

**Annual Comprehensive
Financial Report**

of the

Town of Bethel,

Connecticut

For the Year Ended June 30, 2021

**Prepared by:
The Comptroller Department**

Brad Heering, Comptroller

Town of Bethel, Connecticut
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

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Introductory Section

Town of Bethel, Connecticut

Principal Officials June 30, 2021

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

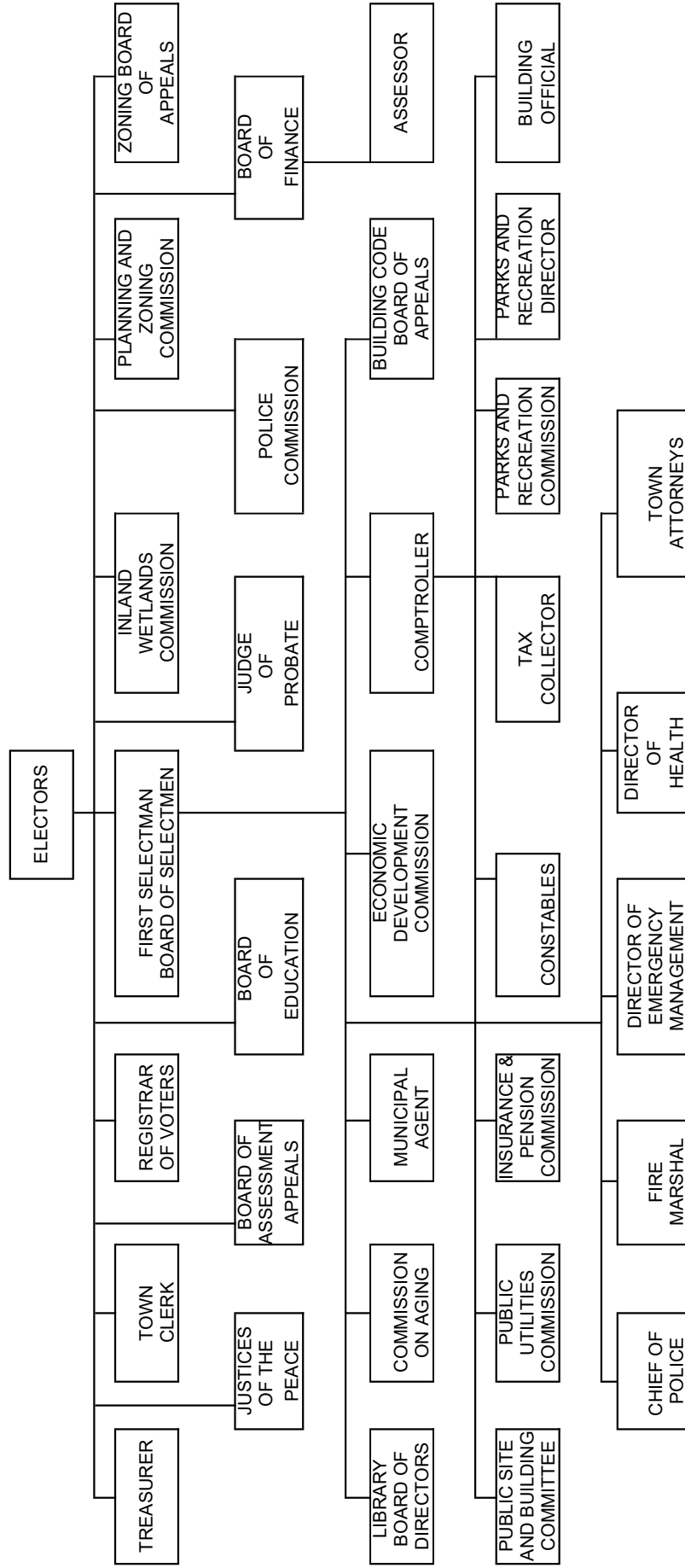
Martin J. Lawlor, Jr., Town Counsel
Michael Andreanna, Bond Counsel
John P. Shea, Labor Counsel

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, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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, 2021, 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 20, 2021, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 20, 2021



COMPTROLLER'S OFFICE

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

Brad Heering, Comptroller

Management's Discussion and Analysis For the Year Ended June 30, 2021

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, 2021.

Financial highlights

The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year as follows:

	Governmental Activities	Business-Type Activities	Total
Change in net position	\$ 14,078,751	\$ 2,172,828	\$ 16,251,579
Total net position	125,036,024	42,165,900	167,201,924
Unrestricted net position	8,329,153	16,865,754	25,194,907

The Town's total net position increased by \$16,251,579. The increase is substantially due to the following:

Governmental fund activity:

➤ positive operations of the general fund of	\$ 161,906
➤ positive operations of of bonded projects fund of	10,885,453
➤ positive operations of the capital nonrecurring fund of	908,136
➤ positive operations of the water department of	1,488,307
➤ positive operations of the sewer department of	684,521

The positive operations were offset by:

Conversion to accrual basis on Exhibit E:

➤ capital outlay net of depreciation expense of	14,794,832
➤ net principal debt activity of	(14,692,796)
➤ change in net pension liability of	8,190,342
➤ change in OPEB liability of	747,169
➤ amortization of pension and OPEB deferred outflows/inflows of	(6,995,505)

- The Town's governmental funds reported combined fund balance of \$31,500,368 an increase of \$12,094,803 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.

- At year end, the unassigned fund balance for the general fund was \$18,757,450 or 23.29% of total general fund budgetary basis expenditures and transfers out.
- The Town's long-term debt increased by \$10,903,274. The increase is the result of permanently financing bond anticipation notes for \$15,985,000, offset by the scheduled debt service payments of \$5,081,726.
- Net capital assets increased by \$16,110,121. during the current fiscal year. The increase is primarily attributable to capital asset additions for construction in progress for school renovation projects.
- The investment performance for the Town and Police pension funds resulted in an annual money weighted returns, net of investment expense of 23.37% and 22.94% respectively. As a result, the Town and Police pension plans are now 94.24% and 84.31% funded.

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 5 and 6 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:

- Budgetary comparison schedules 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 \$167,201,924 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.

Management's Discussion and Analysis (continued)

The analysis below focuses on the net position and changes in net position. Unrestricted net position increased by \$4,013,914 from the prior year.

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.

Summary Statement of Net Position
June 30

	Governmental Activities		Business-Type Activities		Totals	
	(as restated)				(as restated)	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 44,882,899	\$ 49,124,289	\$18,155,029	\$17,025,616	\$ 63,037,928	\$ 66,149,905
Capital assets (net)	196,167,486	181,375,801	42,109,364	40,790,928	238,276,850	222,166,729
Total assets	241,050,385	230,500,090	60,264,393	57,816,544	301,314,778	288,316,634
Deferred outflows of resources	5,468,951	7,921,483	232,239	398,648	5,701,190	8,320,131
Long-term liabilities outstanding	96,844,722	92,816,136	14,541,057	16,163,955	111,385,779	108,980,091
Other liabilities	17,545,178	28,585,476	3,284,713	1,801,694	20,829,891	30,387,170
Total liabilities	114,389,900	121,401,612	17,825,770	17,965,649	132,215,670	139,367,261
Deferred inflows of resources	7,093,412	6,062,688	504,962	256,471	7,598,374	6,319,159
Net investment in capital assets	114,589,766	103,411,882	25,300,146	25,073,534	139,889,912	128,485,416
Restricted	2,117,105	1,283,936	-	-	2,117,105	1,283,936
Unrestricted	8,329,153	6,261,455	16,865,754	14,919,538	25,194,907	21,180,993
Total net position	<u>\$ 125,036,024</u>	<u>\$110,957,273</u>	<u>\$42,165,900</u>	<u>\$39,993,072</u>	<u>\$ 167,201,924</u>	<u>\$ 150,950,345</u>

An additional portion of the Town's net position (1.27%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position totals \$25,194,907.

The Town's total net position increased by \$16,251,579 during the current fiscal year. The main reasons for the increase are as follows:

Governmental activities. Net position increased by \$14,078,751. The significant reasons for the increase were positive operations of the general fund of \$161,906 and bonded projects funds of \$10,885,453. 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 \$14,794,832 were mostly offset by net debt activity. The balance of the increase was due to a decrease in pension expense.

Business-type activities. Net position increased by \$2,172,828 due to the positive operations of the water fund of \$1,488,307 and positive operations of the sewer fund of \$684,521 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 \$16,251,579 as detailed below.

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

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 3,427,424	\$ 3,117,885	\$ 5,717,147	\$ 5,750,103	\$ 9,144,571	\$ 8,867,988
Operating grants and contributions	18,770,075	17,171,785	-	-	18,770,075	17,171,785
Capital grants and contributions	9,927,192	18,878,091	659,036	158,436	10,586,228	19,036,527
General revenues:						
Property taxes	69,287,110	68,540,265	-	-	69,287,110	68,540,265
Grants and contributions not restricted to specific programs	732,763	139,218	-	-	732,763	139,218
Income from investments	53,574	829,116	17,246	3,573	70,820	832,689
Total revenues	102,198,138	108,676,360	6,393,429	5,912,112	108,591,567	114,588,472
Expenses:						
General government	9,015,667	9,038,752	-	-	9,015,667	9,038,752
Public safety	8,898,102	9,817,984	-	-	8,898,102	9,817,984
Health and welfare	918,791	555,459	-	-	918,791	555,459
Public works	5,727,712	5,673,179	-	-	5,727,712	5,673,179
Library	1,423,638	1,536,118	-	-	1,423,638	1,536,118
Education	61,599,577	60,097,738	-	-	61,599,577	60,097,738
Interest	535,900	1,078,244	-	-	535,900	1,078,244
Water department	-	-	1,696,267	2,027,864	1,696,267	2,027,864
Sewer department	-	-	2,524,334	2,576,547	2,524,334	2,576,547
Total expenses	88,119,387	87,797,474	4,220,601	4,604,411	92,339,988	92,401,885
Change in net position	14,078,751	20,878,886	2,172,828	1,307,701	16,251,579	22,186,587
Net position - July 1	110,957,273	89,333,870	39,993,072	38,685,371	150,950,345	128,019,241
Restatements (note VI)	-	744,517	-	-	-	744,517
Net position - June 30	\$ 125,036,024	\$ 110,957,273	\$ 42,165,900	\$ 39,993,072	\$ 167,201,924	\$ 150,950,345

Elements of the increase are as follows:

Governmental activities - revenues

- Capital grants and contributions decreased \$8,950,899 primarily due to a decrease in school construction grants of \$1,377,844 and decrease in contributions due to the Bethel High School track complex of \$6,693,100 in the prior year.
- Operating grants and contributions increased \$1,598,290 due to COVID-19 grants received related to the pandemic.

Management's Discussion and Analysis (continued)

- Property taxes increased by \$746,845 due to the increase in the tax levy necessary to support the adopted budget.
- Income from investments decreased by \$775,542 to the continued low interest rates due to the pandemic and realized losses on sale of government securities.

Governmental activities - expenses

- Public safety expenses decreased \$919,882 substantially due to decreases in pension expense of \$580,830 and OPEB expense of \$308,174.
- Education expenses increased \$1,501,839 substantially due to an increase in the education budget and actual of \$1,218,777 and expenditures for the COVID-19 related grants.
- Interest expense decreased \$542,344 primarily due to amortization of bond premium of \$601,423.

Business-type activities - revenues

- Charges for services decreased \$32,956 over the prior year due to a decrease in assessment bond interest.
- Capital grants and contributions increased by \$500,600 during the year due to receipt of clean water fund grants.

Business-type activities - expenses

- Water operating expenses decreased \$331,597 substantially due to a \$140,149 decrease in personnel services for decreases in pension and OPEB expense as well as a decrease in repairs and maintenance expense of \$124,283 for less capitalized repairs and projects.
- Sewer operating expenses decreased \$52,213 substantially due decreases in contracted expenses.

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 \$31,500,368, an increase of \$12,094,803 in comparison with the prior year.

The components of fund balance was as follows:

Nonspendable	\$ 14,779
Restricted	2,117,105
Committed	10,478,805
Assigned	3,701,939
Unassigned	<u>15,187,740</u>
Total	<u>\$ 31,500,368</u>

General Fund

The general fund is the operating fund of the Town. The fund balance of the general fund increased by \$161,906 for the current fiscal year. The major factors for this increase were property tax revenues over budget expectations of \$803,460 due to conservative budgeting and intergovernmental revenues in excess of budget by \$469,138 due to COVID-19 related grants. These increases were offset by interest under budget expectations of \$526,340 and budgeted appropriation of fund balance of \$1,490,000.

For expenditures, accounts with positive budgetary results were transferred to cover overages in other accounts and appropriation of fund balance was used to transfer to the bonded projects and capital nonrecurring funds.

Bonded Projects Fund

The Bonded Projects Fund's net change in fund balance was an increase of \$10,885,453 for the fiscal year. This is a result of renovation costs for Johnson and Rockwell schools being permanently financed by general obligation bonds of \$15,985,000. Once the projects are completed, the remaining deficit will be financed with bonds.

Capital Nonrecurring Fund

The Capital Nonrecurring Fund's net change in fund balance was an increase of \$908,136 for the fiscal year due to transfers in from the general fund for future capital purchases.

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 \$2,172,828 detailed as follows:

Water Department

Net position of the water department at the end of the year amounted to \$7,039,455 an increase of \$1,488,307. This change is an increase of \$996,005 from the prior year. The increase was substantially due to the following:

- increase in charges for services and interest of \$163,810
- increase in capital grants of \$500,600 compared to the prior year.
- decrease in personnel services expense of \$140,149 for pension and OPEB expense,
- decrease in repairs and maintenance for water mains of \$124,283

Sewer Department

Net position of the sewer department at the end of the year amounted to \$35,126,445, an increase of \$684,521. This is \$130,878 less than prior year due to \$142,233 less sewer use charges than the prior year.

General fund budgetary highlights

A detailed budgetary comparison schedule is presented on Schedule 3. 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	\$ 68,856,571	\$ -	\$ 68,856,571	\$ 69,660,031	\$ 803,460
Intergovernmental	8,491,789	-	8,491,789	8,960,927	469,138
Charges for services, use of money and property, and other	2,416,650	-	2,416,650	2,067,276	(349,374)
Appropriation of fund balance	-	1,490,000	1,490,000	-	(1,490,000)
Totals	<u>79,765,010</u>	<u>1,490,000</u>	<u>81,255,010</u>	<u>80,688,234</u>	<u>(566,776)</u>
Expenditures and Other Financing Uses					
Expenditures	78,815,010	(125,299)	78,689,711	77,979,894	709,817
Transfers out	950,000	1,615,299	2,565,299	2,565,299	-
Totals	<u>79,765,010</u>	<u>1,490,000</u>	<u>81,255,010</u>	<u>80,545,193</u>	<u>709,817</u>
Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,041</u>	<u>\$ 143,041</u>

Significant revenue final budgetary variances are as follows:

- Property taxes revenue was more than the amount budgeted by \$803,460 primarily due to conservative budgeting of collection percentage due to the pandemic.
- Intergovernmental revenue was more than the amount budgeted by \$469,138 primarily due to more than anticipated amounts received for coronavirus related grants and due to conservative budgeting.
- Use of money and property was less than the amount budgeted by \$526,340 due to losses on closed out positions as a result of changing trustees.

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

The most significant budget transfers were as follows:

- The budget for employee benefits and other charges (general government) were decreased \$372,328 and \$397,130 for additional expenditures in other departments as insurance premiums came in less than anticipated.
- Increase of \$1,490,000 to appropriations of fund balance for transfers out to the bonded project fund of \$990,000 and capital nonrecurring of \$400,000 for future capital projects.

Capital assets and debt administration

The Town's investment in capital assets amounts to \$238,276,850 (net of accumulated depreciation). This investment in capital assets is as follows:

	Capital Assets - Net					
	June 30					
	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$ 6,995,920	\$ 6,995,920	\$ 335,375	\$ 335,375	\$ 7,331,295	\$ 7,331,295
Construction in progress	63,485,733	45,805,884	3,828,856	3,094,313	67,314,589	48,900,197
Land improvements	2,753,567	2,926,363	-	-	2,753,567	2,926,363
Intangible assets	56,037	62,629	5,925,649	6,088,606	5,981,686	6,151,235
Buildings	81,565,270	83,111,488	273,100	335,631	81,838,370	83,447,119
Building improvements	10,133,872	10,739,659	89,261	94,033	10,223,133	10,833,692
Distribution and collection system	-	-	30,764,926	30,002,594	30,764,926	30,002,594
Machinery and equipment	3,810,785	4,120,210	820,829	761,140	4,631,614	4,881,350
Vehicles	4,687,814	4,918,502	71,368	79,236	4,759,182	4,997,738
Infrastructure	22,678,488	22,695,146	-	-	22,678,488	22,695,146
Total	\$ 196,167,486	\$ 181,375,801	\$ 42,109,364	\$ 40,790,928	\$ 238,276,850	\$ 222,166,729

The capital assets (net of depreciation) increased in the current year by \$16,110,121. The increase is due to capital additions exceeding depreciation expense. In the current year, the Town had capital asset additions totaling \$20,736,354 as detailed below.

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

Governmental activities:

Construction in progress additions of:

- Johnson school renovation \$ 10,617,552
- Rockwell school renovation 6,908,799

Infrastructure:

- Various road projects 443,085

Capital assets and debt administration (continued)

Business-type activities:

Construction in progress additions of:

➤ Chestnut Ridge Tank	\$ 1,046,210
➤ Highway Terrace	226,426

Distribution Collection System additions from construction in progress:

➤ Bergstrom Field	718,057
➤ Water Main Replacements	562,343

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 \$10,903,274. The increase is the result of permanently financing bond anticipation notes for \$15,985,000 offset by the scheduled debt service payments of \$5,081,726. At the end of the current fiscal year, the Town had total long-term debt outstanding of \$85,819,723, 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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Bonds	\$ 38,625,000	\$ 21,125,000	\$ 10,310,000	\$ 11,100,000	\$ 48,935,000	\$ 32,225,000
School bonds	13,755,000	15,045,000	-	-	13,755,000	15,045,000
Bond anticipation notes	15,985,000	20,000,000	-	-	15,985,000	20,000,000
Equipment financing notes	3,073,559	3,335,423	-	-	3,073,559	3,335,423
Drinking water loan	-	-	4,071,164	3,666,531	4,071,164	3,666,531
Interim funding obligation	-	-	-	644,495	-	644,495
Total	<u>\$ 71,438,559</u>	<u>\$ 59,505,423</u>	<u>\$ 14,381,164</u>	<u>\$ 15,411,026</u>	<u>\$ 85,819,723</u>	<u>\$ 74,916,449</u>

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 \$476,624,617, 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 5.6%, which is a decrease from the prior fiscal year of 9.8%. This is lower than both the State's average unemployment rate of 7.7% and the national average of 5.9%. The decreases are due to the job market recovery subsequent to the coronavirus pandemic.
- The potential impact of the pandemic on the local economy, businesses and Town revenues is being closely monitored. For fiscal year 2021, there was a negative impact on recreation fees, but other revenues such as building permits and conveyance taxes were positively impacted. The Town did not see any impact on tax collections for the prior fiscal year and there is no indication that there will be an impact on 2022 collections.
- Inflationary trends in the region compare favorably to national indices.

Town officials considered many factors when setting the fiscal year 2022 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 2022 general fund budget is \$81,854,136, an increase of 2.6% 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. Brad Heering, 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, 2021

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current assets:			
Cash	\$ 17,561,665	\$ 1,009,327	\$ 18,570,992
Investments	31,857,190	-	31,857,190
Receivables (net):			
Property taxes	174,654	-	174,654
Assessments	-	2,088,855	2,088,855
Intergovernmental	394,450	-	394,450
Other	26,426	590,640	617,066
Internal balances	(6,110,786)	6,110,786	-
Other	133,366	-	133,366
Total current assets	<u>44,036,965</u>	<u>9,799,608</u>	<u>53,836,573</u>
Noncurrent assets:			
Restricted assets:			
Temporarily restricted cash	<u>266,772</u>	<u>-</u>	<u>266,772</u>
Receivables (net):			
Property taxes	347,114	-	347,114
Assessments	-	8,355,421	8,355,421
Loan	<u>232,048</u>	<u>-</u>	<u>232,048</u>
Total receivables (net)	<u>579,162</u>	<u>8,355,421</u>	<u>8,934,583</u>
Capital assets (net of accumulated depreciation):			
Land	6,995,920	335,375	7,331,295
Construction in progress	63,485,733	3,828,856	67,314,589
Land improvements	2,753,567	-	2,753,567
Intangible assets (net)	56,037	5,925,649	5,981,686
Buildings	81,565,270	273,100	81,838,370
Building improvements	10,133,872	89,261	10,223,133
Distribution and collection system	-	30,764,926	30,764,926
Machinery and equipment	3,810,785	820,829	4,631,614
Vehicles	4,687,814	71,368	4,759,182
Infrastructure	<u>22,678,488</u>	<u>-</u>	<u>22,678,488</u>
Total capital assets (net of accumulated depreciation)	<u>196,167,486</u>	<u>42,109,364</u>	<u>238,276,850</u>
Total noncurrent assets	<u>197,013,420</u>	<u>50,464,785</u>	<u>247,478,205</u>
Total assets	<u>241,050,385</u>	<u>60,264,393</u>	<u>301,314,778</u>
<u>Deferred Outflows of Resources</u>			
Pension related	1,670,395	40,715	1,711,110
OPEB related	<u>3,798,556</u>	<u>191,524</u>	<u>3,990,080</u>
Total deferred outflows of resources	<u>5,468,951</u>	<u>232,239</u>	<u>5,701,190</u>

(Continued)

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

Town of Bethel, Connecticut

Statement of Net Position
June 30, 2021

<u>Liabilities</u>	Governmental Activities	Business-type Activities	Total
Current liabilities:			
Accounts payable	\$ 2,522,120	\$ 76,338	\$ 2,598,458
Retainage payable	1,846,582	-	1,846,582
Accrued payroll and related liabilities	681,702	18,170	699,872
Accrued interest payable	512,259	37,173	549,432
Unearned revenue	3,004,910	-	3,004,910
Bond anticipation notes	4,015,000	-	4,015,000
Interim funding obligation	-	2,142,207	2,142,207
Other	218,057	-	218,057
Bonds and notes payable	4,088,199	1,008,588	5,096,787
Compensated absences	656,349	2,237	658,586
Total current liabilities	<u>17,545,178</u>	<u>3,284,713</u>	<u>20,829,891</u>
Noncurrent liabilities:			
Performance bonds	266,772	-	266,772
Bonds, notes and related liabilities	70,615,895	13,462,754	84,078,649
Compensated absences	2,625,395	8,946	2,634,341
Net pension liability	5,510,962	170,581	5,681,543
OPEB liability	17,825,698	898,776	18,724,474
Total noncurrent liabilities	<u>96,844,722</u>	<u>14,541,057</u>	<u>111,385,779</u>
Total liabilities	<u>114,389,900</u>	<u>17,825,770</u>	<u>132,215,670</u>
<u>Deferred Inflows of Resources</u>			
Advance property tax collections	305,620	-	305,620
Deferred charge on refunding	380,232	195,669	575,901
Pension related	5,566,075	266,865	5,832,940
OPEB related	841,485	42,428	883,913
Total deferred inflows of resources	<u>7,093,412</u>	<u>504,962</u>	<u>7,598,374</u>
<u>Net Position</u>			
Net investment in capital assets	114,589,766	25,300,146	139,889,912
Restricted for:			
General government	390,768	-	390,768
Public safety	92,950	-	92,950
Health and welfare	29,804	-	29,804
Housing rehabilitation program	457,868	-	457,868
Library	71,071	-	71,071
Education	153,116	-	153,116
Construction projects	921,528	-	921,528
Unrestricted	8,329,153	16,865,754	25,194,907
Total net position	<u>\$ 125,036,024</u>	<u>\$ 42,165,900</u>	<u>\$ 167,201,924</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, 2021

Functions/Programs	Program Revenues			Net Revenues (Expenses) and Change in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 9,015,667	\$ 2,002,593	\$ 22,280	\$ 9,548,660	\$ 2,557,866	\$ -	\$ 2,557,866
Public safety	8,898,102	331,134	-	54,309	(8,512,659)	-	(8,512,659)
Health and welfare	918,791	12,457	226,600	-	(679,734)	-	(679,734)
Public works	5,727,712	153,612	-	324,223	(5,249,877)	-	(5,249,877)
Library	1,423,638	105	46,522	-	(1,377,011)	-	(1,377,011)
Education	61,599,577	927,523	18,474,673	-	(42,197,381)	-	(42,197,381)
Interest	535,900	-	-	-	(535,900)	-	(535,900)
Total governmental activities	88,119,387	3,427,424	18,770,075	9,927,192	(55,994,696)	-	(55,994,696)
Business-type activities:							
Water department	1,696,267	2,525,520	-	659,036	-	1,488,289	1,488,289
Sewer department	2,524,334	3,191,627	-	-	-	667,293	667,293
Total business-type activities	4,220,601	5,717,147	-	659,036	-	2,155,582	2,155,582
Total	\$ 92,339,988	\$ 9,144,571	\$ 18,770,075	\$ 10,586,228	(55,994,696)	2,155,582	(53,839,114)
General revenues:							
Property taxes					69,287,110	-	69,287,110
Grants and contributions not restricted to specific programs					732,763	-	732,763
Income from investments					53,574	17,246	70,820
Total general revenues					70,073,447	17,246	70,090,693
Change in net position					14,078,751	2,172,828	16,251,579
Net position - July 1, 2020 (as restated)					110,957,273	39,993,072	150,950,345
Net position - June 30, 2021					\$ 125,036,024	\$ 42,165,900	\$ 167,201,924

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

Town of Bethel, Connecticut

Balance Sheet
Governmental Funds
June 30, 2021

	General	Bonded Projects	Capital Nonrecurring	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash	\$ 15,918,434	\$ -	\$ 330,985	\$ 1,312,246	\$ 17,561,665
Restricted cash	266,772	-	-	-	266,772
Investments	28,758,314	-	772,451	2,326,425	31,857,190
Receivables (net):					
Property taxes	602,215	-	-	-	602,215
Intergovernmental	-	-	153,709	240,741	394,450
Loan	-	-	-	232,048	232,048
Other	26,426	-	-	-	26,426
Due from other funds	523,187	6,882,059	4,453,438	5,246,267	17,104,951
Advance to other funds	14,779	-	-	-	14,779
Other	107,595	-	-	25,771	133,366
Total assets	\$ 46,217,722	\$ 6,882,059	\$ 5,710,583	\$ 9,383,498	\$ 68,193,862
<u>Liabilities</u>					
Accounts payable	\$ 1,715,944	\$ 631,812	\$ 38,684	\$ 135,680	\$ 2,522,120
Retainage payable	-	1,846,582	-	-	1,846,582
Accrued payroll and related liabilities	681,702	-	-	-	681,702
Due to other funds	22,879,297	30,000	-	306,440	23,215,737
Unearned revenue	1,030	2,929,911	-	73,969	3,004,910
Bond anticipation notes	-	4,015,000	-	-	4,015,000
Performance bonds	266,772	-	-	-	266,772
Other	218,057	-	-	-	218,057
Advance from other funds	-	-	-	14,779	14,779
Total liabilities	25,762,802	9,453,305	38,684	530,868	35,785,659
<u>Deferred Inflows of Resources</u>					
Unavailable revenue:					
Property taxes	602,215	-	-	-	602,215
Advance property tax collections	305,620	-	-	-	305,620
Total deferred inflows of resources	907,835	-	-	-	907,835
<u>Fund Balances</u>					
Nonspendable	14,779	-	-	-	14,779
Restricted	-	921,528	-	1,195,577	2,117,105
Committed	774,856	-	5,671,899	4,032,050	10,478,805
Assigned	-	-	-	3,701,939	3,701,939
Unassigned	18,757,450	(3,492,774)	-	(76,936)	15,187,740
Total fund balances	19,547,085	(2,571,246)	5,671,899	8,852,630	31,500,368
Total liabilities, deferred inflows of resources and fund balances	\$ 46,217,722	\$ 6,882,059	\$ 5,710,583	\$ 9,383,498	\$ 68,193,862

(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, 2021**

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)	<u>\$ 31,500,368</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Beginning capital assets	181,375,801
Capital assets additions (net of construction in progress)	18,614,094
Depreciation expense	(3,819,262)
Disposal of capital assets	<u>(3,147)</u>
Total	<u>196,167,486</u>
Other long-term assets are not available resources and, therefore, are not reported in the funds:	
Property tax interest and lien accrual	144,553
Allowance for doubtful accounts	<u>(225,000)</u>
Total	<u>(80,447)</u>
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	602,215
Deferred outflows related to pensions	1,670,395
Deferred outflows related to OPEB	<u>3,798,556</u>
Total	<u>6,071,166</u>
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	(71,438,559)
Premium	(3,265,535)
Compensated absences	(3,281,744)
Net pension liability	(5,510,962)
OPEB liability	(17,825,698)
Accrued interest payable	(512,259)
Deferred charge on refunding	(380,232)
Deferred inflows related to pensions	(5,566,075)
Deferred inflows related to OPEB	<u>(841,485)</u>
Total	<u>(108,622,549)</u>
Net position of governmental activities (Exhibit A)	<u><u>\$ 125,036,024</u></u>

(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, 2021**

	<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	\$ 69,660,031	\$ -	\$ -	\$ -	\$ 69,660,031
Intergovernmental	15,952,126	9,548,660	-	3,890,028	29,390,814
Charges for services	2,211,785	-	85	1,215,554	3,427,424
Use of money and property	3,660	-	16,111	33,803	53,574
Contributions	-	-	-	39,216	39,216
Total revenues	<u>87,827,602</u>	<u>9,548,660</u>	<u>16,196</u>	<u>5,178,601</u>	<u>102,571,059</u>
Expenditures:					
Current:					
General government	13,844,394	-	-	77,960	13,922,354
Public safety	6,168,888	-	-	62,196	6,231,084
Health and welfare	597,089	-	-	238,947	836,036
Public works	3,900,129	-	-	-	3,900,129
Library	821,123	-	-	42,248	863,371
Education	55,320,660	-	-	4,717,942	60,038,602
Debt service	4,873,413	-	-	-	4,873,413
Capital outlay	-	18,397,867	158,060	-	18,555,927
Total expenditures	<u>85,525,696</u>	<u>18,397,867</u>	<u>158,060</u>	<u>5,139,293</u>	<u>109,220,916</u>
Excess (deficiency) of revenues over expenditures	<u>2,301,906</u>	<u>(8,849,207)</u>	<u>(141,864)</u>	<u>39,308</u>	<u>(6,649,857)</u>
Other financing sources (uses):					
Issuance of debt	-	15,985,000	-	-	15,985,000
Premium	-	2,759,660	-	-	2,759,660
Transfers in	-	990,000	1,050,000	100,000	2,140,000
Transfers out	<u>(2,140,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,140,000)</u>
Net other financing sources (uses)	<u>(2,140,000)</u>	<u>19,734,660</u>	<u>1,050,000</u>	<u>100,000</u>	<u>18,744,660</u>
Net change in fund balances	161,906	10,885,453	908,136	139,308	12,094,803
Fund balances - July 1, 2020 (as restated)	<u>19,385,179</u>	<u>(13,456,699)</u>	<u>4,763,763</u>	<u>8,713,322</u>	<u>19,405,565</u>
Fund balances - June 30, 2021	<u>\$ 19,547,085</u>	<u>\$ (2,571,246)</u>	<u>\$ 5,671,899</u>	<u>\$ 8,852,630</u>	<u>\$ 31,500,368</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 the Statement of Activities
For The Year Ended June 30, 2021**

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>\$ 12,094,803</u>
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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	18,614,094
Depreciation expense	<u>(3,819,262)</u>

Total	<u>14,794,832</u>
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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. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold:

Loss on disposal of assets	<u>(3,147)</u>
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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	(331,636)
Change in property tax interest and lien receivable	<u>(41,285)</u>

Total	<u>(372,921)</u>
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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	(15,985,000)
Premium	<u>(2,759,660)</u>

Principal repayments:	
Bonds and notes	<u>4,051,864</u>

Total	<u>(14,692,796)</u>
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(Continued)

Town of Bethel, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2021

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	\$ 601,423
Changes in:	
Compensated absences	30,325
Net pension liability	8,190,342
OPEB liability	747,169
Accrued interest payable	(296,740)
Amortization of deferred charges	(19,034)
Amortization of deferred outflows related to pension	(2,141,291)
Amortization of deferred inflows related to pension	(4,640,468)
Amortization of deferred outflows related to OPEB	(311,241)
Amortization of deferred inflows related to OPEB	97,495
	<hr/>
Total	2,257,980
	<hr/>
Change in net position of governmental activities (Exhibit B)	\$ 14,078,751
	<hr/>
	(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, 2021

<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	\$ 18,674	\$ 990,653	\$ 1,009,327
Receivables (net):			
Assessments	-	2,088,855	2,088,855
User fee	256,675	333,965	590,640
Due from other funds	-	6,775,952	6,775,952
Total current assets	<u>275,349</u>	<u>10,189,425</u>	<u>10,464,774</u>
Noncurrent assets:			
Receivables:			
Assessments	-	8,355,421	8,355,421
Capital assets (net):			
Land	202,426	132,949	335,375
Construction in progress	2,862,367	966,489	3,828,856
Intangible assets	2,254	5,923,395	5,925,649
Buildings	130,211	142,889	273,100
Building improvements	85,135	4,126	89,261
Distribution and collection system	10,953,018	19,811,908	30,764,926
Machinery and equipment	127,645	693,184	820,829
Vehicles	49,492	21,876	71,368
Total capital assets (net)	<u>14,412,548</u>	<u>27,696,816</u>	<u>42,109,364</u>
Total noncurrent assets	<u>14,412,548</u>	<u>36,052,237</u>	<u>50,464,785</u>
Total assets	<u>14,687,897</u>	<u>46,241,662</u>	<u>60,929,559</u>
<u>Deferred Outflows of Resources</u>			
Pension related	23,265	17,450	40,715
OPEB related	114,914	76,610	191,524
Total deferred outflows of resources	<u>138,179</u>	<u>94,060</u>	<u>232,239</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, 2021

<u>Liabilities</u>	Business-type Activities Enterprise Funds		
	<u>Major Funds</u>		
	<u>Water Department</u>	<u>Sewer Department</u>	<u>Totals</u>
Current liabilities:			
Accounts payable	\$ 62,780	\$ 13,558	\$ 76,338
Accrued payroll and related liabilities	15,080	3,090	18,170
Accrued interest payable	6,588	30,585	37,173
Due to other funds	665,166	-	665,166
Interim funding obligation	2,142,207	-	2,142,207
Bonds and notes payable	213,588	795,000	1,008,588
Compensated absences	1,789	448	2,237
Total current liabilities	<u>3,107,198</u>	<u>842,681</u>	<u>3,949,879</u>
Noncurrent liabilities:			
Bonds, notes and related liabilities	3,857,576	9,605,178	13,462,754
Compensated absences	7,154	1,792	8,946
Net pension liability	97,475	73,106	170,581
OPEB liability	539,266	359,510	898,776
Total noncurrent liabilities	<u>4,501,471</u>	<u>10,039,586</u>	<u>14,541,057</u>
Total liabilities	<u>7,608,669</u>	<u>10,882,267</u>	<u>18,490,936</u>
<u>Deferred Inflows of Resources</u>			
Deferred charge on refunding	-	195,669	195,669
Pension related	152,494	114,371	266,865
OPEB related	25,458	16,970	42,428
Total deferred inflows of resources	<u>177,952</u>	<u>327,010</u>	<u>504,962</u>
<u>Net Position</u>			
Net investment in capital assets	8,199,177	17,100,969	25,300,146
Unrestricted	(1,159,722)	18,025,476	16,865,754
Total net position	<u>\$ 7,039,455</u>	<u>\$ 35,126,445</u>	<u>\$ 42,165,900</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, 2021**

	Business-type Activities Enterprise Funds		
	Major Funds		
	Water Department	Sewer Department	Totals
Operating revenues:			
Charges for services	<u>\$ 2,525,520</u>	<u>\$ 2,724,466</u>	<u>\$ 5,249,986</u>
Operating expenses:			
Personnel services	791,364	524,930	1,316,294
Repairs and maintenance	262,477	178,753	441,230
Contracted services	33,099	813,372	846,471
Materials and supplies	42,517	20,722	63,239
Utilities	149,704	102,313	252,017
Insurance	26,966	18,962	45,928
Depreciation and amortization	<u>303,561</u>	<u>500,263</u>	<u>803,824</u>
Total operating expenses	<u>1,609,688</u>	<u>2,159,315</u>	<u>3,769,003</u>
Operating income (loss)	<u>915,832</u>	<u>565,151</u>	<u>1,480,983</u>
Nonoperating revenues (expenses):			
Capital grant	659,036	-	659,036
Income from investments	18	17,228	17,246
Assessment bond interest	-	467,161	467,161
Interest expense	<u>(86,579)</u>	<u>(365,019)</u>	<u>(451,598)</u>
Net nonoperating revenues (expenses)	<u>572,475</u>	<u>119,370</u>	<u>691,845</u>
Change in net position	1,488,307	684,521	2,172,828
Total net position - July 1, 2020	<u>5,551,148</u>	<u>34,441,924</u>	<u>39,993,072</u>
Total net position - June 30, 2021	<u><u>\$ 7,039,455</u></u>	<u><u>\$35,126,445</u></u>	<u><u>\$ 42,165,900</u></u>

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, 2021

	Business-type Activities Enterprise Funds		
	Major Funds		
	Water Department	Sewer Department	Totals
Cash flows from (used in) operating activities:			
Receipts from customers	\$ 2,489,316	\$ 2,658,202	\$ 5,147,518
Payments to suppliers	(1,269,891)	(1,136,073)	(2,405,964)
Payments to employees	(1,751,270)	(1,475,269)	(3,226,539)
Net cash from (used in) operating activities	<u>(531,845)</u>	<u>46,860</u>	<u>(484,985)</u>
Cash flows from (used in) capital and related financing activities:			
Purchase of capital assets	(1,946,212)	(173,428)	(2,119,640)
Assessments	-	1,288,046	1,288,046
Proceeds from grants and state drinking water loans	2,801,243	-	2,801,243
Principal payments (bonds and bond anticipation notes)	(239,862)	(790,000)	(1,029,862)
Interest payments	(83,323)	(388,657)	(471,980)
Net cash from (used in) capital and related financing activities	<u>531,846</u>	<u>(64,039)</u>	<u>467,807</u>
Cash flows from (used in) investing activities:			
Income from investments	<u>18</u>	<u>17,228</u>	<u>17,246</u>
Increase (decrease) in cash	19	49	68
Cash - July 1, 2020	<u>18,655</u>	<u>990,604</u>	<u>1,009,259</u>
Cash - June 30, 2021	<u>\$ 18,674</u>	<u>\$ 990,653</u>	<u>\$ 1,009,327</u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:			
Operating income (loss)	\$ 915,832	\$ 565,151	\$ 1,480,983
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:			
Depreciation and amortization	303,561	500,263	803,824
(Increase) decrease in:			
Receivables	(36,204)	(66,264)	(102,468)
Due from other funds	-	(887,856)	(887,856)
Increase (decrease) in:			
Accounts and other payables	(755,128)	(64,434)	(819,562)
Due to other funds	(959,906)	-	(959,906)
Net cash from (used in) operating activities	<u>\$ (531,845)</u>	<u>\$ 46,860</u>	<u>\$ (484,985)</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, 2021

	<u>Pension Trust Funds</u>	<u>Private - Purpose Trust Funds</u>	<u>Custodial Funds</u>
<u>Assets</u>			
Cash	\$ -	\$ 111,472	\$ -
Investments:			
Mutual funds:			
Equity	9,995,164	45,810	336,909
Fixed income	4,693,020	106,636	-
Money market	2,649,642	-	-
Exchange traded funds	-	-	221,385
Bank money market accounts	-	7,823	77,380
U.S. government obligations	11,115,355	-	167,796
U.S. government agency securities	2,073,772	166,491	6,999
Common stock	21,789,632	-	-
Corporate bonds	4,673,159	-	-
Total investments	<u>56,989,744</u>	<u>326,760</u>	<u>810,469</u>
Accounts receivable	<u>34,735</u>	<u>-</u>	<u>-</u>
Prepaid benefits	<u>290,411</u>	<u>-</u>	<u>-</u>
Total assets	<u>57,314,890</u>	<u>438,232</u>	<u>810,469</u>
<u>Net Position</u>			
Restricted for:			
Pension benefits	57,314,890	-	-
Individuals and organizations	<u>-</u>	<u>438,232</u>	<u>810,469</u>
Total net position	<u>\$ 57,314,890</u>	<u>\$ 438,232</u>	<u>\$ 810,469</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, 2021

	Pension Trust Funds	Private - Purpose Trust Funds	Custodial Funds
	<u> </u>	<u> </u>	<u> </u>
Additions:			
Contributions:			
Employer	\$ 2,334,093	\$ -	\$ -
Plan members	582,316	-	-
Private contributions	<u>-</u>	<u>75,528</u>	<u>-</u>
Total contributions	<u>2,916,409</u>	<u>75,528</u>	<u>-</u>
Investment income (loss):			
Change in fair value of investments	9,897,884	7,829	147,565
Interest and dividends	<u>1,218,113</u>	<u>13,812</u>	<u>15,683</u>
Total investment income (loss)	11,115,997	21,641	163,248
Less investment expenses	<u>343,244</u>	<u>-</u>	<u>9,308</u>
Net investment income (loss)	<u>10,772,753</u>	<u>21,641</u>	<u>153,940</u>
Total additions	<u>13,689,162</u>	<u>97,169</u>	<u>153,940</u>
Deductions:			
Benefits	2,851,586	-	65,030
Administration	87,279	175	-
Scholarships awarded	<u>-</u>	<u>77,000</u>	<u>-</u>
Total deductions	<u>2,938,865</u>	<u>77,175</u>	<u>65,030</u>
Change in net position	10,750,297	19,994	88,910
Net position - July 1, 2020 (as restated)	<u>46,564,593</u>	<u>418,238</u>	<u>721,559</u>
Net position - June 30, 2021	<u><u>\$ 57,314,890</u></u>	<u><u>\$ 438,232</u></u>	<u><u>\$ 810,469</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, 2021**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.

The accompanying financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. The Town is financially accountable for the pension trust fund and therefore, is considered a fiduciary component unit. The financial statements of the fiduciary component units are reported as pension trust funds in the fiduciary fund financial statements. The pension trust funds do not issue separate financial statements.

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. 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, 2021

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 certain other long-term liabilities, 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:

Table with 2 columns: Fund Name and Description. Rows include General Fund, Bonded Projects Fund, and Capital Nonrecurring Fund.

The Town reports the following major proprietary funds:

Table with 2 columns: Fund Name and Description. Rows include Water Department Fund and Sewer Department Fund.

Additionally, the Town reports the following fund types:

Table with 2 columns: Fund Name and Description. Rows include Special Revenue Funds, Debt Service Fund, Pension Trust Funds, Private-Purpose Trust Funds, and Custodial Funds.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021**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, 2021

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
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.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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

Table with 2 columns: Risk Category and Description. Rows include Concentration of credit risk, Custodial credit risk, and 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).

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. 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.

4. Capital assets

Capital assets, which include construction in progress, 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.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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, 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 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, 2021

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 liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term liabilities 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 depreciation and 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 classified in the preceding two categories.

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 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.
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.

Town of Bethel, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2021****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

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, deferred outflows and inflows of resources including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Actual results could differ from those estimates.

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, 2021

B. Donor-restricted endowments

The Town has received certain endowments for various scholarship purposes. The amounts are reflected in net position as restricted for individuals. Investment income, including appreciation of \$50,723 for the Hennessy Scholarship fund, \$69,024 for the Menegay Scholarship fund and \$2,998 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	\$ 487,972	\$ 12,028
School renovations: Rockwell and Johnson	65,831,143	62,118,723	3,712,420
2019 Water Main Replacement Project	<u>1,284,040</u>	<u>1,284,040</u>	<u>-</u>
Totals	<u>\$ 67,615,183</u>	<u>\$ 63,890,735</u>	<u>\$ 3,724,448</u>

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

At year end, the Town's bank balance was \$50,415,948 and was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 36,430,307
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>12,226,769</u>
Total amount subject to custodial credit risk	<u>\$ 48,657,076</u>

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

A. Cash and investments (continued)

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	\$ 10,377,883	\$ 10,377,883	\$ -	\$ -	\$ -
Fixed income	5,323,941	-	5,323,941	-	-
Money market	2,657,465	-	2,657,465	-	-
Exchange traded funds	221,385	-	221,385	-	-
Certificates of deposit	1,435,119	-	1,435,119	-	-
Bank money market accounts	28,909,860	-	28,909,860	-	-
U.S. government obligations	11,895,156	-	2,895,958	8,999,198	-
U.S. government agency obligations	2,371,497	-	-	2,205,006	166,491
Common stock	22,118,698	22,118,698	-	-	-
Corporate bonds	4,673,159	-	865,364	3,807,795	-
Total	\$ 89,984,163	\$ 32,496,581	\$ 42,309,092	\$ 15,011,999	\$ 166,491

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

A. Cash and investments (continued)

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

	Amount	Quoted Market	Significant
		Prices in Active Markets	Observable Inputs
		Level 1	Level 2
<u>Investments by Fair Value Level</u>			
Mutual funds:			
Equity	\$ 10,377,883	\$ 10,377,883	\$ -
Fixed income	5,323,941	5,323,941	-
Money market	2,657,465	2,657,465	-
Exchange traded funds	221,385	221,385	-
U.S. government obligations	11,895,156	11,895,156	-
U.S. government agency obligations	2,371,497	-	2,371,497
Common stock	22,118,698	22,118,698	-
Corporate bonds	4,673,159	-	4,673,159
Total investments by fair value level	59,639,184	\$ 52,594,528	\$ 7,044,656
<u>Other Investments</u>			
Certificates of deposit	1,435,119		
Bank money market accounts	28,909,860		
Total other investments	30,344,979		
Total investments	\$ 89,984,163		

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, 2021

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	
U.S. government obligations	\$ 11,895,156	\$ -	\$ -	\$ -	\$ 11,895,156
U.S. government agency obligations	1,864,060	507,437	-	-	2,371,497
Corporate bonds	333,508	369,205	1,876,918	2,093,528	4,673,159
Total	<u>\$ 14,092,724</u>	<u>\$ 876,642</u>	<u>\$ 1,876,918</u>	<u>\$ 2,093,528</u>	<u>\$ 18,939,812</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	\$ 22,118,698	\$ 500,000	\$ 21,618,698
U.S. government obligations	11,895,156	1,000,000	10,895,156
U.S. government agency obligations	2,371,497	169,024	2,202,473
Corporate bonds	4,673,159	-	4,673,159
Total	<u>\$ 41,058,510</u>	<u>\$ 1,669,024</u>	<u>\$ 39,389,486</u>

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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.

	Property Taxes		
	Taxes	Interest & Liens	Total
Current portion	\$ 102,377	\$ 72,277	\$ 174,654
Long-term portion	499,838	72,276	572,114
Less allowance for uncollectibles	(150,000)	(75,000)	(225,000)
Net long-term portion	349,838	(2,724)	347,114
Total receivable	\$ 452,215	\$ 69,553	\$ 521,768

	User Fee Receivables			Small Cities Loans
	Water Department	Sewer Department	Total	
Gross receivable	\$ 261,675	\$ 341,465	\$ 603,140	\$ 239,848
Less allowance for uncollectibles	(5,000)	(7,500)	(12,500)	(7,800)
Net receivable	\$ 256,675	\$ 333,965	\$ 590,640	\$ 232,048

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

C. Interfund accounts

1. Interfund payables and receivables

A summary of interfund balances is as follows:

	Corresponding Fund	Due From	Due To
	<hr/>	<hr/>	<hr/>
<u>Major funds:</u>			
<u>General fund:</u>			
Capital nonrecurring	N/A	\$ -	\$ 4,363,540
Bonded projects	N/A	-	6,882,059
Water department	N/A	276,645	-
Sewer department	N/A	-	6,387,431
Small cities program	N/A	-	198,678
Health department grants	N/A	-	29,804
Public safety grants	N/A	-	92,950
Education grants	N/A	-	1,098,837
Railroad station	N/A	-	38,653
Railroad station renovation	N/A	85,057	-
General government	N/A	-	30,224
Debt service	N/A	-	3,757,121
Insurance reserve	N/A	161,485	-
		<hr/>	<hr/>
Total general fund		523,187	22,879,297
		<hr/>	<hr/>
<u>Bonded projects:</u>			
Bonded projects	General fund	6,882,059	-
Bonded projects	Capital nonrecurring	-	30,000
		<hr/>	<hr/>
Total bonded projects		6,882,059	30,000
		<hr/>	<hr/>
<u>Capital nonrecurring:</u>			
Capital nonrecurring	General fund	4,363,540	-
Capital nonrecurring	Debt service	59,898	-
Capital nonrecurring	Bonded projects	30,000	-
		<hr/>	<hr/>
Total capital nonrecurring		4,453,438	-
		<hr/>	<hr/>

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

C. Interfund accounts (continued)

	Corresponding Fund	Due From	Due To
<u>Water department:</u>			
Water department	Sewer department	\$ -	\$ 388,521
Water department	General fund	-	276,645
Total water department		-	665,166
<u>Sewer department:</u>			
Sewer department	Water department	388,521	-
Sewer department	General fund	6,387,431	-
Total sewer department		6,775,952	-
<u>Other governmental funds:</u>			
Small cities program	General fund	198,678	-
Health department grants	General fund	29,804	-
Public safety grants	General fund	92,950	-
Education grants	General fund	1,098,837	-
Railroad station	General fund	38,653	-
Railroad station renovation	General fund	-	85,057
General government	General fund	30,224	-
Insurance reserve	General fund	-	161,485
Debt service	General fund	3,757,121	-
Debt service	Capital nonrecurring	-	59,898
Total other governmental funds		5,246,267	306,440
Total		\$ 23,880,903	\$ 23,880,903

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, 2021

C. Interfund accounts (continued)

2. Advance payable and receivable

A summary of interfund advances is as follows:

	Corresponding Fund	Advances To	Advances From
General fund	Bennett property	\$ 14,779	\$ -
Other governmental funds:			
Bennett property	General fund	-	14,779
Total		<u>\$ 14,779</u>	<u>\$ 14,779</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
General fund:			
Bonded projects	N/A	\$ -	\$ 990,000
Capital nonrecurring	N/A	-	1,050,000
School lunch program	N/A	-	100,000
Total general fund		-	2,140,000
Bonded projects	General fund	990,000	-
Capital nonrecurring	General fund	1,050,000	-
Other governmental funds:			
School lunch program	General fund	100,000	-
Total		<u>\$2,140,000</u>	<u>\$2,140,000</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, 2021

D. Capital assets

Capital asset activity for the fiscal year was as follows:

<u>Governmental activities:</u>	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Capital assets, not being depreciated:				
Land	\$ 6,995,920	\$ -	\$ -	\$ 6,995,920
Construction in progress	45,805,884	18,045,336	365,487	63,485,733
Total capital assets, not being depreciated	<u>52,801,804</u>	<u>18,045,336</u>	<u>365,487</u>	<u>70,481,653</u>
Capital assets, being depreciated:				
Land improvements	4,252,202	-	-	4,252,202
Intangible assets	131,849	-	-	131,849
Buildings	109,917,001	-	-	109,917,001
Building improvements	18,957,325	-	-	18,957,325
Machinery and equipment	11,783,503	365,487	-	12,148,990
Vehicles	8,637,673	125,673	31,471	8,731,875
Infrastructure	27,979,296	443,085	-	28,422,381
Total capital assets, being depreciated	<u>181,658,849</u>	<u>934,245</u>	<u>31,471</u>	<u>182,561,623</u>
Total capital assets	<u>234,460,653</u>	<u>18,979,581</u>	<u>396,958</u>	<u>253,043,276</u>
Less accumulated depreciation for:				
Land improvements	1,325,839	172,796	-	1,498,635
Intangible assets	69,220	6,592	-	75,812
Buildings	26,805,513	1,546,218	-	28,351,731
Building improvements	8,217,666	605,787	-	8,823,453
Machinery and equipment	7,663,293	674,912	-	8,338,205
Vehicles	3,719,171	353,214	28,324	4,044,061
Infrastructure	5,284,150	459,743	-	5,743,893
Total accumulated depreciation	<u>53,084,852</u>	<u>3,819,262</u>	<u>28,324</u>	<u>56,875,790</u>
Total capital assets, being depreciated, net	<u>128,573,997</u>	<u>(2,885,017)</u>	<u>3,147</u>	<u>125,685,833</u>
Governmental activities capital assets, net	<u>\$ 181,375,801</u>	<u>\$ 15,160,319</u>	<u>\$ 368,634</u>	<u>\$ 196,167,486</u>

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

General government	\$ 270,567
Public safety	647,142
Public works	710,357
Library	208,182
Health and welfare	2,857
Education	<u>1,980,157</u>
Total depreciation expense	<u>\$ 3,819,262</u>

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

D. Capital assets (continued)

Business-type activities:	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Capital assets, not being depreciated:				
Land	\$ 335,375	\$ -	\$ -	\$ 335,375
Construction in progress	<u>3,094,313</u>	<u>2,014,943</u>	<u>1,280,400</u>	<u>3,828,856</u>
Total capital assets, not being depreciated	<u>3,429,688</u>	<u>2,014,943</u>	<u>1,280,400</u>	<u>4,164,231</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	37,983,316	1,280,400	-	39,263,716
Machinery and equipment	1,750,672	107,317	-	1,857,989
Vehicles	<u>210,888</u>	<u>-</u>	<u>-</u>	<u>210,888</u>
Total capital assets, being depreciated	<u>56,523,875</u>	<u>1,387,717</u>	<u>-</u>	<u>57,911,592</u>
Total capital assets	<u>59,953,563</u>	<u>3,402,660</u>	<u>1,280,400</u>	<u>62,075,823</u>
Less accumulated depreciation for:				
Intangible assets	6,055,917	162,957	-	6,218,874
Buildings	3,937,006	62,531	-	3,999,537
Building improvements	67,806	4,772	-	72,578
Distribution and collection system	7,980,722	518,068	-	8,498,790
Machinery and equipment	989,532	47,628	-	1,037,160
Vehicles	<u>131,652</u>	<u>7,868</u>	<u>-</u>	<u>139,520</u>
Total accumulated depreciation	<u>19,162,635</u>	<u>803,824</u>	<u>-</u>	<u>19,966,459</u>
Total capital assets, being depreciated, net	<u>37,361,240</u>	<u>583,893</u>	<u>-</u>	<u>37,945,133</u>
Business-type capital assets, net	<u>\$ 40,790,928</u>	<u>\$ 2,598,836</u>	<u>\$ 1,280,400</u>	<u>\$ 42,109,364</u>

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

Water	\$ 303,561
Sewer	<u>500,263</u>
Total depreciation/amortization expense	<u>\$ 803,824</u>

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

E. Construction commitments

The Town has the following construction commitments:

School projects \$ 921,528

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, 2020	Additions	Deductions	Permanently Financed	Balance June 30, 2021
General purpose- capital	\$ 990,000	\$ -	\$ 990,000	\$ -	\$ -
School renovation	16,000,000	20,000,000	16,000,000	15,985,000	4,015,000
Total	<u>\$ 16,990,000</u>	<u>\$ 20,000,000</u>	<u>\$ 16,990,000</u>	<u>\$ 15,985,000</u>	<u>\$ 4,015,000</u>

In July 2021, the Town issued \$15,985,000 of general obligation bonds which permanently financed a portion of the bond anticipation notes outstanding at fiscal year-end. These bonds mature through 2041 and carry interest rates of 2.00 - 5.00%.

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, 2020	Additions	Deductions	Balance June 30, 2021
DWSRF 2020-7085	\$ -	\$ 576,002	\$ -	\$ 576,002
DWSRF 2020-7089	-	1,566,205	-	1,566,205
Total	<u>\$ -</u>	<u>\$ 2,142,207</u>	<u>\$ -</u>	<u>\$ 2,142,207</u>

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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, 2020	Additions	Deductions	Balance June 30, 2021	Current Portion	Long-term Portion
<u>Bonds</u>										
General purpose:										
Refunding bonds	\$ 1,992,000	04/28/10	07/15/22	3.00-5.00%	\$ 495,000	\$ -	\$ 165,000	\$ 330,000	\$ 165,000	\$ 165,000
Refunding bonds	1,630,000	05/14/14	08/01/24	2.00-3.00%	1,630,000	-	335,000	1,295,000	330,000	965,000
General obligation	20,000,000	11/15/18	11/15/38	3.25-5.00%	19,000,000	-	1,000,000	18,000,000	1,000,000	17,000,000
General obligation	20,000,000	07/15/20	07/15/40	2.00-5.00%	20,000,000	-	1,000,000	19,000,000	1,000,000	18,000,000
Total general purpose	43,622,000				41,125,000	-	2,500,000	38,625,000	2,495,000	36,130,000
School:										
Refunding bonds	4,648,000	04/28/10	07/15/22	3.00-5.00%	1,080,000	-	360,000	720,000	360,000	360,000
Refunding bonds	18,405,000	04/28/15	11/15/34	1.00-5.00%	13,965,000	-	930,000	13,035,000	940,000	12,095,000
Total school	23,053,000				15,045,000	-	1,290,000	13,755,000	1,300,000	12,455,000
Total bonds	66,675,000				56,170,000	-	3,790,000	52,380,000	3,795,000	48,585,000
Bond anticipation notes (permanently financed)					-	15,985,000	-	15,985,000	-	15,985,000
<u>Equipment financing notes (direct borrowings):</u>										
Energy	4,305,492	09/22/15	12/22/30	3.50-5.00%	3,142,401	-	199,201	2,943,200	230,445	2,712,755
Copiers	240,000	10/27/18	10/27/23	2.00%	160,000	-	48,000	112,000	48,000	64,000
Truck	15,487	04/18/19	01/18/22	2.00%	9,871	-	4,890	4,981	4,981	-
Truck	15,939	06/18/19	07/18/23	1.00%	10,906	-	5,033	5,873	5,033	840
Truck	16,985	11/18/19	12/18/23	1.00%	12,245	-	4,740	7,505	4,740	2,765
Total notes	4,593,903				3,335,423	-	261,864	3,073,559	293,199	2,780,360
Total bonds and notes					59,505,423	15,985,000	4,051,864	71,438,559	4,088,199	67,350,360
Premium					1,107,298	2,759,660	601,423	3,265,535	-	3,265,535
Total bonds, notes and related liabilities					60,612,721	18,744,660	4,653,287	74,704,094	4,088,199	70,615,895
Compensated absences					3,312,069	108,923	139,248	3,281,744	656,349	2,625,395
Net pension liability					13,701,304	5,978,821	14,169,163	5,510,962	-	5,510,962
OPEB liability					18,572,867	1,283,858	2,031,027	17,825,698	-	17,825,698
Total long-term obligations					\$96,198,961	\$26,116,262	\$20,992,725	\$101,322,498	\$4,744,548	\$96,577,950

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

In July 2021, the Town issued \$767,985 of equipment financing notes. The notes were used to acquire solar panels for Rockwell and Johnson schools. These notes mature through 2036 and carry an interest rate of 2.65%.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021	Current Portion	Long-term Portion
<u>Bonds:</u>										
Sewer:										
Refunding bonds	\$ 2,975,000	05/14/14	08/01/31	2.00-3.25%	\$ 2,005,000	\$ -	\$ 185,000	\$ 1,820,000	\$ 180,000	\$ 1,640,000
Refunding bonds	12,010,000	04/07/15	11/15/34	1.00-5.00%	9,095,000	-	605,000	8,490,000	615,000	7,875,000
Total bonds	<u>14,985,000</u>				11,100,000	-	790,000	10,310,000	795,000	9,515,000
Premium					97,239	-	7,061	90,178	-	90,178
Total sewer bonds and related liabilities					<u>11,197,239</u>	<u>-</u>	<u>797,061</u>	<u>10,400,178</u>	<u>795,000</u>	<u>9,605,178</u>
<u>Notes:</u>										
Water:										
DWSRF 2016-7040	1,855,379	05/31/17	11/30/36	2.00%	1,560,406	-	81,118	1,479,288	82,755	1,396,533
DWSRF 2017-7051	1,025,306	07/31/17	07/31/37	2.00%	851,493	-	42,239	809,254	43,092	766,162
DWSRF 2017-7054	743,319	05/31/17	05/31/37	2.00%	641,152	-	32,175	608,977	32,825	576,152
DWSRF 2018-7067	633,147	09/30/19	09/30/38	2.00%	613,480	-	26,686	586,794	27,224	559,570
DWSRF 2019-7075	654,830	07/31/20	07/31/39	2.00%	644,495	-	57,644	586,851	27,692	559,159
Total notes	<u>4,911,981</u>				<u>4,311,026</u>	<u>-</u>	<u>239,862</u>	<u>4,071,164</u>	<u>213,588</u>	<u>3,857,576</u>
Total bonds, notes and related liabilities					15,508,265	-	1,036,923	14,471,342	1,008,588	13,462,754
Compensated absences					51,242	-	40,059	11,183	2,237	8,946
Net pension liability					650,466	250,211	730,096	170,581	-	170,581
OPEB liability					936,448	64,732	102,404	898,776	-	898,776
Total long-term obligations					<u>\$ 17,146,421</u>	<u>\$ 314,943</u>	<u>\$ 1,909,482</u>	<u>\$ 15,551,882</u>	<u>\$ 1,010,825</u>	<u>\$ 14,541,057</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, 2021

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
2022	\$ 3,795,000	\$ 293,199	\$ 2,008,327	\$ 795,000	\$ 213,588	\$ 431,734
2023	3,800,000	297,930	1,818,018	800,000	217,898	392,044
2024	3,285,000	278,920	1,642,391	800,000	222,297	352,753
2025	3,275,000	280,260	1,489,007	800,000	226,781	319,200
2026	2,950,000	298,371	1,349,071	790,000	231,362	291,303
2027	2,940,000	317,285	1,217,690	780,000	236,031	263,082
2028	2,930,000	337,032	1,091,452	765,000	240,795	232,119
2029	2,930,000	357,644	960,185	765,000	245,656	198,259
2030	2,930,000	379,155	831,463	760,000	250,614	162,412
2031	2,925,000	233,763	705,894	755,000	255,673	131,375
2032	2,915,000	-	606,472	745,000	260,833	102,920
2033	2,910,000	-	508,750	590,000	266,097	75,554
2034	2,900,000	-	414,575	585,000	271,469	49,578
2035	2,895,000	-	323,158	580,000	276,947	23,667
2036	2,000,000	-	247,500	-	282,538	5,460
2037	2,000,000	-	187,500	-	219,100	5,234
2038	2,000,000	-	127,500	-	80,505	2,608
2039	2,000,000	-	68,750	-	62,606	1,431
2040	500,000	-	30,000	-	10,374	489
2041	500,000	-	10,000	-	-	-
Totals	<u>\$ 52,380,000</u>	<u>\$ 3,073,559</u>	<u>\$ 15,637,703</u>	<u>\$ 10,310,000</u>	<u>\$ 4,071,164</u>	<u>\$ 3,041,221</u>

2. Assets pledged as collateral

The Town's outstanding equipment financing notes of \$3,073,559 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, 2021

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:

Category	Debit Limit	Net Indebtedness	Balance
General purpose	\$153,200,770	\$ 38,625,000	\$114,575,770
Schools	306,401,540	33,755,000	272,646,540
Sewer	255,334,616	-	255,334,616
Urban renewal	221,290,001	-	221,290,001
Pension deficit	204,267,693	-	204,267,693

The total overall statutory debt limit for the Town is equal to seven times prior year annual receipts from taxation, \$476,624,617.

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>2,874,388</u>
Total	<u>\$ 2,927,713</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 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 \$17,307. The Town has no obligation to pay the note beyond the payment received from the note payment received from the Association.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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	\$ 14,779	\$ -	\$ -	\$ -	\$ 14,779
Restricted:					
Construction projects	-	921,528	-	-	921,528
General government:					
Railroad station operations	-	-	-	336,132	336,132
Historic documents preservation*	-	-	-	54,636	54,636
Public safety:					
Police equipment	-	-	-	92,950	92,950
Health and welfare:					
Housing rehabilitation program	-	-	-	457,868	457,868
Health grants	-	-	-	29,804	29,804
Library	-	-	-	71,071	71,071
Cafeteria operations*	-	-	-	153,116	153,116
Total restricted	-	921,528	-	1,195,577	2,117,105
Committed:					
General government:					
Planning and zoning commission	-	-	-	54,463	54,463
Education programs	-	-	-	1,745,376	1,745,376
Education (general)	774,856	-	-	-	774,856
Construction contracts	-	-	5,671,899	-	5,671,899
Education insurance reserve	-	-	-	1,551,207	1,551,207
Town insurance reserve	-	-	-	681,004	681,004
Total committed	774,856	-	5,671,899	4,032,050	10,478,805
Assigned:					
Future debt service payments	-	-	-	3,701,939	3,701,939
Unassigned	18,757,450	(3,492,774)	-	(76,936)	15,187,740
Totals	<u>\$19,547,085</u>	<u>\$ (2,571,246)</u>	<u>\$5,671,899</u>	<u>\$ 8,852,630</u>	<u>\$ 31,500,368</u>

*The amount of restricted net position, which was restricted by enabling legislation, totaled \$207,752.

I. Deficit fund balances

The Bennett Property fund had a deficit fund balance at year end of \$14,779 and the Railroad Station Renovation fund had a deficit fund balance of \$62,157. 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, 2021

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. The resolution of these matters is not expected to have a material adverse effect on the financial condition of the Town.

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. Although the national shut down has ended, the Coronavirus continues to have an impact on the economy including effects on the Town's economically sensitive revenues such as park and recreation program fees, parking revenues, interest earnings and certain other charges for services. This has been offset to varying degrees by increases in building permit fees and conveyance taxes. In addition, the supply chain has been disrupted and prices have increased for various type of items, including construction costs. The pandemic has also resulted in labor shortages.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

C. Contingencies (continued)

In response to the pandemic and the economic impact on local governments, the federal government has provided the following funding beginning in April 2020 and April 2021. The Town had received grants from the federal government for the costs and impact of the pandemic as follows:

<u>Grant Name</u>	<u>Amount</u>
Coronavirus Relief Fund ("CRF")	\$ 789,074
Education Stabilization Fund ("ESF")	145,736
American Rescue Plan Act ("ARPA")	<u>2,929,911</u>
Total	<u>\$ 3,864,721</u>

The second payment of the ARPA grant of \$2,929,911 is to be received in fiscal year 2022.

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 plans are closed to new employees.

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

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

A. Town pension plans (continued)

b. Plan membership

As of July 1, 2020, the plans' membership consists of the following:

	<u>Town Plan</u>	<u>Police Plan</u>
Active members	90	39
Terminated employees entitled to benefit	14	1
Retirees, disables employees, and beneficiaries receiving benefits	<u>120</u>	<u>19</u>
Total	<u><u>224</u></u>	<u><u>59</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 years of service or any age with 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 lesser 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, 2021

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

Each participant is required to contribute the following percentage of their pensionable wages to the plan.

	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 were hired before July 1, 1997, and in addition, the actuarially determined amount
Town average contribution rate as a percentage of covered payroll was	19.58%	38.80%

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
U.S. fixed income	40.00%
U.S. large caps	26.50%
U.S. small caps	0.10%
U.S. mid caps	8.40%
Non - U.S. equity	15.00%
U.S. 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, 2021

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

There were no investments in any one organization that represents 5% or more of the pension plans' 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>
U.S. fixed income	1.36%
U.S. large caps	4.55%
U.S. small caps	6.17%
U.S. mid caps	5.09%
Non - U.S. equity	6.50%
U.S. REITs	5.35%
Master limited partnerships	5.55%

The total weighted average expected rate of return is 6.22% (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	23.37%	22.94%

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, 2021

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	\$ 42,312,113	\$ 20,684,320
Plan fiduciary net position	<u>39,875,254</u>	<u>17,439,636</u>
Net pension liability	<u>\$ 2,436,859</u>	<u>\$ 3,244,684</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>94.24%</u>	<u>84.31%</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, 2020	July 1, 2020
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	2.50%	2.50%
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, 2021

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

The inflation changed from 2.70% to 2.50% for both the Town and Police plans.

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:

	<u>Town</u>	<u>Police</u>
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, 2021

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

The Town's net pension liability was measured at June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2020	\$ 42,061,704	\$ 32,769,339	\$ 9,292,365
Service cost	738,210	-	738,210
Interest	2,768,791	-	2,768,791
Differences between expected and actual experience	(1,210,097)	-	(1,210,097)
Contributions - employer	-	1,262,446	(1,262,446)
Contributions - member	-	346,599	(346,599)
Net investment income	-	7,610,805	(7,610,805)
Benefit payments, including refunds of member contributions	(2,046,495)	(2,046,495)	-
Administration	-	(67,440)	67,440
Net change	<u>250,409</u>	<u>7,105,915</u>	<u>(6,855,506)</u>
Balance at June 30, 2021	<u>\$ 42,312,113</u>	<u>\$ 39,875,254</u>	<u>\$ 2,436,859</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, 2020	\$ 18,854,659	\$ 13,795,254	\$ 5,059,405
Service cost	670,197	-	670,197
Interest	1,267,281	-	1,267,281
Differences between expected and actual experience	697,274	-	697,274
Contributions - employer	-	1,071,647	(1,071,647)
Contributions - member	-	235,717	(235,717)
Net investment income	-	3,161,948	(3,161,948)
Benefit payments, including refunds of member contributions	(805,091)	(805,091)	-
Administration	-	(19,839)	19,839
Net change	<u>1,829,661</u>	<u>3,644,382</u>	<u>(1,814,721)</u>
Balance at June 30, 2021	<u>\$ 20,684,320</u>	<u>\$ 17,439,636</u>	<u>\$ 3,244,684</u>

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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

The following presents the net pension (asset), 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 of 6.625%:

<u>Plan</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Town	<u>\$ 7,158,050</u>	<u>\$ 2,436,859</u>	<u>\$ (1,325,852)</u>
Police	<u>\$ 6,241,325</u>	<u>\$ 3,244,684</u>	<u>\$ 730,996</u>

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

For the fiscal year the Town recognized pension expense of \$438,378 for the Town Plan and \$490,817 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	\$ 165,963	\$ 792,822	\$ (626,859)
Changes in assumptions	415,675	-	415,675
Net difference between projected and actual earnings	<u>-</u>	<u>3,019,537</u>	<u>(3,019,537)</u>
Total	<u>\$ 581,638</u>	<u>\$ 3,812,359</u>	<u>\$ (3,230,721)</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	\$ 740,573	\$ 805,276	\$ (64,703)
Changes in assumptions	388,899	-	388,899
Net difference between projected and actual earnings	<u>-</u>	<u>1,215,305</u>	<u>(1,215,305)</u>
Total	<u>\$ 1,129,472</u>	<u>\$ 2,020,581</u>	<u>\$ (891,109)</u>

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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	2.9
Police	10.4

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>
2022	\$ (567,626)	\$ (233,483)
2023	(884,469)	(226,653)
2024	(700,508)	(248,438)
2025	(1,078,118)	(434,119)
2026	-	7,079
Thereafter	-	244,505
Total	<u>\$ (3,230,721)</u>	<u>\$ (891,109)</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 \$289,961 and employee contributions totaled \$289,961.

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, 2021

C. Pension plan statements

	<u>Town Plan</u>	<u>Police Plan</u>	<u>Total</u>
<u>Assets</u>			
Investments:			
Mutual funds:			
Equity	\$ 6,910,278	\$ 3,084,886	\$ 9,995,164
Fixed income	3,283,902	1,409,118	4,693,020
Money market	1,690,368	959,274	2,649,642
U.S. government obligations	7,777,615	3,337,740	11,115,355
U.S. government agency securities	1,450,260	623,512	2,073,772
Common stock	15,232,204	6,557,428	21,789,632
Corporate bonds	3,277,060	1,396,099	4,673,159
	<u>39,621,687</u>	<u>17,368,057</u>	<u>56,989,744</u>
Accounts receivable	<u>25,267</u>	<u>9,468</u>	<u>34,735</u>
Prepaid benefits	<u>228,300</u>	<u>62,111</u>	<u>290,411</u>
Total assets	<u>39,875,254</u>	<u>17,439,636</u>	<u>57,314,890</u>
<u>Net Position</u>			
Restricted for pension benefits	<u>\$ 39,875,254</u>	<u>\$ 17,439,636</u>	<u>\$ 57,314,890</u>

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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	\$ 1,262,446	\$ 1,071,647	\$ 2,334,093
Plan members	346,599	235,717	582,316
	<u> </u>	<u> </u>	<u> </u>
Total contributions	1,609,045	1,307,364	2,916,409
	<u> </u>	<u> </u>	<u> </u>
Investment income (loss):			
Change in fair value of investments	6,987,698	2,910,186	9,897,884
Interest and dividends	864,639	353,474	1,218,113
	<u> </u>	<u> </u>	<u> </u>
Total investment income (loss)	7,852,337	3,263,660	11,115,997
	<u> </u>	<u> </u>	<u> </u>
Less investment expenses	241,532	101,712	343,244
	<u> </u>	<u> </u>	<u> </u>
Net investment income (loss)	7,610,805	3,161,948	10,772,753
	<u> </u>	<u> </u>	<u> </u>
Total additions	9,219,850	4,469,312	13,689,162
	<u> </u>	<u> </u>	<u> </u>
Deductions:			
Benefits	2,046,495	805,091	2,851,586
Administration	67,440	19,839	87,279
	<u> </u>	<u> </u>	<u> </u>
Total deductions	2,113,935	824,930	2,938,865
	<u> </u>	<u> </u>	<u> </u>
Change in net position	7,105,915	3,644,382	10,750,297
	<u> </u>	<u> </u>	<u> </u>
Net position - July 1, 2020	32,769,339	13,795,254	46,564,593
	<u> </u>	<u> </u>	<u> </u>
Net position - June 30, 2021	<u>\$ 39,875,254</u>	<u>\$ 17,439,636</u>	<u>\$ 57,314,890</u>

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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, 2021

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 7.00% 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>106,427,828</u>
Total	<u>\$ 106,427,828</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The Town has no proportionate share of the net pension liability.

During the year, the Town recognized pension expense and revenue of \$6,826,453 for on-behalf amounts for contributions to the plan by the State.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

D. Connecticut state teachers' retirement system (continued)

5. Actuarial assumptions

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

Investment rate of return	6.90%
Inflation	2.50%
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019

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 3.00% 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, 2020 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

- The salary increases assumption was decreased from 3.25% to 3.00%.
- The mortality tables were changed from the RPH-2014 White Collar Table, projected to the year 2020 using the BB improvement scale to the PubT-2010 Table, projected generationally with MP-2019.

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, 2021

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity fund	20.00%	5.60%
Developed market international stock fund	11.00%	6.00%
Emerging market international stock fund	9.00%	7.90%
Core fixed income fund	16.00%	2.10%
Inflation linked bond fund	5.00%	1.10%
Emerging market debt fund	5.00%	2.70%
High yield bond fund	6.00%	4.00%
Real estate fund	10.00%	4.50%
Private equity	10.00%	7.30%
Alternative investments	7.00%	2.90%
Liquidity fund	1.00%	0.40%
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 Annual Comprehensive Financial Report as of and for the year ended June 30, 2020.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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	\$ 2,436,859	\$ 581,638	\$ 3,812,359	\$ 438,378
Police Plan	<u>3,244,684</u>	<u>1,129,472</u>	<u>2,020,581</u>	<u>490,817</u>
Total	<u>\$ 5,681,543</u>	<u>\$ 1,711,110</u>	<u>\$ 5,832,940</u>	<u>\$ 929,195</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.

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 \$629,012.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

F. Other post-employment benefit plans (continued)

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 \$18,724,474 was measured as of June 30, 2021, 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	2.16%
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 of the measurement date.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

F. Other post-employment benefit plans (continued)**6. Changes from prior year****a. Changes in assumptions**

The discount rate decreased from 2.21% to 2.16%.

b. Changes in benefit terms

The medical and prescription drug benefits for police employees provider was changed.

7. Changes in the OPEB Liability

Balance at July 1, 2020	<u>\$ 19,509,315</u>
Service cost	790,354
Interest	441,710
Change of benefit terms	(1,504,419)
Changes in assumptions	116,526
Benefit payments, including refunds of member contributions	<u>(629,012)</u>
Net change	<u>(784,841)</u>
Balance at June 30, 2021	<u><u>\$ 18,724,474</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 of 2.16%:

<u>OPEB Liability</u>	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Town OPEB Plan	<u>\$ 21,082,006</u>	<u>\$ 18,724,474</u>	<u>\$ 16,722,950</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 of 6.00% decreasing to 4.50%:

<u>OPEB Liability</u>	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Town OPEB Plan	<u>\$ 16,053,246</u>	<u>\$ 18,724,474</u>	<u>\$ 22,010,266</u>

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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 \$68,696. The Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ -	\$ 574,735	\$ (574,735)
Changes in assumptions	<u>3,990,080</u>	<u>309,178</u>	<u>3,680,902</u>
Total	<u>\$ 3,990,080</u>	<u>\$ 883,913</u>	<u>\$ 3,106,167</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:

2022	\$ 341,051
2023	341,051
2024	341,051
2025	341,051
2026	341,051
Thereafter	<u>1,400,912</u>
Total	<u>\$ 3,106,167</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, 2021

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. 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.

Town of Bethel, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2021**

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

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).

Those participants electing vision, hearing, and/or dental are required by the System's funding policy to pay the full cost of coverage for these benefits, and no liability is assumed by the Plan for these benefits.

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 pays for one third of plan costs through an annual appropriation in the General Fund.

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 of Bethel, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2021

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

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>15,873,714</u>
Total	<u>\$ 15,873,714</u>

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The Town has no proportionate share of the net OPEB liability.

The Town recognized OPEB expense and revenue of \$164,746 for on-behalf amounts for contributions to the plan by the State.

5. Actuarial assumptions

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

Investment rate of return	3.00%
Inflation	2.50%
Health care cost trend rate (Medicare)	5.125% decreasing to 4.50% by 2023
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019
Year fund net position will be depleted	2021

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

- The Medicare health care cost trend rate changed from 5.00% decreasing to 4.75% by 2028 to 5.125% decreasing to 4.50% by 2023.
- The salary increases assumption was decreased from 3.25% to 3.00%.
- The mortality tables were changed from the RPH-2014 White Collar Table, projected to the year 2020 using the BB improvement scale to the PubT-2010 Table, projected generationally with MP-2019.
- The discount rate was decreased from 3.50% to 2.21% to reflect the change in the Municipal Bond Index rate.

Town of Bethel, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2021****G. Connecticut state teachers' retirement board retiree health insurance plan (continued)**

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.

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 2.00%. Since there have not been any changes to the asset allocation and the recent economic downturn is expected to be temporary, the funding rate of 3.00% continues to be used for the long-term investment rate of return as of June 30, 2020.

6. Discount rate

The discount rate used to measure the total OPEB liability was 2.21%. 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 annual State contributions will equal the most recent 5-year average of state contributions.

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 or health care cost trend 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 Annual Comprehensive Financial Report as of and for the year ended June 30, 2020.

Town of Bethel, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

VI. Prior period adjustments

The government-wide and custodial funds net position and special revenue fund balance were restated as a result of the implementation of GASB 84 as follows:

	<u>Governmental Activities</u>	<u>Other Governmental Activities</u>	<u>Custodial Funds</u>
Net position/fund balance as previously reported at June 30, 2020	\$ 110,212,756	\$ 7,968,805	\$ 744,517
To reclassify funds to proper fund type	744,517	744,517	(744,517)
To record volunteer firefighters' awards program	-	-	721,559
Net position/fund balance as restated at July 1, 2020	<u>\$ 110,957,273</u>	<u>\$ 8,713,322</u>	<u>\$ 721,559</u>

Required Supplementary Information

Type	Description
Budgetary	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 and Other Financing Sources
Budget and Actual
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Property taxes:					
Property taxes	\$ 68,547,323	\$ -	\$ 68,547,323	\$ 69,065,725	\$ 518,402
Interest and lien fees	202,500	-	202,500	430,126	227,626
PILOTS	90,718	-	90,718	145,766	55,048
PILOT- Augustana	16,030	-	16,030	18,414	2,384
Total property taxes	68,856,571	-	68,856,571	69,660,031	803,460
Intergovernmental:					
Equal cost sharing	7,832,560	-	7,832,560	7,897,665	65,105
Continuing education	12,738	-	12,738	-	(12,738)
Health and welfare	5,000	-	5,000	6,276	1,276
Town aid roads	323,296	-	323,296	324,223	927
PILOT- State owned property	15,360	-	15,360	-	(15,360)
Disability tax loss	2,000	-	2,000	9,330	7,330
Veterans tax relief	7,000	-	7,000	-	(7,000)
Colleges and hospitals	10,175	-	10,175	25,535	15,360
Other state revenue	283,660	-	283,660	697,898	414,238
Total intergovernmental	8,491,789	-	8,491,789	8,960,927	469,138
Charges for services:					
Hunting and fishing licenses	150	-	150	-	(150)
Marriage licenses	1,000	-	1,000	1,008	8
Town farmland preservation	7,000	-	7,000	7,749	749
Recreational programs	640,000	-	640,000	336,891	(303,109)
Conveyance tax	305,000	-	305,000	540,781	235,781
Recording fees	100,000	-	100,000	179,319	79,319
Town Clerk other revenue	4,000	-	4,000	26,448	22,448
Town Clerk copy receipts	40,000	-	40,000	48,630	8,630
CIRMA revenue sharing	65,000	-	65,000	29,283	(35,717)
Senior Center activities	46,000	-	46,000	2,040	(43,960)
Parking fines	2,000	-	2,000	410	(1,590)
Building and zoning	350,000	-	350,000	526,800	176,800
Pistol permits	4,000	-	4,000	14,841	10,841
Dog licenses	4,000	-	4,000	4,249	249
Canine receipts	2,000	-	2,000	1,066	(934)
Planning and zoning	15,000	-	15,000	13,134	(1,866)
Zoning board of appeals	2,000	-	2,000	2,735	735
Police receipts	2,500	-	2,500	2,133	(367)
Police other	100,000	-	100,000	170,067	70,067
Vendor licenses	3,000	-	3,000	2,400	(600)
Public works permits	1,500	-	1,500	3,201	1,701
Permits/installations	-	-	-	550	550
Dumping charges	179,500	-	179,500	143,225	(36,275)
Scrap metal/appliances	4,000	-	4,000	6,541	2,541
Brush	1,000	-	1,000	10	(990)
Library fees	8,000	-	8,000	105	(7,895)
Total charges for services	1,886,650	-	1,886,650	2,063,616	176,966

(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, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Use of money and property:					
Interest	\$ 500,000	\$ -	\$ 500,000	\$ 115,559	\$ (384,441)
Net change in fair value	-	-	-	(122,034)	(122,034)
Property leases	30,000	-	30,000	10,135	(19,865)
Total use of money and property	<u>530,000</u>	<u>-</u>	<u>530,000</u>	<u>3,660</u>	<u>(526,340)</u>
Total revenues	79,765,010	-	79,765,010	80,688,234	923,224
Other financing sources:					
Appropriation of fund balance	<u>-</u>	<u>1,490,000</u>	<u>1,490,000</u>	<u>-</u>	<u>(1,490,000)</u>
Total revenues and other financing sources	<u>\$ 79,765,010</u>	<u>\$ 1,490,000</u>	<u>\$ 81,255,010</u>	<u>\$ 80,688,234</u>	<u>\$ (566,776)</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, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
General government:					
Selectmen	\$ 295,586	\$ 16,267	\$ 311,853	\$ 311,853	\$ -
Treasurer	5,500	143	5,643	5,643	-
Finance department	467,099	15,111	482,210	482,210	-
Town clerk	237,557	4,065	241,622	241,622	-
Assessor	238,377	90	238,467	238,467	-
Tax collector	212,659	(20,727)	191,932	191,932	-
Legal department	251,080	132,684	383,764	383,764	-
Probate court	5,733	1,978	7,711	7,711	-
Data processing	321,422	(7,663)	313,759	313,759	-
Town insurance	1,399,999	(116,992)	1,283,007	1,283,007	-
Planning and zoning	253,428	2,432	255,860	255,860	-
Registrar of voters	108,080	14,799	122,879	122,879	-
Town boards and commissions	53,750	(30,485)	23,265	23,265	-
Parks and recreation	1,523,941	(222,145)	1,301,796	1,301,796	-
Employee benefits	6,108,864	(372,328)	5,736,536	5,736,536	-
Agency subsidies	176,971	(9,555)	167,416	167,416	-
Utilities, charges and services	2,549,748	8,043	2,557,791	2,557,791	-
Other charges	425,278	(397,130)	28,148	28,148	-
Senior center	243,223	(78,434)	164,789	164,789	-
Contingency	-	709,817	709,817	-	709,817
Total general government	14,878,295	(350,030)	14,528,265	13,818,448	709,817
Public safety:					
Building and inspection	275,164	42,090	317,254	317,254	-
Emergency management	39,306	(166)	39,140	39,140	-
Fire marshal	108,057	(22,028)	86,029	86,029	-
Bethel fire department	182,900	(342)	182,558	182,558	-
Stony Hill fire department	142,750	(20,738)	122,012	122,012	-
Police department	4,796,023	137,461	4,933,484	4,933,484	-
Total public safety	5,544,200	136,277	5,680,477	5,680,477	-
Health and welfare:					
Social services	89,289	(9,456)	79,833	79,833	-
Health department	375,983	129,130	505,113	505,113	-
Total health and welfare	465,272	119,674	584,946	584,946	-
Public works:					
Fleet maintenance	344,550	24,929	369,479	369,479	-
Public works administration	342,171	51,460	393,631	393,631	-
Highway department	1,876,541	48,456	1,924,997	1,924,997	-
Transfer station	195,596	3,096	198,692	198,692	-
Building maintenance	805,462	53,741	859,203	859,203	-
Tree warden	117,900	13,595	131,495	131,495	-
Total public works	3,682,220	195,277	3,877,497	3,877,497	-
Library	894,503	(78,851)	815,652	815,652	-

(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, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Education:					
Board of education	\$47,969,807	\$ (125,299)	\$ 47,844,508	\$ 47,844,508	\$ -
Education maintenance	445,000	39,953	484,953	484,953	-
Total education	48,414,807	(85,346)	48,329,461	48,329,461	-
Debt service	4,935,713	(62,300)	4,873,413	4,873,413	-
Total expenditures	78,815,010	(125,299)	78,689,711	77,979,894	709,817
Other financing uses:					
Transfers to other funds:					
Bonded projects	-	990,000	990,000	990,000	-
Education nonlapsing	-	25,299	25,299	25,299	-
Paramedic intercept	300,000	100,000	400,000	400,000	-
School lunch	-	100,000	100,000	100,000	-
Capital nonrecurring fund	650,000	400,000	1,050,000	1,050,000	-
Total other financing uses	950,000	1,615,299	2,565,299	2,565,299	-
Total expenditures and other financing uses	\$79,765,010	\$ 1,490,000	\$ 81,255,010	\$ 80,545,193	\$ 709,817

(Concluded)

Town of Bethel, Connecticut

Notes to Required Supplementary Information

Budgets and Budgetary Accounting
For the Year Ended June 30, 2021

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.

Reconciliation to Exhibit D

	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis - RSI-1A and 1B	\$ 80,688,234	\$ 77,979,894
Accrued payroll	-	141,098
Other funds (Schedule 2)	148,169	413,505
State Teachers' pension on-behalf amount	6,826,453	6,826,453
State Teachers' OPEB on-behalf amount	<u>164,746</u>	<u>164,746</u>
Balance, GAAP basis, Exhibit D	<u>\$ 87,827,602</u>	<u>\$ 85,525,696</u>

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 \$1,490,000.

Town of Bethel, Connecticut
Required Supplementary Information

	Town Plan							
	Last Eight Years (1)							
	2021	2020	2019	2018	2017	2016	2015	2014

Schedule of Changes in Net Pension Liability and Related Ratios

Total pension liability:	\$ 738,210	\$ 734,640	\$ 761,169	\$ 851,894	\$ 785,563	\$ 822,302	\$ 824,737	\$ 1,132,089
Service cost	2,768,791	2,635,613	2,523,082	2,481,626	2,149,718	2,063,282	1,958,065	90,567
Interest	-	-	-	-	2,396,107	33	-	-
Change of benefit terms	(1,210,097)	281,288	379,045	259,629	206,471	(14,173)	-	739,333
Differences between expected and actual experience	-	1,108,467	-	-	-	-	-	-
Changes in assumptions	(2,046,495)	(1,987,126)	(1,952,709)	(1,841,693)	(1,521,542)	(1,368,871)	(1,295,920)	(1,200,025)
Benefit payments, including refunds of member contributions	250,409	2,772,882	1,710,587	1,751,456	4,016,317	1,502,573	1,486,882	761,964
Net change in total pension liability	42,061,704	39,288,822	37,578,235	35,826,779	31,810,462	30,307,889	28,821,007	28,059,043
Total pension liability - July 1	\$ 42,312,113	\$ 42,061,704	\$ 39,288,822	\$ 37,578,235	\$ 35,826,779	\$ 31,810,462	\$ 30,307,889	\$ 28,821,007

Plan fiduciary net position:	\$ 1,262,446	\$ 1,302,113	\$ 1,200,000	\$ 1,190,000	\$ 1,200,000	\$ 2,751,446	\$ 3,083,429	\$ 2,559,953
Contributions - employer	346,599	361,776	446,766	411,011	399,468	341,395	285,418	307,290
Contributions - member	7,610,805	309,251	1,605,605	2,236,644	2,838,413	(265,630)	369,456	1,941,532
Net investment income (loss)	(2,046,495)	(1,987,126)	(1,952,709)	(1,841,693)	(1,521,542)	(1,368,871)	(1,295,920)	(1,200,025)
Benefit payments, including refunds of member contributions	(67,440)	(68,747)	(251,398)	(239,680)	(102,552)	(44,388)	-	(39,913)
Administration	-	-	-	81,728	-	-	-	-
Transfer in from police plan	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	7,105,915	(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	32,769,339	32,852,072	31,803,808	29,965,798	27,152,011	25,738,059	23,295,676	19,726,839
Plan fiduciary net position - June 30 (a)-(b)	\$ 39,875,254	\$ 32,769,339	\$ 32,852,072	\$ 31,803,808	\$ 29,965,798	\$ 27,152,011	\$ 25,738,059	\$ 23,295,676

Net pension liability - June 30 (a)-(b)	\$ 2,436,859	\$ 9,292,365	\$ 6,436,750	\$ 5,774,427	\$ 5,860,981	\$ 4,658,451	\$ 4,569,830	\$ 5,525,331
Plan fiduciary net position as a percentage of the total pension liability	94.24%	77.91%	83.62%	84.63%	83.64%	85.36%	84.92%	80.83%
Covered payroll	\$ 6,447,571	\$ 6,754,240	\$ 7,417,168	\$ 7,649,740	\$ 7,775,861	\$ 7,607,181	\$ 7,607,181	\$ 7,739,426
Net pension liability as a percentage of covered payroll	37.79%	137.58%	86.78%	75.49%	75.37%	61.24%	60.07%	71.39%

Schedule of Investment Returns

Annual money weighted rate of return, net of investment expense	23.37%	0.37%	4.29%	6.99%	10.51%	(1.11%)	2.40%	9.61%
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(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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contributions	\$ 1,385,784	\$ 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
Contributions in relation to the actuarially determined contribution	1,262,446	1,302,113	1,200,000	1,190,000	1,200,000	2,751,446	3,083,429	2,559,953	1,859,681	1,736,824
Contribution excess (deficiency)	\$ (123,338)	\$ 113,490	\$ 169,060	\$ 263,623	\$ 332,863	\$ 738,112	\$ 1,070,095	\$ 573,877	\$ (226,664)	\$ (181,733)
Covered payroll	\$ 6,447,571	\$ 6,754,240	\$ 7,417,168	\$ 7,649,740	\$ 7,775,861	\$ 7,607,181	\$ 7,607,181	\$ 7,739,426	\$ 7,678,530	\$ 7,711,696
Contributions as a percentage of covered payroll	19.58%	19.28%	16.18%	15.56%	15.43%	36.17%	40.53%	33.08%	24.22%	22.52%

Town of Bethel, Connecticut

Notes to Required Supplementary Information

Town Plan
Schedule of Contributions
Last Eight Years (1)

	2021	2020	2019	2018	2017	2016	2015	2014
Changes of Benefit Terms	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2019	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	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 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	5 year smoothing
Inflation	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.00%
Salary Increases	3.00%	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%	6.75%	7.25%	7.25%	8.00%
Mortality Rate	RP-2000 Mortality Tables with generational projection of future mortality improvements per Scale BB	RP-2000 Mortality Tables with generational projection of future mortality improvements per Scale BB	RP-2000 Mortality Tables with generational projection of future mortality improvements per Scale BB	RP-2000 Mortality Tables with generational projection of future mortality improvements per Scale BB	RP-2000 Mortality Tables with generational projection of future mortality improvements per Scale BB	RP-2000 Mortality Tables with generational projection of future mortality improvements per Scale BB	RP-2000 Mortality Tables 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 Eight Years (1)

	2021	2020	2019	2018	2017	2016	2015	2014
Schedule of Changes in Net Pension Liability and Related Ratios								
Total pension liability:								
Service cost	\$ 670,197	\$ 571,006	\$ 554,711	\$ 525,522	\$ 484,820	\$ 506,137	\$ 476,144	\$ 473,342
Interest	1,267,281	1,219,444	1,145,482	1,029,914	1,058,018	998,784	918,850	280,634
Differences between expected and actual experience	697,274	(579,325)	95,623	(202,969)	(425,369)	122,484	-	-
Changes in assumptions	-	489,911	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(805,091)	(708,204)	(687,545)	(636,273)	(530,615)	(474,173)	(460,787)	(334,882)
Net change in total pension liability	1,829,661	992,832	1,108,271	716,194	586,854	1,153,212	934,207	419,094
Total pension liability - July 1	18,854,659	17,861,827	16,753,556	16,037,362	15,450,508	14,297,296	13,363,089	12,943,995
Total pension liability - June 30 (a)	\$ 20,684,320	\$ 18,854,659	\$ 17,861,827	\$ 16,753,556	\$ 16,037,362	\$ 15,450,508	\$ 14,297,296	\$ 13,363,089
Plan fiduciary net position:								
Contributions - employer	\$ 1,071,647	\$ 1,088,786	\$ 1,050,000	\$ 1,025,000	\$ 1,021,720	\$ 513,000	\$ 472,000	\$ 375,000
Contributions - member	235,717	215,081	200,478	211,773	181,099	198,552	252,142	228,856
Net investment income (loss)	3,161,948	31,566	717,189	794,474	977,787	(91,082)	259,775	724,429
Benefit payments, including refunds of member contributions	(805,091)	(708,204)	(687,545)	(636,273)	(530,615)	(474,173)	(460,787)	(334,882)
Administration	(19,839)	(31,338)	(85,396)	(94,651)	(35,042)	(24,922)	-	(14,881)
Transfer out to Town plan	-	-	-	(81,728)	-	-	-	-
Net change in plan fiduciary net position	3,644,382	595,891	1,194,726	1,218,595	1,614,949	121,375	523,130	978,522
Plan fiduciary net position - July 1	13,795,254	13,199,363	12,004,637	10,786,042	9,171,093	9,049,718	8,526,588	7,548,066
Plan fiduciary net position - June 30 (b)	\$ 17,439,636	\$ 13,795,254	\$ 13,199,363	\$ 12,004,637	\$ 10,786,042	\$ 9,171,093	\$ 9,049,718	\$ 8,526,588
Net pension liability - June 30 (a)-(b)	\$ 3,244,684	\$ 5,059,405	\$ 4,662,464	\$ 4,748,919	\$ 5,251,320	\$ 6,279,415	\$ 5,247,578	\$ 4,836,501
Plan fiduciary net position as a percentage of the total pension liability	84.31%	73.17%	73.90%	71.65%	67.26%	59.36%	63.30%	63.81%
Covered payroll	\$ 2,762,168	\$ 2,694,316	\$ 2,579,921	\$ 2,443,220	\$ 2,547,952	\$ 2,407,527	\$ 2,407,527	\$ 2,337,955
Net pension liability as a percentage of covered payroll	117.47%	187.78%	180.72%	194.37%	206.10%	260.82%	217.97%	206.87%
Schedule of Investment Returns								
Annual money weighted rate of return, net of investment expense	22.94%	0.61%	4.29%	6.61%	10.50%	(1.11%)	2.67%	9.40%

(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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contributions	\$ 907,506	\$ 881,532	\$ 795,459	\$ 836,141	\$ 753,358	\$ 612,450	\$ 612,450	\$ 593,686	\$ 579,931	\$ 566,342
Contributions in relation to the actuarially determined contribution	1,071,647	1,088,786	1,050,000	1,025,000	1,021,720	513,000	472,000	375,000	340,319	385,084
Contribution excess (deficiency)	\$ 164,141	\$ 207,254	\$ 254,541	\$ 188,859	\$ 268,362	\$ (99,450)	\$ (140,450)	\$ (218,686)	\$ (239,612)	\$ (181,258)
Covered payroll	\$ 2,762,168	\$ 2,694,316	\$ 2,579,921	\$ 2,443,220	\$ 2,547,952	\$ 2,407,527	\$ 2,407,527	\$ 2,337,955	\$ 2,337,478	\$ 2,357,269
Contributions as a percentage of covered payroll	38.80%	40.41%	40.70%	41.95%	40.10%	21.31%	19.61%	16.04%	14.56%	16.34%

Town of Bethel, Connecticut
Notes to Required Supplementary Information
Police Plan
Schedule of Contributions
Last Eight Years (1)

	2021	2020	2019	2018	2017	2016	2015	2014
Changes of Benefit Terms	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2019	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	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 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	5 year smoothing
Inflation	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.00%
Salary Increases	4.00%	4.00%	4.00%	4.00%	4.00%	4.50%	4.50%	4.50%
Investment Rate of Return (Net)	6.75%	6.75%	6.75%	6.75%	6.75%	7.00%	7.00%	7.00%
Mortality Rate	RP-2000 Mortality Table with generational projection of future mortality improvements per Scale BB	RP-2000 Mortality Table with generational projection of future mortality improvements per Scale BB	RP-2000 Mortality Table with generational projection of future mortality improvements per Scale BB	RP-2000 Mortality Table with generational projection of future mortality improvements per Scale BB	RP-2000 Mortality Table with generational projection of future mortality improvements per Scale BB	RP-2000 Mortality Table with generational projection of future mortality improvements per Scale BB	RP-2000 Mortality Table 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 Seven Years (3)

	2021	2020	2019	2018	2017	2016	2015
Schedule of Proportionate Share of the Net Pension Liability							
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension liability associated with the Town	106,427,828	85,468,406	65,901,106	74,004,441	78,075,252	59,345,782	54,853,282
Total	\$ 106,427,828	\$ 85,468,406	\$ 65,901,106	\$ 74,004,441	\$ 78,075,252	\$ 59,345,782	\$ 54,853,282
Town's covered payroll	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%
Schedule of Contributions							
Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

(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.

See Notes to Required Supplementary Information.

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

	2021	2020	2019	2018	2017	2016	2015
None	None	None	Beginning January 1, 2018, member contributions increased from 6.00% to 7.00% of	None	None	None	None
June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014

Changes of Benefit Terms

The actuarially determined contribution rates are calculated as of

Actuarial methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining Amortization Period	27.8 years	30 years	30 years	20.4 years	20.4 years	21.4 years	22.4 years
Asset Valuation Method	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing
Inflation	2.50%	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%
Salary Increases	3.00%-6.50%, including inflation	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
Cost-of-Living Adjustments	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date
Investment Rate of Return (Net)	6.90%	6.90%	8.00%	8.00%	8.00%	8.50%	8.50%
Mortality	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA

(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 Four Years (1)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
OPEB liability:				
Service cost	\$ 790,354	\$ 631,851	\$ 561,230	\$ 574,246
Interest	441,710	554,000	564,180	517,131
Change of benefit terms	(1,504,419)	(62,822)	-	-
Difference between expected and actual experience	-	(703,023)	-	-
Changes in assumptions	116,526	4,191,883	608,316	(462,238)
Benefit payments, including refunds of member contributions	<u>(629,012)</u>	<u>(593,470)</u>	<u>(519,814)</u>	<u>(445,845)</u>
Net change in OPEB liability	(784,841)	4,018,419	1,213,912	183,294
OPEB liability - July 1	<u>19,509,315</u>	<u>15,490,896</u>	<u>14,276,984</u>	<u>14,093,690</u>
OPEB liability - June 30 *	<u>\$ 18,724,474</u>	<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 employee 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 Four Years (3)

	2021	2020	2019	2018
<u>Schedule of Proportionate Share of the Net OPEB Liability</u>				
Town's proportion of the net OPEB liability	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	15,873,714	13,329,281	13,174,071	19,047,909
Total	<u>\$ 15,873,714</u>	<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>	<u>(2)</u>
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	<u>2.50%</u>	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>

Schedule of Contributions

Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<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>

(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 Four Years (1)

	2021	2020	2019	2018
Changes of Benefit Terms	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016
Actuarial methods and assumptions used to determine contribution rates:				
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percentage, closed	Level percentage, open	Level percentage, open	Level percentage, open
Amortization Period	30 years	30 years	30 years	30 years
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.50%	2.75%	2.75%	2.75%
Healthcare Inflation Rate	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	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	3.00% to 6.50%, including inflation	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%	3.00%	4.25%
Mortality Rate	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale

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

Supplemental Schedules

General Fund

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.

Education Nonlapsing Fund

The education nonlapsing fund is used to account for the amounts transferred from the unexpended balance of the education budget in accordance with State Statutes. State Statutes allow for up to 2% of the education operating budget annually to be transferred to the fund upon approval by the Town Council.

Paramedic Intercept Fund

To account for revenues for paramedic intercept services provide by the Town's first responders.

Town of Bethel, Connecticut
 General Fund
 Combining Balance Sheet
 June 30, 2021

	General Fund	Education Nonlapsing	Paramedic Intercept	Elimination Entries	Total
<u>Assets</u>					
Cash	\$ 15,918,434	\$ -	\$ -	\$ -	\$ 15,918,434
Restricted cash	266,772	-	-	-	266,772
Investments	28,758,314	-	-	-	28,758,314
Receivables:					
Property taxes	602,215	-	-	-	602,215
Other	17,626	-	8,800	-	26,426
Due from other funds	523,187	774,856	-	(774,856)	523,187
Advance to other funds	355,959	-	-	(341,180)	14,779
Other	107,595	-	-	-	107,595
Total assets	<u>\$ 46,550,102</u>	<u>\$ 774,856</u>	<u>\$ 8,800</u>	<u>\$ (1,116,036)</u>	<u>\$ 46,217,722</u>
<u>Liabilities</u>					
Accounts payable	\$ 1,715,944	\$ -	\$ -	\$ -	\$ 1,715,944
Accrued payroll and related liabilities	681,702	-	-	-	681,702
Due to other funds	23,654,153	-	-	(774,856)	22,879,297
Unearned revenue	1,030	-	-	-	1,030
Performance bonds	266,772	-	-	-	266,772
Other	218,057	-	-	-	218,057
Advance from other funds	-	-	341,180	(341,180)	-
Total liabilities	<u>26,537,658</u>	<u>-</u>	<u>341,180</u>	<u>(1,116,036)</u>	<u>25,762,802</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue:					
Property taxes	602,215	-	-	-	602,215
Advance property tax collections	305,620	-	-	-	305,620
Total deferred inflows of resources	<u>907,835</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>907,835</u>
<u>Fund Balances</u>					
Nonspendable	355,959	-	-	(341,180)	14,779
Committed	-	774,856	-	-	774,856
Unassigned	18,748,650	-	(332,380)	341,180	18,757,450
Total fund balances	<u>19,104,609</u>	<u>774,856</u>	<u>(332,380)</u>	<u>-</u>	<u>19,547,085</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 46,550,102</u>	<u>\$ 774,856</u>	<u>\$ 8,800</u>	<u>\$ (1,116,036)</u>	<u>\$ 46,217,722</u>

Town of Bethel, Connecticut

General Fund

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For The Year Ended June 30, 2021

	General Fund	Education Nonlapsing	Paramedic Intercept	Elimination Entries	Total
Revenues:					
Property taxes	\$ 69,660,031	\$ -	\$ -	\$ -	\$ 69,660,031
Intergovernmental	15,952,126	-	-	-	15,952,126
Charges for services	2,063,616	-	148,169	-	2,211,785
Use of money and property	3,660	-	-	-	3,660
Total revenues	87,679,433	-	148,169	-	87,827,602
Expenditures:					
Current:					
General government	13,844,394	-	-	-	13,844,394
Public safety	5,755,383	-	413,505	-	6,168,888
Health and welfare	597,089	-	-	-	597,089
Public works	3,900,129	-	-	-	3,900,129
Library	821,123	-	-	-	821,123
Education	55,320,660	-	-	-	55,320,660
Debt service	4,873,413	-	-	-	4,873,413
Total expenditures	85,112,191	-	413,505	-	85,525,696
Excess (deficiency) of revenues over expenditures	2,567,242	-	(265,336)	-	2,301,906
Other financing sources (uses):					
Transfers in	-	25,299	400,000	(425,299)	-
Transfers out	(2,565,299)	-	-	425,299	(2,140,000)
Net other financing sources (uses)	(2,565,299)	25,299	400,000	-	(2,140,000)
Net change in fund balances	1,943	25,299	134,664	-	161,906
Fund balances - July 1, 2020	19,102,666	749,557	(467,044)	-	19,385,179
Fund balances - June 30, 2021	\$ 19,104,609	\$ 774,856	\$ (332,380)	\$ -	\$ 19,547,085

Town of Bethel, Connecticut

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For The Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Revenues:					
Property taxes	\$ 68,856,571	\$ -	\$ 68,856,571	\$ 69,660,031	\$ 803,460
Intergovernmental	8,491,789	-	8,491,789	8,960,927	469,138
Charges for services	1,886,650	-	1,886,650	2,063,616	176,966
Use of money and property	530,000	-	530,000	3,660	(526,340)
Total revenues	<u>79,765,010</u>	<u>-</u>	<u>79,765,010</u>	<u>80,688,234</u>	<u>923,224</u>
Expenditures:					
Current:					
General government	14,878,295	(350,030)	14,528,265	13,818,448	709,817
Public safety	5,544,200	136,277	5,680,477	5,680,477	-
Health and welfare	465,272	119,674	584,946	584,946	-
Public works	3,682,220	195,277	3,877,497	3,877,497	-
Library	894,503	(78,851)	815,652	815,652	-
Education	48,414,807	(85,346)	48,329,461	48,329,461	-
Debt service	4,935,713	(62,300)	4,873,413	4,873,413	-
Total expenditures	<u>78,815,010</u>	<u>(125,299)</u>	<u>78,689,711</u>	<u>77,979,894</u>	<u>709,817</u>
Excess (deficiency) of revenues over expenditures	<u>950,000</u>	<u>125,299</u>	<u>1,075,299</u>	<u>2,708,340</u>	<u>1,633,041</u>
Other financing sources (uses):					
Appropriation of fund balance	-	1,490,000	1,490,000	-	(1,490,000)
Transfers out	(950,000)	(1,615,299)	(2,565,299)	(2,565,299)	-
Net other financing sources (uses)	<u>(950,000)</u>	<u>(125,299)</u>	<u>(1,075,299)</u>	<u>(2,565,299)</u>	<u>(1,490,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	143,041	<u>\$ 143,041</u>
Fund balance, July 1, 2020				19,480,912	
Fund balance, June 30, 2021				<u>\$ 19,623,953</u>	
<u>Reconciliation to Shedule 2</u>					
Budgetary Basis - RSI-1A				\$ 19,623,953	
Accrued payroll				<u>(519,344)</u>	
Balance, GAAP basis, Schedule 2				<u>\$ 19,104,609</u>	

Town of Bethel, Connecticut
Report of Tax Collector
For The Year Ended June 30, 2021

Grand List Year	Uncollected Taxes July 1, 2020	Current Year Levy	Lawful Corrections		Transfers To Suspend	Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2021
			Additions	Deductions			Net Taxes Collected	Interest Liens & Other Fees	Total	
2004	\$ 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	2,295	-	-	-	-	2,295	-	-	-	2,295
2013	2,339	-	-	-	-	2,339	-	-	-	2,339
2014	4,687	-	-	-	-	4,687	874	1,753	3,808	
2015	9,617	-	-	-	-	9,617	3,462	7,808	5,271	
2016	28,679	-	470	-	253	28,896	10,426	30,286	9,036	
2017	116,982	-	263,708	308,330	30,266	42,094	22,957	54,502	19,137	
2018	755,311	-	294,751	528,379	171,589	350,094	259,710	360,261	90,384	
Subtotal	933,851	-	558,929	837,963	202,108	452,709	307,752	454,610	144,957	
2019	-	69,654,514	244,034	559,145	120,953	69,218,450	68,761,192	68,942,051	457,258	
Total	\$ 933,851	\$ 69,654,514	\$ 802,963	\$ 1,397,108	\$ 323,061	\$ 69,671,159	\$ 69,068,944	\$ 327,717	\$ 602,215	

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	State and Federal educational related grant programs
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
School Activity Fund	Activity fees/Contributions	Student activity funds and school scholarships
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	Fees/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, 2021

	Special Revenue Funds						
	Bennett Property	Small Cities Program	Health Department Grants	Public Safety Grants	Education Grants	School Lunch Program	Library
<u>Assets</u>							
Cash	\$ -	\$ 27,142	\$ -	\$ -	\$ -	\$ 63,421	\$ 71,071
Investments	-	-	-	-	-	-	-
Receivables (net):							
Intergovernmental	-	-	-	-	-	240,741	-
Loan	-	232,048	-	-	-	-	-
Due from other funds	-	198,678	29,804	92,950	1,098,837	-	-
Other	-	-	-	-	-	25,771	-
Total assets	\$ -	\$ 457,868	\$ 29,804	\$ 92,950	\$ 1,098,837	\$ 329,933	\$ 71,071
<u>Liabilities</u>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 132,432	\$ -
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	29,584	44,385	-
Advance from other funds	14,779	-	-	-	-	-	-
Total liabilities	14,779	-	-	-	29,584	176,817	-
<u>Fund Balances</u>							
Restricted	-	457,868	29,804	92,950	-	153,116	71,071
Committed	-	-	-	-	1,069,253	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	(14,779)	-	-	-	-	-	-
Total fund balances	(14,779)	457,868	29,804	92,950	1,069,253	153,116	71,071
Total liabilities and fund balances	\$ -	\$ 457,868	\$ 29,804	\$ 92,950	\$ 1,098,837	\$ 329,933	\$ 71,071

(Continued)

Town of Bethel, Connecticut

Combining Balance Sheet
Other Governmental Funds
June 30, 2021

	Special Revenue Funds							
	School Activity	Railroad Station	Railroad Station Renovation	General Government	Insurance Reserve	Total Special Revenue Funds	Debt Service Fund	Total
<u>Assets</u>								
Cash	\$ 13,455	\$ 298,877	\$ 24,750	\$ 78,875	\$ 729,939	\$ 1,307,530	\$ 4,716	\$ 1,312,246
Investments	662,668	-	-	-	1,663,757	2,326,425	-	2,326,425
Receivables (net):								
Intergovernmental	-	-	-	-	-	240,741	-	240,741
Loan	-	-	-	-	-	232,048	-	232,048
Due from other funds	-	38,653	-	30,224	-	1,489,146	3,757,121	5,246,267
Other	-	-	-	-	-	25,771	-	25,771
Total assets	\$ 676,123	\$ 337,530	\$ 24,750	\$ 109,099	\$ 2,393,696	\$ 5,621,661	\$ 3,761,837	\$ 9,383,498
<u>Liabilities</u>								
Accounts payable	\$ -	\$ 1,398	\$ 1,850	\$ -	\$ -	\$ 135,680	\$ -	\$ 135,680
Due to other funds	-	-	85,057	-	161,485	246,542	59,898	306,440
Unearned revenue	-	-	-	-	-	73,969	-	73,969
Advance from other funds	-	-	-	-	-	14,779	-	14,779
Total liabilities	-	1,398	86,907	-	161,485	470,970	59,898	530,868
<u>Fund Balances</u>								
Restricted	-	336,132	-	54,636	-	1,195,577	-	1,195,577
Committed	676,123	-	-	54,463	2,232,211	4,032,050	-	4,032,050
Assigned	-	-	-	-	-	-	3,701,939	3,701,939
Unassigned	-	-	(62,157)	-	-	(76,936)	-	(76,936)
Total fund balances	676,123	336,132	(62,157)	109,099	2,232,211	5,150,691	3,701,939	8,852,630
Total liabilities and fund balances	\$ 676,123	\$ 337,530	\$ 24,750	\$ 109,099	\$ 2,393,696	\$ 5,621,661	\$ 3,761,837	\$ 9,383,498

(Concluded)

Town of Bethel, Connecticut

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For The Year Ended June 30, 2021

	Special Revenue Funds						
	Bennett Property	Small Cities Program	Health Department Grants	Public Safety Grants	Education Grants	School Lunch Program	Library
Revenues:							
Intergovernmental	\$ -	\$ -	\$220,324	\$ 54,309	\$ 2,610,571	\$ 975,238	\$ 7,311
Charges for services	8,375	-	4,082	1,950	397,115	20,887	-
Use of money and property	-	-	-	-	-	-	12
Contributions	-	-	-	-	-	-	39,211
Total revenues	<u>8,375</u>	<u>-</u>	<u>224,406</u>	<u>56,259</u>	<u>3,007,686</u>	<u>996,125</u>	<u>46,534</u>
Expenditures:							
Current:							
General government	347	-	-	-	-	-	-
Public safety	-	-	-	62,196	-	-	-
Health and welfare	-	2,295	236,652	-	-	-	-
Library	-	-	-	-	-	-	42,248
Education	-	-	-	-	2,915,422	1,160,438	-
Total expenditures	<u>347</u>	<u>2,295</u>	<u>236,652</u>	<u>62,196</u>	<u>2,915,422</u>	<u>1,160,438</u>	<u>42,248</u>
Excess (deficiency) of revenues over expenditures	8,028	(2,295)	(12,246)	(5,937)	92,264	(164,313)	4,286
Other financing sources (uses):							
Transfers in	-	-	-	-	-	100,000	-
Net change in fund balances	8,028	(2,295)	(12,246)	(5,937)	92,264	(64,313)	4,286
Fund balances, July 1, 2020 (as restated)	<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>
Fund balances, June 30, 2021	<u>\$ (14,779)</u>	<u>\$ 457,868</u>	<u>\$ 29,804</u>	<u>\$ 92,950</u>	<u>\$ 1,069,253</u>	<u>\$ 153,116</u>	<u>\$ 71,071</u>

(Continued)

Town of Bethel, Connecticut

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For The Year Ended June 30, 2021

	Special Revenue Funds						Total Special Revenue Funds	Debt Service Fund	Total
	School Activity Fund	Railroad Station	Railroad Station Renovation	General Government	Insurance Reserve				
Revenues:									
Intergovernmental	\$ -	\$ -	\$ -	\$ 22,275	\$ -	\$ 3,890,028	\$ -	\$ 3,890,028	
Charges for services	509,521	19,929	33,689	20,006	200,000	1,215,554	-	1,215,554	
Use of money and property	-	-	46	-	33,737	33,795	8	33,803	
Contributions	-	-	-	5	-	39,216	-	39,216	
Total revenues	509,521	19,929	33,735	42,286	233,737	5,178,593	8	5,178,601	
Expenditures:									
Current:									
General government	-	37,999	7,047	32,567	-	77,960	-	77,960	
Public safety	-	-	-	-	-	62,196	-	62,196	
Health and welfare	-	-	-	-	-	238,947	-	238,947	
Library	-	-	-	-	-	42,248	-	42,248	
Education	577,915	-	-	-	64,167	4,717,942	-	4,717,942	
Total expenditures	577,915	37,999	7,047	32,567	64,167	5,139,293	-	5,139,293	
Excess (deficiency) of revenues over expenditures	(68,394)	(18,070)	26,688	9,719	169,570	39,300	8	39,308	
Other financing sources (uses):									
Transfers in	-	-	-	-	-	100,000	-	100,000	
Net change in fund balances	(68,394)	(18,070)	26,688	9,719	169,570	139,300	8	139,308	
Fund balances, July 1, 2020 (as restated)	744,517	354,202	(88,845)	99,380	2,062,641	5,011,391	3,701,931	8,713,322	
Fund balances, June 30, 2021	\$ 676,123	\$ 336,132	\$ (62,157)	\$ 109,099	\$ 2,232,211	\$ 5,150,691	\$ 3,701,939	\$ 8,852,630	

(Concluded)

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.
Menegay 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
LOSAP Fund	To account for monies held for the volunteer firefighters award program.

Town of Bethel, Connecticut

Combining Schedule of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Private-Purpose Trust Funds			
	Hennessey Scholarship Fund	Menegay Scholarship Fund	Education Scholarships Fund	Total
<u>Assets</u>				
Cash	\$ -	\$ 12,661	\$ 98,811	\$ 111,472
Investments:				
Mutual funds:				
Equity	39,114	-	6,696	45,810
Bond	97,886	-	8,750	106,636
Bank money market accounts	4,788	2,533	502	7,823
U.S. government agency securities	-	166,491	-	166,491
Total investments	141,788	169,024	15,948	326,760
Total assets	141,788	181,685	114,759	438,232
<u>Net Position</u>				
Restricted for individuals	\$ 141,788	\$ 181,685	\$ 114,759	\$ 438,232

Town of Bethel, Connecticut

Combining Schedule of Changes in Fiduciary Net Position
Fiduciary Funds
For The Year Ended June 30, 2021

	Private-Purpose Trust Funds			
	Hennessey Scholarship Fund	Menegay Scholarship Fund	Education Scholarships Fund	Total
Additions:				
Private contributions	\$ -	\$ -	\$ 75,528	\$ 75,528
Investment income (loss):				
Change in fair value of investments	16,854	(11,578)	2,553	7,829
Interest and dividends	3,396	9,967	449	13,812
Total investment income (loss)	20,250	(1,611)	3,002	21,641
Total additions	20,250	(1,611)	78,530	97,169
Deductions:				
Administration	-	175	-	175
Scholarships awarded	2,000	7,000	68,000	77,000
Total deductions	2,000	7,175	68,000	77,175
Change in net position	18,250	(8,786)	10,530	19,994
Net position - July 1, 2020	123,538	190,471	104,229	418,238
Net position - June 30, 2021	\$ 141,788	\$ 181,685	\$ 114,759	\$ 438,232

Statistical Section

This part of the Town's annual comprehensive 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 annual comprehensive financial reports for the fiscal year.

Town of Bethel, Connecticut

Net Position by Component
Last Ten Years
(Unaudited)

	June 30									
	2021	2020 (as restated)	2019	2018	2017	2016	2015	2014	2013	2012
<u>Governmental activities:</u>										
Net investment in capital assets	\$ 114,589,766	\$ 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
Restricted	2,117,105	1,283,936	1,129,019	634,475	622,028	478,567	404,866	393,982	425,634	508,577
Unrestricted	8,329,153	6,261,455	1,917,758	(721,626)	10,811	10,068,029	4,400,496	2,537,615	6,091,879	6,395,674
Total governmental activities net position	125,036,024	110,957,273	89,333,870	85,468,100	79,680,457	83,056,020	79,440,690	76,559,599	77,842,394	73,003,754
<u>Business-type activities:</u>										
Net investment in capital assets	25,300,146	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
Unrestricted	16,865,754	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
Total business-type activities net position	42,165,900	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
<u>Net position:</u>										
Net investment in capital assets	139,889,912	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
Restricted	2,117,105	1,283,936	1,129,019	634,475	622,028	478,567	404,866	393,982	425,634	508,577
Unrestricted	25,194,907	21,180,993	17,844,016	14,374,123	15,655,645	25,127,001	19,847,537	17,722,612	21,059,726	16,411,192
Total net position	\$ 167,201,924	\$ 150,950,345	\$ 128,019,241	\$ 122,420,851	\$ 115,698,660	\$ 118,396,844	\$ 111,527,255	\$ 107,068,780	\$ 107,257,563	\$ 95,754,149

Source: Current and prior year financial statements

Table 2
(1 of 2)

Town of Bethel, Connecticut

Changes in Net Position
Last Ten Years
(Unaudited)

For the Year Ended June 30

	2021	2020 (as restated)	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
<u>Governmental activities:</u>										
General government	\$ 9,015,667	\$ 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
Public safety	8,898,102	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
Health and welfare	918,791	555,459	510,481	425,227	539,269	483,017	408,993	599,314	690,970	719,383
Public works	5,727,712	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
Library	1,423,638	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
Education	61,599,577	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
Interest	535,900	1,078,244	1,715,850	927,623	943,858	634,493	806,749	698,909	1,052,143	3,764,865
Total governmental activities expenses	88,119,387	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
<u>Business-type activities:</u>										
Water department	1,696,267	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
Sewer department	2,524,334	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
Transfer station	-	-	-	-	-	-	-	-	-	257,925
Total business-type activities expenses	4,220,601	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
Total expenses	92,339,988	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
<u>Program revenues:</u>										
<u>Governmental activities:</u>										
Charges for services:										
General government	2,002,593	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
Public safety	331,134	294,437	296,347	264,020	268,497	232,101	323,751	296,918	310,417	388,236
Health and welfare	12,457	17,287	35,806	30,763	50,565	52,071	8,686	33,475	26,552	-
Public works	153,612	127,281	190,153	114,538	156,326	184,563	201,333	92,514	94,660	84,433
Library	105	5,664	8,633	8,944	8,817	27,441	12,161	13,205	10,935	104,279
Education	927,523	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
Operating grants and contributions	18,770,075	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
Capital grants and contributions	9,927,192	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
Total governmental activities program revenues	32,124,691	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

(Continued)

Town of Bethel, Connecticut

Changes in Net Position
Last Ten Years
(Unaudited)

For the Year Ended June 30

	2021	2020 (as restated)	2019	2018	2017	2016	2015	2014	2013	2012
Business-type activities:										
Charges for services:										
Water department	\$ 2,525,520	\$ 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
Sewer department	3,191,627	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
Transfer station	-	-	-	-	-	-	-	-	-	203,820
Capital grants and contributions	659,036	158,436	531,808	223,294	320,775	463,891	106,069	-	-	350,000
Total business-type activities program revenues	6,376,183	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
Total program revenues	38,500,874	45,076,300	27,952,342	30,946,680	30,663,235	27,780,186	23,578,993	26,784,331	29,817,361	31,709,634
Net (expense) revenue:										
Governmental activities	(55,994,696)	(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)
Business-type activities	2,155,582	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
Total net (expense) revenue	(53,839,114)	(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)
General revenues and other changes in net position:										
Property taxes	69,287,110	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
Grants and contributions not restricted to specific programs	732,763	139,218	350,689	478,996	861,179	198,285	260,452	469,015	600,290	471,408
Income from investments	53,574	829,116	1,009,997	518,409	198,622	151,686	96,513	75,242	34,199	97,574
Other	-	-	-	-	29,269	16,776	44,354	132,737	96,543	59,284
Total governmental activities	70,073,447	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
Business-type activities:										
Income from investments	17,246	3,573	5,410	23,202	2,311	-	639	783	1,333	2,753
Total general revenues	70,090,693	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
Change in net position:										
Governmental activities	14,078,751	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
Business-type activities	2,172,828	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
Total change in net position	\$ 16,251,579	\$ 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

(Concluded)

Source: Current and prior year financial statements.

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

	For the Year Ended June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Property taxes	\$ 69,660,031	\$ 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
Intergovernmental	8,960,927	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
Charges for services	2,063,616	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
Use of money and property	3,660	775,751	1,007,093	515,912	195,769	132,760	91,855	70,451	26,493	82,840
Other	-	-	-	-	5,177	16,776	44,354	84,554	93,591	49,735
Total revenues	80,688,234	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
Expenditures										
Current										
General government	13,818,448	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
Public safety	5,680,477	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
Health and welfare	584,946	409,918	368,687	321,525	327,690	281,186	269,302	290,800	300,754	316,348
Public works	3,877,497	3,793,301	3,773,166	3,599,611	3,377,390	2,901,688	3,158,581	2,994,985	2,787,448	2,708,230
Library	815,652	874,899	836,536	856,890	847,143	840,709	817,510	805,763	738,269	745,156
Education	48,329,461	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
Debt service	4,873,413	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
Total expenditures	77,979,894	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
Excess (deficiency) of revenues over expenditures	2,708,340	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
Other financing sources (uses)										
Cancellation of prior year encumbrances	-	-	-	-	-	-	-	-	-	22,987
Sale of capital assets	-	-	-	-	-	-	-	8,000	-	-
Transfers out	(2,565,299)	(3,268,934)	(5,201,536)	(3,499,923)	(1,713,641)	(1,843,206)	(1,350,247)	(890,529)	(655,730)	(553,779)
Net other financing sources (uses)	(2,565,299)	(3,268,934)	(5,201,536)	(3,499,923)	(1,713,641)	(1,843,206)	(1,350,247)	(882,529)	(655,730)	(530,792)
Net change in fund balances	\$ 143,041	\$ 672,272	\$ (493,279)	\$ 339,233	\$ 2,081,133	\$ 1,622,428	\$ 1,653,994	\$ 2,758,463	\$ 1,811,211	\$ 2,088,610
Debt service as a percentage of expenditures	6.25%	6.02%	5.23%	4.06%	4.16%	4.34%	3.73%	5.06%	5.70%	6.14%

Source: Current and prior year financial statements.

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

June 30

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<u>General fund:</u>		(as restated)								
Nonspendable	\$ 14,779	\$ 20,334	\$ 17,708	\$ 17,865	\$ 30,185	\$ 633,029	\$ 34,792	\$ 132,117	\$ 120,887	\$ 61,987
Committed	774,856	749,557	363,723	576,092	576,092	380,807	264,119	-	-	-
Unassigned	18,757,450	18,615,288	17,992,096	18,426,970	18,126,550	16,549,611	15,284,996	13,590,892	10,899,766	9,155,611
Total general fund	19,547,085	19,385,179	18,373,527	19,020,927	18,732,827	17,563,447	15,583,907	13,723,009	11,020,653	9,217,598
<u>All other governmental funds:</u>										
Restricted	2,117,105	1,283,936	1,129,019	1,013,397	622,028	478,567	404,866	393,982	425,634	439,259
Committed	9,703,949	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
Assigned	3,701,939	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
Unassigned	(3,569,710)	(13,568,351)	(7,643,078)	(19,183)	(8,755,346)	(6,883,927)	(9,186,824)	(7,189,907)	(6,072,328)	(3,762,486)
Total all other governmental funds	11,953,283	(724,131)	2,743,495	6,355,890	(4,661,743)	(3,018,070)	(5,315,783)	(3,303,223)	(3,203,469)	(548,909)
Grand total	\$ 31,500,368	\$ 18,661,048	\$ 21,117,022	\$ 25,376,817	\$ 14,071,084	\$ 14,545,377	\$ 10,268,124	\$ 10,419,786	\$ 7,817,184	\$ 8,668,689

Source: Current and prior year financial statements.

Notes:

All other governmental funds:

- Restricted
 - Committed
 - Unassigned
- Increase due to construction commitments for school projects
 Increased due to positive operations of capital nonrecurring fund and various other governmental funds
 Increased due to grant funding and issuance of debt for school projects

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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Property taxes	\$ 69,660,031	\$ 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
Intergovernmental	29,390,814	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
Charges for services	3,427,424	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
Use of money and property	53,574	829,116	1,009,997	518,409	198,622	151,686	96,513	75,242	34,199	97,574
Contributions	39,216	18,732	43,545	16,198	51,161	122,149	29,284	93,616	851,330	185,076
Other	-	-	-	-	29,269	16,776	44,354	132,737	96,543	59,284
Total revenues	102,571,059	102,033,543	89,815,500	90,820,442	87,570,552	81,647,175	78,662,454	81,049,488	77,376,680	73,526,087
Expenditures:										
Current:										
General government	13,922,354	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
Public safety	6,231,084	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
Health and welfare	836,036	431,476	402,283	359,612	352,733	328,112	340,181	492,990	529,725	589,847
Public works	3,900,129	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
Library	863,371	920,706	857,567	871,531	860,839	873,454	850,042	863,823	749,390	750,365
Education	60,038,602	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
Debt service	4,873,413	4,569,133	3,830,800	2,849,596	2,887,040	2,968,586	2,675,484	3,373,128	3,660,464	3,810,542
Capital outlay	18,555,927	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
Total expenditures	109,220,916	126,962,384	95,303,622	100,126,369	88,087,799	81,950,725	79,236,268	79,621,601	77,575,385	74,009,315
Excess (deficiency) of revenues over expenditures	(6,649,857)	(24,928,821)	(5,488,122)	(9,305,927)	(517,247)	(303,550)	(573,804)	1,427,887	(198,705)	(483,228)
Other financing sources (uses):										
Issuance of debt and refunding debt	15,985,000	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	2,759,660	365,212	956,901	218,323	16,874	190,332	1,668,779	192,395	48,627	45,677
Equipment financing note	-	-	-	-	-	4,363,271	568,396	977,567	23,237	-
Sale of capital assets	-	-	-	-	26,080	27,200	-	8,000	-	-
Transfers in	2,140,000	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
Transfers out	(2,140,000)	(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)
Net other financing sources (uses)	18,744,660	20,382,197	1,228,327	20,218,323	42,954	4,580,803	422,142	1,174,715	71,864	(106,102)
Net change in fund balances	\$ 12,094,803	\$ (4,546,624)	\$ (4,259,795)	\$ 10,912,396	\$ (474,293)	\$ 4,277,253	\$ (151,662)	\$ 2,602,602	\$ (126,841)	\$ (589,330)
Debt service as a percentage of noncapital expenditures	5.38%	5.28%	4.55%	3.43%	3.53%	3.89%	3.57%	4.56%	5.15%	5.15%

Source: Current and prior year financial statements.

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
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%	696,345	60,741,828	99.99%	3,808
2017	32.17	61,545,662	60,940,824	99.02%	599,567	61,540,391	99.99%	5,271
2018	32.88	63,747,268	63,149,000	99.06%	589,232	63,738,232	99.99%	9,036
2019	32.88	65,890,952	65,185,288	98.93%	686,527	65,871,815	98.93%	19,137
2020	33.41	68,078,960	67,323,649	98.89%	259,710	67,583,359	99.27%	90,384
2021	33.74	69,218,450	68,761,192	99.34%	-	68,761,192	99.34%	457,258

Source: Town Assessor Department.

Notes:

(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	Percentage Of Total Assessed Value to Total Estimated Actual Value	Total Direct Tax Rate
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
2021	1,749,943,150	2,735,140,903	159,394,010	159,393,160	318,786,170	455,408,810	2,068,729,320	3,190,549,713	64.84%	33.74

Source: Town Assessor Department.

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	2021			2012		
		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	4.39%	\$ 75,047,360	1	3.24%
Gillette (Duracell, Inc.)	Battery Manufacturer	46,643,160	2	2.25%	68,843,360	2	2.98%
Steiner, Inc.	Real Estate	15,652,140	3	0.76%	24,707,890	3	1.07%
Cedar-Bethel, LLC	Shopping Plaza	14,064,960	4	0.68%	11,530,660	5	0.50%
Bethel Health & Rehab	Health Care Facility	12,004,740	5	0.58%	14,277,060	4	0.62%
Target Corporation	Retail	10,123,320	6	0.49%	10,919,650	7	0.47%
BFM L.P.	Shopping Plaza	9,936,210	7	0.48%	6,473,840	8	0.28%
RMS Bethel, LLC	Real Estate Developer	9,639,240	8	0.47%	-	-	0.00%
Omega Healthcare	Health Care Facility	8,986,100	9	0.43%	-	-	0.00%
Toll CT II Limited	Real Estate Developer	8,926,188	10	0.43%	11,298,520	6	0.49%
Total		<u>\$ 226,749,578</u>		<u>10.96%</u>	<u>\$ 223,098,340</u>		<u>9.65%</u>
		<u>\$ 2,068,729,320</u>			<u>\$ 2,312,719,350</u>		

(1) - Based on October 1, 2019 and 2010 net taxable grand list of :

Source: Town assessor department.

Town of Bethel, Connecticut

Ratios of Outstanding Debt by Type
Last Ten Years
(Unaudited)

Year Ended June 30	Governmental Activities					Business-Type Activities					Debt Per Capita
	(1) General Obligation Bonds	Notes Payable	Premium	Total	Sewer Bonds	Premium	(2) Notes Payable	Total	Grand Total	Percentage of Personal Income	
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
2021	68,365,000	3,073,559	3,265,535	74,704,094	10,310,000	90,178	4,071,164	14,471,342	89,175,436	0.08%	4,380

There is no overlapping debt for the Town.

Source: Current and prior year financial statements.

Notes:

(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
	(1) General Obligation Bonds	Premium	Total		
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
2021	68,365,000	3,265,535	71,630,535	2.25%	3,519

Source: Current and prior year financial statements.

Notes:

(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, 2021
(Unaudited)

Tax base:

Total tax collections (including interest and lien fees) for the prior year \$ 68,089,231

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2 1/4 times base	\$ 153,200,770	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	306,401,540	-	-	-
3 3/4 times base	-	-	255,334,616	-	-
3 1/4 times base	-	-	-	221,290,001	-
3 times base	-	-	-	-	204,267,693
	<u>153,200,770</u>	<u>306,401,540</u>	<u>255,334,616</u>	<u>221,290,001</u>	<u>204,267,693</u>
Total debt limitations					
	<u>153,200,770</u>	<u>306,401,540</u>	<u>255,334,616</u>	<u>221,290,001</u>	<u>204,267,693</u>
Indebtedness:					
Bonds	38,625,000	13,755,000	-	-	-
Bond anticipation notes - permanently financed	-	15,985,000	-	-	-
Bond anticipation notes - short term	-	4,015,000	-	-	-
	<u>38,625,000</u>	<u>33,755,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total indebtedness					
	<u>38,625,000</u>	<u>33,755,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding debt	<u>\$ 114,575,770</u>	<u>\$ 272,646,540</u>	<u>\$ 255,334,616</u>	<u>\$ 221,290,001</u>	<u>\$ 204,267,693</u>

The total net indebtedness above amounts to:

\$ 72,380,000

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

\$ 476,624,617

There is no overlapping debt for the Town.

Source: Current and prior year financial statements.

Town of Bethel, Connecticut

Legal Debt Margin Information
Last Ten Years
(Unaudited)

<u>Year Ended June 30</u>	<u>Debt Limit</u>	<u>Net Debt Applicable To Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable</u>
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%
2021	476,624,617	72,380,000	404,244,617	15.19%

Source: Current and prior year financial statements.

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	(1) Education Level of Schooling			(4) School Enrollment	(5) Unemployment Percentage
					High School Graduate or Higher	Bachelor's Degree or Higher			
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%	
2021	20,358	101,968	45,171	42.9	93.1%	43.1%	3,097	5.6%	

Sources:

- (1) Town Advance CT report.
- (2) U.S. Census Bureau.
- (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	2021			2012		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Bethel	710	1	6.67%	580	2	5.79%
Duracell, Gillete	300	2	2.82%	370	4	3.70%
Bethel Health Care	220	3	2.07%	384	3	3.84%
Target	185	4	1.74%	-	-	0.00%
Bethel Food	173	5	1.62%	160	6	1.60%
Big Y	165	6	1.55%	150	8	1.50%
Eaton Corporation	145	7	1.36%	140	9	1.40%
Memry	133	8	1.25%	260	5	2.60%
Maplewood Nursing Home	75	9	0.70%	-	-	0.00%
Ability Beyond Disability	-	-	0.00%	950	1	9.49%
Cannondale Corporation	-	-	0.00%	154	7	1.54%
Sandvik Wire & Heating	-	-	0.00%	86	10	0.86%
Total	2,106		19.78%	3,234		32.32%

Source: State Department of Labor.

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

Function/Program	June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<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	7.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0
Other	9.0	9.0	9.0	10.0	10.0	10.0	10.0	10.0	11.0	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 Marshal	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Fire:										
Firefighters (volunteer)	132.0	97.0	118.0	112.0	112.0	112.0	112.0	103.0	113.0	110.0
Police:										
Uniformed employees	39.0	39.0	38.0	38.0	37.0	37.0	35.0	40.0	40.0	40.0
Others	13.0	13.0	13.0	13.0	13.0	13.0	8.0	12.0	12.0	9.0
<u>Public works:</u>										
Engineering	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.5	2.5	2.5
Highway department	13.0	13.0	13.0	12.0	12.0	12.0	12.0	12.0	17.0	17.0
Building maintenance	5.0	5.0	5.0	7.0	7.0	7.0	7.0	7.0	6.0	6.0
Health and welfare	4.0	4.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Library	15.0	11.5	15.0	15.1	13.2	13.2	13.2	16.0	12.0	8.0
Education	447.0	445.0	444.0	444.0	444.0	445.0	444.0	443.0	346.0	344.0
Water	5.0	5.0	5.5	5.5	3.5	4.5	4.5	4.5	4.5	4.5
Sewer	3.0	3.0	4.5	4.5	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	710.0	669.5	691.5	686.6	680.7	682.7	674.7	677.0	591.0	579.5

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

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

Function/Program	For the Year Ended June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<u>Government Activities</u>										
General government:										
Parks and recreation:										
Programs	113	357	357	354	345	340	335	335	335	333
Public safety:										
Building permits issued	778	957	1,011	777	896	864	833	911	881	872
Library:										
Volumes and audio visual materials in collection	103,205	95,200	107,407	119,686	128,799	128,723	127,470	125,773	118,696	118,356
Education:										
Enrollment:										
Grades Pre-K-5	1,331	1,410	1,446	1,473	1,418	1,405	1,344	1,384	1,332	1,332
Grades 6-8	795	806	752	659	683	656	696	672	684	693
Grades 9-12	954	923	930	915	883	897	889	933	959	949
Special education	17	17	17	17	17	17	18	17	21	21
<u>Business-Type Activities</u>										
Water:										
Customers served	3,679	3,621	3,609	3,562	3,524	3,480	3,460	3,449	3,426	3,397
Sewer:										
Customers served	4,560	4,490	4,469	4,403	4,328	4,222	4,187	4,100	4,054	4,008

Source: Various Town departments.

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

Function/Program	June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<u>Governmental Activities</u>										
<u>General government:</u>										
Parks and recreation:										
Acreage	389	389	389	389	389	389	385	377	307	307
Park facilities	14	14	14	14	14	14	13	12	11	11
Community centers	1	1	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	38.75	38.40	38.14	38.14	38.14	38.10	38.10
Reservoirs	2	2	2	2	2	2	2	2	2	2
Pump stations	6	6	6	6	4	4	4	4	4	4
Hydrants	333	333	333	333	285	281	281	274	274	274
Wells	2	2	2	2	2	2	2	2	2	2
Standby	2	2	2	2	-	-	-	-	-	-
<u>Sewer:</u>										
Pump stations	11	11	11	11	10	10	10	10	9	9
Miles of sewers	58	58	58	58	58	58	58	58	58	58

Source: Town capital asset records and various Town departments.

**Federal Single Audit
and
State Single Audit
of the
Town of Bethel, Connecticut
For the Year Ended June 30, 2021**

**Town of Bethel, Connecticut
For the Year Ended June 30, 2021**

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**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on
an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

Independent Auditors' Report

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

We have audited, in accordance with the 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, the 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, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 20, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
December 20, 2021

**Federal
Single
Audit**

**Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance;
and Report on the Schedule of Expenditures
of Federal Awards Required by the Uniform Guidance**

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

We have audited the Town of Bethel, Connecticut's ("Town") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2021. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

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

Page 2

Opinion on Each Major Federal Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

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Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated December 20, 2021, which contained unmodified opinions on those financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
December 20, 2021

Town of Bethel, Connecticut

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal AL Number	Name of Funder Pass Through Entity	Identifying Number Assigned by Funder Pass Through Entity	Provided to Subrecipients	Total Expenditures
<u>U.S. Department of Agriculture</u>					
Child Nutrition Cluster:					
School Breakfast Program	10.553	State Department of Education	12060-SDE64370-20508	-	\$ 127,315
COVID-19 School Breakfast	10.553	State Department of Education	12060-SDE64370-29576	-	45,727
National School Lunch Program	10.555	State Department of Education	12060-SDE64370-20560	-	541,882
National School Lunch Program - Commodities	10.555	State Department of Education	N/A	-	28,662
COVID-19 School Lunch	10.555	State Department of Education	12060-SDE64370-29572	-	105,347
Total Child Nutrition Cluster					\$ 848,933
Fresh Fruit and Vegetable Program	10.582	State Department of Education	N/A	-	72,000
Total U.S. Department of Agriculture					920,933
<u>U.S. Department of Justice</u>					
Bulletproof Vest Partnership Program	16.607	State Office of Policy and Management	12060-OPM20350-21921	-	1,179
<u>U.S. Department of Labor</u>					
COVID-19 Unemployment Insurance	17.225	State Department of Labor	N/A	-	36,745
<u>U.S. Department of Transportation</u>					
Alcohol Open Container Requirements	20.607	State Department of Transportation	12062-DOT57513-22091	-	5,621
Highway Safety Cluster: National Priority Safety Programs	20.616	State Department of Transportation	12062-DOT57513-22600	-	47,509
Total U.S. Department of Transportation					53,130
<u>U.S. Department of the Treasury</u>					
COVID-19 Coronavirus Relief Fund		State Department of Education	12060-SDE64370-29561	-	563,256
COVID-19 Coronavirus Relief Fund		State Office of Policy and Management	12060-OPM20600-29561	-	225,818
Total U.S. Department of the Treasury	21.019				789,074
<u>U.S. Department of Education</u>					
Title I Grants to Local Educational Agencies		State Department of Education	12060-SDE64370-20679-2020	-	94,062
Title I Grants to Local Educational Agencies		State Department of Education	12060-SDE64370-20679-2021	-	314,446
Total Title I Grants to Local Educational Agencies	84.010				408,508
Special Education Cluster (IDEA):					
Special Education - Grants to States (IDEA, Part B)		State Department of Education	12060-SDE64370-20977-2020	-	603,542
Special Education - Grants to States (IDEA, Part B)		State Department of Education	12060-SDE64370-20977-2021	-	63,354
Total Special Education - Grants to States (IDEA, Part B)	84.027				666,896
Special Education - Preschool Grants (IDEA Preschool)	84.173	State Department of Education	12060-SDE64370-20983-2020	-	25,855
Total Special Education Cluster (IDEA)					692,751

(Continued)

See Notes to Schedule of Expenditures of Federal Awards.

Town of Bethel, Connecticut
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal AL Number	Name of Funder Pass Through Entity	Identifying Number Assigned by Funder Pass Through Entity	Provided to Subrecipients	Total Expenditures
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048	State Department of Education	12060-SDE64370-20742-2020	\$ 3,150	\$ 36,618
Career and Technical Education - Basic Grants to States (Perkins IV)	84.367	State Department of Education	12060-SDE64370-20742-2021	-	60,202
Total Career and Technical Education - Basic Grants to States				-	17,315
Supporting Effective Instruction State Grants	84.424	State Department of Education	12060-SDE64370-22854-2020	-	145,736
Student Support and Academic Enrichment Program (Title IV)	84.425D	State Department of Education	12060-SDE64370-29571	-	1,361,130
COVID-19 Elementary and Secondary School Emergency Relief Fund				-	-
Total U.S. Department of Education				-	-
<u>U.S. Department of Health and Human Services</u>				-	-
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	State Department of Public Health	12060-DPH48557-29582	-	28,512
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	State Department of Public Health	12060-DPH48557-29551	-	14,140
Voting Access for Individuals with Disabilities- Grants for Protection and Advocacy Systems	93.618	Secretary of the State	12060-SOS12500-21465	-	14,624
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	State Department of Public Health	12060-DPH48558-22664	-	4,969
Total U.S. Department of Health and Human Services				-	62,245
<u>U.S. Department of Homeland Security</u>				-	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)		State Department of Emergency Services and Homeland Security	12060-DPS32990-22520	-	156,370
Disaster Grants - Public Assistance (Presidentially Declared Disasters)		State Department of Emergency Services and Homeland Security	12060-DPS32990-21891 2021	-	161,957
Disaster Grants - Public Assistance (Presidentially Declared Disasters)		State Department of Emergency Services and Homeland Security	12060-DPS32990-21891 2020	-	37,807
Total U.S. Department of Homeland Security	97.036			-	356,134
Total Federal Awards				\$ -	\$ 3,580,570

(Concluded)

Town of Bethel, Connecticut

**Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

1. Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards ("Schedule") includes the federal award activity of the Town of Bethel, Connecticut ("Town") under programs of the federal government. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance").

Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in fund balance, changes in net position, or cash flows of the Town.

2. Summary of significant accounting policies

A. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

B. The Town has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

3. Noncash federal awards at fair value

The Town received and expended \$28,662 of USDA donated commodities under the National School Lunch program and \$72,000 from the Fresh Fruits and Vegetables program.

4. Prior year findings and questioned costs

There were no prior audit findings or questioned costs.

Town of Bethel, Connecticut

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified opinion

Internal control over financial reporting:
Material weakness(es) identified? yes x no
Significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements noted? yes x no

Federal Awards

Internal control over major programs:
Material weakness(es) identified? yes x no
Significant deficiency(ies) identified? yes x none reported

Type of auditors' report issued on compliance for major programs: Unmodified opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? yes x no

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555	Child Nutrition Cluster
21.019	COVID-19 Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? x yes no

II - Findings - Financial Statement Audit

None

III - Findings and Questioned Costs - Major Federal Award Programs Audit

None

**State
Single
Audit**

**Report on Compliance for Each Major State Program;
Report on Internal Control Over Compliance; and Report
on the Schedule of Expenditures of State Financial
Assistance Required by the State Single Audit Act**

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

We have audited the Town of Bethel, Connecticut's ("Town") compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town's major state programs for the year ended June 30, 2021. The Town's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with laws, regulations, contracts and grants applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Town's compliance.

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

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Opinion on Each Major State Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

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

Page 3

Report on the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We have issued our report thereon dated December 20, 2021, which contained unmodified opinions on those financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
December 20, 2021

Town of Bethel, Connecticut
Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2021

State Grantor/Pass Through Grantor/Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Total Expenditures
Department of Education:			
Talent Development	11000-SDE64370-12552	\$ -	\$ 5,377
Child Nutrition State Matching Grant	11000-SDE64370-16211	-	13,921
Healthy Foods Initiative	11000-SDE64370-16212	-	26,806
Adult Education	11000-SDE64370-17030	-	15,210
Health & Welfare - Private School Pupil	11000-SDE64370-17034	-	6,276
Bilingual Education English Learner Pilot Program	11000-SDE64370-17042	-	5,442
School Breakfast Program	11000-SDE64370-17046	-	13,578
Magnet Schools	11000-SDE64370-17057	-	7,470
Department of Transportation:			
Town Aid Road Grants - Municipal	12052-DOT57131-43455	-	162,111
Town Aid Road - STO	13033-DOT57131-43459	-	162,111
Department of Public Health:			
Drinking Water State Revolving Loan Fund	12060-DPH48770-22467	-	659,036
Drinking Water State Revolving Loan Fund	21018-DPH48770-42319	-	2,142,207
Office of Policy and Management:			
Payment in Lieu of Taxes (PILOT) on State Owned Property	11000-OPM20600-17004	-	15,360
Payment in Lieu of Taxes (PILOT) on Private Colleges and General/Chronic Disease Hospitals	11000-OPM20600-17006	-	10,175
Property Tax Relief on Property of Totally Disabled Persons	11000-OPM20600-17011	-	1,900
Property Tax Relief for Veterans	11000-OPM20600-17024	-	7,429
Municipal Grants-in-Aid	12052-OPM20600-43587	-	282,660
Connecticut State Library:			
Connecticard Payments	11000-CSL66051-17010	-	1,811
Historic Documents Preservation Grants	12060-CSL66094-35150	-	5,500
Total State Financial Assistance before Exempt Programs			<u>3,544,380</u>
Exempt Programs:			
Department of Education:			
Education Equalization Grants	11000-SDE64370-17041	-	7,897,665
Special Education - Excess Cost - Student Based	11000-SDE64370-17047	-	623,592
Department of Administrative Services			
School Construction Grants	13010-DAS27635-43744	-	<u>9,548,660</u>
Total Exempt Programs			<u>18,069,917</u>
Total State Financial Assistance		<u>\$ -</u>	<u>\$ 21,614,297</u>

See Notes to Schedule of Expenditures of State Financial Assistance.

Town of Bethel, Connecticut

**Notes to Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2021**

1. Basis of presentation

The accompanying schedule of expenditures of state financial assistance ("Schedule") includes state grant activity of the Town of Bethel, Connecticut ("Town"), under programs of the State of Connecticut. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including public works, education, economic development, public safety and health services.

Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to, and does not, present the financial position, changes in fund balance, changes in net position, or cash flows of the Town.

2. Summary of significant accounting policies

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board. The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of accounting

The expenditures reported on the Schedule are reported on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule.

3. Loan program

In accordance with Section 4-236-23(a)(4)(F) of the Regulations to the State Single Audit Act, the notes to the Schedule shall include loans and loan activities. The following is a summary of the loan program activity:

Department of Public Health:

Drinking Water Revenue Bonds: (21018-DPH48770-22467)

Grant ID	Issue Date	Interest Rate	Original Amount	Balance July 1, 2020	Additions	Retired	Balance June 30, 2021
DWSRF 2016-7040	5/31/17	2.0%	\$1,855,379	\$ 1,560,406	-	\$ 81,118	\$ 1,479,288
DWSRF 2017-7051	7/31/17	2.0%	1,025,306	851,493	-	42,239	809,254
DWSRF 2017-7054	5/31/17	2.0%	743,319	641,152	-	32,175	608,977
DWSRF 2018-7067	9/30/19	2.0%	633,147	613,480	-	26,686	586,794
DWSRF 2019-7075	7/31/20	2.0%	654,830	644,495	-	57,644	586,851
DWSRF 2020-7085	(1)	2.0%	(1)	-	576,002	-	576,002
DWSRF 2020-7089	(1)	2.0%	(1)	-	1,566,205	-	1,566,205
Totals				\$ 4,311,026	\$ 2,142,207	\$ 239,862	\$ 6,213,371

(1) This loan is an interim funding obligation.

4. Prior year findings and questioned costs

There were no prior audit findings or questioned costs.

Town of Bethel, Connecticut

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

I - Summary of Auditors' Results

Financial Statements

Type of auditors' opinion issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

Noncompliance material to financial statements noted?

yes no

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

Type of auditors' opinion issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?

yes no

The following schedule reflects the major programs included in the audit:

<u>State Grantor and Program</u>	<u>State Core-CT Number</u>	<u>Expenditures</u>
Department of Public Health:		
Drinking Water State Revolving Loan Fund	12060-DPH48770-22467	\$ 659,036
Drinking Water State Revolving Loan Fund	21018-DPH48770-42319	2,142,207

Dollar threshold used to distinguish between type A and type B programs:

\$200,000

II - Financial Statement Findings

None

III - State Financial Assistance Findings and Questioned Costs

None