	\$ -	\$ 2,035,447
Investments	-	-	-	-	-	10,113
Receivables:						
Intergovernmental	13,253	-	-	13,253	-	13,253
Loans	-	-	-	-	-	503,427
Other	-	-	-	-	-	85,262
Due from other funds	-	-	126,700	126,700	1,021,562	1,245,522
Total assets	<u>\$ 465,372</u>	<u>\$ 9,637</u>	<u>\$ 126,700</u>	<u>\$ 601,709</u>	<u>\$ 1,021,562</u>	<u>\$ 3,893,024</u>
LIABILITIES						
Accounts payable	\$ 28,439	\$ -	\$ -	28,439	\$ -	\$ 83,223
Due to other funds	7,458	-	-	7,458	-	17,514
Unearned revenue	-	-	-	-	-	6,135
Total liabilities	<u>35,897</u>	<u>-</u>	<u>-</u>	<u>35,897</u>	<u>-</u>	<u>106,872</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	10,000
Restricted	-	-	-	-	379,762	946,706
Committed	429,475	9,637	126,700	565,812	641,800	2,829,446
Total fund balances	<u>429,475</u>	<u>9,637</u>	<u>126,700</u>	<u>565,812</u>	<u>1,021,562</u>	<u>3,786,152</u>
Total liabilities and fund balances	<u>\$ 465,372</u>	<u>\$ 9,637</u>	<u>\$ 126,700</u>	<u>\$ 601,709</u>	<u>\$ 1,021,562</u>	<u>\$ 3,893,024</u>
						(Concluded)

TOWN OF BEACON FALLS, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Nonmajor Special Revenue Funds							Nonmajor Special Revenue Funds
	Recreation Special Activities Fund	Library Fund	Dog Fund	Small Cities Fund	Police Private Duty Fund	Melbourne Trust Fund	Sewer Waste Water Fund	Total Special Revenue Funds
REVENUES								
Charges for services	\$ 9,625	\$ 979	\$ 2,930	\$ -	\$ 450,970	\$ -	\$ 61,065	\$ 525,569
Interest income	26	6	2	70	-	109	36,797	37,010
Other	200	127	-	-	-	-	73,043	73,370
Total revenues	<u>9,851</u>	<u>1,112</u>	<u>2,932</u>	<u>70</u>	<u>450,970</u>	<u>109</u>	<u>170,905</u>	<u>635,949</u>
EXPENDITURES								
Current:								
General government	-	-	-	-	-	500	-	500
Public works	-	-	-	-	-	-	3,520	3,520
Public safety	-	-	2,228	-	383,107	-	-	385,335
Culture and recreation	10,066	3,672	-	-	-	-	-	13,738
Debt service:								
Principal payments	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	52,004	-	132,855	184,859
Total expenditures	<u>10,066</u>	<u>3,672</u>	<u>2,228</u>	<u>-</u>	<u>435,111</u>	<u>500</u>	<u>136,375</u>	<u>587,952</u>
Excess (deficiency) of revenues over expenditures	(215)	(2,560)	704	70	15,859	(391)	34,530	47,997
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	1,854	-	-	1,854
Transfers out	-	-	-	-	(15,000)	-	-	(15,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,146)</u>	<u>-</u>	<u>-</u>	<u>(13,146)</u>
Net change in fund balances	(215)	(2,560)	704	70	2,713	(391)	34,530	34,851
Fund balances - beginning	<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>1,394,050</u>	<u>2,163,927</u>
Fund balances - ending	<u>\$ 19,247</u>	<u>\$ 15,707</u>	<u>\$ 3,910</u>	<u>\$ 566,351</u>	<u>\$ 154,390</u>	<u>\$ 10,593</u>	<u>\$ 1,428,580</u>	<u>\$ 2,198,778</u>

(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, 2023

	Nonmajor Capital Project Funds					
	Capital Nonrecurring Fund	Open Space Fund	Vehicle Replacement Fund	Total Capital Project Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 525,569
Interest income	7,458	5	-	7,463	-	44,473
Other	8,452	1,000	26,400	35,852	-	109,222
Total revenues	<u>15,910</u>	<u>1,005</u>	<u>26,400</u>	<u>43,315</u>	<u>-</u>	<u>679,264</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	500
Public works	-	-	-	-	-	3,520
Public safety	-	-	-	-	-	385,335
Culture and recreation	-	-	-	-	-	13,738
Debt service:						
Principal payments	178,095	-	-	178,095	-	178,095
Interest and fiscal charges	20,714	-	-	20,714	-	20,714
Capital outlays	<u>288,371</u>	<u>-</u>	<u>-</u>	<u>288,371</u>	<u>-</u>	<u>473,230</u>
Total expenditures	<u>487,180</u>	<u>-</u>	<u>-</u>	<u>487,180</u>	<u>-</u>	<u>1,075,132</u>
Excess (deficiency) of revenues over expenditures	(471,270)	1,005	26,400	(443,865)	-	(395,868)
OTHER FINANCING SOURCES (USES)						
Transfers in	464,814	-	100,000	564,814	71,671	638,339
Transfers out	<u>(7,458)</u>	<u>-</u>	<u>-</u>	<u>(7,458)</u>	<u>(250,000)</u>	<u>(272,458)</u>
Total other financing sources (uses)	<u>457,356</u>	<u>-</u>	<u>100,000</u>	<u>557,356</u>	<u>(178,329)</u>	<u>365,881</u>
Net change in fund balances	(13,914)	1,005	126,400	113,491	(178,329)	(29,987)
Fund balances - beginning	<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>
Fund balances - ending	<u>\$ 429,475</u>	<u>\$ 9,637</u>	<u>\$ 126,700</u>	<u>\$ 565,812</u>	<u>\$ 1,021,562</u>	<u>\$ 3,786,152</u>

(Concluded)