

Town of Bethel , Connecticut



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2020**

Comprehensive
Annual Financial Report

of the

Town of Bethel,

Connecticut

For the Year Ended June 30, 2020

Prepared by:
The Comptroller Department

Robert V. Kozlowski, Comptroller

Town of Bethel, Connecticut
Comprehensive Annual Financial Report
For the Year Ended June 30, 2020

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Introductory Section

Town of Bethel, Connecticut

Principal Officials June 30, 2020

Board of Selectmen

Matthew S. Knickerbocker, First Selectman
Richard C. Straiton
Paul R. Szatkowski

Board of Finance

Dalene Foster
Robert Palmer
Robert Manfreda
Karen Forster
Bryan Terzian
Nicholas Ellis
Cynthia McCorkindale

Finance Department

Robert V. Kozlowski, Comptroller
Ann M. Scacco, Tax Collector
Elizabeth Hirt, Assessor

Treasurer

Patricia Smithwick

Town Departments

Lisa Bergh, Town Clerk
Christopher Baldwin, Chief Building Official
Beth Cavagna, Planning and Zoning Official
Stephen Pugner, Chief of Police
Thomas Galliford, Fire Marshal
Laura L. Vasile, Director of Health
Eileen T. Earle, Parks and Recreation Director
Thomas Galliford, Emergency Management Director
Christine Carver, Ed. D, Superintendent of Schools
Theresa D. Yonsky, Director of Education Fiscal Services

Town Attorneys

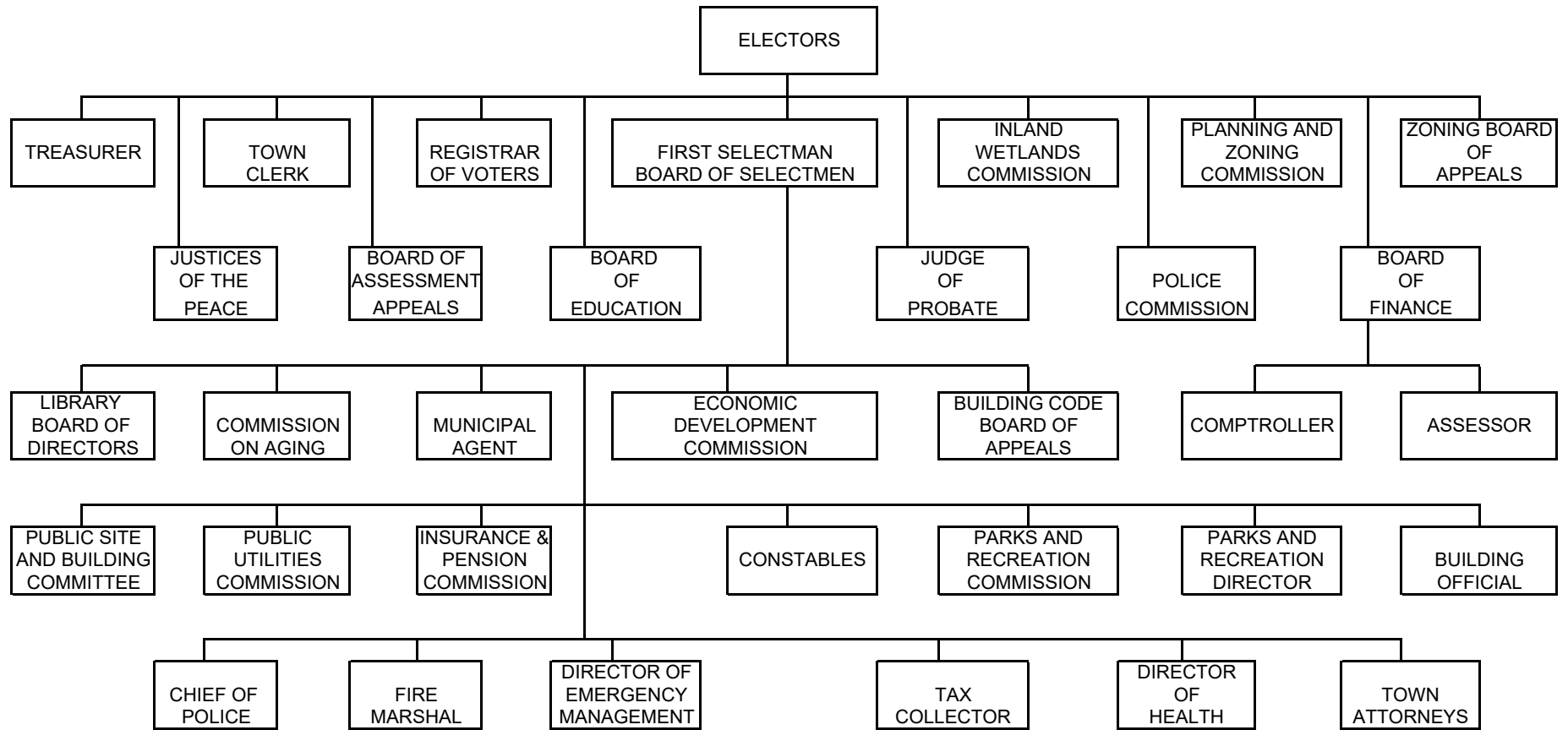
Martin J. Lawlor, Jr., Town Counsel
Frank B. Cleary, Bond Counsel
John P. Shea, Labor Counsel

Auditors

PKF O'Connor Davies, LLP

TOWN OF BETHEL, CONNECTICUT

ORGANIZATIONAL CHART



Financial Section

Independent Auditors' Report

**Board of Finance
Town of Bethel, Connecticut**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Bethel, Connecticut ("Town"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

**Board of Finance
Town of Bethel, Connecticut**

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type-activities, each major fund and the aggregate remaining fund information of the Town of Bethel, Connecticut, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, supplemental schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

**Board of Finance
Town of Bethel, Connecticut**

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The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2020, 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.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
December 31, 2020



COMPTROLLER'S OFFICE

C.J. Hurgin Municipal Center
 1 School Street, Bethel, CT 06801 (203) 794-8512

*Robert V. Kozlowski, Comptroller
 Brad C. Heering, Ass't Comptroller*

Management's Discussion and Analysis For the Year Ended June 30, 2020

As management of the Town of Bethel, Connecticut ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial position and activities of the Town for the fiscal year ended June 30, 2020.

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 as follows:

	Governmental Activities	Business-Type Activities	Total
Change in net position	\$ 20,878,886	\$ 1,307,701	\$ 22,186,587
Total net position	110,212,756	39,993,072	150,205,828
Unrestricted net position	5,516,938	14,919,538	20,436,476

The Town's total net position increased by \$22,186,587. The increase is substantially due to the following:

- positive operations of the general fund of \$ 1,011,652
- positive operations of the capital nonrecurring fund of 402,982
- positive operations of the water department of 492,302
- positive operations of the sewer department of 815,399

The positive operations were offset by:

- the negative operations in the bonded projects fund of (5,832,042)

Conversion to accrual basis on Exhibit E:

- capital outlay net of depreciation expense of 36,736,248
- donated capital assets 6,693,100
- net principal debt activity of (17,420,221)

- The Town's governmental funds reported combined fund balance of \$18,661,048 a decrease of \$4,546,624 compared to the prior year. The change is based on the operating results of each major fund noted above and described in further detail in the Financial Analysis of the Town's Funds section.

Management's Discussion and Analysis (continued)

- At year end, the unassigned fund balance for the general fund was \$18,615,288 or 23.50% of total general fund budgetary basis expenditures and transfers out.
- The Town's long-term debt increased by \$16,676,753. The increase is the result of permanently financing bond anticipation notes for \$20,000,000 and interim funding obligation of \$644,495, offset by the scheduled debt service payments of \$3,984,727.
- Net capital assets increased by \$45,001,394 during the current fiscal year. The increase is primarily attributable to capital asset additions for construction in progress for school renovation projects along with an increase for buildings for the donated track complex.

Overview of the basic 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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains 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 of resources, liabilities, and deferred inflows of resources with the difference between these accounts being reported as net position. 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements 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 general government, public safety, health and welfare, public works, library and education. The business-type activities of the Town account for the Water and Sewer operations.

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

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

For 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, bonded projects, and capital nonrecurring funds which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided on Schedules 4 and 5 of this report.

Proprietary funds. The Town maintains two enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its Water and Sewer operations.

The data for the enterprise funds are provided in Exhibits F, G and H of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information as follows:

- A budgetary comparison schedule for the General Fund to demonstrate compliance with this budget.
- Schedules to demonstrate the Town's progress in funding its obligation to provide pension benefits.
- Schedules to demonstrate the Town's progress in funding its obligation to provide other post-employment benefits.

Other information. Other required schedules and the combining statements and supplemental schedules referred to earlier in connection with other governmental funds are presented immediately following the required supplementary information section.

Government-wide financial analysis

As noted earlier, net position may serve over time as a useful indicator of a Town's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$150,205,828 at the close of the fiscal year.

The largest portion of the Town's net position reflects its net investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure) 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.

An additional portion of the Town's net position (0.85%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position totals \$20,436,476.

Management's Discussion and Analysis (continued)

The analysis below focuses on the net position and changes in net position. Unrestricted net position increased by \$2,592,460 from the prior year.

Summary Statement of Net Position
June 30

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 48,379,772	\$44,036,151	\$17,025,616	\$17,528,543	\$ 65,405,388	\$ 61,564,694
Capital assets (net)	181,375,801	137,952,066	40,790,928	39,213,269	222,166,729	177,165,335
Total assets	229,755,573	181,988,217	57,816,544	56,741,812	287,572,117	238,730,029
Deferred outflows of resources	7,921,483	1,460,677	398,648	79,403	8,320,131	1,540,080
Long-term liabilities outstanding	92,816,136	69,051,592	16,163,955	16,155,264	108,980,091	85,206,856
Other liabilities	28,585,476	23,584,107	1,801,694	1,739,295	30,387,170	25,323,402
Total liabilities	121,401,612	92,635,699	17,965,649	17,894,559	139,367,261	110,530,258
Deferred inflows of resources	6,062,688	1,479,325	256,471	241,285	6,319,159	1,720,610
Net investment in capital assets	103,411,882	86,287,093	25,073,534	22,759,113	128,485,416	109,046,206
Restricted	1,283,936	1,129,019	-	-	1,283,936	1,129,019
Unrestricted	5,516,938	1,917,758	14,919,538	15,926,258	20,436,476	17,844,016
Total net position	\$ 110,212,756	\$89,333,870	\$39,993,072	\$38,685,371	\$ 150,205,828	\$ 128,019,241

The Town's total net position increased by \$22,186,587 during the current fiscal year. The main reasons for the increase are as follows:

Governmental activities. Already noted was the statement of activities' purpose in presenting information on how the Town's net position changed during the most recent fiscal year. For the fiscal year, net position increased \$20,878,886. The significant reasons for the increase were positive operations of the general fund of \$1,011,652 offset by the negative operations of the bonded projects funds of (\$5,832,042) and the differences in the basis of accounting between the modified accrual basis used for the governmental funds as compared to the government wide financial statements that use the accrual basis of accounting. The two most significant accounts impacted by the different basis of accounting are capital assets and long-term liabilities. Capital asset additions were in excess of depreciation expense by \$36,736,248 and donated capital assets of \$6,693,100 were partially offset by net debt activity that accounted for the balance of the increase.

The reader should remember that the basis of accounting used in the government-wide statement of activities excludes capital expenditures while its revenues include general taxes whose primary purpose is for the construction of those very assets or their related debt service.

Business-type activities. Business-type activities reported an increase in net position of \$1,307,701 due to the positive operations of the water fund of \$492,302 and positive operations of the sewer fund of \$815,399 during the current year. This was substantially due to increases in fees in the water and sewer funds and decreases in the water and sewer funds for contracted services and capital improvements as compared to the prior year.

Management's Discussion and Analysis (continued)

Net position may serve over time as a useful indicator of a Town's financial position. The Town's net position increased \$22,186,587 as detailed below.

**Statement of Changes in Net Position
For the Years Ended June 30**

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 3,117,885	\$ 3,620,026	\$ 5,750,103	\$ 5,507,040	\$ 8,867,988	\$ 9,127,066
Operating grants and contributions	17,171,785	17,234,005	-	-	17,171,785	17,234,005
Capital grants and contributions	18,878,091	1,059,463	158,436	531,808	19,036,527	1,591,271
General revenues:						
Property taxes	68,540,265	66,738,717	-	-	68,540,265	66,738,717
Grants and contributions not restricted to specific programs	139,218	350,689	-	-	139,218	350,689
Income from investments	829,116	1,009,997	3,573	5,410	832,689	1,015,407
Total revenues	108,676,360	90,012,897	5,912,112	6,044,258	114,588,472	96,057,155
Expenses:						
General government	9,038,752	8,537,493	-	-	9,038,752	8,537,493
Public safety	9,817,984	9,323,403	-	-	9,817,984	9,323,403
Health and welfare	555,459	510,481	-	-	555,459	510,481
Public works	5,673,179	5,411,402	-	-	5,673,179	5,411,402
Library	1,536,118	1,414,422	-	-	1,536,118	1,414,422
Education	60,097,738	59,234,076	-	-	60,097,738	59,234,076
Interest	1,078,244	1,715,850	-	-	1,078,244	1,715,850
Water department	-	-	2,027,864	1,846,712	2,027,864	1,846,712
Sewer department	-	-	2,576,547	2,464,926	2,576,547	2,464,926
Total expenses	87,797,474	86,147,127	4,604,411	4,311,638	92,401,885	90,458,765
Change in net position	20,878,886	3,865,770	1,307,701	1,732,620	22,186,587	5,598,390
Net position - July 1	89,333,870	85,468,100	38,685,371	36,952,751	128,019,241	122,420,851
Net position - June 30	\$ 110,212,756	\$ 89,333,870	\$ 39,993,072	\$ 38,685,371	\$ 150,205,828	\$ 128,019,241

Elements of the increase are as follows:

Governmental activities - revenues

- Capital grants and contributions increased \$17,818,628 primarily due to an increase in school construction grants of \$10,926,504 and donation of Bethel High School track complex of \$6,693,100.
- Property taxes increased by \$1,801,548 due to the increase in the tax levy necessary to support the adopted budget.

Governmental activities - expenses

- General government expenses increased \$501,259 substantially due to increases in medical costs of \$331,155 and legal costs of \$158,659 due to assessment appeals.
- Public safety expenses increased \$494,581 substantially due to increases in employee benefits of \$111,096, OPEB expense of \$133,260 and depreciation expense of \$142,911 due to capitalization of the police station.
- Education expenses increased \$863,662 substantially due to an increase in the education budget and actual of \$1,198,500 offset by decreases in grant expenditures and school lunch operating costs of \$157,151 and \$137,233, respectively.
- Interest expense decreased \$637,606 primarily due to amortization of bond anticipation note premium of \$505,652.

Business-type activities - revenues

- Charges for services increased \$243,063 over the prior year due to an increase in usage.
- Capital grants and contributions decreased by \$373,372 during the year due to receipt of clean water fund grants for the sanitary sewer evaluation study in the prior year.

Business-type activities - expenses

- Water expenses increased \$181,152 substantially due to a \$132,185 increase in personnel services for increases in wages, pension and OPEB expense as well as an increase in depreciation expense of \$53,913.
- Sewer expenses increased \$111,621 substantially due to a \$121,518 increase in contracted expenses for various maintenance projects and environmental testing.

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 \$18,661,048, a decrease of \$4,546,624 in comparison with the prior year.

The components of fund balance were as follows:

Nonspendable	\$ 20,334
Restricted	1,283,936
Committed	8,607,910
Assigned	3,701,931
Unassigned	<u>5,046,937</u>
Total	<u>\$ 18,661,048</u>

General Fund

The general fund is the operating fund of the Town. The fund balance of the general fund increased by \$1,011,652 for the current fiscal year. The major factors for this increase were increased property tax revenues over budget expectations of \$1,342,187 and intergovernmental revenue and interest over budgeted expectations by \$198,779 and \$248,020, respectfully, offset by appropriation of fund balance of \$1,548,323.

For expenditures, accounts with positive budgetary results were transferred to cover overages in other accounts and the transfer to the bonded projects fund. The department under spent was education by \$341,259 due to decreases in repairs and maintenance due to building closures related to the coronavirus pandemic.

Bonded Projects Fund

The Bonded Projects Fund's net change in fund balance was a decrease of \$5,832,042 for the fiscal year. This is a result of renovation costs for Johnson and Rockwell schools funded with bond anticipation notes. Once the projects are completed they will be financed with bonds and the deficit fund balance will be eliminated.

Capital Nonrecurring Fund

The Capital Nonrecurring Fund's net change in fund balance was an increase of \$402,982 for the fiscal year due to transfers in from the general fund for future capital items.

Proprietary funds. The Town's proprietary funds provide the same information found in the government-wide financial statements, but in more detail. The Town's enterprise funds generated an increase in net position of \$1,307,701 detailed as follows:

Water Department

Net position of the water department at the end of the year amounted to \$5,551,148 an increase of \$492,302. This change is a reduction of \$77,461 from the prior year. This was substantially due to an increase in personnel services expense of \$132,185 for pension and OPEB expense and an increase in repairs and maintenance for water mains of \$92,806 offset by an increase in charges for services and interest of \$114,674 compared to the prior year.

Sewer Department

Net position of the sewer department at the end of the year amounted to \$34,441,924, an increase of \$815,399. This is \$347,458 less than prior year as a result of the capital grant of \$362,387 for clean water funds received in the prior year.

General fund budgetary highlights

A detailed budgetary comparison schedule is presented on RSI-1. A summary of that schedule follows:

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	With Final Budget
Revenues and Other Financing Sources					
Property taxes	\$ 67,248,361	\$ -	\$ 67,248,361	\$ 68,590,548	\$ 1,342,187
Intergovernmental	8,428,468	-	8,428,468	8,627,247	198,779
Charges for services, use of money and property, and other	2,314,687	-	2,314,687	2,653,057	338,370
Appropriation of fund balance	-	1,548,323	1,548,323	-	(1,548,323)
Totals	<u>77,991,516</u>	<u>1,548,323</u>	<u>79,539,839</u>	<u>79,870,852</u>	<u>331,013</u>
Expenditures and Other Financing Uses					
Expenditures	76,736,516	(465,611)	76,270,905	75,929,646	341,259
Transfers out	1,255,000	2,013,934	3,268,934	3,268,934	-
Totals	<u>\$ 77,991,516</u>	<u>\$ 1,548,323</u>	<u>\$ 79,539,839</u>	<u>\$ 79,198,580</u>	<u>\$ 341,259</u>

Significant revenue final budgetary variances are as follows:

- Property taxes revenue was more than the amount budgeted by \$1,342,187 primarily due to conservative budgeting of collection percentage.
- Intergovernmental revenue was more than the amount budgeted by \$198,779 primarily due to more than anticipated amounts received for municipal grants in aid and education cost sharing and due to conservative budgeting based upon the lack of stability in prior year's State funding.
- Use of money and property was greater than the amount budgeted by \$248,020 due to conservative budgeting and higher interest rates than anticipated for three quarters of the year.

Expenditure cost savings are transferred at year-end to cover budget overages in other departments and to fund transfer to the bonded projects fund for future capital projects.

The most significant budget transfers were as follows:

- The budget for employee benefits (general government) was decreased \$386,967 for additional expenditures in other departments as insurance premiums came in less than anticipated.
- The budget for transfers out to capital nonrecurring was increased \$400,000 for future capital projects.
- The budget for transfers out to education contingency was increased \$385,834 due to cost savings.
- Increase of \$1,548,323 to appropriations of fund balance for education maintenance of \$320,323 and transfers out to the bonded project fund of \$1,228,100 for future capital projects.

Capital assets and debt administration

The Town's investment in capital assets amounts to \$222,166,729 (net of accumulated depreciation). This investment in capital assets is as follows:

	Capital Assets - Net					
	June 30					
	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 6,995,920	\$ 6,957,720	\$ 335,375	\$ 157,072	\$ 7,331,295	\$ 7,114,792
Construction in progress	45,805,884	7,873,344	3,094,313	3,342,223	48,900,197	11,215,567
Land improvements	2,926,363	2,726,179	-	-	2,926,363	2,726,179
Intangible assets	62,629	69,221	6,088,606	6,251,564	6,151,235	6,320,785
Buildings	83,111,488	78,099,170	335,631	398,178	83,447,119	78,497,348
Building improvements	10,739,659	11,339,396	94,033	98,789	10,833,692	11,438,185
Distribution and collection system	-	-	30,002,594	28,122,973	30,002,594	28,122,973
Machinery and equipment	4,120,210	3,547,576	761,140	807,212	4,881,350	4,354,788
Vehicles	4,918,502	4,961,758	79,236	35,258	4,997,738	4,997,016
Infrastructure	22,695,146	22,377,702	-	-	22,695,146	22,377,702
Total	\$ 181,375,801	\$ 137,952,066	\$ 40,790,928	\$ 39,213,269	\$ 222,166,729	\$ 177,165,335

The capital assets (net of depreciation) increased in the current year by \$45,001,394. The increase is due to capital additions exceeding depreciation expense. In the current year, the Town had capital asset additions totaling \$49,455,178 as detailed below.

Major capital asset events during the current fiscal year included the following:

Governmental activities:

Construction in progress additions of:

- Johnson school renovation \$ 21,808,687
- Rockwell school renovation 15,345,059

Buildings:

- Bethel High School track complex 6,493,600

Vehicles purchases:

- 2020 Perterbilt truck 178,258
- Police cars 112,698

Capital assets and debt administration (continued)

Infrastructure:

➤ Various road projects \$ 768,741

Land additions:

➤ 5 Old Turnpike road 38,200

Business-type activities:

Distribution Collection System Additions:

➤ Hoyts Hill pump station 1,450,744

Additional information on the Town's capital assets can be found in Note III D.

Long-term debt

During the year, the Town's long-term debt increased by \$16,676,753. The increase is the result of permanently financing bond anticipation notes for \$20,000,000 and interim funding obligation of \$644,495, and issuance of equipment financing notes of \$16,985 offset by the scheduled debt service payments of \$3,984,727. At the end of the current fiscal year, the Town had total long-term debt outstanding of \$74,916,449, which is backed by the full faith and credit of the Town.

**Outstanding Long-Term Debt
June 30**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Bonds	\$ 21,125,000	\$ 22,610,000	\$ 11,100,000	\$ 11,880,000	\$ 32,225,000	\$ 34,490,000
School bonds	15,045,000	16,320,000	-	-	15,045,000	16,320,000
Equipment financing notes	3,335,423	3,520,414	-	-	3,335,423	3,520,414
Bond anticipation notes	20,000,000	-	-	-	20,000,000	-
Drinking water loan	-	-	3,666,531	3,909,282	3,666,531	3,909,282
Interim funding obligation	-	-	644,495	-	644,495	-
Total	\$ 59,505,423	\$ 42,450,414	\$ 15,411,026	\$ 15,789,282	\$ 74,916,449	\$ 58,239,696

The Town maintains an "AAA" rating from Standard and Poor's and Fitch for general obligation debt.

The overall statutory debt limit for the Town is equal to seven times the prior year annual receipts from taxation or \$462,792,064, which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note III.G.

Economic factors and next year's budgets and rates

- The unemployment rate for the Town is currently 9.8%, which is an increase from the prior fiscal year of 3.5%. This is lower than both the State's average unemployment rate of 10.1% and the national average of 11.1%. The increases are due to the impact of the coronavirus pandemic.
- Inflationary trends in the region compare favorably to national indices.
- Connecticut's economic and business growth remains flat. This lack of growth will have a negative impact on the amount of revenue the State receives from taxes. This will affect the amount of intergovernmental revenues the Town will receive in fiscal year 2021 and thereafter.
- The potential impact of the pandemic on the local economy, businesses and Town revenues is being closely monitored. The July 2020 collections were in line with the prior year. There is minimal impact as prior year tax collections in 2021 were in line with budgeted amounts. The State of Connecticut through the Governor's executive order, required local governments to offer taxpayers/rate payers one or both of the following programs: interest rate reduction program and/or the payment deferral program through October 1, 2020. The Town implemented the payment deferral program. For the collection period ended July 31, 2020, collections were in line with the prior year.

Town officials considered many factors when setting the fiscal year 2021 budget. The Town decided that it was important to adopt a budget designed to promote long-term fiscal stability. In order to meet the objectives of the budget, the Town recognized the need to continue its pattern of conservative budgeting while at the same time providing excellent services to our residents and taxpayers.

The 2021 general fund budget is \$79,795,203, an increase of 0.3% over the prior year. Non-tax revenue remained relatively consistent.

Requests for information

This financial report is designed to familiarize citizens, taxpayers and customers with the Town's finances and to demonstrate the Town's fiscal accountability for its operation. Questions concerning this report, or requests for additional financial information, should be directed to Mr. Robert V. Kozlowski, Comptroller, Bethel Municipal Center, 1 School Street, Bethel, Connecticut 06801. Telephone (203) 794-8512.

**Basic
Financial
Statements**

Town of Bethel, Connecticut

Statement of Net Position
June 30, 2020

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current assets:			
Cash	\$ 16,933,021	\$ 1,009,259	\$ 17,942,280
Investments	33,612,968	-	33,612,968
Receivables:			
Property taxes	251,674	-	251,674
Assessments	-	2,253,032	2,253,032
Intergovernmental	317,716	-	317,716
Other	38,602	488,172	526,774
Internal balances	(4,263,024)	4,263,024	-
Other	182,799	-	182,799
Total current assets	<u>47,073,756</u>	<u>8,013,487</u>	<u>55,087,243</u>
Noncurrent assets:			
Restricted assets:			
Temporarily restricted cash	<u>380,163</u>	<u>-</u>	<u>380,163</u>
Receivables (net):			
Property taxes	643,015	-	643,015
Assessments	-	9,012,129	9,012,129
Loan	<u>282,838</u>	<u>-</u>	<u>282,838</u>
Total receivables (net)	<u>925,853</u>	<u>9,012,129</u>	<u>9,937,982</u>
Capital assets (net of accumulated depreciation):			
Land	6,995,920	335,375	7,331,295
Construction in progress	45,805,884	3,094,313	48,900,197
Land improvements	2,926,363	-	2,926,363
Intangible assets (net)	62,629	6,088,606	6,151,235
Buildings	83,111,488	335,631	83,447,119
Building improvements	10,739,659	94,033	10,833,692
Distribution and collection system	-	30,002,594	30,002,594
Machinery and equipment	4,120,210	761,140	4,881,350
Vehicles	4,918,502	79,236	4,997,738
Infrastructure	<u>22,695,146</u>	<u>-</u>	<u>22,695,146</u>
Total capital assets (net of accumulated depreciation)	<u>181,375,801</u>	<u>40,790,928</u>	<u>222,166,729</u>
Total noncurrent assets	<u>182,681,817</u>	<u>49,803,057</u>	<u>232,484,874</u>
Total assets	<u>229,755,573</u>	<u>57,816,544</u>	<u>287,572,117</u>
<u>Deferred Outflows of Resources</u>			
Pension related	3,811,686	191,431	4,003,117
OPEB related	<u>4,109,797</u>	<u>207,217</u>	<u>4,317,014</u>
Total deferred outflows of resources	<u>7,921,483</u>	<u>398,648</u>	<u>8,320,131</u>

(Continued)

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

Town of Bethel, Connecticut

Statement of Net Position
June 30, 2020

<u>Liabilities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current liabilities:			
Accounts payable	\$ 4,986,436	\$ 762,672	\$ 5,749,108
Retainage payable	1,899,341	-	1,899,341
Accrued payroll and related liabilities	536,303	19,522	555,825
Accrued interest payable	215,519	37,034	252,553
Unearned revenue	56,257	-	56,257
Bond anticipation notes	16,990,000	-	16,990,000
Other	187,342	-	187,342
Bonds and notes payable	3,051,864	972,218	4,024,082
Compensated absences	662,414	10,248	672,662
Total current liabilities	<u>28,585,476</u>	<u>1,801,694</u>	<u>30,387,170</u>
Noncurrent liabilities:			
Performance bonds	331,453	-	331,453
Bonds and notes payable and related liabilities	57,560,857	14,536,047	72,096,904
Compensated absences	2,649,655	40,994	2,690,649
Net pension liability	13,701,304	650,466	14,351,770
OPEB liability	18,572,867	936,448	19,509,315
Total noncurrent liabilities	<u>92,816,136</u>	<u>16,163,955</u>	<u>108,980,091</u>
Total liabilities	<u>121,401,612</u>	<u>17,965,649</u>	<u>139,367,261</u>
<u>Deferred Inflows of Resources</u>			
Advance property tax collections	3,836,903	-	3,836,903
Deferred charge on refunding	361,198	209,129	570,327
Pension related	925,607	-	925,607
OPEB related	938,980	47,342	986,322
Total deferred inflows of resources	<u>6,062,688</u>	<u>256,471</u>	<u>6,319,159</u>
<u>Net Position</u>			
Net investment in capital assets	103,411,882	25,073,534	128,485,416
Restricted for:			
General government	398,622	-	398,622
Public safety	98,887	-	98,887
Health and welfare	42,050	-	42,050
Housing rehabilitation program	460,163	-	460,163
Library	66,785	-	66,785
Education	217,429	-	217,429
Unrestricted	5,516,938	14,919,538	20,436,476
Total net position	<u>\$ 110,212,756</u>	<u>\$ 39,993,072</u>	<u>\$ 150,205,828</u>

(Concluded)

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

Town of Bethel, Connecticut
Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 9,038,752	\$ 1,703,381	\$ 281,693	\$ 11,519,594	\$ 4,465,916	\$ -	\$ 4,465,916
Public safety	9,817,984	294,437	-	31,481	(9,492,066)	-	(9,492,066)
Health and welfare	555,459	17,287	6,907	-	(531,265)	-	(531,265)
Public works	5,673,179	127,281	-	607,416	(4,938,482)	-	(4,938,482)
Library	1,536,118	5,664	27,724	-	(1,502,730)	-	(1,502,730)
Education	60,097,738	969,835	16,855,461	6,719,600	(35,552,842)	-	(35,552,842)
Interest	1,078,244	-	-	-	(1,078,244)	-	(1,078,244)
Total governmental activities	87,797,474	3,117,885	17,171,785	18,878,091	(48,629,713)	-	(48,629,713)
Business-type activities:							
Water department	2,027,864	2,361,710	-	158,436	-	492,282	492,282
Sewer department	2,576,547	3,388,393	-	-	-	811,846	811,846
Total business-type activities	4,604,411	5,750,103	-	158,436	-	1,304,128	1,304,128
Total	\$ 92,401,885	\$ 8,867,988	\$ 17,171,785	\$ 19,036,527	(48,629,713)	1,304,128	(47,325,585)
General revenues:							
Property taxes					68,540,265	-	68,540,265
Grants and contributions not restricted to specific programs					139,218	-	139,218
Income from investments					829,116	3,573	832,689
Total general revenues					69,508,599	3,573	69,512,172
Change in net position					20,878,886	1,307,701	22,186,587
Net position - July 1, 2019					89,333,870	38,685,371	128,019,241
Net position - June 30, 2020					\$ 110,212,756	\$ 39,993,072	\$ 150,205,828

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

Town of Bethel, Connecticut

Balance Sheet
Governmental Funds
June 30, 2020

	General	Bonded Projects	Capital Nonrecurring	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash	\$ 15,234,910	\$ -	\$ 330,900	\$ 1,367,211	\$ 16,933,021
Restricted cash	380,163	-	-	-	380,163
Investments	31,411,077	-	770,524	1,431,367	33,612,968
Receivables (net):					
Property taxes	933,851	-	-	-	933,851
Intergovernmental	38,395	-	153,709	125,612	317,716
Loan	-	-	-	282,838	282,838
Other	38,602	-	-	-	38,602
Due from other funds	1,442,490	8,594,662	3,535,730	5,103,641	18,676,523
Advance to other funds	20,334	-	-	-	20,334
Other	149,168	-	-	33,631	182,799
Total assets	\$ 49,648,990	\$ 8,594,662	\$ 4,790,863	\$ 8,344,300	\$ 71,378,815
<u>Liabilities</u>					
Accounts payable	\$ 1,790,314	\$ 3,132,020	\$ 27,100	\$ 37,002	\$ 4,986,436
Retainage payable	-	1,899,341	-	-	1,899,341
Accrued payroll and related liabilities	536,303	-	-	-	536,303
Due to other funds	22,646,615	30,000	-	262,932	22,939,547
Unearned revenue	1,030	-	-	55,227	56,257
Bond anticipation notes	-	16,990,000	-	-	16,990,000
Performance bonds	331,453	-	-	-	331,453
Other	187,342	-	-	-	187,342
Advance from other funds	-	-	-	20,334	20,334
Total liabilities	25,493,057	22,051,361	27,100	375,495	47,947,013
<u>Deferred Inflows of Resources</u>					
Unavailable revenue:					
Property taxes	933,851	-	-	-	933,851
Advance property tax collections	3,836,903	-	-	-	3,836,903
Total deferred inflows of resources	4,770,754	-	-	-	4,770,754
<u>Fund Balances</u>					
Nonspendable	20,334	-	-	-	20,334
Restricted	-	-	-	1,283,936	1,283,936
Committed	749,557	-	4,763,763	3,094,590	8,607,910
Assigned	-	-	-	3,701,931	3,701,931
Unassigned	18,615,288	(13,456,699)	-	(111,652)	5,046,937
Total fund balances	19,385,179	(13,456,699)	4,763,763	7,968,805	18,661,048
Total liabilities, deferred inflows of resources and fund balances	\$ 49,648,990	\$ 8,594,662	\$ 4,790,863	\$ 8,344,300	\$ 71,378,815

(Continued)

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

**Town of Bethel, Connecticut
Reconciliation of Fund Balance
to Net Position of Governmental Activities
June 30, 2020**

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different from the governmental fund balance sheet due to:

Total fund balance (Exhibit C, Page 1 of 2)	\$ 18,661,048
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Beginning capital assets	137,952,066
Capital assets additions (net of construction in progress)	40,420,562
Donated capital assets	6,693,100
Depreciation expense	(3,684,314)
Disposal of capital assets	(5,613)

Other long-term assets are not available resources and, therefore, are not reported in the funds:

Property tax interest and lien accrual	185,838
Allowance for doubtful accounts	(225,000)

Other long-term assets and deferred outflows of resources are not available to pay for current period expenditures and, therefore, are unavailable in the funds:

Property tax receivable - accrual basis change	933,851
Deferred outflows related to pensions	3,811,686
Deferred outflows related to OPEB	4,109,797

Some liabilities and deferred inflows of resources, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(59,505,423)
Premium	(1,107,298)
Compensated absences	(3,312,069)
Net pension liability	(13,701,304)
OPEB liability	(18,572,867)
Accrued interest payable	(215,519)
Deferred charge on refunding	(361,198)
Deferred inflows related to pensions	(925,607)
Deferred inflows related to OPEB	(938,980)

Net position of governmental activities (Exhibit A)	<u>\$ 110,212,756</u>
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(Concluded)

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

Town of Bethel, Connecticut

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For The Year Ended June 30, 2020**

	<u>General Fund</u>	<u>Bonded Projects</u>	<u>Capital Nonrecurring</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 68,590,548	\$ -	\$ -	\$ -	\$ 68,590,548
Intergovernmental	15,273,567	11,481,394	520	2,721,781	29,477,262
Charges for services	2,003,278	-	2,180	1,112,427	3,117,885
Use of money and property	775,751	-	11,315	42,050	829,116
Contributions	-	-	-	18,732	18,732
Total revenues	<u>86,643,144</u>	<u>11,481,394</u>	<u>14,015</u>	<u>3,894,990</u>	<u>102,033,543</u>
Expenditures:					
Current:					
General government	13,997,063	-	-	177,729	14,174,792
Public safety	5,933,034	-	-	26,473	5,959,507
Health and welfare	409,918	-	-	21,558	431,476
Public works	3,793,301	-	-	-	3,793,301
Library	874,899	-	-	45,807	920,706
Education	53,441,044	-	-	3,467,639	56,908,683
Debt service	4,569,133	-	-	-	4,569,133
Capital outlay	-	39,556,748	648,018	-	40,204,766
Total expenditures	<u>83,018,392</u>	<u>39,556,748</u>	<u>648,018</u>	<u>3,739,206</u>	<u>126,962,364</u>
Excess (deficiency) of revenues over expenditures	<u>3,624,752</u>	<u>(28,075,354)</u>	<u>(634,003)</u>	<u>155,784</u>	<u>(24,928,821)</u>
Other financing sources (uses):					
Issuance of debt	-	20,000,000	16,985	-	20,016,985
Premium	-	365,212	-	-	365,212
Transfers in	-	1,878,100	1,020,000	-	2,898,100
Transfers out	<u>(2,613,100)</u>	<u>-</u>	<u>-</u>	<u>(285,000)</u>	<u>(2,898,100)</u>
Net other financing sources (uses)	<u>(2,613,100)</u>	<u>22,243,312</u>	<u>1,036,985</u>	<u>(285,000)</u>	<u>20,382,197</u>
Net change in fund balances	1,011,652	(5,832,042)	402,982	(129,216)	(4,546,624)
Fund balances - July 1, 2019	<u>18,373,527</u>	<u>(7,624,657)</u>	<u>4,360,781</u>	<u>8,098,021</u>	<u>23,207,672</u>
Fund Balances - June 30, 2020	<u>\$ 19,385,179</u>	<u>\$ (13,456,699)</u>	<u>\$ 4,763,763</u>	<u>\$ 7,968,805</u>	<u>\$ 18,661,048</u>

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

Town of Bethel, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to Statement of Activities
For The Year Ended June 30, 2020**

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different due to:

Net change in fund balances - total governmental funds (Exhibit D)	<u>\$ (4,546,624)</u>
--	-----------------------

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:

Capital outlay	40,420,562
Depreciation expense	<u>(3,684,314)</u>
Total	<u>36,736,248</u>

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase/decrease net position. In the statement of activities, only the *loss* on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold:

Donated capital assets	6,693,100
Loss on disposal of assets	<u>(5,613)</u>
Total	<u>6,687,487</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds and revenues recognized in the fund financial statements are not recognized in the statement of activities:

Change in property tax receivable - accrual basis change	(32,163)
Change in property tax interest and lien receivable	<u>(18,120)</u>
Total	<u>(50,283)</u>

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

Debt issued or incurred:	
Issuance of bonds and notes	(20,016,985)
Premium	<u>(365,212)</u>
Principal repayments:	
Bonds and notes	<u>2,961,976</u>
Total	<u>(17,420,221)</u>

(Continued)

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

Town of Bethel, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to Statement of Activities
For The Year Ended June 30, 2020

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Amortization of premium	\$ 505,652
Changes in:	
Compensated absences	389,114
Net pension liability	(3,052,663)
OPEB liability	(3,825,534)
Accrued interest payable	42,295
Amortization of deferred charges	(19,034)
Amortization of deferred outflows related to pension	2,882,186
Amortization of deferred inflows related to pension	(456,571)
Amortization of deferred outflows related to OPEB	3,578,620
Amortization of deferred inflows related to OPEB	<u>(571,786)</u>
Total	<u>(527,721)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 20,878,886</u>
	(Concluded)

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

Town of Bethel, Connecticut

Statement of Net Position
Proprietary Funds
June 30, 2020

<u>Assets</u>	Business-type Activities Enterprise Funds		
	<u>Major Funds</u>		
	<u>Water Department</u>	<u>Sewer Department</u>	<u>Totals</u>
Current assets:			
Cash	\$ 18,655	\$ 990,604	\$ 1,009,259
Receivables (net):			
Assessments	-	2,253,032	2,253,032
User fee	220,471	267,701	488,172
Due from other funds	-	5,888,096	5,888,096
Total current assets	<u>239,126</u>	<u>9,399,433</u>	<u>9,638,559</u>
Noncurrent assets:			
Receivables:			
Assessments	-	9,012,129	9,012,129
Capital assets (net):			
Land	202,426	132,949	335,375
Construction in progress	2,303,872	790,441	3,094,313
Intangible assets	2,898	6,085,708	6,088,606
Buildings	148,773	186,858	335,631
Building improvements	89,795	4,238	94,033
Distribution and collection system	9,940,159	20,062,435	30,002,594
Machinery and equipment	26,632	734,508	761,140
Vehicles	55,342	23,894	79,236
Total capital assets (net)	<u>12,769,897</u>	<u>28,021,031</u>	<u>40,790,928</u>
Total noncurrent assets	<u>12,769,897</u>	<u>37,033,160</u>	<u>49,803,057</u>
Total assets	<u>13,009,023</u>	<u>46,432,593</u>	<u>59,441,616</u>
<u>Deferred Outflows of Resources</u>			
Pension related	109,389	82,042	191,431
OPEB related	124,330	82,887	207,217
Total deferred outflows of resources	<u>233,719</u>	<u>164,929</u>	<u>398,648</u>

(Continued)

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

Town of Bethel, Connecticut

Statement of Net Position
Proprietary Funds
June 30, 2020

Business-type Activities
Enterprise Funds

Major Funds

<u>Liabilities</u>	<u>Water Department</u>	<u>Sewer Department</u>	<u>Totals</u>
Current liabilities:			
Accounts payable	\$ 749,783	\$ 12,889	\$ 762,672
Accrued payroll and related liabilities	13,377	6,145	19,522
Accrued interest payable	3,332	33,702	37,034
Due to other funds	1,625,072	-	1,625,072
Bonds and notes payable	182,218	790,000	972,218
Compensated absences	5,407	4,841	10,248
Total current liabilities	<u>2,579,189</u>	<u>847,577</u>	<u>3,426,766</u>
Noncurrent liabilities:			
Bonds, notes and related liabilities	4,128,808	10,407,239	14,536,047
Compensated absences	21,627	19,367	40,994
Net pension liability	371,695	278,771	650,466
OPEB liability	561,869	374,579	936,448
Total noncurrent liabilities	<u>5,083,999</u>	<u>11,079,956</u>	<u>16,163,955</u>
Total liabilities	<u>7,663,188</u>	<u>11,927,533</u>	<u>19,590,721</u>
<u>Deferred Inflows of Resources</u>			
Deferred charge on refunding	-	209,129	209,129
OPEB related	28,406	18,936	47,342
Total deferred inflows of resources	<u>28,406</u>	<u>228,065</u>	<u>256,471</u>
<u>Net Position</u>			
Net investment in capital assets	8,458,871	16,614,663	25,073,534
Unrestricted	<u>(2,907,723)</u>	<u>17,827,261</u>	<u>14,919,538</u>
Total net position	<u>\$ 5,551,148</u>	<u>\$ 34,441,924</u>	<u>\$ 39,993,072</u>

(Concluded)

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

Town of Bethel, Connecticut

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Funds
 For The Year Ended June 30, 2020

	Business-type Activities Enterprise Funds		
	Major Funds		
	Water Department	Sewer Department	Totals
Operating revenues:			
Charges for services	\$ 2,361,710	\$ 2,866,699	\$ 5,228,409
Operating expenses:			
Personnel services	931,513	534,194	1,465,707
Repairs and maintenance	386,760	125,553	512,313
Contracted services	132,304	879,086	1,011,390
Materials and supplies	56,961	18,861	75,822
Utilities	136,887	99,697	236,584
Insurance	26,600	18,705	45,305
Depreciation and amortization	263,615	500,242	763,857
Total operating expenses	1,934,640	2,176,338	4,110,978
Operating income (loss)	427,070	690,361	1,117,431
Nonoperating revenues (expenses):			
Capital grant	158,436	-	158,436
Income from investments	20	3,553	3,573
Assessment bond interest	-	521,694	521,694
Interest expense	(93,224)	(400,209)	(493,433)
Net nonoperating revenues (expenses)	65,232	125,038	190,270
Change in net position	492,302	815,399	1,307,701
Total net position - July 1, 2019	5,058,846	33,626,525	38,685,371
Total net position - June 30, 2020	\$ 5,551,148	\$34,441,924	\$ 39,993,072

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

Town of Bethel, Connecticut
Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2020

	Business-type Activities Enterprise Funds		
	Major Funds		
	Water Department	Sewer Department	Totals
Cash flows from (used in) operating activities:			
Receipts from customers	\$ 2,309,738	\$ 2,853,637	\$ 5,163,375
Payments to suppliers	(158,987)	(1,267,410)	(1,426,397)
Payments to employees	(385,638)	(1,470,083)	(1,855,721)
Net cash from (used in) operating activities	<u>1,765,113</u>	<u>116,144</u>	<u>1,881,257</u>
Cash flows from (used in) capital and related financing activities:			
Purchase of capital assets	(1,893,296)	(448,220)	(2,341,516)
Assessments	-	1,013,437	1,013,437
Assessment bond interest	-	521,694	521,694
Proceeds from grants and state drinking water loans	464,946	-	464,946
Principal payments (bonds and bond anticipation notes)	(242,751)	(780,000)	(1,022,751)
Interest payments	(94,013)	(423,282)	(517,295)
Net cash from (used in) capital and related financing activities	<u>(1,765,114)</u>	<u>(116,371)</u>	<u>(1,881,485)</u>
Cash flows from (used in) investing activities:			
Income from investments	<u>20</u>	<u>3,553</u>	<u>3,573</u>
Increase (decrease) in cash	19	3,326	3,345
Cash - July 1, 2019	<u>18,636</u>	<u>987,278</u>	<u>1,005,914</u>
Cash - June 30, 2020	<u>\$ 18,655</u>	<u>\$ 990,604</u>	<u>\$ 1,009,259</u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:			
Operating income (loss)	\$ 427,070	\$ 690,361	\$ 1,117,431
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:			
Depreciation and amortization	263,615	500,242	763,857
(Increase) decrease in:			
Receivables	(51,972)	(13,062)	(65,034)
Due from other funds	-	(988,006)	(988,006)
Increase (decrease) in:			
Accounts and other payables	580,525	(73,391)	507,134
Due to other funds	545,875	-	545,875
Net cash from (used in) operating activities	<u>\$ 1,765,113</u>	<u>\$ 116,144</u>	<u>\$ 1,881,257</u>

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

Town of Bethel, Connecticut
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	<u>Pension Trust Funds</u>	<u>Private - Purpose Trust Funds</u>	<u>Custodial Funds</u>
<u>Assets</u>			
Cash	\$ -	\$ 97,636	\$ 11,386
Investments:			
Mutual funds:			
Equity	8,934,288	36,432	-
Bond	3,999,812	95,696	-
Certificates of deposit	-	-	733,131
Bank money market accounts	-	10,405	-
U.S. government obligations	7,962,480	-	-
U.S. government agency securities	-	178,069	-
Common stock	17,750,414	-	-
Corporate bonds	7,673,179	-	-
Total investments	<u>46,320,173</u>	<u>320,602</u>	<u>733,131</u>
Accounts receivable	<u>16,783</u>	<u>-</u>	<u>-</u>
Prepaid benefits and fees	<u>227,637</u>	<u>-</u>	<u>-</u>
Total assets	<u>46,564,593</u>	<u>418,238</u>	<u>744,517</u>
<u>Net Position</u>			
Restricted for:			
Pension benefits	46,564,593	-	-
Individuals and organizations	<u>-</u>	<u>418,238</u>	<u>744,517</u>
Total net position	<u>\$ 46,564,593</u>	<u>\$ 418,238</u>	<u>\$ 744,517</u>

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

Town of Bethel, Connecticut

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For The Year Ended June 30, 2020

	Pension Trust Funds	Private - Purpose Trust Funds	Custodial Funds
	<u> </u>	<u> </u>	<u> </u>
Additions:			
Contributions:			
Employer	\$ 2,390,899	\$ -	\$ -
Plan members	576,857	-	-
Private contributions	<u>-</u>	<u>112,240</u>	<u>-</u>
Total contributions	<u>2,967,756</u>	<u>112,240</u>	<u>-</u>
Activity fees	<u>-</u>	<u>-</u>	<u>879,372</u>
Investment income (loss):			
Change in fair value of investments	(440,751)	13,366	-
Interest and dividends	<u>1,092,483</u>	<u>13,200</u>	<u>-</u>
Total investment income (loss)	651,732	26,566	-
Less investment expenses	<u>310,915</u>	<u>-</u>	<u>-</u>
Net investment income (loss)	<u>340,817</u>	<u>26,566</u>	<u>-</u>
Total additions	<u>3,308,573</u>	<u>138,806</u>	<u>879,372</u>
Deductions:			
Benefits	2,695,330	-	-
Administration	100,085	175	-
Scholarships awarded	-	86,500	-
Activities and events	<u>-</u>	<u>-</u>	<u>858,710</u>
Total deductions	<u>2,795,415</u>	<u>86,675</u>	<u>858,710</u>
Change in net position	513,158	52,131	20,662
Net position - July 1, 2019	<u>46,051,435</u>	<u>366,107</u>	<u>723,855</u>
Net position - June 30, 2020	<u><u>\$ 46,564,593</u></u>	<u><u>\$ 418,238</u></u>	<u><u>\$ 744,517</u></u>

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

Town of Bethel, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020****History and organization**

The Town of Bethel, Connecticut ("Town") was incorporated in 1855 and covers an area of 17 square miles. The Town operates under a Selectmen-Town Meeting form of government as prescribed by the Connecticut General Statutes and its charter, which was adopted November 6, 1973. The Town provides the following services as authorized by its charter: public safety (police and fire), public works (streets and highways), public health and social services, sewers and water, a free public library and education encompassing grades PreK-12.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government; (2) organizations for which the primary government is financially accountable; and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Town does not report any component units.

I. Summary of significant accounting policies**A. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

B. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Custodial funds do not have a measurement focus but are accounted for on 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 revenues as soon as all eligibility requirements imposed by the provider have been met.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020**B. Measurement focus, basis of accounting and financial statement presentation (continued)**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues, are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For reimbursement grants, the Town considers revenues to be available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension and OPEB benefits, certain other employee benefits, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Intergovernmental revenues, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items including property taxes, are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

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

The *Bonded Projects Fund* accounts for the financial revenues to be used for major capital asset construction and/or purchases.

The *Capital Nonrecurring Fund* accounts for activities associated with major capital improvements and equipment.

The Town reports the following major proprietary funds:

The *Water Department Fund* accounts for the activities of the Town's water operations.

The *Sewer Department Fund* accounts for the activities of the Town's sewer operations.

Additionally, the Town reports the following fund types:

Special Revenue Funds are used to account for and report the proceeds of specific revenue resources that are restricted or committed to expenditures for specified purposes other than debt.

The *Debt Service Fund* is used to account for and report resources and expenditures that are assigned for the repayment of debt.

The *Pension Trust Funds* account for the activities of the Bethel Retirement System, which accumulates resources for pension benefit payments to qualified employees.

The *Private-Purpose Trust Funds* are used to account for resources legally held in trust for various scholarships. All resources of the fund, including any earnings on invested resources, may not be used to support the Town's activities.

The *Custodial Funds* account for monies held on behalf of students.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020**B. Measurement focus, basis of accounting and financial statement presentation (continued)**

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Town's sewer and water operations and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water department enterprise fund and sewer department enterprise fund are charges to customers for sales and services. The sewer department also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

For purposes of measuring the net pension and OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position of the Town's pension plans, the Connecticut State Teachers' Retirement System ("TRS") and the Connecticut Retiree Health Insurance Plan ("RHIP") have been determined on the same basis as they are reported by the Town's pension plans, TRS, and RHIP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

C. Assets, liabilities, deferred outflows/inflows of resources and equity**1. Cash and investments****a. Cash**

The Town considers cash as cash on hand and demand deposits.

For cash flow purposes the Town considers cash equivalents money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

b. Investments

In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any state or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. For the capital nonrecurring fund, not more than 31% can be invested in equity securities. Investment income is recorded in the fund in which it was earned.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

The Town's pension funds have adopted a formal investment policy that defines allowable investments, prohibited investments, prohibited transactions, asset allocation guidelines, diversification guidelines and fixed income and cash equivalent guidelines.

The investment guidelines are as follows:

Asset Class	Minimum	Maximum	Preferred
Equities	20.00%	65.00%	50.00%
Fixed income	40.00%	90.00%	40.00%
Alternatives	0.00%	20.00%	10.00%
Cash and equivalents	2.00%	20.00%	N/A

No investment should be more than 5% of the total fund and not more than 25% should be in any one industry.

For fixed income investments, no more than 20% may be invested in bonds that are below investment grade. In addition, the maximum maturity for any single security is 30 years and the average portfolio maturity may not exceed 15 years.

c. Method used to value investments

Investments for the Town are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Fair value of investments

The Town measures and records its investments using fair value measurement guidelines established by accounting principles generally accepted in the United States of America (GAAP). These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1: Quoted prices for identical investments in active markets

Level 2: Quoted prices for identical investments in markets that are not active. The fair value was determined based on quoted prices in less active, dealer or broker markets. Fair values are primarily obtained from third party pricing services for identical comparable assets

Level 3: Unobservable inputs

d. Risk policies

Interest rate risk – Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk – Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

Concentration of credit risk – Concentration of credit risk is the risk attributed to the magnitude of an entity's investments in a single issuer. The Town follows the limitations specified in the Connecticut General Statutes. Generally, the Town's deposits cannot be 75% or more of the total capital in any one depository.

Town of Bethel, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

Custodial credit risk – Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town does not have a formal policy with respect to custodial credit risk.

Foreign currency risk – Foreign currency risk is the risk that the value of the investment may be affected by changes in the rate of exchange. The Town does not have a formal policy with respect to the foreign currency risk.

2. Receivables and payables**a. Interfunds**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

b. Property taxes and other receivables

In the government-wide financial statements, all trade, loan, property tax and water and sewer use receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 2% to 40% of outstanding receivable balances and are calculated based upon prior collection history.

In the fund financial statements, all property taxes receivable at June 30, which have not been collected within sixty days of June 30, have been recorded as deferred inflows of resources since they are not considered to be available to finance expenditures of the current year.

Property taxes are assessed on property as of October 1. Real estate taxes are billed in the following July and are due in four installments, July 1, October 1, January 1 and April 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, July 1. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date.

3. Restricted assets

The restricted assets for the Town are restricted for performance bonds and employee flex spending. Performance bonds are restricted until the monies are returned to the vendor after satisfactory completion of contract or the Town calls the bond for nonperformance. Flex spending amounts are restricted for employee benefits.

4. Capital assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000, \$20,000 for improvements and \$100,000 for infrastructure, and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Table with 2 columns: Assets and Years. Rows include Land improvements (50), Intangible assets (15-75), Buildings (50-75), Building improvements (50), Machinery and equipment (10-25), Vehicles (7-25), Distribution and collection system (Sewer plant 50, Sewer lines 40-50, Water lines and pumping stations 50-100), and Infrastructure (Roads 75, Bridges 50).

Intangible assets for governmental activities are for computer software, which is amortized over the expected useful life of the software. Intangible assets for business-type activities are for computer software and for capacity at a sewer treatment plant owned and operated by another municipality. These are amortized over the useful life of the software and equipment.

5. Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The Town reports deferred outflows and inflows of resources related to pensions and OPEB in the government-wide statements for differences between expected and actual experience, changes in assumptions and net difference between projected and actual earnings on plan investments. The deferred outflow or inflow related to differences between expected and actual experience and changes in assumptions will be amortized over the average remaining service life of all plan members. The deferred outflow or inflow related to the net difference between projected and actual earnings on plan investments will be amortized over a five-year period.

Town of Bethel, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

Deferred inflows of resources also include deferred inflows relating to advance refunding of debt. These amounts are deferred and are amortized over the shorter of life of the old or new debt.

Advance tax collections represent taxes associated with a future period. This amount is recognized during the period in which the revenue is associated.

For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds' balance sheet. The governmental funds report unavailable revenues from property taxes (including advance collections, if any). These amounts are recognized as an inflow of resources in the period that the amounts become available.

6. Compensated absences

All employees, except those specified below, are granted vacation and sick time based upon contractual provisions. At anniversary year end, unused vacation and sick time do not accumulate or vest; therefore, in the event of termination or retirement, employees are not compensated for unused vacation and sick time.

The Board of Education employees are paid vacation on a fiscal year basis; therefore, unused vacation lapses at June 30. The Town employees are paid vacation on an anniversary date basis; therefore, a liability for unused vacation has been recorded. The liability for compensated absences has also been recorded in the enterprise funds' financial statements as a liability.

Certified employees at the Board of Education may accumulate up to 150 days of unused sick time. Only upon retirement are they entitled to receive 50% reimbursement. Retirement amounts are included in the current year budget to reimburse current year retirees.

Compensated absences are only reported in governmental funds if they are due and payable to an employee who has resigned or retired before or at fiscal year end.

7. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

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

Town of Bethel, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2020

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

8. Net position and fund balances

In the government-wide and enterprise fund financial statements, net position is classified into the following categories:

Net investment in capital assets

This category presents the net position that reflects capital assets net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are excluded.

Restricted net position

This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations).

Unrestricted net position

This category presents the net position of the Town which is not restricted.

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

In the fund financial statements, fund balances are classified into the following categories:

Nonspendable

This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted

This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed

This category presents amounts that can be used only for specific purposes determined by a formal action of the highest level of decision-making authority for the Town. Commitments may be established, modified or rescinded only through ordinances or resolutions approved by the Board of Finance.

Assigned

This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent is expressed by the passage of a resolution by the Board of Finance or a properly approved purchase order.

Town of Bethel, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**Unassigned

This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Board of Finance has provided otherwise in its commitment or assignment actions.

Minimum Fund Balance Policy

The Board of Finance adopted a minimum fund balance policy for the general fund. It is the policy of the Town to maintain a fund balance of 10% of the operating general fund expenditures.

9. Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Actual results could differ from those estimates, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic and the mitigation responses. Any such differences are not expected to be material for the year ended June 30, 2020.

10. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

II. Stewardship, compliance and accountability**A. Basis of budgeting**

Only the General Fund has a legally adopted annual budget.

The Town uses the budgetary basis of accounting under which purchase orders for contracts or other commitments are recorded in order to reserve that portion of the applicable appropriation. 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 reported in the budgetary statements included as required supplementary information.

Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

B. Donor-restricted endowments

The Town has received certain endowments for various scholarship purposes. The amounts are reflected in net position as restricted for endowments. Investment income, including appreciation of \$32,473 for the Hennessy Scholarship fund, \$78,069 for the Menegay Scholarship fund and \$6,044 for the Education Scholarships fund, is approved for expenditure by the individual Boards of the benefiting activities and is included in restricted net position.

The Town allocates investment income of donor-restricted endowments in accordance with donor restrictions and Connecticut law, which has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). Under UPMIFA, investment income earned on donor-restricted endowment funds is considered to be unrestricted in the absence of explicit donor restrictions. Further, in the absence of explicit donor restrictions regarding investment appreciation, such appreciation is treated the same as the related investment income. Investment losses that reduce the value of endowment investments below the original principal amount serve to reduce restricted net position or unrestricted net position, depending upon the applicable donor's stipulations regarding the treatment of investment income and appreciation.

C. Capital projects authorizations

The following is a summary of certain projects recorded in the Bonded Projects Fund:

<u>Project Name</u>	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Project Balance</u>
Road construction	\$ 500,000	\$ 236,109	\$ 263,891
General capital improvements	2,040,000	2,036,493	3,507
School renovations: Rockwell and Johnson	65,831,143	44,592,372	21,238,771
2019 Water Main Replacement Project	998,000	306,510	691,490
Totals	<u>\$ 69,369,143</u>	<u>\$ 47,171,484</u>	<u>\$ 22,197,659</u>

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

III. Detailed notes**A. Cash and Investments****1. Deposits - custodial credit risk**

At year end, the Town's bank balance was \$37,086,357 and was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 19,499,438
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>6,583,146</u>
Total amount subject to custodial credit risk	<u><u>\$ 26,082,584</u></u>

Financial instruments that potentially subject the Town to significant concentrations of credit risk consist primarily of cash. From time to time, the Town's cash account balances exceed the Federal Deposit Insurance Corporation limit. The Town reduces its credit risk by maintaining its cash deposits with major financial institutions and monitoring their credit ratings.

2. Investments

a. The Town's investments consisted of the following types and maturities. Specific identification was used to determine maturities:

Type of Investment	Fair Value	Investment Maturities (in Years)			
		N/A	Less Than 1	1-5 Years	6-10 Years
Mutual funds:					
Equity	\$ 8,970,720	\$ 8,970,720	\$ -	\$ -	\$ -
Bond	21,326,572	-	17,231,063	3,833,626	261,883
Certificates of deposit	10,829,063	-	10,829,063	-	-
Bank money market accounts	6,296,377	-	6,296,377	-	-
U.S. government obligations	7,962,480	-	-	7,962,480	-
U.S. government agency obligations	178,069	-	178,069	-	-
Common stock	17,750,414	17,750,414	-	-	-
Corporate bonds	7,673,179	-	1,318,147	6,355,032	-
Total	<u><u>\$ 80,986,874</u></u>	<u><u>\$ 26,721,134</u></u>	<u><u>\$ 35,852,719</u></u>	<u><u>\$ 18,151,138</u></u>	<u><u>\$ 261,883</u></u>

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Cash and Investments (continued)

b. The Town had the following recurring fair value measurements:

	<u>Amount</u>	Quoted Market Prices in Active Markets	Significant Observable Inputs
		<u>Level 1</u>	<u>Level 2</u>
<u>Investments by Fair Value Level</u>			
Mutual funds:			
Equity	\$ 8,970,720	\$ 8,970,720	\$ -
Bond	21,326,572	21,326,572	-
U.S. government obligations	7,962,480	7,962,480	-
U.S. government agency obligations	178,069	-	178,069
Common stock	17,750,414	17,750,414	-
Corporate bonds	7,673,179	-	7,673,179
Total investments by fair value level	<u>63,861,434</u>	<u>\$ 56,010,186</u>	<u>\$ 7,851,248</u>
<u>Other Investments</u>			
Certificates of deposit	10,829,063		
Bank money market accounts	<u>6,296,377</u>		
Total other investments	<u>17,125,440</u>		
Total investments	<u>\$ 80,986,874</u>		

Level 1: Quoted prices for identical investments in active markets;

Level 2: Observable inputs: quoted prices for identical securities in markets that are not Active. The fair value was determined based on quoted prices in less active, dealer or broker markets. Fair values are primarily obtained from third party pricing services for identical or comparable assets.

The market approach was used to determine the value of bonds.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Cash and Investments (continued)

- c. The Town's investments subject to credit risk had average ratings as follows by Standard & Poor's:

Type of Investment	Ratings					Totals
	AAA	AA	A	BBB	B	
Mutual Funds:						
Bonds	\$ 4,025,777	\$ 17,231,064	\$ -	\$ -	\$ 69,731	\$ 21,326,572
U.S government obligations	7,962,480	-	-	-	-	7,962,480
U.S government agency obligations	178,069	-	-	-	-	178,069
Corporate bonds	631,185	1,355,369	2,948,973	2,376,002	361,650	7,673,179
Total	<u>\$ 12,797,511</u>	<u>\$ 18,586,433</u>	<u>\$ 2,948,973</u>	<u>\$ 2,376,002</u>	<u>\$ 431,381</u>	<u>\$ 37,140,300</u>

- d. Certain investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$250,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, debentures, certificates of deposit and money funds.

The Town's investments are subject to custodial credit risk as follows:

	Total	Less Insured Amounts	Amount Subject to Custodial Credit Risk
Common stock	\$ 17,750,414	\$ 500,000	\$ 17,250,414
U.S. government obligations	7,962,480	1,000,000	6,962,480
U.S. government agency obligations	178,069	178,069	-
Corporate bonds	7,673,179	-	7,673,179
Total	<u>\$ 33,564,142</u>	<u>\$ 1,678,069</u>	<u>\$ 31,886,073</u>

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

B. Receivables

Receivable balances have been disaggregated by type and presented separately in the financial statements. Only receivables for the Town's government-wide financial statements with allowances for uncollectible accounts are presented below.

	<u>Property Taxes</u>		
	<u>Taxes</u>	<u>Interest & Liens</u>	<u>Total</u>
Current portion	\$ 158,755	\$ 92,919	\$ 251,674
Long-term portion	775,096	92,919	868,015
Less allowance for uncollectibles	(150,000)	(75,000)	(225,000)
Net long-term portion	\$ 625,096	\$ 17,919	\$ 643,015
Total receivable	\$ 783,851	\$ 110,838	\$ 894,689

	<u>User Fee Receivables</u>			<u>Small Cities Loans</u>
	<u>Water Department</u>	<u>Sewer Department</u>	<u>Total</u>	
Gross receivable	\$ 225,471	\$ 275,201	\$ 500,672	\$ 290,638
Less allowance for uncollectibles	(5,000)	(7,500)	(12,500)	(7,800)
Net receivable	\$ 220,471	\$ 267,701	\$ 488,172	\$ 282,838

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Interfund accounts

1. Interfund payables and receivables

A summary of interfund balances is as follows:

	Corresponding Fund	Due From	Due To
<u>Major funds:</u>			
<u>General fund:</u>			
Capital nonrecurring	N/A	\$ -	\$ 3,445,832
Bonded projects	N/A	-	8,594,662
Water department	N/A	1,239,456	-
Sewer department	N/A	-	5,502,480
Small cities program	N/A	-	151,461
Health department grants	N/A	-	42,050
Public safety grants	N/A	-	98,887
Education grants	N/A	-	976,642
Railroad station	N/A	-	56,602
Railroad station renovation	N/A	111,549	-
General government	N/A	-	20,878
Debt service	N/A	-	3,757,121
Insurance reserve	N/A	91,485	-
Total general fund		<u>1,442,490</u>	<u>22,646,615</u>
<u>Bonded projects:</u>			
Bonded projects	General fund	8,594,662	-
Bonded projects	Capital nonrecurring	-	30,000
Total bonded projects		<u>8,594,662</u>	<u>30,000</u>
<u>Capital nonrecurring:</u>			
Capital nonrecurring	General fund	3,445,832	-
Capital nonrecurring	Debt service	59,898	-
Capital nonrecurring	Bonded projects	30,000	-
Total capital nonrecurring		<u>3,535,730</u>	<u>-</u>

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Interfund accounts (continued)

	Corresponding Fund	Due From	Due To
<u>Water department:</u>			
Water department	Sewer department	\$ -	\$ 385,616
Water department	General fund	-	1,239,456
Total water department		-	1,625,072
<u>Sewer department:</u>			
Sewer department	Water department	385,616	-
Sewer department	General fund	5,502,480	-
Total sewer department		5,888,096	-
<u>Other governmental funds:</u>			
Small cities program	General fund	151,461	-
Health department grants	General fund	42,050	-
Public safety grants	General fund	98,887	-
Education grants	General fund	976,642	-
Railroad station	General fund	56,602	-
Railroad station renovation	General fund	-	111,549
General government	General fund	20,878	-
Insurance reserve	General fund	-	91,485
Debt service	General fund	3,757,121	-
Debt service	Capital nonrecurring	-	59,898
Total other governmental funds		5,103,641	262,932
Grand total		<u>\$ 24,564,619</u>	<u>\$ 24,564,619</u>

All interfund balances resulted from the time lag between the dates payments occurred between funds for interfund goods, payroll and services provided or in instances where certain funds do not have a cash account.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Interfund accounts (continued)**2. Advance payable and receivable**

A summary of interfund advances is as follows:

	Corresponding Fund	Advances To	Advances From
	<u> </u>	<u> </u>	<u> </u>
General fund	Bennett property	\$ 20,334	\$ -
Other governmental funds:			
Bennett property	General fund	-	20,334
Grand total		<u>\$ 20,334</u>	<u>\$ 20,334</u>

Advances relate to working capital loans. Balances are not scheduled to be collected in the subsequent year.

3. Interfund transfers

A summary of interfund transfers for the fiscal year is as follows:

	Corresponding Fund	Transfer In	Transfer Out
	<u> </u>	<u> </u>	<u> </u>
General fund:			
Capital nonrecurring	N/A	\$ -	\$1,020,000
Bonded projects	N/A	-	1,593,100
Total general fund		<u>-</u>	<u>2,613,100</u>
Bonded projects:			
General fund	N/A	1,593,100	-
Debt service	N/A	285,000	-
Total bonded projects		<u>1,878,100</u>	<u>-</u>
Capital nonrecurring	General fund	<u>1,020,000</u>	<u>-</u>
Other governmental funds:			
Debt service	Bonded projects	-	285,000
Grand total		<u>\$2,898,100</u>	<u>\$2,898,100</u>

Transfers are used to move budgeted appropriations from the general fund for funding of the capital nonrecurring fund and various programs and activities in other funds and transfers for debt service.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

D. Capital assets

Capital asset activity for the fiscal year was as follows:

Governmental activities:	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Capital assets, not being depreciated:				
Land	\$ 6,957,720	\$ 38,200	\$ -	\$ 6,995,920
Construction in progress	7,873,344	38,327,506	394,966	45,805,884
Total capital assets, not being depreciated	14,831,064	38,365,706	394,966	52,801,804
Capital assets, being depreciated:				
Land improvements	3,885,956	366,246	-	4,252,202
Intangible assets	131,849	-	-	131,849
Buildings	103,423,401	6,493,600	-	109,917,001
Building improvements	18,948,575	8,750	-	18,957,325
Machinery and equipment	10,582,198	1,201,305	-	11,783,503
Vehicles	8,389,534	304,280	56,141	8,637,673
Infrastructure	27,210,555	768,741	-	27,979,296
Total capital assets, being depreciated	172,572,068	9,142,922	56,141	181,658,849
Total capital assets	187,403,132	47,508,628	451,107	234,460,653
Less accumulated depreciation for:				
Land improvements	1,159,777	166,062	-	1,325,839
Intangible assets	62,628	6,592	-	69,220
Buildings	25,324,231	1,481,282	-	26,805,513
Building improvements	7,609,179	608,487	-	8,217,666
Machinery and equipment	7,034,622	628,671	-	7,663,293
Vehicles	3,427,776	341,923	50,528	3,719,171
Infrastructure	4,832,853	451,297	-	5,284,150
Total accumulated depreciation	49,451,066	3,684,314	50,528	53,084,852
Total capital assets, being depreciated, net	123,121,002	5,458,608	5,613	128,573,997
Governmental activities capital assets, net	<u>\$ 137,952,066</u>	<u>\$ 43,824,314</u>	<u>\$ 400,579</u>	<u>\$ 181,375,801</u>

Depreciation expense was charged to functions/programs of the Town as follows:

General government	\$ 273,687
Public safety	631,906
Public works	694,579
Library	209,887
Health and welfare	2,857
Education	1,871,398
Total depreciation expense	<u>\$ 3,684,314</u>

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

D. Capital assets (continued)

Business-type activities:	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Capital assets, not being depreciated:				
Land	\$ 157,072	\$ 178,303	\$ -	\$ 335,375
Construction in progress	<u>3,342,223</u>	<u>2,112,241</u>	<u>2,360,151</u>	<u>3,094,313</u>
Total capital assets, not being depreciated	<u>3,499,295</u>	<u>2,290,544</u>	<u>2,360,151</u>	<u>3,429,688</u>
Capital assets, being depreciated:				
Intangible assets	12,144,523	-	-	12,144,523
Buildings	4,272,637	-	-	4,272,637
Building improvements	161,839	-	-	161,839
Distribution and collection system	35,623,165	2,360,151	-	37,983,316
Machinery and equipment	1,750,672	-	-	1,750,672
Vehicles	<u>159,916</u>	<u>50,972</u>	<u>-</u>	<u>210,888</u>
Total capital assets, being depreciated	<u>54,112,752</u>	<u>2,411,123</u>	<u>-</u>	<u>56,523,875</u>
Total capital assets	<u>57,612,047</u>	<u>4,701,667</u>	<u>2,360,151</u>	<u>59,953,563</u>
Less accumulated depreciation for:				
Intangible assets	5,892,959	162,958	-	6,055,917
Buildings	3,874,459	62,547	-	3,937,006
Building improvements	63,050	4,756	-	67,806
Distribution and collection system	7,500,192	480,530	-	7,980,722
Machinery and equipment	943,460	46,072	-	989,532
Vehicles	<u>124,658</u>	<u>6,994</u>	<u>-</u>	<u>131,652</u>
Total accumulated depreciation	<u>18,398,778</u>	<u>763,857</u>	<u>-</u>	<u>19,162,635</u>
Total capital assets, being depreciated, net	<u>35,713,974</u>	<u>1,647,266</u>	<u>-</u>	<u>37,361,240</u>
Business-type capital assets, net	<u>\$ 39,213,269</u>	<u>\$ 3,937,810</u>	<u>\$ 2,360,151</u>	<u>\$ 40,790,928</u>

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

Water	\$ 263,615
Sewer	<u>500,242</u>
Total depreciation/amortization expense	<u>\$ 763,857</u>

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020**E. Construction commitments**

The Town has the following construction commitments:

School projects \$ 13,735,789

F. Short-term obligations – bond anticipation notes and interim funding obligation

The Town uses bond anticipation notes (“BANs”) during the construction period of various public projects prior to the issuance of the bonds at the completion of the project.

Short-term obligation activity for the fiscal year was as follows:

Governmental activities:

Project	Balance July 1, 2019	Additions	Deductions	Permanently Financed	Balance June 30, 2020
General purpose- capital	\$ 3,825,000	\$ 990,000	\$ 3,825,000	\$ -	\$ 990,000
School renovation	10,000,000	36,000,000	10,000,000	20,000,000	16,000,000
Total	\$ 13,825,000	\$ 36,990,000	\$ 13,825,000	\$ 20,000,000	\$ 16,990,000

In July 2020, the Town issued \$20,000,000 of general obligation bonds which permanently financed a portion of the bond anticipation notes outstanding at fiscal year-end. These bonds mature through 2040 and carry interest rates of 2.00 - 5.00%.

In July 2020, the Town issued \$20,000,000 of bond anticipation notes that mature in July 2021, and carry a coupon interest rate of 2.00% and a true interest cost of 0.28%.

Business-type activities:

The Town had interim funding obligations from the Drinking Water Revolving Fund in the Water Fund. The obligation includes interest at 2.00% per year.

Project	Balance July 1, 2019	Additions	Deductions	Permanently Financed	Balance June 30, 2020
DWSRF 2019-7075	\$ 337,985	\$ 306,510	\$ -	\$ 644,495	\$ -

In July 2020, the Town issued \$644,495 of drinking water notes which permanently financed the interim funding obligation of the same amount. These notes mature in July 2039 and carry a coupon interest rate of 2.00%.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

G. Changes in long-term obligations**1. Summary of changes**

The following is a summary of changes in long-term obligations during the fiscal year:

Governmental activities:

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Current Portion	Long-term Portion
General purpose:										
Refunding bonds	\$ 1,785,000	04/28/10	04/28/20	4.00-5.00%	\$ 320,000	\$ -	\$ 320,000	\$ -	\$ -	\$ -
Refunding bonds	1,992,000	04/28/10	07/15/20	3.00-5.00%	660,000	-	165,000	495,000	165,000	330,000
Refunding bonds	1,630,000	05/14/14	08/01/24	2.00-3.00%	1,630,000	-	-	1,630,000	335,000	1,295,000
General obligation	<u>20,000,000</u>	11/15/18	11/15/38	3.25-5.00%	20,000,000	-	1,000,000	19,000,000	1,000,000	18,000,000
						-				
Total general purpose	<u>25,407,000</u>				<u>22,610,000</u>	<u>-</u>	<u>1,485,000</u>	<u>21,125,000</u>	<u>1,500,000</u>	<u>19,625,000</u>
School:										
Refunding bonds	4,648,000	04/28/10	04/28/20	3.00-5.00%	1,440,000	-	360,000	1,080,000	360,000	720,000
Refunding bonds	<u>18,405,000</u>	04/28/15	11/15/34	1.00-5.00%	14,880,000	-	915,000	13,965,000	930,000	13,035,000
Total school	<u>23,053,000</u>				<u>16,320,000</u>	<u>-</u>	<u>1,275,000</u>	<u>15,045,000</u>	<u>1,290,000</u>	<u>13,755,000</u>
Total bonds	<u>48,460,000</u>				<u>38,930,000</u>	<u>-</u>	<u>2,760,000</u>	<u>36,170,000</u>	<u>2,790,000</u>	<u>33,380,000</u>
Bond anticipation notes (permanently financed)					-	20,000,000	-	20,000,000	-	20,000,000
Equipment financing notes:										
Energy	4,305,492	09/22/15	12/22/30	3.50-5.00%	3,281,713	-	139,312	3,142,401	199,201	2,943,200
Copiers	240,000	10/27/18	10/27/23	2.00%	208,000	-	48,000	160,000	48,000	112,000
Truck	15,487	04/18/19	01/18/22	2.00%	14,762	-	4,891	9,871	4,890	4,981
Truck	15,939	06/18/19	07/18/23	1.00%	15,939	-	5,033	10,906	5,033	5,873
Truck	<u>16,985</u>	11/18/19	12/18/23	1.00%	-	16,985	4,740	12,245	4,740	7,505
Total notes	<u>4,593,903</u>				<u>3,520,414</u>	<u>16,985</u>	<u>201,976</u>	<u>3,335,423</u>	<u>261,864</u>	<u>3,073,559</u>
Total bonds and notes					42,450,414	20,016,985	2,961,976	59,505,423	3,051,864	56,453,559
Premium					1,247,738	365,212	505,652	1,107,298	-	1,107,298
Total bonds, notes and related liabilities					43,698,152	20,382,197	3,467,628	60,612,721	3,051,864	57,560,857
Compensated absences					3,701,183	251,252	640,366	3,312,069	662,414	2,649,655
Net pension liability					10,648,641	6,802,441	3,749,778	13,701,304	-	13,701,304
OPEB liability					14,747,333	5,119,602	1,294,068	18,572,867	-	18,572,867
Total long-term obligations					<u>\$72,795,309</u>	<u>\$32,555,492</u>	<u>\$9,151,840</u>	<u>\$96,198,961</u>	<u>\$3,714,278</u>	<u>\$92,484,683</u>

All long-term liabilities are generally liquidated by the general fund or the debt service fund.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

G. Changes in long-term obligations (continued)Business-type activities:

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Current Portion	Long-term Portion
Bonds:										
Sewer:										
Refunding bonds	\$ 2,975,000	05/14/14	08/01/31	2.00-3.25%	\$ 2,190,000	\$ -	\$ 185,000	\$ 2,005,000	\$ 185,000	\$ 1,820,000
Refunding bonds	12,010,000	04/07/15	11/15/34	1.00-5.00%	9,690,000	-	595,000	9,095,000	605,000	8,490,000
Total bonds	<u>14,985,000</u>				11,880,000	-	780,000	11,100,000	790,000	10,310,000
Premium					104,300	-	7,061	97,239	-	97,239
Total sewer bonds and related liabilities					<u>11,984,300</u>	<u>-</u>	<u>787,061</u>	<u>11,197,239</u>	<u>790,000</u>	<u>10,407,239</u>
Notes:										
Water:										
DWSRF 2016-7040	1,855,379	05/31/17	11/30/36	2.00%	1,639,919	-	79,513	1,560,406	81,118	1,479,288
DWSRF 2017-7051	1,025,306	07/31/17	07/31/37	2.00%	892,896	-	41,403	851,493	42,239	809,254
DWSRF 2017-7054	743,319	05/31/17	05/31/37	2.00%	743,319	-	102,167	641,152	32,175	608,977
DWSRF 2018-7067	633,147	09/30/19	09/30/38	2.00%	633,148	-	19,668	613,480	26,686	586,794
Total water	<u>4,257,151</u>				<u>3,909,282</u>	<u>-</u>	<u>242,751</u>	<u>3,666,531</u>	<u>182,218</u>	<u>3,484,313</u>
Interim funding obligation (permanently financed)					-	644,495	-	644,495	-	644,495
Total bonds, notes and related liabilities					15,893,582	644,495	1,029,812	15,508,265	972,218	14,536,047
Compensated absences					63,766	8,197	20,721	51,242	10,248	40,994
Net pension liability					450,573	338,013	138,120	650,466	-	650,466
OPEB liability					743,563	258,132	65,247	936,448	-	936,448
Total long-term obligations					<u>\$ 17,151,484</u>	<u>\$ 1,248,837</u>	<u>\$ 1,253,900</u>	<u>\$ 17,146,421</u>	<u>\$ 982,466</u>	<u>\$ 16,163,955</u>

The sewer improvement bonds are supported by means of an assessment program. The water notes are supported by user fees.

All obligations are backed by the full faith and credit of the Town.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

G. Changes in long-term obligations (continued)

The following is a summary of debt maturities:

Year Ending June 30	Governmental Activities			Business-Type Activities		
	Principal		Interest	Principal		
	General Obligation Bonds	Equipment Financing Notes		Sewer Bonds	Drinking Water Notes	Interest
2021	\$ 2,790,000	\$ 261,864	\$ 1,471,787	\$ 790,000	\$ 182,218	\$ 459,690
2022	2,795,000	293,199	1,333,327	795,000	185,896	420,037
2023	2,800,000	297,930	1,193,018	800,000	189,648	380,911
2024	2,285,000	278,920	1,067,391	800,000	193,476	342,187
2025	2,275,000	280,260	964,007	800,000	197,379	309,220
2026	1,950,000	298,371	874,071	790,000	201,366	281,917
2027	1,940,000	317,285	792,690	780,000	205,430	254,302
2028	1,930,000	337,032	716,452	765,000	209,576	223,956
2029	1,930,000	357,644	635,185	765,000	213,806	190,726
2030	1,930,000	379,155	551,463	760,000	218,121	155,525
2031	1,925,000	233,763	465,894	755,000	222,525	125,141
2032	1,915,000	-	401,472	745,000	227,017	97,356
2033	1,910,000	-	333,750	590,000	231,598	70,672
2034	1,900,000	-	264,575	585,000	236,273	45,394
2035	1,895,000	-	193,158	580,000	241,041	20,188
2036	1,000,000	-	137,500	-	245,907	5,460
2037	1,000,000	-	97,500	-	181,730	2,483
2038	1,000,000	-	57,500	-	42,380	597
2039	1,000,000	-	18,750	-	41,144	175
Totals	<u>\$ 36,170,000</u>	<u>\$ 3,335,423</u>	<u>\$ 11,569,490</u>	<u>\$ 11,100,000</u>	<u>\$ 3,666,531</u>	<u>\$ 3,385,937</u>

2. Assets pledged as collateral

The Town's outstanding equipment financing notes of \$3,335,423 are secured with collateral of the equipment purchased.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

G. Changes in long-term obligations (continued)**3. Statutory debt limitations**

The Town's indebtedness does not exceed the legal debt limitations as required by Connecticut General Statutes as reflected in the following schedule:

<u>Category</u>	<u>Debit Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$148,754,592	\$ 22,115,000	\$126,639,592
Schools	297,509,184	51,045,000	246,464,184
Sewer	247,924,320	-	247,924,320
Urban renewal	214,867,744	-	214,867,744
Pension deficit	198,339,456	-	198,339,456

The total overall statutory debt limit for the Town is equal to seven times prior year annual receipts from taxation, \$462,792,064.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding.

4. Authorized/unissued bonds

The amounts of authorized, unissued bonds are as follows:

General purpose	\$ 53,325
Schools	<u>18,859,388</u>
Total	<u><u>\$ 18,912,713</u></u>

5. Conduit debt

The Bethel Baseball Association and the Town executed an agreement that has the Town purchase, finance and install the lighting at Mitchell Park, with the Association responsible for the lease payments related to the financing. The note agreement is payable over a 10 year period due in August 2022. The cost of the equipment is \$130,500 with total financing costs over the 10 years of \$43,365. The agreement between the Association and Town requires the Association to pay the Town annual installments through 2022.

The outstanding balance of the note was \$34,613. The Town has no obligation to pay the lease beyond the payment received from the lease payment received from the Association.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

H. Fund balances and restricted net position

Fund balance components are as follows:

Fund Balance Component	General Fund	Bonded Projects	Capital Nonrecurring	Other Governmental Funds	Totals
Nonspendable:					
Advance to other funds	\$ 20,334	\$ -	\$ -	\$ -	\$ 20,334
Restricted:					
General government:					
Railroad station operations	-	-	-	354,202	354,202
Historic documents preservation	-	-	-	44,420	44,420
Public safety:					
Police equipment	-	-	-	98,887	98,887
Health and welfare:					
Housing rehabilitation program	-	-	-	460,163	460,163
Health grants	-	-	-	42,050	42,050
Library	-	-	-	66,785	66,785
Cafeteria operations	-	-	-	217,429	217,429
Total restricted	-	-	-	1,283,936	1,283,936
Committed:					
General government:					
Planning and zoning commission	-	-	-	54,960	54,960
Education programs	-	-	-	976,989	976,989
Education (general)	749,557	-	-	-	749,557
Construction contracts	-	-	4,763,763	-	4,763,763
Education insurance reserve	-	-	-	1,381,637	1,381,637
Town insurance reserve	-	-	-	681,004	681,004
Total committed	749,557	-	4,763,763	3,094,590	8,607,910
Assigned:					
Future debt service payments	-	-	-	3,701,931	3,701,931
Unassigned	18,615,288	(13,456,699)	-	(111,652)	5,046,937
Totals	<u>\$19,385,179</u>	<u>\$ (13,456,699)</u>	<u>\$4,763,763</u>	<u>\$ 7,968,805</u>	<u>\$ 18,661,048</u>

The amount of restricted net position, which was restricted by enabling legislation, totaled \$261,849.

I. Deficit fund balances

The Bennett Property fund had a deficit fund balance at year end of \$22,807 and Railroad Station Renovation fund had a deficit fund balance of \$88,845. The deficit will be reduced or eliminated in future years as amounts are received for charges for services and through transfers from the general fund.

Town of Bethel, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020****IV. Other information****A. Risk management**

The Town is exposed to various risks of loss related to public official liability, police liability, Board of Education legal liability, theft or impairment of assets, errors and omissions, injury to employees and natural disasters. The Town purchases commercial insurance for all other risks of loss, including blanket and umbrella policies. Settled claims have not exceeded commercial coverage in any of the past three years, and there have not been any significant reductions in insurance coverage from amounts held in the prior year.

The Town is currently a member in Connecticut Interlocal Risk Management Agency ("CIRMA") an unincorporated association of Connecticut local public agencies which was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7-47-a et. seq. of the Connecticut General Statutes.

The Town is a member of CIRMA's Liability-Automobile-Property Pool a risk sharing pool. The Town paid CIRMA for provisions of general liability, automobile liability, employee benefit liability, law enforcement liability, public officials and property coverage. The premium is subject to these coverages and claims and expense payments falling within the deductible amounts are the responsibility of the Town. CIRMA's Liability-Automobile-Property Pool retains \$1,000,000 per occurrence for each line of liability coverage.

The Town purchases commercial insurance for all other risks of loss including blanket and umbrella policies. Settled claims have not exceeded commercial coverage in any of the past three years and there have not been any significant reductions in insurance coverage from amounts held in prior years.

B. Commitments and litigation

Amounts received or receivable from Federal and State grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

The Town is a defendant in various lawsuits and the outcome of these lawsuits is not presently determinable. In the opinion of the Town attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

Town of Bethel, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020****C. Contingencies***Coronavirus*

In March 2020, the United States declared the outbreak of Coronavirus a national emergency. Similarly, the Governor of the State of Connecticut declared a state of emergency and has since issued over 70 executive orders regarding the pandemic. One of the most significant executive orders required local governments to offer taxpayers/rate payers one or both of the following programs: interest rate reduction program and payment deferral program. The interest rate reduction program reduced the interest rate charged on delinquent taxes/user fees from 18% to 3% for the period April 1, 2020 through October 1, 2020. The payment deferral program also was effective April 1, 2020 for local governments with quarterly payments and July 1, 2020 for those with semi-annual payments. This program allowed taxpayers/rate payers to defer payment of amounts due without incurring any penalty interest until October 1, 2020. The Town implemented the payment deferral program. The impact of this program on property tax and user fee revenues and delinquent interest collections was not significant during this period.

The state of emergency has had a negative impact on the Town's economically sensitive revenues such as park and recreation program fees, parking revenues, interest earnings and certain other charges for services for the last quarter of the fiscal year and the impact continues into the 2021 fiscal year. On the expenditure side, expenditures for health and safety measures, including additional personnel costs, technology and supplies are expected to increase and may exceed adopted budgets. There continues to be uncertainty related to the duration, possible reemergence and future severity of the pandemic, as well as to what actions may be taken by the Federal government, the State of Connecticut and health care authorities to contain or mitigate its effects. This includes the nature and extent of any financial support.

The Town is continuously monitoring its financial condition and will take proactive measures as necessary to maintain operations and meet its obligations. Given this level of uncertainty, management cannot reasonably estimate the complete impact on the Town's future financial position at this time.

V. Pensions and other post-employment benefit ("OPEB") plans**A. Town pension plans****1. Plan description****a. Plan administration**

The Town administers two single employer, contributory, defined benefit pension plans (Town of Bethel and Town of Bethel Police Department). The Town plan was adopted in 1968 and revised in 2000. The Police plan was established by a memorandum of understanding effective July 1, 1997. Town employees become eligible as of their date of hire and for employees hired after January 1, 2001, participation is mandatory. All full time police officers become eligible on their date of employment. The Pension Commission makes recommendations for plan provisions, which are approved by the Board of Selectman. Both plans are part of the Town's reporting entity and are included in the Town's financial report as two pension trust funds. The plans do not issue separate, stand alone financial reports. The plan is closed to new employees.

Management of the plan is vested in the Board of Selectman.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Town Pension plans (continued)

b. Plan membership

As of July 1, 2019, the plans' membership consists of the following:

	<u>Town Plan</u>	<u>Police Plan</u>
Active members	96	36
Terminated employees entitled to benefit	13	2
Retirees, disables employees, and beneficiaries receiving benefits	<u>121</u>	<u>18</u>
Total	<u><u>230</u></u>	<u><u>56</u></u>

2. Benefit provisions

	<u>Town Plan</u>	<u>Police Plan</u>
Normal retirement	Age 55-65 with 10 years of service	Age 55-65 with 10 or 25 years of service
Benefit calculation	Under the non-contributory formula: 2.00% of the member's average monthly earnings times the years of benefit service less 50.00% of employees' social security benefit	2.00% of the average highest 5 years base compensation multiplied by years of credited service up to a maximum of 30 years credited service and is reduced by 30.00% of the amount calculated when the member attains his or her social security retirement age
	Under the contributory formula: 2.00% of average monthly compensation multiplied by years of service (maximum of 35 years)	
Early retirement age	55	55
Early retirement service requirement	5 years	10 years
Early retirement amount	Normal pension accrued reduced by 6.00% for each year of age less than normal retirement age	The accrued benefit is payable immediately with a 6.00% per year reduction and reduced by 30.00% when the member reaches social security retirement age
Disability service amount	50.00% of the member's average earnings determined at the date of disability less other payments which may be payable by reason of disability	The lessor of 50.00% of the member's compensation, determined at the date of disability or \$24,000

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Town Pension plans (continued)

	Town Plan	Police Plan
Disability service requirement	Permanently and totally disabled for at least 5 consecutive months	Permanently and totally disabled for at least 182 continuous days
Death benefit	Benefit will be paid anytime prior to the member's termination of employment	Benefits will be paid if a member was married on the date of death

3. Contributions

	Town Plan	Police Plan
Employee contributions	6.00% base salary	6.50% for employees with less than 30 years of service 3.25% for employees with 30 or more years of service
Town contributions	The Town contributes 8.50% of base salary for members that were hired before July 1, 1997, and in addition, the actuarially determined amount	The Town contributes 8.50% of base salary for members that hired before July 1, 1997, and in addition, the actuarially determined amount
Town average contribution rate as a percentage of covered payroll was	19.28%	40.41%

4. Investments

a. Investment policy

The pension plans' policy in regard to the allocation of invested assets is established and may be amended by the Insurance and Pension Commission of the Town. It is the policy of the Town's Insurance and Pension Commission to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes.

The following was the Commission's adopted asset allocation policy:

Asset Class	Target Allocation
US fixed income	40.00%
US large caps	26.50%
US small caps	0.10%
US mid caps	8.40%
Non - US equity	15.00%
US REITs	5.00%
Master limited partnerships	5.00%
Total	<u>100.00%</u>

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Town Pension plans (continued)**b. Concentrations**

There were no investments in any one organization that represents 5% or more of the pension plan's net position.

c. Rate of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation (see the discussion of the pension plans' investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Town and Police Plans' Long-Term Expected Real Rate of Return</u>
US fixed income	2.28%
US large caps	4.46%
US small caps	5.79%
US mid caps	4.84%
Non - US equity	6.28%
US REITs	5.08%
Master limited partnerships	3.99%

The total weighted average expected rate of return is 6.61% (including inflation).

d. Annual money-weighted rate of return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows:

	<u>Town</u>	<u>Police</u>
Rate of return	0.37%	0.61%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Town Pension plans (continued)

5. Net pension liability

The components of the net pension liability were as follows:

	<u>Town</u>	<u>Police</u>
Total pension liability	\$42,061,704	\$ 18,854,659
Plan fiduciary net position	<u>32,769,339</u>	<u>13,795,254</u>
Net pension liability	<u>\$ 9,292,365</u>	<u>\$ 5,059,405</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>77.91%</u>	<u>73.17%</u>

6. Actuarial methods and significant assumptions

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Town</u>	<u>Police</u>
Valuation date	July 1, 2019	July 1, 2019
Actuarial cost method	Entry age normal	Entry age normal
Asset valuation method	5 year smoothing	5 year smoothing
Amortization method	Level percent, closed	Level percent, closed
Inflation	2.70%	2.70%
Salary increases	3.00%	3.00-6.00% (graded by age)
Investment rate of return	6.625%, net of pension plan investment expense, including inflation	6.625%, net of pension plan investment expense, including inflation
Mortality rates	PubG-2010 Mortality Table with generational projection per the MP ultimate scale	PubS-2010 Mortality Table with generational projection per the MP ultimate scale

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Town Pension plans (continued)**7. Changes from prior year****a. Changes in assumptions**

- The discount rate changed from 6.750% to 6.625% for both the Town and Police plans.
- The mortality changed from the RP-2000 Mortality Table to PubG-2010 Mortality Table for the Town plan and the PubS-2010 Mortality Table for the Police plan.

b. Changes in benefit terms

There were no changes in benefit terms.

8. Discount rate

The discount rate used to measure the total pension liability was as follows:

	Town	Police
Discount rate	6.625%	6.625%

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 Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Town Pension plans (continued)**9. Changes in the net pension liability**

The Town's net pension liability was measured at June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The changes in net pension liability for each plan for the fiscal year were as follows:

<u>Town Plan</u>	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2019	\$ 39,288,822	\$ 32,852,072	\$ 6,436,750
Service cost	734,640	-	734,640
Interest	2,635,613	-	2,635,613
Differences between expected and actual experience	281,288	-	281,288
Changes in assumptions	1,108,467	-	1,108,467
Contributions - employer	-	1,302,113	(1,302,113)
Contributions - member	-	361,776	(361,776)
Net investment income	-	309,251	(309,251)
Benefit payments, including refunds of member contributions	(1,987,126)	(1,987,126)	-
Administration	-	(68,747)	68,747
Net change	2,772,882	(82,733)	2,855,615
Balance at June 30, 2020	<u>\$ 42,061,704</u>	<u>\$ 32,769,339</u>	<u>\$ 9,292,365</u>

<u>Police Plan</u>	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2019	\$ 17,861,827	\$ 13,199,363	\$ 4,662,464
Service cost	571,006	-	571,006
Interest	1,219,444	-	1,219,444
Differences between expected and actual experience	(579,325)	-	(579,325)
Changes in assumptions	489,911	-	489,911
Contributions - employer	-	1,088,786	(1,088,786)
Contributions - member	-	215,081	(215,081)
Net investment income	-	31,566	(31,566)
Benefit payments, including refunds of member contributions	(708,204)	(708,204)	-
Administration	-	(31,338)	31,338
Net change	992,832	595,891	396,941
Balance at June 30, 2020	<u>\$ 18,854,659</u>	<u>\$ 13,795,254</u>	<u>\$ 5,059,405</u>

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Town Pension plans (continued)**10. Sensitivity of the net pension liability to changes in the discount rate**

The following presents the net pension liability, calculated using the discount rate for the Town and Police Plans as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

<u>Plan</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Town	<u>\$ 14,079,391</u>	<u>\$ 9,292,365</u>	<u>\$ 5,553,112</u>
Police	<u>\$ 7,836,394</u>	<u>\$ 5,059,405</u>	<u>\$ 2,820,834</u>

11. Pension expense and deferred outflows and inflows of resources related to pensions

For the fiscal year the Town recognized pension expense of \$2,172,126 for the Town Plan and \$906,722 for the Police Plan. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Town Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Description of Outflows/Inflows			
Differences between expected and actual experience	\$ 448,432	\$ -	\$ 448,432
Changes in assumptions	762,071	-	762,071
Net difference between projected and actual earnings	<u>1,524,225</u>	<u>-</u>	<u>1,524,225</u>
Total	<u>\$ 2,734,728</u>	<u>\$ -</u>	<u>\$ 2,734,728</u>
<u>Police Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Description of Outflows/Inflows			
Differences between expected and actual experience	\$ 133,231	\$ (925,607)	\$ (792,376)
Changes in assumptions	439,405	-	439,405
Net difference between projected and actual earnings	<u>695,753</u>	<u>-</u>	<u>695,753</u>
Total	<u>\$ 1,268,389</u>	<u>\$ (925,607)</u>	<u>\$ 342,782</u>

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Town Pension plans (continued)

Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of actives and inactive in years for each of the following plans:

<u>Plan</u>	<u>Years</u>
Town	3.2
Police	9.7

Actual investment earnings below (or above) projected earnings are amortized over 5 years for both plans.

Amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Town</u>	<u>Police</u>
2021	\$ 860,152	\$ 78,482
2022	927,768	145,880
2023	569,197	152,710
2024	377,611	130,925
2025	-	(54,755)
Thereafter	-	(110,460)
Total	<u>\$ 2,734,728</u>	<u>\$ 342,782</u>

B. Defined contribution retirement savings plan

As of July 1, 2013, Town employees and certain Board of Education employees not covered by the Town's defined benefit plan are eligible to participate in the Town of Bethel Money Purchase Defined Contribution Plan administered by the Town. The Board of Selectmen has the authority to establish and amend the plan. At year end, there were 10 employees eligible to participate in the plan. The Town and employees are both required to contribute 5% of earnings. During the year, the Town recognized pension expense of \$221,875 and employee contributions totaled \$221,875.

Employees are immediately vested in their own contributions and earnings on those contributions. Employees become vested in Town contributions and earnings over a 5 year period at 20% per year. Notwithstanding the foregoing, a participant will be 100% vested in employer contributions upon attaining normal retirement age, termination of the plan, the complete discontinuance of employer contributions, death of the participant and total and permanent disability of the participant.

The Town had no liability to the plan at fiscal year end.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Pension plan statements

Combining Statement of Fiduciary Net Position
Pension Trust Funds

	Town Plan	Police Plan	Total
	<u> </u>	<u> </u>	<u> </u>
<u>Assets</u>			
Investments:			
Mutual funds:			
Equity	\$ 6,327,016	\$ 2,607,272	\$ 8,934,288
Bond	2,643,889	1,355,923	3,999,812
U.S. government obligations	5,675,224	2,287,256	7,962,480
Common stock	12,590,342	5,160,072	17,750,414
Corporate bonds	<u>5,354,658</u>	<u>2,318,521</u>	<u>7,673,179</u>
Total investments	32,591,129	13,729,044	46,320,173
Accounts receivable	12,069	4,714	16,783
Prepaid benefits and fees	<u>166,141</u>	<u>61,496</u>	<u>227,637</u>
Total assets	<u>32,769,339</u>	<u>13,795,254</u>	<u>46,564,593</u>
<u>Net Position</u>			
Restricted for pension benefits	<u>\$ 32,769,339</u>	<u>\$ 13,795,254</u>	<u>\$ 46,564,593</u>

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Pension plan statements (continued)

Combining Statement of Changes In Fiduciary Net Position
Pension Trust Funds

	Town Plan	Police Plan	Total
	<u> </u>	<u> </u>	<u> </u>
Additions:			
Contributions:			
Employer	\$ 1,302,113	\$ 1,088,786	\$ 2,390,899
Plan members	361,776	215,081	576,857
	<u> </u>	<u> </u>	<u> </u>
Total contributions	1,663,889	1,303,867	2,967,756
	<u> </u>	<u> </u>	<u> </u>
Investment income (loss):			
Change in fair value of investments	(250,648)	(190,103)	(440,751)
Interest and dividends	778,518	313,965	1,092,483
	<u> </u>	<u> </u>	<u> </u>
Total investment income (loss)	527,870	123,862	651,732
	<u> </u>	<u> </u>	<u> </u>
Less investment expenses	218,619	92,296	310,915
	<u> </u>	<u> </u>	<u> </u>
Net investment income (loss)	309,251	31,566	340,817
	<u> </u>	<u> </u>	<u> </u>
Total additions	1,973,140	1,335,433	3,308,573
	<u> </u>	<u> </u>	<u> </u>
Deductions:			
Benefits	1,987,126	708,204	2,695,330
Administration	68,747	31,338	100,085
	<u> </u>	<u> </u>	<u> </u>
Total deductions	2,055,873	739,542	2,795,415
	<u> </u>	<u> </u>	<u> </u>
Change in net position	(82,733)	595,891	513,158
	<u> </u>	<u> </u>	<u> </u>
Net position - July 1, 2019	32,852,072	13,199,363	46,051,435
	<u> </u>	<u> </u>	<u> </u>
Net position - June 30, 2020	<u>\$ 32,769,339</u>	<u>\$ 13,795,254</u>	<u>\$ 46,564,593</u>

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

D. Connecticut state teachers' retirement system**1. Plan description**

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System ("TRS"), a cost sharing multiple-employer defined benefit pension plan administered by the Teachers' Retirement Board ("TRB"). Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov/trb.

2. Benefit provisions

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Benefit calculation	2.00% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service.
Early retirement amount	Benefit amounts are reduced by 6.00% per year for the first 5 years preceding normal retirement age and 4.00% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.00% per year by which retirement precedes normal retirement date.
Service connected disability amount	2.00% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of annual average salary.
Non-service connected disability service requirement	Five years of credited service
Vesting - service	10 years of service
Vesting - amount	100%
Pre-retirement death benefit amount	Lump-sum return of contributions with interest or surviving spouse benefit depending on length of service.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

D. Connecticut state teachers' retirement system (continued)**3. Contributions****State of Connecticut**

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

Employer (school districts)

School district employers are not required to make contributions to the plan.

Employees

Each teacher is required to contribute 7% of their salary for the pension benefit.

4. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

The Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amounts recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>85,468,406</u>
Total	<u><u>\$ 85,468,406</u></u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The Town has no proportionate share of the net pension liability.

During the year the Town recognized pension expense and revenue of \$6,469,503 for on-behalf amounts for the contributions made to the plan by the State.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

D. Connecticut state teachers' retirement system (continued)**5. Actuarial assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	6.90%
Inflation	2.50%
Salary increases	3.25-6.50%, including inflation
Mortality rates	Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

Future cost-of-living increases - For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5.00% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 6.00% per annum. If the return on assets in the previous year was less than 8.50%, the maximum increase is 1.50%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 5.00% per annum. If the return on assets in the previous year was less than 11.50%, the maximum increase is 3.00%, and if the return on the assets in the previous year was less than 8.50%, the maximum increase is 1.00%.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

Changes in assumptions and inputs

- The inflation assumption was decreased from 2.75% to 2.50%.
- The investment rate of return was decreased from 8.00% to 6.90%.

Long-term expected rate of return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in 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 Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

D. Connecticut state teachers' retirement system (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public equity - US equity	20.00%	8.10%
Public equity - international developed equity	11.00%	8.50%
Public equity - emerging markets equity	9.00%	10.40%
Fixed income - core fixed income	16.00%	4.60%
Fixed income - inflation linked bonds	5.00%	3.60%
Fixed income - high yield	6.00%	6.50%
Fixed income - emerging market debt	5.00%	5.20%
Private equity	10.00%	9.80%
Real estate	10.00%	7.00%
Alternative investments - real assets	4.00%	8.20%
Alternative investments - hedge funds	3.00%	5.40%
Liquidity fund	1.00%	2.90%
Total	<u>100.00%</u>	

6. Discount rate

The discount rate used to measure the total pension liability was 6.90%. 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 rates equal to the difference between actuarially determined contribution rates and the member rate. 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.

7. Sensitivity of the net pension liability to changes in the discount rate

The Town's proportionate share of the net pension liability is \$0 and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2019.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

E. Total pension plans

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
Town Plan	\$ 9,292,365	\$ 2,734,728	\$ -	\$ 2,172,126
Police Plan	<u>5,059,405</u>	<u>1,268,389</u>	<u>(925,607)</u>	<u>906,722</u>
Total	<u>\$ 14,351,770</u>	<u>\$ 4,003,117</u>	<u>\$ (925,607)</u>	<u>\$ 3,078,848</u>

F. Other post-employment benefit plans**1. Plan description****a. Plan administration**

The Town administers a single-employer, post-retirement healthcare plan for the Town, Police and Board of Education, the Town of Bethel Other Post-Employment Benefit ("OPEB") Plan. The plan does not issue stand alone financial reports. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

b. Plan membership

As of July 1, 2019 the plan's membership consisted of:

	<u>Town</u>	<u>Police</u>	<u>Board of Education</u>
Retirees and beneficiaries currently receiving benefits	38	8	12
Active plan members	<u>47</u>	<u>31</u>	<u>291</u>
Total	<u>85</u>	<u>39</u>	<u>303</u>

2. Benefit provisions

The Town and Police plans provide for medical, dental and life insurance benefits for all eligible Town and Police retirees and their spouses. The Board of Education plan provides medical and dental benefits for all Board of Education retirees and their spouses. Benefits and contributions are established by contract and may be amended by union negotiations.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

F. Other post-employment benefit plans (continued)

3. Contributions

The Board of Finance has the authority to determine contributions to the plan. The Town is currently funding benefits on a pay as you go basis. Plan members are not required to contribute to the plan.

The Town, Police and Board of Education's total plan contribution was \$593,470.

Teachers who no longer work for the Board of Education are allowed by State Statute to participate in the Town's group medical insurance plan until they formally begin receiving benefits from the State Teachers' Retirement plan. These teachers are required to contribute the cost of the insurance to the Town.

Retiree contributions are as follows:

Police	11.00% or 25.00% of premium
Clerical group	50% of premium for 10.00% contribution plan 25% of premium for 12.50% contribution plan
Classified and library	25% of premium
Teachers and administrators	100% of premium
Nurses	100% of premium

4. OPEB liability

The Town's OPEB liability of \$19,509,315 was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2019.

5. Actuarial methods and significant assumptions

The total OPEB liability was determined using the following actuarial assumptions applied to all periods included in the measurement.

Valuation date	July 1, 2019
Actuarial cost method	Entry age normal
Amortization method	Level percent, closed
Inflation	2.75%
Discount rate	2.21%
Healthcare inflation rate:	
Initial	6.00%
Ultimate	4.50%
Mortality rates	Based on the PubG.H-2010 Mortality Table for Employees, Healthy and Disabled Annuitants with generational projection per Scale MP-2019

The discount rate was based on the S&P municipal bond 20 year high grade index as the measurement date.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

F. Other post-employment benefit plans (continued)

6. Changes from prior year

a. Changes in assumptions

The discount rate decreased from 3.50% to 2.21%.

b. Changes in benefit terms

There was a change in the public works medical and prescription drug provider.

7. Changes in the OPEB Liability

Balance at July 1, 2019	<u>\$ 15,490,896</u>
Service cost	631,851
Interest	554,000
Change of benefit terms	(62,822)
Differences between expected and actual experience	(703,023)
Changes in assumptions	4,191,883
Benefit payments, including refunds of member contributions	<u>(593,470)</u>
Net change	<u>4,018,419</u>
Balance at June 30, 2020	<u><u>\$ 19,509,315</u></u>

8. Sensitivity of the OPEB liability to changes in the discount rate

The following presents the OPEB liability, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

<u>OPEB Liability</u>	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Town OPEB Plan	<u>\$ 22,010,983</u>	<u>\$ 19,509,315</u>	<u>\$ 17,387,229</u>

9. Sensitivity of the OPEB liability to changes in the healthcare cost trend rate

The following presents the OPEB liability, as well as what the OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current trend rates:

<u>OPEB Liability</u>	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Town OPEB Plan	<u>\$ 16,835,296</u>	<u>\$ 19,509,315</u>	<u>\$ 22,786,218</u>

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

F. Other post-employment benefit plans (continued)**10. OPEB expense and deferred outflows and inflows of resources related to OPEB**

For the fiscal year the Town recognized OPEB expense of \$3,825,663. The Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

<u>Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$ -	\$ (638,879)	\$ (638,879)
Changes in assumptions	<u>4,317,014</u>	<u>(347,443)</u>	<u>3,969,571</u>
Total	<u>\$ 4,317,014</u>	<u>\$ (986,322)</u>	<u>\$ 3,330,692</u>

Changes in assumptions and differences between expected and actual experience are amortized over 10.96 years.

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

Year Ended June 30,

2021	\$ 330,419
2022	330,419
2023	330,419
2024	330,419
2025	330,419
Thereafter	<u>1,678,597</u>
Total	<u>\$ 3,330,692</u>

G. Connecticut state teachers' retirement board retiree health insurance plan**1. Plan description**

Teachers, principals, superintendents or supervisors engaged in service of public schools that are currently receiving a retirement or disability benefit through the Connecticut Teachers' Retirement System are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan ("TRS-RHIP") - a cost sharing multiple-employer defined benefit other post-employment benefit plan administered by the Teachers' Retirement Board ("TRB"). Chapter 167a Section 10-183t of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

G. Connecticut state teachers' retirement board retiree health insurance plan (continued)

2. Benefit provisions

The Plan provides for retiree health insurance benefits. Eligibility is as follows:

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Service connected disability service requirement	No service requirement
Non-service connected disability service requirement	Five years of credited service
Vesting - Service	10 years of service

Retiree health care coverage

Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Plan. There are two types of the health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

G. Connecticut state teachers' retirement board retiree health insurance plan (continued)**Survivor health care coverage**

Survivors of former employees or retirees remain eligible to participate in the Plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB-Sponsored Medicare Supplemental Plans, as long as they do not remarry.

3. Contributions**State of Connecticut**

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (school districts)

School district employers are not required to make contributions to the plan.

Employees

Each member is required to contribute 1.25% of their annual salary.

4. OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

The Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amounts recognized by the Town as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the Town were as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>13,329,281</u>
Total	<u>\$ 13,329,281</u>

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The Town has no proportionate share of the net OPEB liability.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

G. Connecticut state teachers' retirement board retiree health insurance plan (continued)

The Town recognized OPEB expense and revenue of \$176,817 for on-behalf amounts for the contributions made to the plan by the State.

5. Actuarial methods and significant assumptions

Investment rate of return	3.00%
Inflation	2.50%
Health care cost trend rate	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Mortality rates	Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.
Year fund net position will be depleted	2020

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

Changes in assumptions and inputs

- The discount rate was decreased from 3.87% to 3.50% to reflect the change in the Municipal Bond Index rate.

Additionally, expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on January 1, 2019. Further, the expected rate of inflation was decreased and the Real Wage Growth assumption was increased.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020**G. Connecticut state teachers' retirement board retiree health insurance plan (continued)****Long-term expected rate of return**

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected rate of return is 3.00%.

6. Discount rate

The discount rate used to measure the total OPEB liability was 3.50%. The Municipal Bond Index Rate was used in the determination in the discount rate. 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 no future employer contributions were assumed to be made.

7. Sensitivity of the OPEB liability to changes in the discount rate and the health care cost trend rate

The Town's proportionate share of the net OPEB liability is \$0 and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2019.

VI. Fund reclassifications

Internal service funds were reclassified from a proprietary fund to other governmental funds. As a result, the other governmental funds' fund balance increased by \$2,090,650.

Required Supplementary Information

Type	Description
Budgetary	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
	Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund
	Schedule of Expenditures and Other Financing Uses - Budget and Actual - General Fund
	Notes to Required Supplementary Information - Budgets and Budgetary Accounting
<u>Pension Plans</u> Town Police State Teachers' Retirement System	Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Investment Returns
	Schedule of Proportionate Share of the Net Pension Liability
	Schedule of Contributions
	Notes to Required Supplementary Information
<u>Other Post-Employment Benefits Plans</u> Town State Teachers' Retirement Board Retiree Health Insurance Plan	Schedule of Changes in OPEB Liability
	Schedule of Proportionate Share of the Net OPEB Liability
	Schedule of Contributions
	Notes to Required Supplementary Information

Town of Bethel, Connecticut
Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For The Year Ended June 30, 2020

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Revenues:					
Property taxes	\$ 67,248,361	\$ -	\$ 67,248,361	\$ 68,590,548	\$ 1,342,187
Intergovernmental	8,428,468	-	8,428,468	8,627,247	198,779
Charges for services	1,784,687	-	1,784,687	1,877,306	92,619
Use of money and property	530,000	-	530,000	775,751	245,751
Total revenues	<u>77,991,516</u>	<u>-</u>	<u>77,991,516</u>	<u>79,870,852</u>	<u>1,879,336</u>
Expenditures:					
Current:					
General government	14,780,979	(783,916)	13,997,063	13,997,063	-
Public safety	5,398,470	92,138	5,490,608	5,490,608	-
Health and welfare	438,537	(28,619)	409,918	409,918	-
Public works	3,801,432	(8,131)	3,793,301	3,793,301	-
Library	882,492	(7,593)	874,899	874,899	-
Education	46,865,473	270,510	47,135,983	46,794,724	341,259
Debt service	4,569,133	-	4,569,133	4,569,133	-
Total expenditures	<u>76,736,516</u>	<u>(465,611)</u>	<u>76,270,905</u>	<u>75,929,646</u>	<u>341,259</u>
Excess (deficiency) of revenues over expenditures	<u>1,255,000</u>	<u>465,611</u>	<u>1,720,611</u>	<u>3,941,206</u>	<u>2,220,595</u>
Other financing sources (uses):					
Appropriation of fund balance	-	1,548,323	1,548,323	-	(1,548,323)
Transfers out	(1,255,000)	(2,013,934)	(3,268,934)	(3,268,934)	-
Net other financing sources (uses)	<u>(1,255,000)</u>	<u>(465,611)</u>	<u>(1,720,611)</u>	<u>(3,268,934)</u>	<u>(1,548,323)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	672,272	<u>\$ 672,272</u>
Fund balance, July 1, 2019				19,251,116	
Fund balance, June 30, 2020				<u>\$ 19,923,388</u>	

Reconciliation to Exhibit D

	Revenues	Expenditures	Fund Balance
Budgetary Basis - RSI-1A	\$ 79,870,852	\$ 75,929,646	\$ 19,923,388
Accrued payroll	-	-	(256,379)
Other funds (Schedule 2)	125,972	442,426	(281,830)
State Teachers' pension on-behalf amount	6,469,503	6,469,503	-
State Teachers' OPEB on-behalf amount	176,817	176,817	-
Balance, GAAP basis, Exhibit D	<u>\$ 86,643,144</u>	<u>\$ 83,018,392</u>	<u>\$ 19,385,179</u>

Town of Bethel, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues and Other Financing Sources
Budget and Actual
For the Year Ended June 30, 2020

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Property taxes:					
Property taxes	\$ 66,891,613	\$ -	\$ 66,891,613	\$ 68,133,959	\$ 1,242,346
Interest and lien fees	200,000	-	200,000	370,370	170,370
Telephone access tax	50,000	-	50,000	-	(50,000)
PILOT- Reynolds Ridge	90,718	-	90,718	57,367	(33,351)
PILOT- Augustana	16,030	-	16,030	28,852	12,822
Total property taxes	67,248,361	-	67,248,361	68,590,548	1,342,187
Intergovernmental:					
Equal cost sharing	7,784,239	-	7,784,239	7,881,133	96,894
Continuing education	12,738	-	12,738	-	(12,738)
Town aid roads	323,296	-	323,296	324,236	940
PILOT- State owned property	15,360	-	15,360	15,360	-
Disability tax loss	-	-	-	1,857	1,857
Veterans tax relief	-	-	-	7,405	7,405
Colleges and hospitals	10,175	-	10,175	10,175	-
Other state revenue	282,660	-	282,660	387,081	104,421
Total intergovernmental	8,428,468	-	8,428,468	8,627,247	198,779
Charges for services:					
Hunting and fishing licenses	250	-	250	47	(203)
Marriage licenses	1,000	-	1,000	854	(146)
Town farmland preservation	7,000	-	7,000	6,711	(289)
Recreational programs	601,000	-	601,000	379,784	(221,216)
Conveyance tax	275,000	-	275,000	345,504	70,504
Recording fees	110,937	-	110,937	112,854	1,917
Town Clerk other revenue	-	-	-	6,081	6,081
Town Clerk copy receipts	40,000	-	40,000	45,908	5,908
CIRMA revenue sharing	65,000	-	65,000	72,933	7,933
Senior Center activities	56,000	-	56,000	30,262	(25,738)
Parking fines	3,000	-	3,000	2,134	(866)
Building and zoning	300,000	-	300,000	553,767	253,767
Pistol permits	5,000	-	5,000	3,360	(1,640)
Dog licenses	4,000	-	4,000	(2,637)	(6,637)
Canine receipts	2,000	-	2,000	1,158	(842)
Planning and zoning	15,000	-	15,000	27,056	12,056
Zoning board of appeals	2,000	-	2,000	-	(2,000)
Police receipts	2,500	-	2,500	1,980	(520)
Police other	100,000	-	100,000	153,785	53,785
Vendor licenses	2,000	-	2,000	5,000	3,000
Public works permits	-	-	-	4,396	4,396
Dumping charges	178,000	-	178,000	112,811	(65,189)
Scrap metal/appliances	4,000	-	4,000	7,634	3,634
Brush	1,000	-	1,000	260	(740)
Library fees	10,000	-	10,000	5,664	(4,336)
Total charges for services	1,784,687	-	1,784,687	1,877,306	92,619

(Continued)

Town of Bethel, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues and Other Financing Sources
Budget and Actual
For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Additional Appropriations and Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Use of money and property:					
Interest	\$ 500,000	\$ -	\$ 500,000	\$ 748,020	\$ 248,020
Property leases	30,000	-	30,000	27,731	(2,269)
Total use of money and property	<u>530,000</u>	<u>-</u>	<u>530,000</u>	<u>775,751</u>	<u>245,751</u>
Total revenues	77,991,516	-	77,991,516	79,870,852	1,879,336
Other financing sources:					
Appropriation of fund balance	<u>-</u>	<u>1,548,323</u>	<u>1,548,323</u>	<u>-</u>	<u>(1,548,323)</u>
Total revenues and other financing sources	<u>\$ 77,991,516</u>	<u>\$ 1,548,323</u>	<u>\$ 79,539,839</u>	<u>\$ 79,870,852</u>	<u>\$ 331,013</u>
					(Concluded)

Town of Bethel, Connecticut

Required Supplementary Information

General Fund
Schedule of Expenditures and Other Financing Uses
Budget and Actual
For the Year Ended June 30, 2020

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
General government:					
Selectmen	\$ 278,081	\$ 23,746	\$ 301,827	\$ 301,827	\$ -
Treasurer	5,500	152	5,652	5,652	-
Finance department	449,238	10,802	460,040	460,040	-
Town clerk	234,296	(13,892)	220,404	220,404	-
Assessor	229,990	(1,531)	228,459	228,459	-
Tax collector	209,948	(948)	209,000	209,000	-
Legal department	226,080	234,407	460,487	460,487	-
Probate court	5,497	(831)	4,666	4,666	-
Data processing	311,690	(36,128)	275,562	275,562	-
Town insurance	1,399,999	(94,122)	1,305,877	1,305,877	-
Planning and zoning	244,762	8,284	253,046	253,046	-
Registrar of voters	99,650	(12,971)	86,679	86,679	-
Town boards and commissions	59,250	(16,807)	42,443	42,443	-
Parks and recreation	1,477,997	34,619	1,512,616	1,512,616	-
Employee benefits	6,192,677	(386,967)	5,805,710	5,805,710	-
Agency subsidies	172,132	(4,333)	167,799	167,799	-
Utilities, charges and services	2,580,009	(207,408)	2,372,601	2,372,601	-
Other charges	380,071	(301,520)	78,551	78,551	-
Senior center	224,112	(18,468)	205,644	205,644	-
Total general government	14,780,979	(783,916)	13,997,063	13,997,063	-
Public safety:					
Building and inspection	262,460	19,226	281,686	281,686	-
Emergency management	28,580	10,024	38,604	38,604	-
Fire marshal	100,017	(5,255)	94,762	94,762	-
Bethel fire department	182,900	(1,782)	181,118	181,118	-
Stony Hill fire department	130,250	8,211	138,461	138,461	-
Police department	4,694,263	61,714	4,755,977	4,755,977	-
Total public safety	5,398,470	92,138	5,490,608	5,490,608	-
Health and welfare:					
Social services	87,678	(1,193)	86,485	86,485	-
Health department	350,859	(27,426)	323,433	323,433	-
Total health and welfare	438,537	(28,619)	409,918	409,918	-
Public works:					
Fleet maintenance	335,450	32,035	367,485	367,485	-
Public works administration	327,487	42,390	369,877	369,877	-
Highway department	2,088,118	(199,184)	1,888,934	1,888,934	-
Transfer station	195,125	1,790	196,915	196,915	-
Building maintenance	754,852	91,638	846,490	846,490	-
Tree warden	100,400	23,200	123,600	123,600	-
Total public works	3,801,432	(8,131)	3,793,301	3,793,301	-
Library	882,492	(7,593)	874,899	874,899	-

(Continued)

Town of Bethel, Connecticut

Required Supplementary Information

General Fund
Schedule of Expenditures and Other Financing Uses
Budget and Actual
For the Year Ended June 30, 2020

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Education:					
Board of education	\$ 46,415,473	\$ (364,798)	\$ 46,050,675	\$ 46,029,639	\$ 21,036
Education maintenance	450,000	635,308	1,085,308	765,085	320,223
Total education	<u>46,865,473</u>	<u>270,510</u>	<u>47,135,983</u>	<u>46,794,724</u>	<u>341,259</u>
Debt service	<u>4,569,133</u>	<u>-</u>	<u>4,569,133</u>	<u>4,569,133</u>	<u>-</u>
Total expenditures	<u>76,736,516</u>	<u>(465,611)</u>	<u>76,270,905</u>	<u>75,929,646</u>	<u>341,259</u>
Other financing uses:					
Transfers to other funds:					
Bonded projects	365,000	1,228,100	1,593,100	1,593,100	-
Education contingency	-	385,834	385,834	385,834	-
Paramedic intercept	270,000	-	270,000	270,000	-
Capital nonrecurring fund	<u>620,000</u>	<u>400,000</u>	<u>1,020,000</u>	<u>1,020,000</u>	<u>-</u>
Total other financing uses	<u>1,255,000</u>	<u>2,013,934</u>	<u>3,268,934</u>	<u>3,268,934</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 77,991,516</u>	<u>\$ 1,548,323</u>	<u>\$ 79,539,839</u>	<u>\$ 79,198,580</u>	<u>\$ 341,259</u>

(Concluded)

Town of Bethel, Connecticut**Notes to Required Supplementary Information****Budgets and Budgetary Accounting
For the Year Ended June 30, 2020**

The Town adheres to the following procedures in establishing the budgetary data included in the general fund financial statements:

Formal budgetary integration is employed as a management control device during the year.

This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exceptions:

1. The Town does not recognize as revenue or expenditures payments made for the State Teacher's pension and OPEB by the State of Connecticut on the Town's behalf.
2. Accrued payroll.
3. Certain funds that are required to be reported as part of the general fund under the requirement of GASB No. 54.

In April, the Board of Finance submits to a public hearing, at which taxpayer comments are obtained, the proposed operating budget of the general fund (the only fund for which a legal budget is adopted) for the year commencing July 1. The budget, which is prepared by function and department, includes proposed expenditures and the means of financing them.

The Board of Finance submits its proposed budget to the annual Town Meeting, which is held on one of the first seven days in May. Those in attendance at the annual Town Meeting may, by majority vote, decrease any appropriations or approve the appropriations as presented. Appropriations may not be increased. The final budget is then automatically referred to a machine vote for approval. The date of the machine vote is also established by the annual Town Meeting, which must be held not less than seven nor more than fourteen days from the date of the annual Town Meeting.

The legal level of control, the level at which expenditures may not exceed appropriations, is at the department level.

The Board of Finance, in accordance with the provisions of the Charter and the Connecticut General Statutes, is authorized to transfer unexpended balances from one appropriation to another, with the exception of the wage contingency account. Authority to transfer budgeted funds is vested in the Comptroller for settlement of union contracts and general salary increases approved by the First Selectman only. Management may not authorize any additional appropriations. All additional appropriations less than \$50,000 require Board of Selectmen and Board of Finance approval. Those in excess of \$50,000 require full legislative approval (Town Meeting).

The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under State law to make any transfers required within their budget at their discretion.

During the year, there were additional appropriations from fund balance of \$1,548,323.

Town of Bethel, Connecticut

Required Supplementary Information

Town Plan
Last Seven Years (1)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Schedule of Changes in Net Pension Liability and Related Ratios</u>							
Total pension liability:							
Service cost	\$ 734,640	\$ 761,169	\$ 851,894	\$ 785,563	\$ 822,302	\$ 824,737	\$ 1,132,089
Interest	2,635,613	2,523,082	2,481,626	2,149,718	2,063,282	1,958,065	90,567
Change of benefit terms	-	-	-	2,396,107	33	-	-
Differences between expected and actual experience	281,288	379,045	259,629	206,471	(14,173)	-	739,333
Changes in assumptions	1,108,467	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	<u>(1,987,126)</u>	<u>(1,952,709)</u>	<u>(1,841,693)</u>	<u>(1,521,542)</u>	<u>(1,368,871)</u>	<u>(1,295,920)</u>	<u>(1,200,025)</u>
Net change in total pension liability	2,772,882	1,710,587	1,751,456	4,016,317	1,502,573	1,486,882	761,964
Total pension liability - July 1	<u>39,288,822</u>	<u>37,578,235</u>	<u>35,826,779</u>	<u>31,810,462</u>	<u>30,307,889</u>	<u>28,821,007</u>	<u>28,059,043</u>
Total pension liability - June 30 (a)	<u>\$42,061,704</u>	<u>\$39,288,822</u>	<u>\$ 37,578,235</u>	<u>\$35,826,779</u>	<u>\$ 31,810,462</u>	<u>\$ 30,307,889</u>	<u>\$ 28,821,007</u>
Plan fiduciary net position:							
Contributions - employer	\$ 1,302,113	\$ 1,200,000	\$ 1,190,000	\$ 1,200,000	\$ 2,751,446	\$ 3,083,429	\$ 2,559,953
Contributions - member	361,776	446,766	411,011	399,468	341,395	285,418	307,290
Net investment income (loss)	309,251	1,605,605	2,236,644	2,838,413	(265,630)	369,456	1,941,532
Benefit payments, including refunds of member contributions	(1,987,126)	(1,952,709)	(1,841,693)	(1,521,542)	(1,368,871)	(1,295,920)	(1,200,025)
Administration	(68,747)	(251,398)	(239,680)	(102,552)	(44,388)	-	(39,913)
Transfer in from police plan	-	-	81,728	-	-	-	-
Net change in plan fiduciary net position	(82,733)	1,048,264	1,838,010	2,813,787	1,413,952	2,442,383	3,568,837
Plan fiduciary net position - July 1	<u>32,852,072</u>	<u>31,803,808</u>	<u>29,965,798</u>	<u>27,152,011</u>	<u>25,738,059</u>	<u>23,295,676</u>	<u>19,726,839</u>
Plan fiduciary net position - June 30 (b)	<u>\$32,769,339</u>	<u>\$32,852,072</u>	<u>\$ 31,803,808</u>	<u>\$29,965,798</u>	<u>\$ 27,152,011</u>	<u>\$ 25,738,059</u>	<u>\$ 23,295,676</u>
Net pension liability - June 30 (a)-(b)	<u>\$ 9,292,365</u>	<u>\$ 6,436,750</u>	<u>\$ 5,774,427</u>	<u>\$ 5,860,981</u>	<u>\$ 4,658,451</u>	<u>\$ 4,569,830</u>	<u>\$ 5,525,331</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>77.91%</u>	<u>83.62%</u>	<u>84.63%</u>	<u>83.64%</u>	<u>85.36%</u>	<u>84.92%</u>	<u>80.83%</u>
Covered payroll	<u>\$ 6,754,240</u>	<u>\$ 7,417,168</u>	<u>\$ 7,649,740</u>	<u>\$ 7,775,861</u>	<u>\$ 7,607,181</u>	<u>\$ 7,607,181</u>	<u>\$ 7,739,426</u>
Net pension liability as a percentage of covered payroll	<u>137.58%</u>	<u>86.78%</u>	<u>75.49%</u>	<u>75.37%</u>	<u>61.24%</u>	<u>60.07%</u>	<u>71.39%</u>
<u>Schedule of Investment Returns</u>							
Annual money weighted rate of return, net investment expense	<u>0.37%</u>	<u>4.29%</u>	<u>6.99%</u>	<u>10.51%</u>	<u>(1.11%)</u>	<u>2.40%</u>	<u>9.61%</u>

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of Bethel, Connecticut
Required Supplementary Information

Town Plan
Schedule of Contributions
Last Ten Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contributions	\$ 1,188,623	\$ 1,030,940	\$ 926,377	\$ 867,137	\$ 2,013,334	\$ 2,013,334	\$ 1,986,076	\$ 2,086,345	\$ 1,918,557	\$ 2,029,673
Contributions in relation to the actuarially determined contribution	<u>1,302,113</u>	<u>1,200,000</u>	<u>1,190,000</u>	<u>1,200,000</u>	<u>2,751,446</u>	<u>3,083,429</u>	<u>2,559,953</u>	<u>1,859,681</u>	<u>1,736,824</u>	<u>1,356,000</u>
Contribution excess (deficiency)	<u>\$ 113,490</u>	<u>\$ 169,060</u>	<u>\$ 263,623</u>	<u>\$ 332,863</u>	<u>\$ 738,112</u>	<u>\$ 1,070,095</u>	<u>\$ 573,877</u>	<u>\$ (226,664)</u>	<u>\$ (181,733)</u>	<u>\$ (673,673)</u>
Covered payroll	<u>\$ 6,754,240</u>	<u>\$ 7,417,168</u>	<u>\$ 7,649,740</u>	<u>\$ 7,775,861</u>	<u>\$ 7,607,181</u>	<u>\$ 7,607,181</u>	<u>\$ 7,739,426</u>	<u>\$ 7,678,530</u>	<u>\$ 7,711,696</u>	<u>\$ 7,503,503</u>
Contributions as a percentage of covered payroll	<u>19.28%</u>	<u>16.18%</u>	<u>15.56%</u>	<u>15.43%</u>	<u>36.17%</u>	<u>40.53%</u>	<u>33.08%</u>	<u>24.22%</u>	<u>22.52%</u>	<u>18.07%</u>

Town of Bethel, Connecticut

Notes to Required Supplementary Information

Town Plan
Schedule of Contributions
Last Seven Years (1)

	2020	2019	2018	2017	2016	2015	2014
Changes of Benefit Terms	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2018	July 1, 2017	July 1, 2016	July 1, 2015	July 1, 2014	July 1, 2014	July 1, 2013
Actuarial methods and assumptions used to determine contribution rates:							
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Frozen initial liability method	Frozen initial liability method
Amortization Method	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level dollar
Asset Valuation Method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.00%
Salary Increases	3.00%	3.00%	3.00%	3.00%	4.50%	4.50%	3.00%
Investment Rate of Return (Net)	6.75%	6.75%	6.75%	6.75%	7.25%	7.25%	8.00%
Mortality Rate	Mortality rates were based on the RP-2000 Mortality Tables for employees and healthy annuitants, male and female, with generational projection of future mortality improvements per Scale BB.	Mortality rates were based on the RP-2000 Mortality Tables for employees and healthy annuitants, male and female, with generational projection of future mortality improvements per Scale BB.	Mortality rates were based on the RP-2000 Mortality Tables for employees and healthy annuitants, male and female, with generational projection of future mortality improvements per Scale BB.	Mortality rates were based on the RP-2000 Mortality Tables for employees and healthy annuitants, male and female, with generational projection of future mortality improvements per Scale BB.	Mortality rates were based on the RP-2000 Mortality Tables for employees and healthy annuitants, male and female, with generational projection of future mortality improvements per Scale BB.	Mortality rates were based on the RP-2000 Mortality Tables for employees and healthy annuitants, male and female, with generational projection of future mortality improvements per Scale BB.	Based on the 1983 Group Mortality Table 50% male 50% female

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of Bethel, Connecticut
Required Supplementary Information

Police Plan
Last Seven Years (1)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Schedule of Changes in Net Pension Liability and Related Ratios</u>							
Total pension liability:							
Service cost	\$ 571,006	\$ 554,711	\$ 525,522	\$ 484,820	\$ 506,137	\$ 476,144	\$ 473,342
Interest	1,219,444	1,145,482	1,029,914	1,058,018	998,784	918,850	280,634
Differences between expected and actual experience	(579,325)	95,623	(202,969)	(425,369)	122,464	-	-
Changes in assumptions	489,911	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	<u>(708,204)</u>	<u>(687,545)</u>	<u>(636,273)</u>	<u>(530,615)</u>	<u>(474,173)</u>	<u>(460,787)</u>	<u>(334,882)</u>
Net change in total pension liability	992,832	1,108,271	716,194	586,854	1,153,212	934,207	419,094
Total pension liability - July 1	<u>17,861,827</u>	<u>16,753,556</u>	<u>16,037,362</u>	<u>15,450,508</u>	<u>14,297,296</u>	<u>13,363,089</u>	<u>12,943,995</u>
Total pension liability - June 30 (a)	<u>\$ 18,854,659</u>	<u>\$ 17,861,827</u>	<u>\$ 16,753,556</u>	<u>\$ 16,037,362</u>	<u>\$ 15,450,508</u>	<u>\$ 14,297,296</u>	<u>\$ 13,363,089</u>
Plan fiduciary net position:							
Contributions - employer	\$ 1,088,786	\$ 1,050,000	\$ 1,025,000	\$ 1,021,720	\$ 513,000	\$ 472,000	\$ 375,000
Contributions - member	215,081	200,478	211,773	181,099	198,552	252,142	228,856
Net investment income (loss)	31,566	717,189	794,474	977,787	(91,082)	259,775	724,429
Benefit payments, including refunds of member contributions	(708,204)	(687,545)	(636,273)	(530,615)	(474,173)	(460,787)	(334,882)
Administration	(31,338)	(85,396)	(94,651)	(35,042)	(24,922)	-	(14,881)
Transfer out to town plan	<u>-</u>	<u>-</u>	<u>(81,728)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	595,891	1,194,726	1,218,595	1,614,949	121,375	523,130	978,522
Plan fiduciary net position - July 1	<u>13,199,363</u>	<u>12,004,637</u>	<u>10,786,042</u>	<u>9,171,093</u>	<u>9,049,718</u>	<u>8,526,588</u>	<u>7,548,066</u>
Plan fiduciary net position - June 30 (b)	<u>\$ 13,795,254</u>	<u>\$ 13,199,363</u>	<u>\$ 12,004,637</u>	<u>\$ 10,786,042</u>	<u>\$ 9,171,093</u>	<u>\$ 9,049,718</u>	<u>\$ 8,526,588</u>
Net pension liability - June 30 (a)-(b)	<u>\$ 5,059,405</u>	<u>\$ 4,662,464</u>	<u>\$ 4,748,919</u>	<u>\$ 5,251,320</u>	<u>\$ 6,279,415</u>	<u>\$ 5,247,578</u>	<u>\$ 4,836,501</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>73.17%</u>	<u>73.90%</u>	<u>71.65%</u>	<u>67.26%</u>	<u>59.36%</u>	<u>63.30%</u>	<u>63.81%</u>
Covered payroll	<u>\$ 2,694,316</u>	<u>\$ 2,579,921</u>	<u>\$ 2,443,220</u>	<u>\$ 2,547,952</u>	<u>\$ 2,407,527</u>	<u>\$ 2,407,527</u>	<u>\$ 2,337,955</u>
Net pension liability as a percentage of covered payroll	<u>187.78%</u>	<u>180.72%</u>	<u>194.37%</u>	<u>206.10%</u>	<u>260.82%</u>	<u>217.97%</u>	<u>206.87%</u>
<u>Schedule of Investment Returns</u>							
Annual money weighted rate of return, net investment expense	<u>0.61%</u>	<u>4.29%</u>	<u>6.61%</u>	<u>10.50%</u>	<u>(1.11%)</u>	<u>2.67%</u>	<u>9.40%</u>

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of Bethel, Connecticut
Required Supplementary Information

Police Plan
Schedule of Contributions
Last Ten Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contributions	\$ 881,532	\$ 795,459	\$ 836,141	\$ 753,358	\$ 612,450	\$ 612,450	\$ 593,686	\$ 579,931	\$ 566,342	\$ 621,153
Contributions in relation to the actuarially determined contribution	<u>1,088,786</u>	<u>1,050,000</u>	<u>1,025,000</u>	<u>1,021,720</u>	<u>513,000</u>	<u>472,000</u>	<u>375,000</u>	<u>340,319</u>	<u>385,084</u>	<u>369,028</u>
Contribution excess (deficiency)	<u>\$ 207,254</u>	<u>\$ 254,541</u>	<u>\$ 188,859</u>	<u>\$ 268,362</u>	<u>\$ (99,450)</u>	<u>\$ (140,450)</u>	<u>\$ (218,686)</u>	<u>\$ (239,612)</u>	<u>\$ (181,258)</u>	<u>\$ (252,125)</u>
Covered payroll	<u>\$ 2,694,316</u>	<u>\$ 2,579,921</u>	<u>\$ 2,443,220</u>	<u>\$ 2,547,952</u>	<u>\$ 2,407,527</u>	<u>\$ 2,407,527</u>	<u>\$ 2,337,955</u>	<u>\$ 2,337,478</u>	<u>\$ 2,357,269</u>	<u>\$ 2,180,272</u>
Contributions as a percentage of covered payroll	<u>40.41%</u>	<u>40.70%</u>	<u>41.95%</u>	<u>40.10%</u>	<u>21.31%</u>	<u>19.61%</u>	<u>16.04%</u>	<u>14.56%</u>	<u>16.34%</u>	<u>16.93%</u>

Town of Bethel, Connecticut
Notes to Required Supplementary Information

Police Plan
Schedule of Contributions
Last Seven Years (1)

	2020	2019	2018	2017	2016	2015	2014
Changes of Benefit Terms	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2018	July 1, 2017	July 1, 2016	July 1, 2015	July 1, 2014	July 1, 2014	July 1, 2013
Actuarial methods and assumptions used to determine contribution rates:							
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Frozen initial liability method	Frozen initial liability method
Amortization Method	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level dollar
Asset Valuation Method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.00%
Salary Increases	4.00%	4.00%	4.00%	4.00%	4.50%	4.50%	4.50%
Investment Rate of Return (Net)	6.75%	6.75%	6.75%	6.75%	7.00%	7.00%	7.00%
Mortality Rate	Mortality rates were based on the RP-2000 Mortality Table with separate tables for employees, healthy annuitants, and disabled annuitants with generational projection of future mortality improvements per Scale BB.	Mortality rates were based on the RP-2000 Mortality Table with separate tables for employees, healthy annuitants, and disabled annuitants with generational projection of future mortality improvements per Scale BB.	Mortality rates were based on the RP-2000 Mortality Table with separate tables for employees, healthy annuitants, and disabled annuitants with generational projection of future mortality improvements per Scale BB.	Mortality rates were based on the RP-2000 Mortality Table with separate tables for employees, healthy annuitants, and disabled annuitants with generational projection of future mortality improvements per Scale BB.	Mortality rates were based on the RP-2000 Mortality Table with separate tables for employees, healthy annuitants, and disabled annuitants with generational projection of future mortality improvements per Scale BB.	Mortality rates were based on the RP-2000 Mortality Table with separate tables for employees, healthy annuitants, and disabled annuitants with generational projection of future mortality improvements per Scale BB.	Based on the 1983 Group Mortality Table 50% male 50% female.

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of Bethel, Connecticut

Required Supplementary Information

Connecticut State Teachers' Retirement System
Last Six Years (3)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Schedule of Proportionate Share of the Net Pension Liability</u>						
Town's proportion of the net pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension liability associated with the Town	<u>85,468,406</u>	<u>65,901,106</u>	<u>74,004,441</u>	<u>78,075,252</u>	<u>59,345,782</u>	<u>54,853,282</u>
Total	<u>\$ 85,468,406</u>	<u>\$ 65,901,106</u>	<u>\$ 74,004,441</u>	<u>\$ 78,075,252</u>	<u>\$ 59,345,782</u>	<u>\$ 54,853,282</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>
<u>Schedule of Contributions</u>						
Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

(1) Local employers are not required to contribute to the plan.

(2) Not applicable since 0% proportional share of the net pension liability

(3) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of Bethel, Connecticut
Notes to Required Supplementary Information
Connecticut State Teachers' Retirement System
Schedule of Contributions
Last Six Years (1)

	2020	2019	2018	2017	2016	2015
Changes of Benefit Terms	None	Beginning January 1, 2018, member contributions increased from 6% to 7% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014
Actuarial methods and assumptions used to determine contribution rates:						
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining Amortization Period	17.6 years	17.6 years	20.4 years	20.4 years	21.4 years	22.4 years
Asset Valuation Method	4 year smoothed market	4 year smoothed market	4 year smoothed market	4 year smoothed market	4 year smoothed market	4 year smoothed market
Inflation	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%
Salary Increases	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Investment Rate of Return (Net)	6.90%	8.00%	8.00%	8.00%	8.50%	8.50%
Mortality	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries.	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries.

(1) This schedule is intended to present information for 10 years. Additional years will be presented as they become available

Town of Bethel, Connecticut

Required Supplementary Information

Other Post-Employment Benefit Plan
Schedule of Changes in OPEB Liability
Last Three Years (1)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
OPEB liability:			
Service cost	\$ 631,851	\$ 561,230	\$ 574,246
Interest	554,000	564,180	517,131
Change of benefit terms	(62,822)	-	-
Difference between expected and actual experience	(703,023)	-	-
Changes in assumptions	4,191,883	608,316	(462,238)
Benefit payments, including refunds of member contributions	<u>(593,470)</u>	<u>(519,814)</u>	<u>(445,845)</u>
Net change in OPEB liability	4,018,419	1,213,912	183,294
OPEB liability - July 1	<u>15,490,896</u>	<u>14,276,984</u>	<u>14,093,690</u>
OPEB liability - June 30 *	<u>\$ 19,509,315</u>	<u>\$ 15,490,896</u>	<u>\$ 14,276,984</u>

* There are no assets that are being accumulated in a trust that meets the criteria in GASB No. 75 to pay benefits.

Covered payroll information was not available

(1) These schedules are intended to present information for 10 years. Additional years will be presented as the information becomes available.

Town of Bethel, Connecticut

Required Supplementary Information

Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
Last Three Years (3)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Schedule of Proportionate Share of the Net OPEB Liability</u>			
Town's proportion of the net OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the collective net OPEB liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	<u>13,329,281</u>	<u>13,174,071</u>	<u>19,047,909</u>
Total	<u>\$ 13,329,281</u>	<u>\$ 13,174,071</u>	<u>\$ 19,047,909</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>
<u>Schedule of Contributions</u>			
Contractually required contribution (1)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

(1) Local employers are not required to contribute to the plan

(2) Not applicable since 0% proportional share of the net OPEB liability

(3) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of Bethel, Connecticut

Notes to Required Supplementary Information

Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
 Schedule of Contributions
 Last Three Years (1)

	2020	2019	2018
Changes of Benefit Terms	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2018	June 30, 2018	June 30, 2016
Actuarial methods and assumptions used to determine contribution rates:			
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal
Amortization Method	Level percentage, open	Level percentage, open	Level percentage, open
Amortization Period	30 years	30 years	30 years
Asset Valuation Method	Fair Value	Fair Value	Fair Value
Inflation	2.75%	2.75%	2.75%
Healthcare Inflation Rate	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary Increases	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment Rate of Return (Net)	3.00%	3.00%	4.25%
Mortality Rate	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.

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(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Supplemental Schedules

General Fund

The general fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The general fund accounts for the normal recurring activities of the Town (i.e., general government, public safety, public works, health, social services, recreation, education, etc.) as well as other funds that do not meet the definition of special revenue funds. These activities are funded principally by property taxes, user fees and grants from other governmental units.

For reporting in accordance with generally accepted accounting principles, the general fund includes certain funds that are required to be reported as part of the general fund under the requirements of GASB No. 54.

Town of Bethel, Connecticut

General Fund
Combining Balance Sheet
June 30, 2020

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	General Fund	Education Nonlapsing	Paramedic Intercept	Transfer Station	Elimination Entries	Total
<u>Assets</u>						
Cash	\$ 15,234,910	\$ -	\$ -	\$ -	\$ -	\$ 15,234,910
Restricted cash	380,163	-	-	-	-	380,163
Investments	31,411,077	-	-	-	-	31,411,077
Receivables:						
Property taxes	933,851	-	-	-	-	933,851
Intergovernmental	38,395	-	-	-	-	38,395
Other	38,602	-	-	-	-	38,602
Due from other funds	1,442,490	749,557	-	-	(749,557)	1,442,490
Advance to other funds	1,049,775	-	-	-	(1,029,441)	20,334
Other	149,168	-	-	-	-	149,168
Total assets	\$ 50,678,431	\$ 749,557	\$ -	\$ -	\$ (1,778,998)	\$ 49,648,990
<u>Liabilities</u>						
Accounts payable	\$ 1,788,368	\$ -	\$ 1,946	\$ -	\$ -	\$ 1,790,314
Accrued payroll and related liabilities	536,303	-	-	-	-	536,303
Due to other funds	23,396,172	-	-	-	(749,557)	22,646,615
Advance from other funds	-	-	465,098	564,343	(1,029,441)	-
Unearned revenue	1,030	-	-	-	-	1,030
Performance bonds	331,453	-	-	-	-	331,453
Other	187,342	-	-	-	-	187,342
Total liabilities	26,240,668	-	467,044	564,343	(1,778,998)	25,493,057
<u>Deferred Inflows of Resources</u>						
Unavailable revenue:						
Property taxes	933,851	-	-	-	-	933,851
Advance property tax collections	3,836,903	-	-	-	-	3,836,903
Total deferred inflows of resources	4,770,754	-	-	-	-	4,770,754
<u>Fund Balances</u>						
Nonspendable	1,049,775	-	-	-	(1,029,441)	20,334
Committed	-	749,557	-	-	-	749,557
Unassigned	18,617,234	-	(467,044)	(564,343)	1,029,441	18,615,288
Total fund balances	19,667,009	749,557	(467,044)	(564,343)	-	19,385,179
Total liabilities, deferred inflows of resources and fund balances	\$ 50,678,431	\$ 749,557	\$ -	\$ -	\$ (1,778,998)	\$ 49,648,990

Town of Bethel, Connecticut

General Fund

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For The Year Ended June 30, 2020

	<u>General Fund</u>	<u>Education Nonlapsing</u>	<u>Paramedic Intercept</u>	<u>Transfer Station</u>	<u>Elimination Entries</u>	<u>Total</u>
Revenues:						
Property taxes	\$ 68,590,548	\$ -	\$ -	\$ -	\$ -	\$ 68,590,548
Intergovernmental	15,273,567	-	-	-	-	15,273,567
Charges for services	1,877,306	-	125,972	-	-	2,003,278
Use of money and property	<u>775,751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>775,751</u>
Total revenues	<u>86,517,172</u>	<u>-</u>	<u>125,972</u>	<u>-</u>	<u>-</u>	<u>86,643,144</u>
Expenditures:						
Current:						
General government	13,997,063	-	-	-	-	13,997,063
Public safety	5,490,608	-	442,426	-	-	5,933,034
Health and welfare	409,918	-	-	-	-	409,918
Public works	3,793,301	-	-	-	-	3,793,301
Library	874,899	-	-	-	-	874,899
Education	53,441,044	-	-	-	-	53,441,044
Debt service	<u>4,569,133</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,569,133</u>
Total expenditures	<u>82,575,966</u>	<u>-</u>	<u>442,426</u>	<u>-</u>	<u>-</u>	<u>83,018,392</u>
Excess (deficiency) of revenues over expenditures	<u>3,941,206</u>	<u>-</u>	<u>(316,454)</u>	<u>-</u>	<u>-</u>	<u>3,624,752</u>
Other financing sources (uses):						
Transfers in	-	385,834	270,000	-	(655,834)	-
Transfers out	<u>(3,268,934)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>655,834</u>	<u>(2,613,100)</u>
Net other financing sources (uses)	<u>(3,268,934)</u>	<u>385,834</u>	<u>270,000</u>	<u>-</u>	<u>-</u>	<u>(2,613,100)</u>
Net change in fund balances	672,272	385,834	(46,454)	-	-	1,011,652
Fund balances - July 1, 2019	<u>18,994,737</u>	<u>363,723</u>	<u>(420,590)</u>	<u>(564,343)</u>	<u>-</u>	<u>18,373,527</u>
Fund balances - June 30, 2020	<u>\$ 19,667,009</u>	<u>\$ 749,557</u>	<u>\$ (467,044)</u>	<u>\$ (564,343)</u>	<u>\$ -</u>	<u>\$ 19,385,179</u>

Town of Bethel, Connecticut
Report of Tax Collector
For The Year Ended June 30, 2020

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Grand List Year	Uncollected Taxes July 1, 2019	Current Year Levy	Lawful Corrections		Transfers To Suspense	Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2020
			Additions	Deductions			Net Taxes Collected	Interest Liens & Other Fees	Total	
2003	\$ 1,190	\$ -	\$ -	\$ 1,190	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	1,254	-	-	-	-	1,254	-	-	-	1,254
2005	1,517	-	-	-	-	1,517	-	-	-	1,517
2006	1,709	-	-	-	-	1,709	-	-	-	1,709
2007	1,767	-	-	-	-	1,767	-	-	-	1,767
2008	1,796	-	-	-	-	1,796	-	-	-	1,796
2009	1,886	-	-	-	-	1,886	-	-	-	1,886
2010	1,953	-	-	-	-	1,953	-	-	-	1,953
2011	2,059	-	-	-	-	2,059	-	-	-	2,059
2012	2,416	-	-	-	121	2,295	-	-	-	2,295
2013	2,339	-	-	-	-	2,339	-	-	-	2,339
2014	6,796	-	323	323	-	6,796	2,109	859	2,968	4,687
2015	22,325	-	-	-	-	22,325	12,708	5,097	17,805	9,617
2016	211,343	-	-	-	104,809	106,534	77,855	-	77,855	28,679
2017	<u>705,664</u>	<u>-</u>	<u>3,567</u>	<u>13,060</u>	<u>142,833</u>	<u>553,338</u>	<u>436,356</u>	<u>79,581</u>	<u>515,937</u>	<u>116,982</u>
Total Prior Years	966,014	-	3,890	13,383	247,763	707,568	529,028	85,537	614,565	178,540
2018	<u>-</u>	<u>68,161,244</u>	<u>304,624</u>	<u>365,789</u>	<u>21,119</u>	<u>68,078,960</u>	<u>67,323,649</u>	<u>151,017</u>	<u>67,474,666</u>	<u>755,311</u>
Total All Years	<u>\$ 966,014</u>	<u>\$ 68,161,244</u>	<u>\$ 308,514</u>	<u>\$ 379,172</u>	<u>\$ 268,882</u>	<u>\$ 68,786,528</u>	<u>\$ 67,852,677</u>	<u>\$ 236,554</u>	<u>\$ 68,089,231</u>	<u>\$ 933,851</u>

Other Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are restricted, committed, or assigned to expenditures for particular purposes.

Fund	Funding Source	Function
Bennett Property	Fees	The care and maintenance of the Bennett Park Property
Small Cities Program	Grants	The Community Development Block Grant Program
Health Department Grants	Grants/Fees	The State of Connecticut, Department of Health Grants administered by the Bethel Health Department
Public Safety Grants	Grants/Fees	The Drug Awareness Program, Drug Enforcement Program and the Police Equipment Grant
Education Grants	Grants/Fees	Various State and Federal educational related grant programs, primarily those grants received from the State of Department of Education
School Lunch Program	Grants/Fees	The operations of the School Lunch Program
Library	Grants/Contributions	The non-tax funded activities of the Bethel Public Library
Railroad Station	Fees	The operation and maintenance of the State railroad station
Railroad Station Renovation	Fees	The renovation and maintenance of the State railroad station
General Government	Grants/Fees	Historical document preservation, teen center and Town events
Insurance Reserve	Use of money	Employee benefit related costs not included in budget

Debt Service Fund

The debt service fund is used to account for and report resources for the payment of future debt service

Town of Bethel, Connecticut

Combining Balance Sheet
Other Governmental Funds
June 30, 2020

Special Revenue Funds

	<u>Bennett Property</u>	<u>Small Cities Program</u>	<u>Health Department Grants</u>	<u>Public Safety Grants</u>	<u>Education Grants</u>	<u>School Lunch Program</u>	<u>Library</u>
<u>Assets</u>							
Cash	\$ -	\$ 27,142	\$ -	\$ -	\$ -	\$ 138,634	\$ 66,785
Investments	-	-	-	-	-	-	-
Receivables (net):							
Intergovernmental	-	-	-	-	7,817	117,795	-
Loan	-	282,838	-	-	-	-	-
Due from other funds	-	151,461	42,050	98,887	976,642	-	-
Other	-	-	-	-	-	33,631	-
Total assets	<u>\$ -</u>	<u>\$ 461,441</u>	<u>\$ 42,050</u>	<u>\$ 98,887</u>	<u>\$ 984,459</u>	<u>\$ 290,060</u>	<u>\$ 66,785</u>
<u>Liabilities</u>							
Accounts payable	\$ 2,473	\$ 1,278	\$ -	\$ -	\$ -	\$ 24,874	\$ -
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	7,470	47,757	-
Advance from other funds	20,334	-	-	-	-	-	-
Total liabilities	<u>22,807</u>	<u>1,278</u>	<u>-</u>	<u>-</u>	<u>7,470</u>	<u>72,631</u>	<u>-</u>
<u>Fund Balances</u>							
Restricted	-	460,163	42,050	98,887	-	217,429	66,785
Committed	-	-	-	-	976,989	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	(22,807)	-	-	-	-	-	-
Total fund balances	<u>(22,807)</u>	<u>460,163</u>	<u>42,050</u>	<u>98,887</u>	<u>976,989</u>	<u>217,429</u>	<u>66,785</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 461,441</u>	<u>\$ 42,050</u>	<u>\$ 98,887</u>	<u>\$ 984,459</u>	<u>\$ 290,060</u>	<u>\$ 66,785</u>

(Continued)

Town of Bethel, Connecticut

Combining Balance Sheet
Other Governmental Funds
June 30, 2020

	Special Revenue Funds						
	Railroad Station	Railroad Station Renovation	General Government	Insurance Reserve	Total Special Revenue Funds	Debt Service Fund	Total
<u>Assets</u>							
Cash	\$ 297,776	\$ 24,704	\$ 78,870	\$ 728,592	\$ 1,362,503	\$ 4,708	\$ 1,367,211
Investments	-	-	-	1,431,367	1,431,367	-	1,431,367
Receivables (net):							
Intergovernmental	-	-	-	-	125,612	-	125,612
Loan	-	-	-	-	282,838	-	282,838
Due from other funds	56,602	-	20,878	-	1,346,520	3,757,121	5,103,641
Other	-	-	-	-	33,631	-	33,631
Total assets	\$ 354,378	\$ 24,704	\$ 99,748	\$2,159,959	\$ 4,582,471	\$ 3,761,829	\$ 8,344,300
<u>Liabilities</u>							
Accounts payable	\$ 176	\$ 2,000	\$ 368	\$ 5,833	\$ 37,002	\$ -	\$ 37,002
Due to other funds	-	111,549	-	91,485	203,034	59,898	262,932
Unearned revenue	-	-	-	-	55,227	-	55,227
Advance from other funds	-	-	-	-	20,334	-	20,334
Total liabilities	176	113,549	368	97,318	315,597	59,898	375,495
<u>Fund Balances</u>							
Restricted	354,202	-	44,420	-	1,283,936	-	1,283,936
Committed	-	-	54,960	2,062,641	3,094,590	-	3,094,590
Assigned	-	-	-	-	-	3,701,931	3,701,931
Unassigned	-	(88,845)	-	-	(111,652)	-	(111,652)
Total fund balances	354,202	(88,845)	99,380	2,062,641	4,266,874	3,701,931	7,968,805
Total liabilities, deferred inflows of resources and fund balances	\$ 354,378	\$ 24,704	\$ 99,748	\$2,159,959	\$ 4,582,471	\$ 3,761,829	\$ 8,344,300

(Concluded)

Town of Bethel, Connecticut
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For The Year Ended June 30, 2020

	Special Revenue Funds						
	Bennett Property	Small Cities Program	Health Department Grants	Public Safety Grants	Education Grants	School Lunch Program	Library
Revenues:							
Intergovernmental	\$ -	\$ -	\$ 6,907	\$ 31,481	\$ 1,689,211	\$ 703,497	\$ 8,992
Charges for services	1,425	-	15,862	4,831	407,285	562,550	-
Use of money and property	-	-	-	-	-	-	12
Contributions	-	-	-	-	-	-	18,732
Total revenues	<u>1,425</u>	<u>-</u>	<u>22,769</u>	<u>36,312</u>	<u>2,096,496</u>	<u>1,266,047</u>	<u>27,736</u>
Expenditures:							
Current:							
General government	5,811	3,967	-	-	-	-	-
Public safety	-	-	-	26,473	-	-	-
Health and welfare	-	-	21,558	-	-	-	-
Library	-	-	-	-	-	-	45,807
Education	-	-	-	-	2,157,515	1,240,124	-
Total expenditures	<u>5,811</u>	<u>3,967</u>	<u>21,558</u>	<u>26,473</u>	<u>2,157,515</u>	<u>1,240,124</u>	<u>45,807</u>
Excess (deficiency) of revenues over expenditures	(4,386)	(3,967)	1,211	9,839	(61,019)	25,923	(18,071)
Other financing sources (uses):							
Transfers out	-	-	-	-	-	-	-
Net change in fund balances	(4,386)	(3,967)	1,211	9,839	(61,019)	25,923	(18,071)
Fund balances, July 1, 2019	<u>(18,421)</u>	<u>464,130</u>	<u>40,839</u>	<u>89,048</u>	<u>1,038,008</u>	<u>191,506</u>	<u>84,856</u>
Fund balances, June 30, 2020	<u>\$ (22,807)</u>	<u>\$ 460,163</u>	<u>\$ 42,050</u>	<u>\$ 98,887</u>	<u>\$ 976,989</u>	<u>\$ 217,429</u>	<u>\$ 66,785</u>

(Continued)

Town of Bethel, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For The Year Ended June 30, 2020

	Special Revenue Funds						
	Railroad Station	Railroad Station Renovation	General Government	Insurance Reserve	Total Special Revenue Funds	Debt Service Fund	Total
Revenues:							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 2,440,088	\$ 281,693	\$ 2,721,781
Charges for services	73,802	27,436	19,236	-	1,112,427	-	1,112,427
Use of money and property	-	-	-	41,991	42,003	47	42,050
Contributions	-	-	-	-	18,732	-	18,732
Total revenues	<u>73,802</u>	<u>27,436</u>	<u>19,236</u>	<u>41,991</u>	<u>3,613,250</u>	<u>281,740</u>	<u>3,894,990</u>
Expenditures:							
Current:							
General government	29,186	128,363	10,402	-	177,729	-	177,729
Public safety	-	-	-	-	26,473	-	26,473
Health and welfare	-	-	-	-	21,558	-	21,558
Library	-	-	-	-	45,807	-	45,807
Education	-	-	-	70,000	3,467,639	-	3,467,639
Total expenditures	<u>29,186</u>	<u>128,363</u>	<u>10,402</u>	<u>70,000</u>	<u>3,739,206</u>	<u>-</u>	<u>3,739,206</u>
Excess (deficiency) of revenues over expenditures	44,616	(100,927)	8,834	(28,009)	(125,956)	281,740	155,784
Other financing sources (uses):							
Transfers out	-	-	-	-	-	(285,000)	(285,000)
Net change in fund balances	44,616	(100,927)	8,834	(28,009)	(125,956)	(3,260)	(129,216)
Fund balances, July 1, 2019	<u>309,586</u>	<u>12,082</u>	<u>90,546</u>	<u>2,090,650</u>	<u>4,392,830</u>	<u>3,705,191</u>	<u>8,098,021</u>
Fund balances, June 30, 2020	<u>\$ 354,202</u>	<u>\$ (88,845)</u>	<u>\$ 99,380</u>	<u>\$ 2,062,641</u>	<u>\$ 4,266,874</u>	<u>\$ 3,701,931</u>	<u>\$ 7,968,805</u>

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Fiduciary Funds

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town in a trustee capacity for individuals, private organizations, other governments, and/or other funds. These include pension trust, private-purpose trust, and custodial funds.

Pension Trust Funds

Fund	Function
Town Pension Fund	To account for contributions made by the Town and its employees for pension benefits for all non-certified and non-police personnel.
Police Pension Fund	To account for contributions made by the Town and its employees for pension benefits for all uniformed members of the Police Department.

Private-Purpose Trust Funds

Fund	Function
Hennessey Scholarship Fund	To account for the initial restricted contribution and investment earnings, which are used to provide scholarships to eligible students as determined by the Board of Education.
Menengay Scholarship Fund	To account for the initial restricted contribution and partially restricted investment earnings, which are used to provide scholarships to eligible students as determined by the Board of Education.
Education Scholarships Fund	To account for the activities associated with the DeSantis, Shaker and Henry Williams scholarship funds administered by the Board of Education.

Custodial Funds

Fund	Function
Student Activities	To account for various activities as defined by State Statutes undertaken by students of the public school system.

Town of Bethel, Connecticut
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

		Private-Purpose Trust Funds			
		Hennessey Scholarship Fund	Menegay Scholarship Fund	Education Scholarships Fund	Total
<u>Assets</u>					
Cash		\$ -	\$ 12,402	\$ 85,234	\$ 97,636
Investments:					
Mutual funds:					
Equity		31,106	-	5,326	36,432
Bond		87,794	-	7,902	95,696
Bank money market accounts		4,638	-	5,767	10,405
U.S. government agency securities		-	178,069	-	178,069
Total investments		123,538	178,069	18,995	320,602
Total assets		123,538	190,471	104,229	418,238
<u>Net Position</u>					
Restricted for individuals		\$ 123,538	\$ 190,471	\$ 104,229	\$ 418,238

Town of Bethel, Connecticut

**Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For The Year Ended June 30, 2020**

	Private-Purpose Trust Funds			Total
	Hennessey Scholarship Fund	Menegay Scholarship Fund	Education Scholarships Fund	
Additions:				
Private contributions	\$ -	\$ -	\$112,240	\$ 112,240
Investment income (loss):				
Change in fair value of investments	(1,115)	14,481	-	13,366
Interest and dividends	5,390	7,437	373	13,200
Total investment income (loss)	4,275	21,918	373	26,566
Total additions	4,275	21,918	112,613	138,806
Deductions:				
Administration	-	175	-	175
Scholarships awarded	20,500	7,000	59,000	86,500
Total deductions	20,500	7,175	59,000	86,675
Change in net position	(16,225)	14,743	53,613	52,131
Net position - July 1, 2019	139,763	175,728	50,616	366,107
Net position - June 30, 2020	<u>\$ 123,538</u>	<u>\$ 190,471</u>	<u>\$104,229</u>	<u>\$ 418,238</u>

Statistical Section

This part of the Town's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Table	Description
Financial Trend (Tables 1-5)	These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.
Revenue Capacity (Tables 6-8)	These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.
Debt Capacity (Tables 9-12)	These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.
Demographic and Economic Information (Tables 13-14)	These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.
Operating Information (Tables 15-17)	These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the fiscal year.

Town of Bethel, Connecticut

Net Position by Component
Last Ten Years
(Unaudited)

June 30

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities:										
Net investment in capital assets	\$ 103,411,882	\$ 86,287,093	\$ 85,555,251	\$ 79,047,618	\$ 72,509,424	\$ 74,635,328	\$ 73,628,002	\$ 71,324,881	\$ 66,099,503	\$ 62,587,262
Restricted	1,283,936	1,129,019	634,475	622,028	478,567	404,866	393,982	425,634	508,577	436,201
Unrestricted	5,516,938	1,917,758	(721,626)	10,811	10,068,029	4,400,496	2,537,615	6,091,879	6,395,674	7,403,714
Total governmental activities net position	110,212,756	89,333,870	85,468,100	79,680,457	83,056,020	79,440,690	76,559,599	77,842,394	73,003,754	70,427,177
Business-type activities:										
Net investment in capital assets	25,073,534	22,759,113	21,857,002	20,373,369	20,281,852	16,639,524	15,324,184	14,447,322	12,734,877	11,234,208
Unrestricted	14,919,538	15,926,258	15,095,749	15,644,834	15,058,972	15,447,041	15,184,997	14,967,847	10,015,518	2,050,856
Total business-type activities net position	39,993,072	38,685,371	36,952,751	36,018,203	35,340,824	32,086,565	30,509,181	29,415,169	22,750,395	13,285,064
Net position:										
Net investment in capital assets	128,485,416	109,046,206	107,412,253	99,420,987	92,791,276	91,274,852	88,952,186	85,772,203	78,834,380	73,821,470
Restricted	1,283,936	1,129,019	634,475	622,028	478,567	404,866	393,982	425,634	508,577	436,201
Unrestricted	20,436,476	17,844,016	14,374,123	15,655,645	25,127,001	19,847,537	17,722,612	21,059,726	16,411,192	9,454,570
Total net position	\$ 150,205,828	\$ 128,019,241	\$ 122,420,851	\$ 115,698,660	\$ 118,396,844	\$ 111,527,255	\$ 107,068,780	\$ 107,257,563	\$ 95,754,149	\$ 83,712,241

Town of Bethel, Connecticut

Changes in Net Position
Last Ten Years
(Unaudited)

For the Year Ended June 30

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses:										
Governmental activities:										
General government	\$ 9,038,752	\$ 8,537,493	\$ 8,611,311	\$ 7,620,667	\$ 7,691,037	\$ 7,986,644	\$ 8,030,307	\$ 8,206,808	\$ 6,954,640	\$ 7,276,413
Public safety	9,817,984	9,323,403	8,880,407	9,299,858	8,942,567	8,758,737	8,192,682	7,515,646	6,822,131	7,247,900
Health and welfare	555,459	510,481	425,227	539,269	483,017	408,993	599,314	690,970	719,383	741,410
Public works	5,673,179	5,411,402	4,867,475	5,573,885	4,805,524	4,571,265	4,190,669	4,072,475	3,723,561	4,176,188
Library	1,536,118	1,414,422	1,381,685	1,477,351	1,445,174	1,346,956	1,368,922	1,291,990	1,051,518	1,230,386
Education	60,097,738	59,234,076	59,549,180	59,806,837	54,290,823	51,970,143	51,818,389	49,034,840	47,049,269	46,861,635
Interest	1,078,244	1,715,850	927,623	943,858	634,493	806,749	698,909	1,052,143	3,764,865	3,472,100
Total governmental activities expenses	87,797,474	86,147,127	84,642,908	85,261,725	78,292,635	75,849,487	74,899,192	71,864,872	70,085,367	71,006,032
Business-type activities:										
Water department	2,027,864	1,846,712	1,519,692	1,977,289	1,362,593	1,111,738	1,174,911	1,113,577	1,080,087	1,088,386
Sewer department	2,576,547	2,464,926	3,048,375	2,729,165	2,985,653	2,526,409	2,521,039	2,484,203	2,178,454	2,918,863
Transfer station	-	-	-	-	-	-	-	-	257,925	305,901
Total business-type activities expenses	4,604,411	4,311,638	4,568,067	4,706,454	4,348,246	3,638,147	3,695,950	3,597,780	3,516,466	4,313,150
Total expenses	92,401,885	90,458,765	89,210,975	89,968,179	82,640,881	79,487,634	78,595,142	75,462,652	73,601,833	75,319,182
Program revenues:										
Governmental activities:										
Charges for services:										
General government	1,703,381	1,770,067	1,522,187	1,961,767	1,309,875	1,122,490	1,489,381	1,221,708	977,612	1,109,532
Public safety	294,437	296,347	264,020	268,497	232,101	323,751	296,918	310,417	388,236	341,581
Health and welfare	17,287	35,806	30,763	50,565	52,071	8,686	33,475	26,552	-	-
Public works	127,281	190,153	114,538	156,326	184,563	201,333	92,514	94,660	84,433	83,735
Library	5,664	8,633	8,944	8,817	27,441	12,161	13,205	10,935	104,279	17,005
Education	969,835	1,319,020	1,213,519	1,277,529	1,266,791	1,230,520	1,225,576	1,179,885	1,166,319	1,018,060
Operating grants and contributions	17,171,785	17,234,005	20,464,825	19,504,600	16,042,794	15,195,753	16,581,808	14,975,434	15,556,835	14,672,705
Capital grants and contributions	18,878,091	1,059,463	1,848,471	1,697,852	1,062,045	269,407	1,957,278	2,501,838	453,076	1,424,570
Total governmental activities program revenues	39,167,761	21,913,494	25,467,267	24,925,953	20,177,681	18,364,101	21,690,155	20,321,429	18,730,790	18,667,188

(Continued)

Town of Bethel, Connecticut

Changes in Net Position
Last Ten Years
(Unaudited)

For the Year Ended June 30

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Business-type activities:										
Charges for services:										
Water department	\$ 2,361,710	\$ 2,247,036	\$ 2,066,714	\$ 2,101,777	\$ 1,993,806	\$ 1,964,337	\$ 1,768,675	\$ 1,424,287	\$ 1,132,078	\$ 1,067,147
Sewer department	3,388,393	3,260,004	3,189,405	3,314,730	5,144,808	3,144,486	3,325,501	8,071,645	11,293,146	2,593,550
Transfer station	-	-	-	-	-	-	-	-	203,820	248,237
Capital grants and contributions	158,436	531,808	223,294	320,775	463,891	106,069	-	-	350,000	-
Total business-type activities program revenues	5,908,539	6,038,848	5,479,413	5,737,282	7,602,505	5,214,892	5,094,176	9,495,932	12,979,044	3,908,934
Total program revenues	45,076,300	27,952,342	30,946,680	30,663,235	27,780,186	23,578,993	26,784,331	29,817,361	31,709,834	22,576,122
Net (expense) revenue:										
Governmental activities	(48,629,713)	(64,233,633)	(59,175,641)	(60,335,772)	(58,114,954)	(57,485,386)	(53,209,037)	(51,543,443)	(51,354,577)	(52,338,844)
Business-type activities	1,304,128	1,727,210	911,346	1,030,828	3,254,259	1,576,745	1,398,226	5,898,152	9,462,578	(404,216)
Total net (expense) revenue	(47,325,585)	(62,506,423)	(58,264,295)	(59,304,944)	(54,860,695)	(55,908,641)	(51,810,811)	(45,645,291)	(41,891,999)	(52,743,060)
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	68,540,265	66,738,717	63,965,879	61,698,354	61,363,537	59,965,158	58,773,150	56,416,340	54,167,028	51,494,235
Grants and contributions not restricted to specific programs	139,218	350,689	478,996	861,179	198,285	260,452	469,015	600,290	471,408	502,696
Income from investments	829,116	1,009,997	518,409	198,622	151,686	96,513	75,242	34,199	97,574	50,058
Other	-	-	-	29,269	16,776	44,354	132,737	96,543	59,284	5,334
Total governmental activities	69,508,599	68,099,403	64,963,284	62,787,424	61,730,284	60,366,477	59,450,144	57,147,372	54,795,294	52,052,323
Business-type activities:										
Income from investments	3,573	5,410	23,202	2,311	-	639	783	1,333	2,753	7,381
Total general revenues	69,512,172	68,104,813	64,986,486	62,789,735	61,730,284	60,367,116	59,450,927	57,148,705	54,798,047	52,059,704
Change in net position:										
Governmental activities	20,878,886	3,865,770	5,787,643	2,451,652	3,615,330	2,881,091	6,241,107	5,603,929	3,440,717	(286,521)
Business-type activities	1,307,701	1,732,620	934,548	1,033,139	3,254,259	1,577,384	1,399,009	5,899,485	9,465,331	(396,835)
Total change in net position	\$ 22,186,587	\$ 5,598,390	\$ 6,722,191	\$ 3,484,791	\$ 6,869,589	\$ 4,458,475	\$ 7,640,116	\$ 11,503,414	\$ 12,906,048	\$ (683,356)

(Concluded)

Town of Bethel, Connecticut
Changes in Fund Balances
General Fund (Budgetary Basis)
Last Ten Years
(Unaudited)

For the Year Ended June 30

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Property taxes	\$ 68,590,548	\$ 66,541,320	\$ 63,962,433	\$ 61,948,866	\$ 61,102,747	\$ 59,900,954	\$ 58,682,339	\$ 56,319,319	\$ 54,167,031	\$ 51,376,303
Intergovernmental	8,627,247	8,568,057	7,844,539	9,327,557	9,207,623	9,270,225	9,436,491	9,196,393	9,034,936	8,341,955
Charges for services	1,877,306	1,882,557	1,759,855	1,745,204	1,360,750	1,046,144	1,327,108	1,023,429	996,151	955,934
Use of money and property	775,751	1,007,093	515,912	195,769	132,760	91,855	70,451	26,493	82,840	31,345
Other	-	-	-	5,177	16,776	44,354	84,554	93,591	49,735	2,054
Total revenues	79,870,852	77,999,027	74,082,739	73,222,573	71,820,656	70,353,532	69,600,943	66,659,225	64,330,693	60,707,591
Expenditures										
Current										
General government	13,997,063	13,619,545	13,384,025	13,178,184	13,219,340	13,419,006	12,748,800	12,266,778	11,646,567	11,375,254
Public safety	5,490,608	5,265,812	5,243,456	4,985,080	4,839,398	4,770,382	4,527,289	4,393,671	4,317,113	4,290,264
Health and welfare	409,918	368,687	321,525	327,690	281,186	269,302	290,800	300,754	316,348	303,680
Public works	3,793,301	3,773,166	3,599,611	3,377,390	2,901,588	3,158,581	2,994,985	2,787,448	2,708,230	2,707,451
Library	874,899	836,536	856,890	847,143	840,709	817,510	805,763	738,269	745,156	737,603
Education	46,794,724	45,596,224	43,988,480	43,825,272	43,304,215	42,401,784	41,255,807	40,046,900	38,189,963	36,560,357
Debt service	4,569,133	3,830,800	2,849,596	2,887,040	2,968,586	2,512,726	3,336,507	3,658,464	3,787,914	3,647,722
Total expenditures	75,929,646	73,290,770	70,243,583	69,427,799	68,355,022	67,349,291	65,959,951	64,192,284	61,711,291	59,622,331
Excess (deficiency) of revenues over expenditures	3,941,206	4,708,257	3,839,156	3,794,774	3,465,634	3,004,241	3,640,992	2,466,941	2,619,402.0	1,085,260
Other financing sources (uses)										
Sale of capital assets	-	-	-	-	-	-	8,000	-	-	-
Transfers out	(3,268,934)	(5,201,536)	(3,499,923)	(1,713,641)	(1,843,206)	(1,350,247)	(890,529)	(655,730)	(553,779)	(488,000)
Net other financing sources (uses)	(3,268,934)	(5,201,536)	(3,499,923)	(1,713,641)	(1,843,206)	(1,350,247)	(882,529)	(655,730)	(530,792)	(488,000)
Net change in fund balances	\$ 672,272	\$ (493,279)	\$ 339,233	\$ 2,081,133	\$ 1,622,428	\$ 1,653,994	\$ 2,758,463	\$ 1,811,211	\$ 2,088,610	\$ 597,260
Debt service as a percentage of expenditures	6.02%	5.23%	4.06%	4.16%	4.34%	3.73%	5.06%	5.70%	6.14%	6.12%

Town of Bethel, Connecticut
Fund Balances - Governmental Funds
Last Ten Years
(Modified Accrual Basis Accounting)
(Unaudited)

June 30

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General fund:										
Nonspendable	\$ 20,334	\$ 17,708	\$ 17,865	\$ 30,185	\$ 633,029	\$ 34,792	\$ 132,117	\$ 120,887	\$ 61,987	\$ 61,987
Committed	749,557	363,723	576,092	576,092	380,807	264,119	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	22,987
Unassigned	<u>18,615,288</u>	<u>17,992,096</u>	<u>18,426,970</u>	<u>18,126,550</u>	<u>16,549,611</u>	<u>15,284,996</u>	<u>13,590,892</u>	<u>10,899,766</u>	<u>9,155,611</u>	<u>6,948,439</u>
Total general fund	<u>19,385,179</u>	<u>18,373,527</u>	<u>19,020,927</u>	<u>18,732,827</u>	<u>17,563,447</u>	<u>15,583,907</u>	<u>13,723,009</u>	<u>11,020,653</u>	<u>9,217,598</u>	<u>7,033,413</u>
All other governmental funds:										
Restricted	1,283,936	1,129,019	1,013,397	622,028	478,567	404,866	393,982	425,634	439,259	436,201
Committed	7,858,353	5,552,363	3,443,079	2,400,393	2,316,134	2,395,090	2,466,261	1,569,461	2,415,753	2,248,642
Assigned	3,701,931	3,705,191	1,918,597	1,071,182	1,071,156	1,071,085	1,026,441	873,764	358,565	330,073
Unassigned	<u>(13,568,351)</u>	<u>(7,643,078)</u>	<u>(19,183)</u>	<u>(8,755,346)</u>	<u>(6,883,927)</u>	<u>(9,186,824)</u>	<u>(7,189,907)</u>	<u>(6,072,328)</u>	<u>(3,762,486)</u>	<u>(790,310)</u>
Total all other governmental funds	<u>(724,131)</u>	<u>2,743,495</u>	<u>6,355,890</u>	<u>(4,661,743)</u>	<u>(3,018,070)</u>	<u>(5,315,783)</u>	<u>(3,303,223)</u>	<u>(3,203,469)</u>	<u>(548,909)</u>	<u>2,224,606</u>
Grand total	<u>\$ 18,661,048</u>	<u>\$ 21,117,022</u>	<u>\$ 25,376,817</u>	<u>\$ 14,071,084</u>	<u>\$ 14,545,377</u>	<u>\$ 10,268,124</u>	<u>\$ 10,419,786</u>	<u>\$ 7,817,184</u>	<u>\$ 8,668,689</u>	<u>\$ 9,258,019</u>

Notes:

General fund:
 Committed
 Unassigned

Increased due to increase in the Education Nonlapsing fund
 Increased due to revenues over budgeted amounts and cost savings

All other governmental funds:
 Committed
 Unassigned

Increased due to reclassification of insurance reserve funds
 Decreased due to expenditures for school projects in advance of bond issuance and grant funding

Town of Bethel, Connecticut
Changes in Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)
(Unaudited)

For the Year Ended June 30

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Property taxes	\$ 68,590,548	\$ 66,541,320	\$ 63,962,433	\$ 61,948,866	\$ 61,102,747	\$ 59,900,954	\$ 58,682,339	\$ 56,319,319	\$ 54,167,031	\$ 51,376,303
Intergovernmental	29,477,262	18,600,612	22,776,094	22,084,713	17,180,975	15,692,418	18,914,485	17,231,132	16,296,243	16,032,476
Charges for services	3,117,885	3,620,026	3,547,308	3,257,921	3,072,842	2,898,941	3,151,069	2,844,157	2,720,879	2,578,347
Use of money and property	829,116	1,009,997	518,409	198,622	151,686	96,513	75,242	34,199	97,574	50,058
Contributions	18,732	43,545	16,198	51,161	122,149	29,284	93,616	851,330	185,076	991,811
Other	-	-	-	29,269	16,776	44,354	132,737	96,543	59,284	5,334
Total revenues	<u>102,033,543</u>	<u>89,815,500</u>	<u>90,820,442</u>	<u>87,570,552</u>	<u>81,647,175</u>	<u>78,662,464</u>	<u>81,049,488</u>	<u>77,376,680</u>	<u>73,526,087</u>	<u>71,034,329</u>
Expenditures:										
Current:										
General government	14,174,792	13,785,254	14,066,577	13,486,477	13,262,913	13,503,990	12,869,300	12,565,034	11,715,550	11,500,135
Public safety	5,959,507	5,749,957	5,834,973	5,507,939	4,915,004	5,231,779	4,997,470	4,807,376	4,671,761	4,770,599
Health and welfare	431,476	402,283	359,612	352,733	328,112	340,181	492,990	529,725	589,847	612,197
Public works	3,793,301	3,778,149	3,612,422	3,389,038	3,081,271	3,365,551	3,253,452	3,158,904	2,687,277	2,899,695
Library	920,706	857,567	871,531	860,839	873,454	850,042	863,823	749,390	750,365	799,036
Education	56,908,683	56,046,523	56,884,345	55,698,692	51,484,892	49,712,316	49,733,316	47,327,959	45,753,923	44,500,691
Debt service	4,569,133	3,830,800	2,849,596	2,887,040	2,968,586	2,675,464	3,373,128	3,660,464	3,810,542	3,647,722
Capital outlay	40,204,766	10,853,089	15,647,313	5,905,041	5,036,493	3,556,945	4,038,122	4,776,533	4,030,050	2,741,843
Total expenditures	<u>126,962,364</u>	<u>95,303,622</u>	<u>100,126,369</u>	<u>88,087,799</u>	<u>81,950,725</u>	<u>79,236,268</u>	<u>79,621,601</u>	<u>77,575,385</u>	<u>74,009,315</u>	<u>71,471,918</u>
Excess (deficiency) of revenues over expenditures	<u>(24,928,821)</u>	<u>(5,488,122)</u>	<u>(9,305,927)</u>	<u>(517,247)</u>	<u>(303,550)</u>	<u>(573,804)</u>	<u>1,427,887</u>	<u>(198,705)</u>	<u>(483,228)</u>	<u>(437,589)</u>
Other financing sources (uses):										
Issuance of debt and refunding debt	20,016,985	271,426	20,000,000	-	-	18,405,000	1,630,000	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	(20,220,033)	(1,633,247)	-	-	-
Premium	365,212	956,901	218,323	16,874	190,332	1,668,779	192,395	48,627	45,677	-
Capital lease	-	-	-	-	4,363,271	568,396	977,567	23,237	-	280,000
Sale of capital assets	-	-	-	26,080	27,200	-	8,000	-	-	-
Transfers in	2,898,100	4,926,536	3,224,923	1,200,000	1,680,000	1,174,866	890,529	1,129,946	402,000	488,000
Transfers out	(2,898,100)	(4,926,536)	(3,224,923)	(1,200,000)	(1,680,000)	(1,174,866)	(890,529)	(1,129,946)	(553,779)	(488,000)
Net other financing sources (uses)	<u>20,382,197</u>	<u>1,228,327</u>	<u>20,218,323</u>	<u>42,954</u>	<u>4,580,803</u>	<u>422,142</u>	<u>1,174,715</u>	<u>71,864</u>	<u>(106,102)</u>	<u>280,000</u>
Net change in fund balances	<u>\$ (4,546,624)</u>	<u>\$ (4,259,795)</u>	<u>\$ 10,912,396</u>	<u>\$ (474,293)</u>	<u>\$ 4,277,253</u>	<u>\$ (151,662)</u>	<u>\$ 2,602,602</u>	<u>\$ (126,841)</u>	<u>\$ (589,330)</u>	<u>\$ (157,589)</u>
Debt service as a percentage of noncapital expenditures	<u>5.28%</u>	<u>4.55%</u>	<u>3.43%</u>	<u>3.53%</u>	<u>3.89%</u>	<u>3.57%</u>	<u>4.56%</u>	<u>5.15%</u>	<u>5.15%</u>	<u>5.31%</u>

Town of Bethel, Connecticut

Property Tax Rates, Levies and Collections
Last Ten Years
(Unaudited)

Year Ended June 30	(1) Mill Rate	Total Adjusted Tax Levy	Net Current Levy Tax Collections	Percentage Of Current Taxes Collected	Collections In Subsequent Years	Total Collections	Percent Of Levy Collected	Current Delinquent Balance
2011	22.44	\$ 50,571,935	\$49,883,970	98.65%	\$ 686,079	\$ 50,570,049	99.99%	\$ 1,886
2012	23.24	52,657,934	52,046,713	98.85%	609,268	52,655,981	99.99%	1,953
2013	24.07	56,056,266	55,353,730	98.75%	700,477	56,054,207	99.99%	2,059
2014	31.50	58,116,179	57,446,514	98.85%	667,370	58,113,884	99.99%	2,295
2015	32.11	59,743,962	58,971,929	98.71%	769,694	59,741,623	99.99%	2,339
2016	32.18	60,745,636	60,045,483	98.85%	695,466	60,740,949	99.99%	4,687
2017	32.17	61,545,662	60,940,824	99.02%	595,221	61,536,045	99.98%	9,617
2018	32.88	63,747,268	63,149,000	99.06%	569,589	63,718,589	99.96%	28,679
2019	32.88	65,890,952	65,185,288	98.93%	436,356	65,185,288	98.93%	116,982
2020	33.41	68,078,960	67,323,649	98.89%	-	67,323,649	98.89%	755,311

Source: Town audit reports.

(1) This represents the Town's mill rate per \$1,000 of taxable property. There are no overlapping tax rates.

Town of Bethel, Connecticut
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years
(Unaudited)

Year Ended June 30	Real Estate		Personal Property			Totals				
	(1) (4) Assessed Value	(2) Estimated Actual Value	(1) Net Motor Vehicle Assessed Value	(1) Net Personal Property Assessed Value	Net Total Motor Vehicle and Personal Property Assessed Value	(3) Total Motor Vehicle and Personal Property Estimated Actual Value	(1) Total Assessed Value	Total Estimated Actual Value	(2) Percentage Of Total Assessed Value to Total Estimated Actual Value	Total Direct Tax Rate
2011	\$ 2,044,712,610	\$ 2,422,358,263	\$ 124,146,070	\$ 126,880,120	\$ 251,026,190	\$ 358,608,843	\$ 2,295,738,800	\$ 2,780,967,106	82.55%	22.44
2012	2,059,590,730	2,379,654,223	127,796,390	125,332,230	253,128,620	361,612,314	2,312,719,350	2,741,266,537	84.37%	23.24
2013	2,073,201,900	2,259,620,599	136,341,490	130,963,400	267,304,890	381,864,129	2,340,506,790	2,641,484,728	88.61%	24.07
2014	1,685,442,458	2,407,774,940	138,026,848	130,232,090	268,258,938	383,227,054	1,953,701,396	2,791,001,994	70.00%	31.50
2015	1,591,141,480	2,366,009,636	141,502,360	132,080,190	273,582,550	390,832,214	1,864,724,030	2,756,841,850	67.64%	32.11
2016	1,618,874,510	2,419,842,317	141,602,090	129,645,400	271,247,490	189,873,240	1,890,122,000	2,609,715,557	72.43%	32.18
2017	1,640,570,760	2,429,035,771	142,027,900	135,119,260	277,147,160	194,003,010	1,917,717,920	2,623,038,781	73.11%	32.17
2018	1,653,927,610	2,448,811,978	144,213,350	145,382,120	289,595,470	202,716,830	1,943,523,080	2,651,528,808	73.30%	32.88
2019	1,715,218,600	2,539,559,668	146,974,690	144,238,880	291,213,570	203,849,500	2,006,432,170	2,743,409,168	73.14%	32.88
2020	1,732,929,230	2,708,548,343	151,088,380	156,256,550	307,344,930	439,064,190	2,040,274,160	3,147,612,533	64.82%	33.41

Notes:

- (1) Assessed values taken from the Board of Assessment Appeals corrected abstracts for the respective year.
- (2) Ratios are predicated on the State of Connecticut Office of Policy and Management sales/assessment ratio.
- (3) Personal property value based on a 70% assessment ratio.
- (4) Revaluation completed for fiscal years 2014 and 2019.

Town of Bethel, Connecticut
Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)

Name	Nature of Business	2020			2011		
		Assessed Value	Rank	Percentage Net Taxable Grand List (1)	Assessed Value	Rank	Percentage Net Taxable Grand List (1)
Connecticut Light & Power	Utility	\$ 90,773,520	1	4.45%	\$ 74,236,710	1	3.23%
Gillette (Duracell, Inc.)	Battery Manufacturer	46,643,160	2	2.29%	64,641,040	2	2.82%
Steiner, Inc.	Real Estate	15,652,140	3	0.77%	24,484,200	3	1.07%
Cedar-Bethel, LLC	Shopping Plaza	14,064,960	4	0.69%	-	N/A	0.00%
Bethel Health & Rehab	Health Care Facility	12,004,740	5	0.59%	-	N/A	0.00%
Target Corporation	Retail	10,123,320	6	0.50%	11,539,480	5	0.50%
BFM L.P.	Shopping Plaza	9,936,210	7	0.49%	9,239,920	7	0.40%
RMS Bethel, LLC	Real Estate Developer	9,639,240	8	0.47%	-	N/A	0.00%
Omega Healthcare	Health Care Facility	8,986,100	9	0.44%	14,770,600	4	0.64%
Toll CT II Limited	Real Estate Developer	8,926,188	10	0.44%	-	N/A	0.00%
CE Bethel, LLC	Real Estate - Hotel	-	N/A	0.00%	11,530,660	6	0.50%
Shepards, Inc.	Warehousing	-	N/A	0.00%	6,880,580	8	0.30%
Tonys Restaurant, Inc.	Real Estate - Hotel	-	N/A	0.00%	6,505,700	9	0.28%
C&P Real Estate	Shopping Plaza	-	N/A	0.00%	5,818,490	10	0.25%
Total		<u>\$ 226,749,578</u>		<u>11.13%</u>	<u>\$ 229,647,380</u>		<u>9.99%</u>
(1) - Based on October 1, 2018 and 2009 net taxable grand list of :		<u>\$ 2,040,274,160</u>			<u>\$ 2,295,738,800</u>		

Source: Town assessor department.

N/A - not applicable.

Town of Bethel, Connecticut
Ratios of Outstanding Debt by Type
Last Ten Years
(Unaudited)

Year Ended June 30	Governmental Activities				Business-Type Activities				Grand Total	Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds (1)	Notes Payable	Premium	Total	Sewer Bonds	Premium	Notes Payable (2)	Total			
2011	\$34,985,000	\$ 617,203	\$ 994,780	\$36,596,983	\$19,065,000	\$ 65,550	\$ 999,931	\$ 20,130,481	\$ 56,727,464	0.17%	\$ 3,050
2012	32,565,000	231,404	905,063	33,701,467	18,170,000	58,995	519,964	18,748,959	52,450,426	0.13%	2,822
2013	30,175,000	134,208	815,345	31,124,553	17,240,000	52,440	39,997	17,332,437	48,456,990	0.15%	2,620
2014	28,135,000	743,941	736,572	29,615,513	16,390,000	79,794	-	16,469,794	46,085,307	0.16%	2,486
2015	25,805,000	872,904	772,202	27,450,106	15,115,000	171,873	-	15,286,873	42,736,979	0.17%	2,263
2016	24,050,000	4,968,981	674,983	29,693,964	14,210,000	158,257	-	14,368,257	44,062,221	0.19%	2,256
2017	22,265,000	4,102,177	577,764	26,944,941	13,425,000	118,422	1,855,379	15,398,801	42,343,742	0.18%	2,134
2018	40,670,000	3,719,231	480,545	44,869,776	12,655,000	111,361	3,440,262	16,206,623	61,076,399	0.12%	3,084
2019	38,930,000	3,520,414	1,247,738	43,698,152	11,880,000	104,300	3,909,282	15,893,582	59,591,734	0.13%	3,009
2020	56,170,000	3,335,423	1,107,298	60,612,721	11,100,000	97,239	4,311,026	15,508,265	76,120,986	0.10%	4,092

Notes: Details regarding the Town's outstanding debt can be found in the notes to the financial statements. There is no overlapping debt for the Town.

- (1) Includes permanently financed bond anticipation notes.
- (2) Includes permanently financed interim funding obligations.

Town of Bethel, Connecticut

**Ratios of General Bonded Debt Outstanding
Last Ten Years
(Unaudited)**

Year Ended June 30	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Debt Per Capita
	General Obligation Bonds (1)	Premium	Total		
2011	\$ 34,985,000	\$ 994,780	\$ 35,979,780	1.29%	\$ 1,934
2012	32,565,000	905,063	33,470,063	1.22%	1,801
2013	30,175,000	815,345	30,990,345	1.17%	1,676
2014	28,135,000	736,572	28,871,572	1.03%	1,557
2015	25,805,000	772,202	26,577,202	0.96%	1,407
2016	24,050,000	674,983	24,724,983	0.95%	1,266
2017	22,265,000	577,764	22,842,764	0.87%	1,151
2018	40,670,000	480,545	41,150,545	1.55%	2,078
2019	38,930,000	1,247,738	40,177,738	1.46%	2,029
2020	56,170,000	1,107,298	57,277,298	1.82%	3,079

Notes: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

(1) Includes permanently financed bond anticipation notes.

Town of Bethel, Connecticut
Schedule of Debt Limitation
Connecticut Statutes, Section 7-374(b)
For the Year Ended June 30, 2020
(Unaudited)

Tax base:

Total tax collections (including interest and lien fees) for the prior year \$ 66,113,152

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2 1/4 times base	\$ 148,754,592	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	297,509,184	-	-	-
3 3/4 times base	-	-	247,924,320	-	-
3 1/4 times base	-	-	-	214,867,744	-
3 times base	-	-	-	-	198,339,456
	<u>148,754,592</u>	<u>297,509,184</u>	<u>247,924,320</u>	<u>214,867,744</u>	<u>198,339,456</u>
Total debt limitations					
	<u>148,754,592</u>	<u>297,509,184</u>	<u>247,924,320</u>	<u>214,867,744</u>	<u>198,339,456</u>
Indebtedness:					
Bonds	21,125,000	15,045,000	-	-	-
Bond anticipation notes - permanently financed	-	20,000,000	-	-	-
Bond anticipation notes - short term	990,000	16,000,000	-	-	-
	<u>22,115,000</u>	<u>51,045,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total indebtedness					
	<u>22,115,000</u>	<u>51,045,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding debt	<u>\$ 126,639,592</u>	<u>\$ 246,464,184</u>	<u>\$ 247,924,320</u>	<u>\$ 214,867,744</u>	<u>\$ 198,339,456</u>

The total net indebtedness above amounts to:

\$ 73,160,000

In no event shall total indebtedness exceed seven times the base for debt limitation computation:

\$ 462,792,064

There is no overlapping debt for the Town.

Town of Bethel, Connecticut

**Legal Debt Margin Information
Last Ten Years
(Unaudited)**

Year Ended June 30	Debt Limit	Net Debt Applicable To Limit	Legal Debt Margin	Total Net Debt Applicable
2011	\$ 354,962,006	\$ 39,616,082	\$ 315,345,924	11.16%
2012	371,558,299	37,878,771	333,679,528	10.19%
2013	393,525,447	36,612,730	356,912,717	9.30%
2014	410,587,632	36,018,460	374,569,172	8.77%
2015	419,561,968	35,328,460	384,233,508	8.42%
2016	426,418,419	35,430,000	390,988,419	8.31%
2017	433,148,240	32,670,000	400,478,240	7.54%
2018	433,148,240	45,120,000	388,028,240	10.42%
2019	447,735,645	52,755,000	394,980,645	11.78%
2020	462,792,064	73,160,000	389,632,064	15.81%

Source: Town audit reports.

Town of Bethel, Connecticut

Demographic Statistics
Last Ten Years
(Unaudited)

Year Ended June 30	(1) Population	(2) Personal Income	(3) Per Capita Income	(3) Median Age	Education Level of Schooling		(4) School Enrollment	(5) Unemployment Percentage
					(1) High School Graduate or Higher	(1) Bachelor's Degree or Higher		
2011	18,600	\$ 98,306	\$ 41,999	37.8	88.9%	36.8%	3,000	6.2%
2012	18,584	66,402	32,984	37.0	88.9%	36.8%	2,996	6.7%
2013	18,493	72,236	34,500	41.0	88.9%	41.0%	2,996	6.5%
2014	18,541	73,554	35,585	41.6	91.0%	36.8%	3,006	5.1%
2015	18,887	73,257	38,286	41.0	91.1%	42.0%	2,947	4.0%
2016	19,529	85,377	41,817	40.9	93.5%	48.9%	2,975	3.0%
2017	19,842	75,551	42,617	42.9	94.0%	42.8%	2,984	3.0%
2018	19,802	94,292	42,782	42.7	94.1%	44.1%	3,064	3.3%
2019	19,802	100,467	44,570	42.5	92.1%	41.4%	3,145	3.5%
2020	18,604	101,473	46,066	43.2	94.3%	43.2%	3,156	9.8%

Notes:

- (1) Town CERC report.
- (2) U.S. Bureau of Census.
- (3) State of Connecticut Census Data Center, U.S. Census Bureau and the Housatonic Council of Elected Officials.
- (4) Bethel Board of Education.
- (5) Connecticut Labor Department - research and statistics.

Table 14

Town of Bethel, Connecticut

Principal Employers
Current and Nine Years Ago
(Unaudited)

Employer	2020			2011		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Memry	330	1	3.10%	150	7	1.50%
Duracell, Gillete	300	2	2.82%	325	3	3.25%
Bethel Health Care	235	3	2.21%	380	2	3.80%
Target	177	4	1.66%	-	N/A	0.00%
Bethel Food	175	5	1.64%	220	4	2.20%
Big Y	165	6	1.55%	-	N/A	0.00%
Eaton Corporation	150	7	1.41%	190	5	1.90%
Maplewood Nursing Home	85	8	0.80%	-	N/A	0.00%
Ability Beyond Disability	-	N/A	0.00%	1,046	1	10.46%
Cannondale Corporation	-	N/A	0.00%	160	6	1.60%
Beaver Brook Circuits	-	N/A	0.00%	142	8	1.42%
Kanthal	-	N/A	0.00%	100	9	1.00%
Total	1,617		15.19%	2,713		12.65%

Source: State Department of Labor.

N/A - Not applicable

Town of Bethel, Connecticut
Full-Time Equivalent Employees by Function/Program
Last Ten Years
(Unaudited)

June 30

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<u>General government:</u>										
Finance	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Planning and zoning	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Parks and recreation department	7.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0
Other	9.0	9.0	10.0	10.0	10.0	10.0	10.0	11.0	10.5	10.5
<u>Public safety:</u>										
Building and inspection	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Fire Marshall	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Fire:										
Firefighters (volunteer)	97.0	118.0	112.0	112.0	112.0	112.0	103.0	113.0	110.0	100.0
Police:										
Uniformed employees	39.0	38.0	38.0	37.0	37.0	35.0	40.0	40.0	40.0	38.0
Others	13.0	13.0	13.0	13.0	13.0	8.0	12.0	12.0	9.0	11.0
<u>Public works:</u>										
Engineering	3.0	2.0	2.0	2.0	2.0	2.0	2.5	2.5	2.5	2.5
Highway department	13.0	13.0	12.0	12.0	12.0	12.0	12.0	17.0	17.0	17.0
Building maintenance	5.0	5.0	7.0	7.0	7.0	7.0	7.0	6.0	6.0	6.0
Health and welfare	4.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Library	11.5	15.0	15.1	13.2	13.2	13.2	16.0	12.0	8.0	8.0
Education	445.0	444.0	444.0	444.0	445.0	444.0	443.0	346.0	344.0	345.0
Water	5.0	5.5	5.5	3.5	4.5	4.5	4.5	4.5	4.5	4.5
Sewer	3.0	4.5	4.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Transfer station	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total	<u>669.5</u>	<u>691.5</u>	<u>686.6</u>	<u>680.7</u>	<u>682.7</u>	<u>674.7</u>	<u>677.0</u>	<u>591.0</u>	<u>579.5</u>	<u>570.5</u>

Source: Town and Board of Education's payroll departments.

Town of Bethel, Connecticut
Operating Indicators by Function/Program
Last Ten Years
(Unaudited)

For the Year Ended June 30

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<u>Government Activities</u>										
<u>General government:</u>										
Parks and recreation: Programs	357	357	354	345	340	335	335	335	333	333
<u>Public safety:</u>										
Building permits issued	957	1,011	777	896	864	833	911	881	872	750
<u>Library:</u>										
Volumes and audio visual materials in collection	95,200	107,407	119,686	128,799	128,723	127,470	125,773	118,696	118,356	120,939
<u>Education:</u>										
Enrollment:										
Grades Pre-K-5	1,410	1,446	1,473	1,418	1,405	1,344	1,384	1,332	1,332	1,329
Grades 6-8	806	752	659	683	656	696	672	684	693	693
Grades 9-12	923	930	915	883	897	889	933	959	949	949
Special education	17	17	17	17	17	18	17	21	21	29
<u>Business-Type Activities</u>										
<u>Water:</u>										
Customers served	3,621	3,609	3,562	3,524	3,480	3,460	3,449	3,426	3,397	3,369
<u>Sewer:</u>										
Customers served	4,490	4,469	4,403	4,328	4,222	4,187	4,100	4,054	4,008	3,933

Source: Various Town departments.

Town of Bethel, Connecticut
Capital Asset Statistics by Function/Program
Last Ten Years
(Unaudited)

June 30

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<u>Governmental Activities</u>										
<u>General government:</u>										
Parks and recreation:										
Acreage	389	389	389	389	389	385	377	307	307	307
Park facilities	14	14	14	14	14	13	12	11	11	11
Community centers	1	1	1	1	1	1	1	1		
<u>Public safety:</u>										
Fire stations	2	2	2	2	2	2	2	2	2	2
Police stations	1	1	1	1	1	1	1	1	1	1
<u>Public works:</u>										
Highway department;										
Streets (miles)	88	88	88	88	88	88	88	88	88	88
Library	1	1	1	1	1	1	1	1	1	1
<u>Education:</u>										
Number of high schools	1	1	1	1	1	1	1	1	1	1
Number of middle schools	1	1	1	1	1	1	1	1	1	1
Number of elementary schools	3	3	3	3	3	3	3	3	3	3
<u>Business-Type Activities</u>										
<u>Water:</u>										
Treatment plants	3	3	3	3	3	3	3	3	3	3
Miles of lines	38.75	38.75	38.75	38.40	38.14	38.14	38.14	38.10	38.10	38.10
Reservoirs	2	2	2	2	2	2	2	2	2	2
Pump stations	6	6	6	4	4	4	4	4	4	4
Hydrants	333	333	333	285	281	281	274	274	274	254
Wells	2	2	2	2	2	2	2	2	2	2
Standby	2	2	2	-	-	-	-	-	-	-
<u>Sewer:</u>										
Pump stations	11	11	11	10	10	10	10	9	9	9
Miles of sewers	58	58	58	58	58	58	58	58	58	58

Source: Town capital asset records and various Town departments.