

**ANNUAL COMPREHENSIVE**

**FINANCIAL REPORT**

**OF THE**



**TOWN OF VERNON,  
CONNECTICUT**

**FOR THE YEAR ENDED  
JUNE 30, 2022**

**PREPARED BY:  
THE FINANCE DEPARTMENT  
JEFFREY O'NEILL, FINANCE OFFICER  
FRANK ZITKUS, CONTROLLER**

**TOWN OF VERNON, CONNECTICUT**  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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**INTRODUCTORY SECTION**

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# TOWN OF VERNON

14 PARK PLACE, VERNON, CT 06066

Tel: (860) 870-3690

Fax: (860) 870-3587

OFFICE OF THE  
FINANCE DEPARTMENT

March 31, 2023

To the Honorable Mayor,  
Members of the Town Council and  
Residents of the Town of Vernon, Connecticut:

Pursuant to the Charter, on an annual basis the Town Council shall designate an auditor or auditors to audit the books and accounts of the Town. The Town of Vernon's financial statements have been audited by Mahoney Sabol & Company, LLP, a firm that provides comprehensive accounting, auditing, tax, and business consulting services to a wide range of clients and industries. The purpose of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended June 30, 2022 are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures contained within the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

Mahoney Sabol & Company, LLP concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended June 30, 2022 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

This report consists of managements representations concerning the finances of the Town of Vernon. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. A comprehensive internal control framework that is designed to protect the government's assets from loss, theft or misuse has been established by management. Because the cost of internal controls should not outweigh their benefit, Vernon's framework of controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The independent audit of the financial statements of the Town was part of a broader, federally and state mandated "Single Audits" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited governments internal controls and compliance with legal requirements with special emphasis on internal controls and legal requirements involving the administration of

federal awards and state financial assistance. These reports are available in the Town of Vernon's separately issued Single Audit Reports.

Generally accepted accounting principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statement in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town of Vernon's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Town of Vernon**

The Town of Vernon, located in the northeast part of the state, was originally part of Bolton, Connecticut, and eventually incorporated as a separate township in October 1808. In 1965, the Town of Vernon, in its current form, was created when the Town, City of Rockville and the Vernon Fire District were consolidated. At that time, the Town of Vernon assumed all assets and liabilities of each of the governmental units and a new Town Charter was adopted.

Since 1970, when the Charter was revised, the town operates under a Mayor-Town Council form of government. Policy making and legislative authority are vested in the Town Council consisting of twelve council members with the Mayor presiding over meetings and eligible to vote in the event of a tie. The Town Council is responsible, among other things, for passing ordinances, approving the budget, appointing committees, the Town Attorney, and hiring the Town Administrator. The Town Administrator is responsible for implementing the approved policies, ordinances and overseeing day to day operations of the government. The Mayor and Town Council are elected at large on a partisan basis to serve two-year terms with eight seats as the maximum amount for one political delegation.

The Town of Vernon provides a full range of services, including police and fire protection, ambulance services, construction and maintenance of streets and other infrastructure, solid waste, and recycling services, and offers a variety of human services, recreational activities, and cultural events. The Town owns and operates a wastewater treatment facility that serves approximately 80% of the Town's residents. This facility also accepts sanitary waste from portions of the surrounding towns of Tolland, Ellington, Manchester, and South Windsor in accordance with the provisions of Intergovernmental Sewer Agreements between each of those communities and the Town.

The Town's educational system consists of five elementary schools, one middle school and one high school that includes a regional Vo-Ag on its campus.

The annual operating budget serves as the foundation for the Town of Vernon's financial planning and control. The appropriated budget is prepared by fund, function (e.g., Public Safety) and departments (e.g., Police). Department Heads may request transfers of appropriations within account classifications to the Finance Officer. Other transfers within a department and between departments require the approval of Town Council. Budget to actual comparisons is provided in this report for the General Fund, the only legally adopted budget as prescribed by the Town Charter.

## **Local Economy**

The Town of Vernon is a residential community consisting of 18.6 square miles located 14 miles east of Hartford with an estimated population of approximately 30,000 as of June 2022. Vernon is strategically located on Interstate 84 with four interchanges within the Town's borders providing convenient access to all areas of Connecticut, Massachusetts, and New York. Bradley International Airport is 30 minutes from Vernon.

The Town continues to pursue economic development while facing the task of addressing the redevelopment of older mill properties. Planned investments in infrastructure, clean water management and public safety will have a positive effect locally and will factor into further economic recovery and stability of the region.

The local economic base serves the region as a commercial, governmental, legal, and medical center. A revaluation program was undertaken per compliance with state law that requires all municipalities to conduct a revaluation every 5 years. As a result of the revaluation, Vernon's October 1, 2020 grand list, effective for the 2021-2022 fiscal year increased by 19.74% or \$367,621,002 from the previous year. The tax base is moderately concentrated with the top ten taxpayers accounting for 17.29% of the Net Taxable Grand List. The top taxpayers are primarily comprised of apartments, shopping centers and utilities.

Notable economic development included:

- Talcottville Road - 120,000 square foot Self Storage facility
- Talcottville Road - 10,000 square foot day care facility
- South Frontage Road - 25,000 square foot headquarters for crane rental, sales and service
- Naek Road - 74-unit development
- Hyde Avenue - 174-unit development

The ongoing COVID-19 pandemic continued to have an impact on supply and materials availability; Vernon was well positioned to adapt and was able to maintain its high level of service to the community. There were no material impacts to Town's finances regarding revenue in fiscal year 2022. The property tax collection rate has been consistent for the past 10 years and fiscal year 2022 was in line with the assumed rate in the budget. The Town continues to stress fiscal responsibility, improved operational efficiencies and effective management.

The 2022-2023 operating budget was approved by the Town Council, sent to the annual Town Meeting, and adopted on April 26, 2022. A mill rate of 33.39 was adopted for Real Estate and Personal Property while Motor Vehicles were capped at a mill rate of 32.46 per directive of the State legislature.

## **Long Range Planning**

The Town updates the six-year capital improvement plan to address community demands as part of the annual budget process. This Capital Improvement Plan will continue to be revised to address community demands, understanding that budgetary constraints imposed by varied economic factors requires the diligent pursuit of grants and alternative resources to fund capital needs. Fiscally responsible budgeting and ensuring an adequate unreserved fund balance to offer flexibility for unanticipated expenses remain as key initiatives for the Town.

The Water Pollution Control Facility upgrade project which began in 2019 is ongoing and as a result of continuing supply chain issues, the expected completion date has now extended into the early part of 2024. Financing for the



project is to be accomplished through a combination of grant funding and loans from the Connecticut Clean Water Fund with participating towns contributing their agreed upon percentage of the total cost. In the capital plan, a sewer system evaluation and feasibility study were approved as a precursor to expansion of the system as well as opportunities for further economic development of key parcels of interest.

In addition to ongoing road and sidewalk improvements, Town projects include repairs and roof replacements on fire stations and other town owned buildings as well as the replacement of a generator at the police department, installation of pedestrian beacons at various crossing on the Rails to Trails, other safety equipment for the Fire, Police and Ambulance services. The Mayor and Town Council also have authorized work on the newly established Gene Pitney Park, Dart Hill Road Bridge and Windermere fields projects, further revitalization of Downtown Rockville, information technology upgrades and digital conversion of documents with funding approved through Town appropriations and other state grants.

Vernon continues to address major rolling stock demands to replace equipment and vehicles that have met their useful life. Besides being better equipped to serve the residents, these efforts have resulted in stabilization of maintenance budgets for succeeding years. Included in this plan for the fiscal year was the replacement of Police Vehicles and an Automated Side-Loader for the refuse department.

#### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Vernon for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2021. This was the **thirty-first** consecutive year the Town has received this prestigious award which is valid for a one-year period. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfies both generally accepted accounting principles and applicable legal requirements.

The Town believes its current report continues to meet the program requirements and we will be submitting it to the GFOA to be considered for another certificate.

The preparation of this annual financial report could not have been accomplished without a major effort and commitment from all members of the finance team. I would like to extend special recognition to Frank J. Zitkus, Controller, for his significant contribution in the completion of this report. And finally, we acknowledge the Mayor, Town Administrator, and members of the Town Council for their continued interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

Respectfully submitted,

*Jeffrey A. O'Neill*

Jeffrey A. O'Neill  
Finance Officer & Treasurer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of Vernon  
Connecticut**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

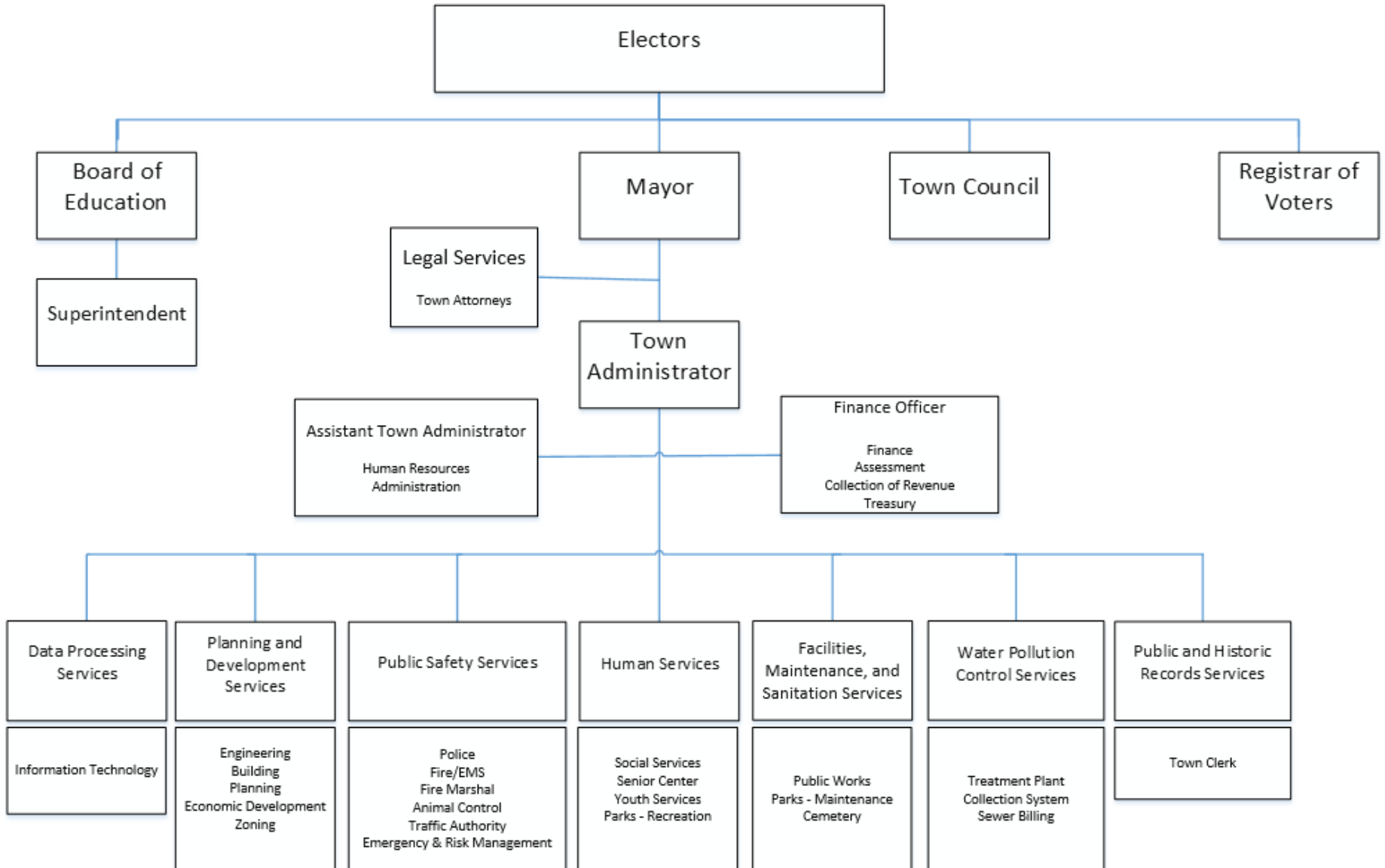
*Christopher P. Morill*

Executive Director/CEO



# Town of Vernon

Organizational Chart  
FY 2021-2022



**TOWN OF VERNON, CONNECTICUT**  
**LIST OF PRINCIPAL OFFICIALS**

**MAYOR**

Daniel A. Champagne

**TOWN COUNCIL**

Laura B. Bush	Brian Motola, Mayor Pro-Tempore
William F. Campbell	Ariana Nieves-Matias
Julie Clay	John O'Connell
Linda Gessay	Teri-Lynn Rogers
Ann Letendre	James Tedford
Maryann Levesque	Michael Wendus

**TOWN OFFICIALS**

Town Administrator	Michael J. Purcaro
Assistant Town Administrator	Dawn Maselek
Finance Officer / Treasurer	Jeffrey O'Neill
Town Contoller	Frank Zitkus
Town Clerk	Karen Daigle
Chief, Police	John Kelley
Captain, Police	Lucas Gallant
Chief, Fire / Ambulance	Stephen Eppler
Director, Data Processing	Robert Sigan
Director, Emergency Management	Michael J. Purcaro
Director, Library	Jennifer Johnston
Director, Public Works	Dwight Ryniewicz
Director, Recreation	Martin Sitler
Director, Senior Center	Maureen Gabriele
Director, Social Services	Matthew Hellman
Director, Waste Treatment	Robert Grasis
Director, Youth Services	Michelle Hill
Ambulance Coordinator	Katie McGray
Animal Control Officer	Craig P. Segar
Assessor	David A. Wheeler
Building Inspector	Steven Prattson
Cemetery Superintendent	Kevin Bowman
Collector of Revenue	Terry A. Hjarne
Fire Marshal	Daniel Wasilewski
Registrar (D)	Christopher Prue
Registrar (R)	Lisa Moody
Town Attorney	Louis A. Spadaccini
Town Engineer	David Smith
Director of Development Services	Shaun Gately
Town Planner	Ashley Stephens

**BOARD OF EDUCATION**

Anne H. Fisher, Chairperson	Mark Kalina
Dr Patricia Buxton, Secretary	Stephen Linton
Karen Colt	Deborah Rodriguez
Paul Grabowski	Mason Thrall, Vice Chairperson
	Kristiana Wintress

**EDUCATION OFFICIALS**

Superintendent of Schools	Dr. Joseph Macary
Assistant Superintendent of Schools	Robert Testa
Director of Business and Finance	William Meier, III

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**INDEPENDENT AUDITOR'S REPORT**

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## INDEPENDENT AUDITOR'S REPORT

To the Town Council  
Town of Vernon, Connecticut

### Report on the Financial Statements

#### *Opinions*

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 Vernon, Connecticut (the Town), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Vernon, Connecticut, as of June 30, 2022, 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.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 20 and the information on pages 85 through 102 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2023, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Certified Public Accountants  
Glastonbury, Connecticut  
March 31, 2023



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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**TOWN OF VERNON, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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The management of the Town of Vernon, Connecticut (the Town), offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - iv of this Annual Comprehensive Financial Report (Report).

**Financial Highlights**

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$167.676 million (net position). Of this amount, \$10.136 million represents a deficit in the Town's unrestricted net position. This deficit is attributed to the Town's net pension and other post-employment benefits liabilities, which are being funded by the Town over time based on actuarially determined contributions.
- Net position of the Town's governmental activities totaled \$148.891 million, an increase of \$17.351 million over the prior year net position. Net position of the Town's business-type activities totaled \$18.785 million, an increase of \$133 thousand over the prior year net position.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$39.626 million, a decrease of \$7.249 million in comparison with the prior year. Of this amount, 70.3% or \$27.859 million is available for spending at the Town's discretion (committed, assigned, and unassigned fund balance).
- The fund balance of the Town's General Fund increased by \$2.261 million to \$26.914 million.
- At the close of the current fiscal year, unassigned fund balance of the General Fund was \$24.051 million or 25.1% of total current year General Fund budgetary expenditures and other financing uses. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 3.0 months of General Fund budgetary appropriations.

**Overview of the Financial Statements**

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

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

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**Overview of the Financial Statements (Continued)**

**Government-wide Financial Statements**

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

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

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

Both of the government-wide financial statements are intended to distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include activities such as: education, public safety, maintenance and development of streets and buildings, sanitation, human services, recreation, public improvements, community planning and development, and general administration. The business-type activities of the Town include activities of the Town's wastewater treatment plant and rentals at Center 375.

The government-wide financial statements can be found on pages 21 and 22 of this report.

**Fund Financial Statements**

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

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

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

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**Overview of the Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

***Governmental Funds (Continued)***

The Town maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Town Capital and Nonrecurring Fund, the Waste Treatment Plant Upgrade Fund and the American Rescue Plan Fund, all of 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 nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 23 through 27 of this report.

***Proprietary Funds***

Enterprise funds are used to report the same functions presented as business type activities in the government-wide financial statements. The Town uses an enterprise fund to account for the Town's wastewater operations and property rentals at Center 375. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses internal service funds to account for activities that provide supplies and services to the Town's governmental and business-type functions.

The basic proprietary fund financial statements can be found on pages 28 through 30 of this report.

***Fiduciary Funds***

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

The basic fiduciary fund financial statements can be found on pages 31 and 32 of this report.

**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33 through 84 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information, combining and individual fund statements and schedules, and statistical and trend sections that can be found on pages 85 through 162 of this report.

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

**Government-wide Financial Analysis**

**Net Position**

Over time, net position may serve as one measure of a government's financial position. The Town's total net position (governmental and business-type activities combined) totaled \$167.676 million as of June 30, 2022 and \$150.193 million as of June 30, 2021 and are summarized as follows. Certain reclassifications were made to the amounts reported as of June 30, 2021 to conform to the current year presentation.

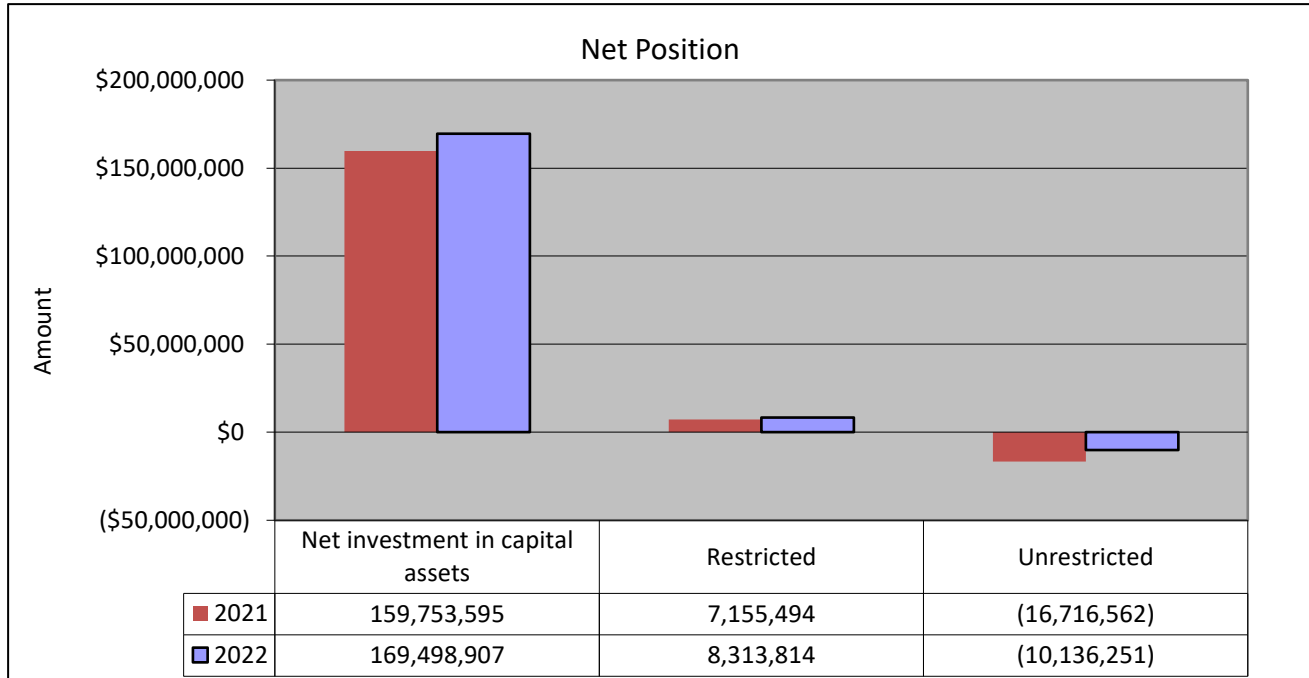
	June 30, 2022			June 30, 2021		
	Governmental Activities	Business-type Activities	Total	Total	\$ Change	% Change
Current and other assets	\$ 83,192,316	\$ 15,758,359	\$ 98,950,675	\$ 87,526,805	\$ 11,423,870	13.1%
Capital assets	232,151,373	7,634,195	239,785,568	224,293,384	15,492,184	6.9%
Total assets	315,343,689	23,392,554	338,736,243	311,820,189	26,916,054	8.6%
Deferred outflows of resources	4,525,834	5,201	4,531,035	4,441,230	89,805	2.0%
Other liabilities	26,732,086	314,219	27,046,305	13,555,939	13,490,366	99.5%
Long-term liabilities	121,050,059	3,212,605	124,262,664	133,343,232	(9,080,568)	-6.8%
Total liabilities	147,782,145	3,526,824	151,308,969	146,899,171	4,409,798	3.0%
Deferred inflows of resources	23,196,005	1,085,834	24,281,839	19,169,721	5,112,118	26.7%
Net position:						
Net investment in capital assets	161,864,712	7,634,195	169,498,907	159,753,595	9,745,312	6.1%
Restricted	8,313,814	-	8,313,814	7,155,494	1,158,320	16.2%
Unrestricted	(21,287,153)	11,150,902	(10,136,251)	(16,716,562)	6,580,311	-39.4%
Total net position	\$ 148,891,373	\$ 18,785,097	\$ 167,676,470	\$ 150,192,527	\$ 17,483,943	11.6%
	June 30, 2021					
	Governmental Activities	Business-type Activities	Total			
Current and other assets	\$ 72,868,481	\$ 14,658,324	\$ 87,526,805			
Capital assets	216,201,768	8,091,616	224,293,384			
Total assets	289,070,249	22,749,940	311,820,189			
Deferred outflows of resources	4,425,411	15,819	4,441,230			
Other liabilities	13,328,551	227,388	13,555,939			
Long-term liabilities	129,987,656	3,355,576	133,343,232			
Total liabilities	143,316,207	3,582,964	146,899,171			
Deferred inflows of resources	18,639,012	530,709	19,169,721			
Net position:						
Net investment in capital assets	151,661,979	8,091,616	159,753,595			
Restricted	7,155,494	-	7,155,494			
Unrestricted	(27,277,032)	10,560,470	(16,716,562)			
Total net position	\$ 131,540,441	\$ 18,652,086	\$ 150,192,527			

There were no significant changes in the financial position of the Town's business-type activities. Significant changes in the financial position of the Town's governmental activities include a \$10.203 million increase in the Town's net investment in capital assets relating to the construction of various bridge and road projects, school facility improvements and upgrades to the Town's wastewater treatment plant. Restricted assets increased by \$1.158 million primarily due to assessment resources to fund future debt service requirements, net of unfavorable returns on endowments. Increases in capital assets, current and other assets, deferred inflows of resources, and other liabilities were all driven by the ongoing upgrades to the Town's wastewater treatment plant.

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

**Government-wide Financial Analysis (Continued)**

**Net Position (Continued)**



As of June 30, 2022, 101.1% of the Town's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

As of June 30, 2022, 5.0% of the Town's net position is subject to restrictions on how it may be used and are, therefore, presented as restricted net position.

The remainder of the Town's net position is considered unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

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

**Government-wide Financial Analysis (Continued)**

**Changes in Net Position**

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

	2022			2021		\$ Change	% Change
	Governmental Activities	Business-type Activities	Total	Total			
<b>Revenues</b>							
Program revenues:							
Charges for services	\$ 7,732,219	\$ 6,155,490	\$ 13,887,709	\$ 12,338,887	\$ 1,548,822		12.6%
Operating grants and contributions	37,072,367	65,690	37,138,057	47,048,565	(9,910,508)		-21.1%
Capital grants and contributions	6,626,999	-	6,626,999	8,843,474	(2,216,475)		-25.1%
General revenues:							
Property taxes, levied for general purposes	75,181,322	-	75,181,322	73,792,051	1,389,271		1.9%
Grants and contributions	900,578	-	900,578	787,539	113,039		14.4%
Investment earnings	71,991	38,578	110,569	1,012,630	(902,061)		-89.1%
Total revenues	127,585,476	6,259,758	133,845,234	143,823,146	(9,977,912)		-6.9%
<b>Expenses</b>							
General government	5,055,728	-	5,055,728	5,385,975	(330,247)		-6.1%
Community development	619,484	-	619,484	489,383	130,101		26.6%
Public safety	14,514,798	-	14,514,798	14,812,824	(298,026)		-2.0%
Maintenance and development	10,251,255	-	10,251,255	10,863,706	(612,451)		-5.6%
Human services	1,767,622	-	1,767,622	1,585,115	182,507		11.5%
Parks, recreation and culture	3,351,855	-	3,351,855	3,156,729	195,126		6.2%
Education	73,688,537	-	73,688,537	82,874,311	(9,185,774)		-11.1%
Interest expense	1,031,353	-	1,031,353	1,526,117	(494,764)		-32.4%
Sewer	-	5,790,399	5,790,399	5,256,429	533,970		10.2%
Center 375 (rental)	-	290,260	290,260	213,810	76,450		35.8%
Total expenses	110,280,632	6,080,659	116,361,291	126,164,399	(9,803,108)		-7.8%
Change in net position before special item and transfers	17,304,844	179,099	17,483,943	17,658,747	(174,804)		-1.0%
Transfers	46,088	(46,088)	-	-	-		
Change in net position	17,350,932	133,011	17,483,943	\$ 17,658,747	\$ (174,804)		
Net position - beginning	131,540,441	18,652,086	150,192,527				
Net position - ending	\$ 148,891,373	\$ 18,785,097	\$ 167,676,470				

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

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**Government-wide Financial Analysis (Continued)**

**Change in Net Position (Continued)**

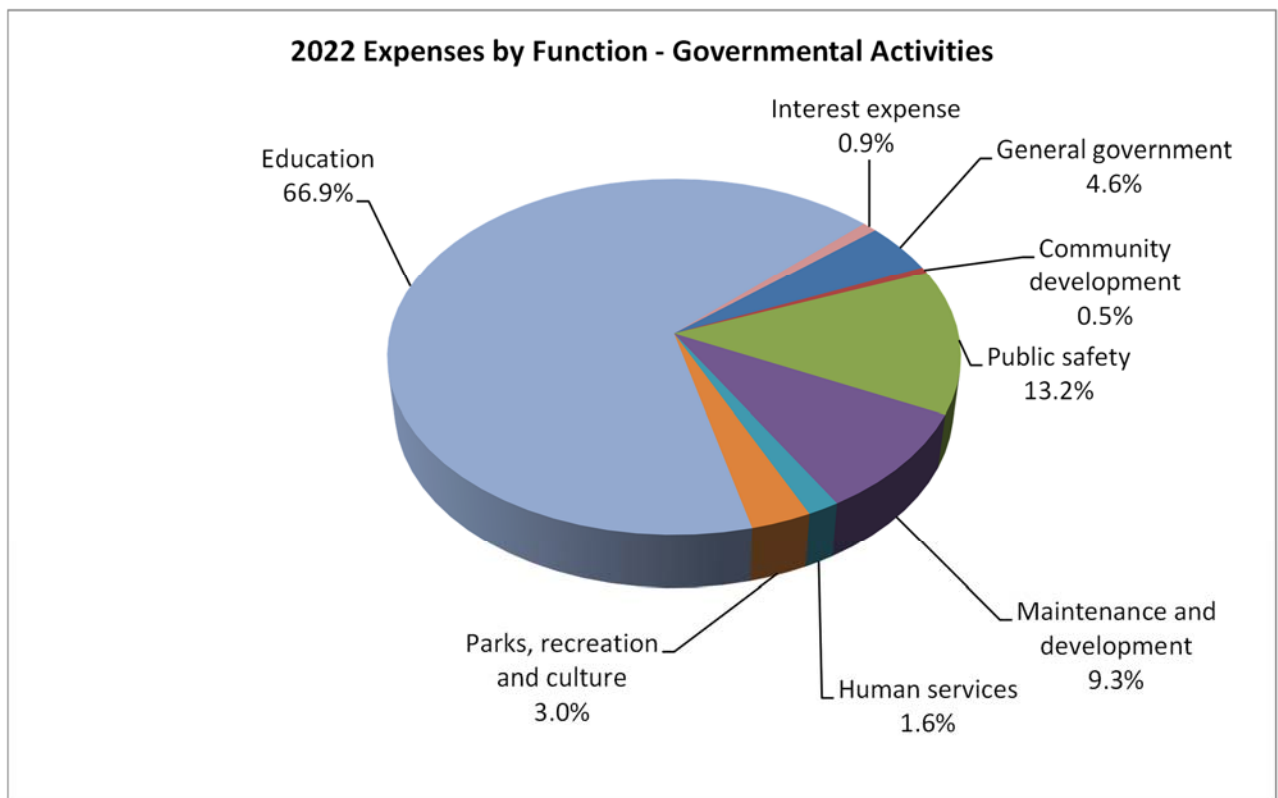
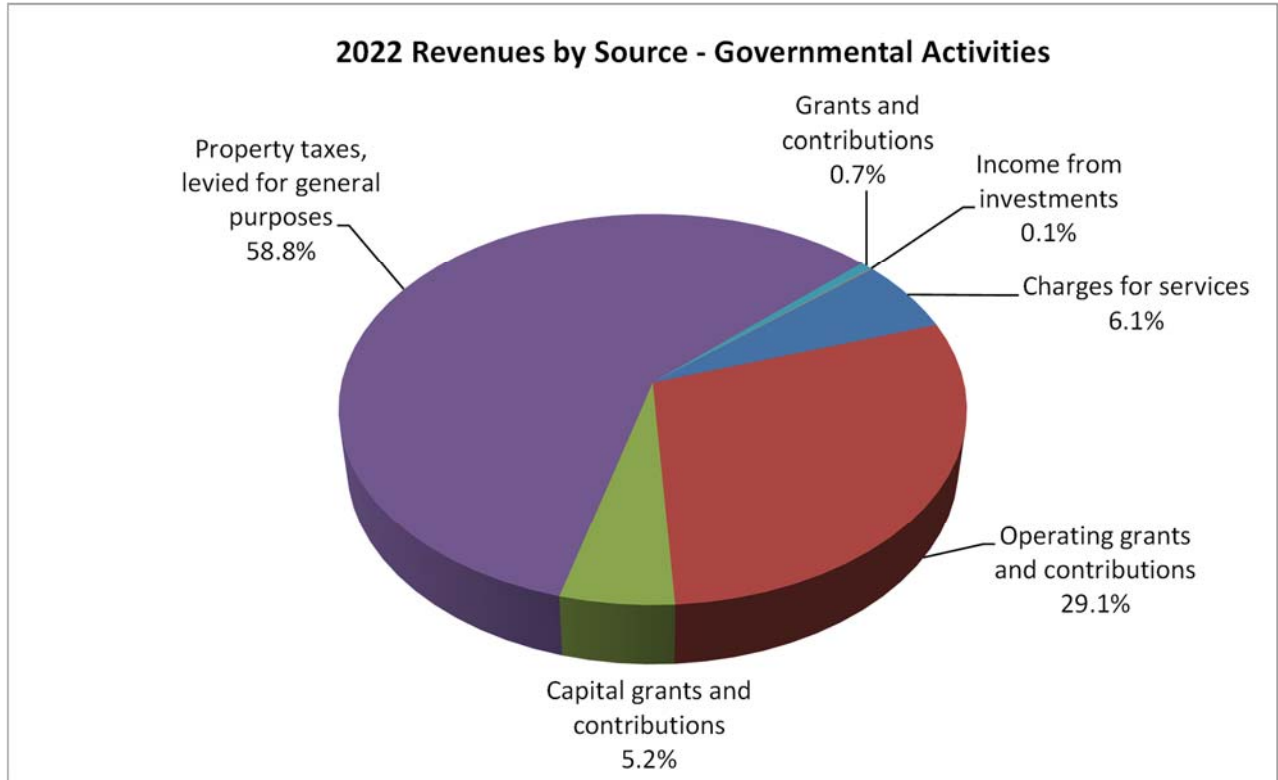
	Governmental Activities	Business-type Activities	Total
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 6,092,053	\$ 6,246,834	\$ 12,338,887
Operating grants and contributions	46,902,203	146,362	47,048,565
Capital grants and contributions	8,839,898	3,576	8,843,474
General revenues:			
Property taxes, levied for general purposes	73,792,051	-	73,792,051
Grants and contributions not restricted to specific programs	787,539	-	787,539
Investment earnings	1,002,207	10,423	1,012,630
Total revenues	<u>137,415,951</u>	<u>6,407,195</u>	<u>143,823,146</u>
<b>Expenses</b>			
General government	5,385,975	-	5,385,975
Community development	489,383	-	489,383
Public safety	14,812,824	-	14,812,824
Maintenance and development	10,863,706	-	10,863,706
Human services	1,585,115	-	1,585,115
Parks, recreation and culture	3,156,729	-	3,156,729
Education	82,874,311	-	82,874,311
Interest expense	1,526,117	-	1,526,117
Sewer	-	5,256,429	5,256,429
Center 375 (rental)	-	213,810	213,810
Total expenses	<u>120,694,160</u>	<u>5,470,239</u>	<u>126,164,399</u>
Change in net position before special item and transfers	16,721,791	936,956	17,658,747
Transfers	<u>133,585</u>	<u>(133,585)</u>	<u>-</u>
Change in net position	<u>\$ 16,855,376</u>	<u>\$ 803,371</u>	<u>\$ 17,658,747</u>



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

**Government-wide Financial Analysis (Continued)**

**Change in Net Position (Continued)**



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

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**Government-wide Financial Analysis (Continued)**

**Change in Net Position (Continued)**

***Governmental Activities***

Net position from governmental activities increased from \$131.540 million to \$148.891 million, an increase of \$17.351 million. Since the Town began preparing a statement of net position as of June 30, 2003, this is the seventeenth increase in the twenty-year period.

Overall revenues decreased by \$9.830 million or 7.2% over the prior year. Key factors in this decrease were as follows:

- a decrease in operating grants and contributions of \$9.830 million primarily due to a decrease of \$11.875 million in the amount of on-behalf pension and OPEB expenses recognized by the Town in connection with its participation in the Connecticut Teachers' Retirement System, offset by an increase of \$1.688 million increase in special education grant funding and \$978 thousand in cafeteria fund grant funding;
- a decrease in capital grants of \$2.213 million primarily due to a decrease in capital grants of \$2.528 million to fund upgrades to the Town's wastewater treatment plant facility and \$213 thousand to fund school equipment and facility improvements, offset by increased grant funding of \$562 thousand to fund bridge construction costs.
- a reduction in investment earnings of \$930 thousand primarily due to unfavorable market value changes.
- decreases were offset by enhanced property tax collections of \$1.389 million and increased service charges of \$1.640 million and \$113 thousand in unrestricted grants and contributions.

Overall expenses decreased by \$10.414 million or 8.6% from the prior year. Key factors in this increase were as follows:

- a decrease in education expenses of \$9.186 million, driven by a decrease of \$11.875 million in on-behalf pension and OPEB expenses recognized by the Town in connection with its participation in the Connecticut Teachers' Retirement System; offset by an increase in operating activities;
- decreased interest expense of \$495 thousand primarily due to the impact of debt refunded in the prior year; and
- favorable decreases in overall expenses across other functions.

***Business-type Activities***

Revenues of the Town's business-type activities decreased by \$147 thousand or 2.3% and expenses increased by \$610 thousand or 11.2%. The factors influencing revenue results were decreases in rental revenue by \$60 thousand, in septic and delinquent interest fees by \$18 thousand, in operating grants by \$81 thousand and in capital contributions by \$3 thousand, offset by an increase in investment earnings of \$28 thousand, due to higher interest rates.

An increase in expenses of \$610 thousand is comprised of increases to wages and benefits costs of \$441 thousand, utility costs of \$232 thousand and supply costs of \$69 thousand, offset by decreases in general and administrative costs of \$50 thousand and building and equipment maintenance costs of \$76 thousand.

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

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**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 combined ending fund balances of \$39.626 million. Of total fund balance, \$27.995 million is either nonspendable, restricted, committed, or assigned because it has been committed for construction contracts or has been set aside for capital purposes, trust fund purposes, special assessment debt service, prepaid items and inventory.

Included in the current year total change in fund balance is an increase of \$2.261 million in the Town's General Fund. The unassigned fund balance reflects an overall increase of \$1.934 million. The unassigned fund balance of the General Fund at June 30, 2022 is \$24.051 million, which represents 24.10% of the Town's estimated revenues for the ensuing year. Maintaining adequate fund balance reserves allows the Town flexibility when budgets are restricted, emergency funds are needed, and prevents cash flow problems and the related costs that can result. It is essential to have reserves available to provide funding support for major capital projects that await reimbursement from grant or bond proceeds and for debt avoidance when applying internal financing for capital equipment. In addition, income earned by keeping the funds invested assists in limiting the need for future tax increases.

The Town's other major governmental funds are the American Rescue Plan Fund, the Town Capital and Nonrecurring Fund and the Waste Treatment Plant Upgrade Fund. The American Rescue Plan Fund received \$4.344 million in federal funds in the prior fiscal year, reporting the grant proceeds as unearned revenue as of June 30, 2021. In the current fiscal year, \$83 thousand of allowable grant expenses were incurred during the fiscal year and recognized as grant revenue, with \$4.262 million of federal funds available for use in future years. The Town Capital and Nonrecurring Fund incurred capital outlay costs of \$1.564 million during the fiscal year, offset by contractor contributions of \$225 thousand and transfers in \$1.219 million. Available fund balance at June 30, 2022 totaled \$3.091 million. The Waste Treatment Plant Upgrade Fund incurred costs of \$15.521 million during the year, offset by grant receipts of \$4.571 million, transfers in of \$46 thousand and net loan proceeds of \$626 thousand. The fund currently has a fund balance deficit of \$11.543 million driven by short-term financing that will be converted to long-term financing in future years.

Changes in fund balances of Non-major Governmental Funds include the following:

*Nonmajor Special Revenue Funds* - There was an increase in fund balance of \$1.323 million, with increases of \$546 thousand in the Cafeteria Fund, \$274 thousand in the Parks and Recreation Programs Fund, \$155 thousand in the Sewer Connections Fund, \$124 thousand in the Public Safety Complex Fund, \$90 thousand in the Special Education Grants Fund, \$70 thousand in the Miscellaneous Grants Fund, \$57 thousand in the Vernon Cemetery Commission Fund, \$42 thousand in the CDBG Small Cities Fund, \$40 thousand in the Education Programs and Activities Fund, \$33 thousand in the Ambulance Medical Services Fund, \$21 thousand in the Adult Basic Education Tuition Fund, \$13 thousand in the Senior Center Programs and Activities Fund, and \$7 thousand in the Town Aid Road Fund. Fund balance decreases include \$76 thousand in the Disaster Relief Fund, \$61 thousand in the Miscellaneous Grants Fund, \$9 thousand in the Dog License Fund and \$5 thousand in the Brownfields Remediation Fund.

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

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**Financial Analysis of the Town's Funds (Continued)**

**Governmental Funds (Continued)**

*Nonmajor Debt Service Fund* - The Fund received a transfer in of \$1.311 million and \$1.724 million in assessments to fund \$2.220 million of debt service requirements associated with upgrades to the Waste Treatment Plan Facility. The Fund has a \$4.742 million fund balance available to cover future debt service requirements of the facility upgrades.

*Nonmajor Capital Projects Funds* - There was a decrease in fund balance of \$893 thousand, including fund balance decreases of \$1.050 million in the RHS Track/Turf Field Fund, \$229 thousand in the Main St Bridge Renovations Fund, \$132 thousand in the School Roof Replacements and Renovations Fund, \$70 thousand in the Recreational Fields Fund, \$34 thousand in the Senior Center Acquisition and Renovations Fund and \$6 thousand in the Exit 66/67 Sewer Feasibility System Evaluation Fund, offset by increases in fund balances of \$411 thousand in the Education Capital and Non-Recurring Fund, \$103 thousand in the Dart Hill Road Bridge Reconstruction Fund, \$100 thousand in the Kelly Road Bridge Repairs Fund and \$12 thousand in the Citizens Block Renovations Fund. The Road Improvements Bond Fund did not incur roadway improvements costs during the current year, and has available fund balance of \$1.603 million at fiscal year-end.

*Nonmajor Permanent Funds* - Fund balance of the Permanent Trust Funds decreased by \$401 thousand, from \$4.886 million to \$4.485 million, due primarily to a \$231 thousand decrease in the fair value of investments of the Cemetery Trust Fund and an \$196 thousand decrease in the fair value of investments in the Rockville Library Trust Endowment. In addition, the Cemetery Trust Fund incurred costs of \$41 thousand and Rockville Library Trust of \$23 thousand. These decreases were offset by interest and dividend income of \$114 thousand and contributions of \$19 thousand.

**Proprietary Funds**

The Town accounts for five proprietary funds, two as business-type activities and three as internal service funds. The Sewer User Fund and the Center 375 Fund are established as self-supporting business-type activities that reported an increased change in net position of \$182 thousand for the year.

The Sewer User Fund is established for the operation and maintenance of the wastewater treatment plant. Quarterly bills for sewer usage and interest earned on investments generate its resources. The net increase to the Sewer User Fund net position was \$417 thousand compared to an increase of \$886 thousand in the prior year. The current year increase is attributable to operating revenues exceeding operating expenses by \$464 thousand. The October 1, 2021 sewer rate remained at its prior year rate of \$6.04/1,000 gallons. A decrease in treated waste attributed to the decrease in service charges of \$13 thousand. There was a combined \$18 thousand decrease in septic fees, delinquent interest and other revenues. Non-operating revenue and capital contributions were \$54 thousand lower than prior year. Operating expenses increased \$468 thousand from the prior year due to increased wage and benefits costs of \$447 thousand, utility costs of \$232 thousand and \$73 thousand in supply costs, offset by reduced depreciation expense of \$74 thousand, general administrative costs of \$51 thousand and maintenance costs of \$159 thousand.

Center 375 is a former elementary school renovated for the rental of office space to private firms and to Town departments. The renovation was conducted in a manner that would enable the Town to restore the building back to a school if enrollments so demanded. The result of the year's activity decreased net position by \$235 thousand as compared to a decrease from the prior year of \$100 thousand. The current year decrease is attributable to decreased rental revenue of \$60 thousand and increased maintenance costs of \$83 thousand.

The Internal Service Funds are supported by department budgets.

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

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**Financial Analysis of the Town's Funds (Continued)**

**Proprietary Funds (Continued)**

The Data Processing Fund serves both the Town and school administrations, which equally support its operating expenses. Net position decreased by \$191 thousand. Operating expenses increased by \$244 thousand, the result of a \$160 thousand increase in the Fund's wage and benefit costs along with an \$83 thousand increase in depreciation expense and a \$25 thousand increase in maintenance costs, offset by a reduction in general administrative costs of \$22 thousand. The future needs of the department require continual upgrades to the various computer systems as well as maintaining a network for sharing common software and databases.

The Workers' Compensation Fund provides for self-insurance of workers' compensation and is supported by contributions from the General Fund and Sewer User Fund, as well as investment income. At fiscal year-end, expenses exceeded revenues by \$271 thousand, decreasing the prior year net position \$485 thousand to \$214 thousand. Contributions to the Fund were increased from the prior year by \$396 thousand to cover former self-insured claims and now current pooled workers compensation claims. Operating expenses increased by \$174 thousand from the prior year. The allocation of adequate contributions in the next year will be adjusted to meet financial demands based on actual experience and discontinuance of the self-insured plan.

The Medical Self-Insurance Fund, which accounts for self-insured medical and dental coverage for all employees and retirees. The fund is supported by contributions from all covered participants and employer contributions. Contribution amounts are based upon historical experience of claims incurred and paid, and third-party administrators process the claims. Net position at fiscal year-end was \$138 thousand, a decrease of \$1.144 million from the prior year, primarily due to unfavorable medical claims experience. An allocation of sufficient contributions into the Fund will be necessary to fund future claims based on actual and anticipated claims experience.

**General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget amounted to an increase of \$1.233 million. Included in this amount is \$706 thousand of encumbrances carried forward from the previous fiscal year and \$527 thousand of current year budgetary amendments that can be classified as either pass-through additional appropriations or other additional appropriations.

*Pass-through additional appropriations* are those supported by revenue and other sources and amounted to \$191 thousand, including \$180 thousand in police special services pay, \$9 thousand in invasive species control costs and \$2 thousand in permit refunds. Although these additional appropriations had revenue and other funding sources, they were legally appropriated from fund balance.

*Other additional appropriations* taken from fund balance amounted to \$336 thousand, including \$123 thousand for snow removal costs, \$121 thousand in building security surveillance costs, \$37 thousand for tropical storm costs, \$14 thousand in fire training fees, \$10 thousand in public safety equipment and \$6 thousand for general election costs.

Actual expenditures totaled \$91.963 million and can be summarized as follows. The budgetary unexpended, unencumbered resulted in a favorable amount of \$1.246 million. Contained within this amount are favorable variances of \$101 thousand in general government spending; \$46 thousand in community development; \$306 thousand for police and firefighting services and other public safety expenditures; \$25 thousand in refuse and recycling collection and \$254 thousand in public works maintenance; \$99 thousand in human services expenditures; \$40 thousand for parks recreation administration and maintenance and \$130 thousand for library operations; \$123 thousand for FICA, \$76 thousand in group, health, municipal and unemployment insurance.

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

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**General Fund Budgetary Highlights (Continued)**

As the fiscal year progresses, financial measures are taken to manage areas where additional costs are required, as well as projecting revenue shortfalls. One example is a hiring deferral to cover additional costs associated with the payment of compensated absences. Another is seeking out alternative revenue sources such as excess special education grants and Medicaid reimbursements to help offset the decrease in special education tuitions.

On the revenue side, actual revenues exceeded the original budget by \$3.110 million due to favorable variances in the following categories: \$1.616 million in total tax collections, including \$578 thousand in current taxes and \$654 thousand in prior taxes; intergovernmental revenues were \$264 thousand above estimates, including \$129 thousand of payment in lieu of taxes and \$90 thousand of sales tax sharing funds from state government, \$16 thousand in federal bullet proof vest grant funding and \$14 thousand in FEMA public assistance disaster assistance federal funding. Charges for services were above estimates by \$968 thousand due in most part to police special services of \$315 thousand, which in turn were appropriated to cover the respective costs. Town Clerk recording fees exceeded estimates by \$372 thousand. Education tuition receipts were above projections by \$281 thousand. Licenses and permits were above projections by \$235 thousand due to a favorable variance of \$242 thousand on building permits. Fines and penalties were \$9 thousand above projections. Low interest rates produced a deficiency of \$5 thousand in investment income. Library donations were \$2.5 thousand below projections and other revenues were \$25 thousand above original estimates due to insurance reimbursements of \$38 thousand above estimates.

**Capital Asset and Debt Administration**

**Capital Assets**

The Town's investment in capital assets for its governmental and business type activities as of June 30, 2022 totaled \$239.786 million (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, park facilities, vehicles and equipment, roads, bridges, storm water drainage and sewer lines. This amount represents a net increase (including additions and deductions) of \$15.492 million or 6.9% more than last year.

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

- \$367 thousand in road reconstruction and improvements;
- \$15.521 million in engineering and construction costs for the upgrade of the Waste Treatment Plant facility;
- \$1.570 million in bridge reconstruction costs;
- \$1.801 million of capital improvements to the Town's educational facilities;
- \$73 thousand in park improvements;
- \$756 thousand in building renovations;
- \$657 thousand in public works grounds improvements; and
- \$34 thousand in renovations to the new Senior Center facility.

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

**Capital Asset and Debt Administration (Continued)**

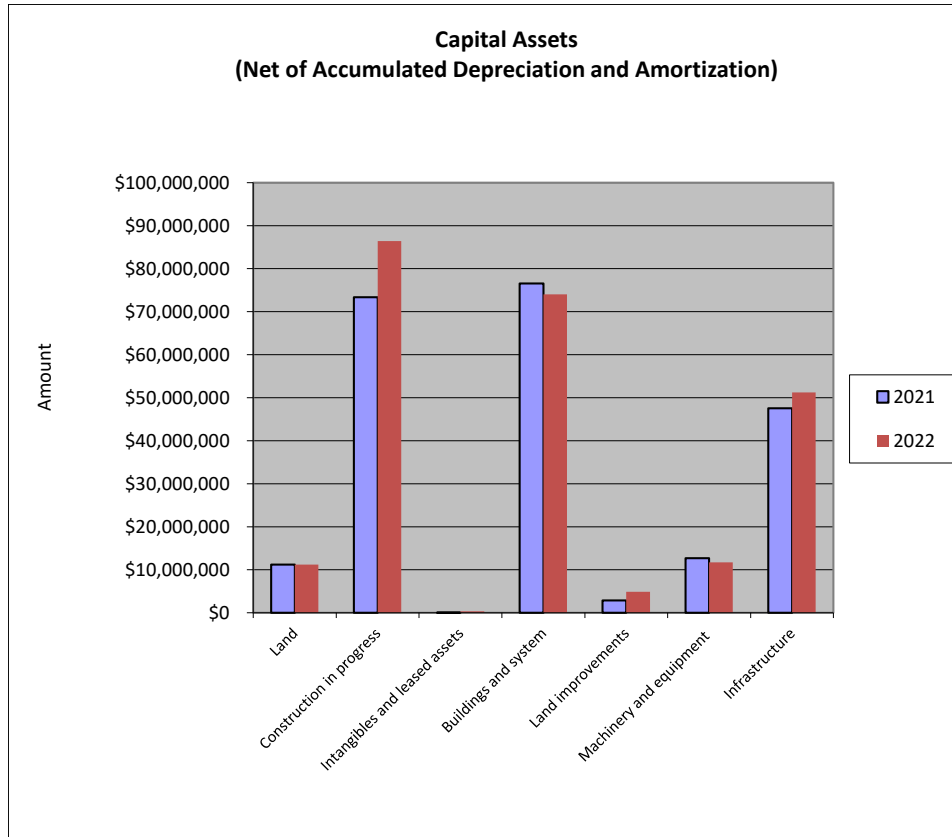
**Capital Assets (Continued)**

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

	June 30, 2022			June 30, 2021		\$ Change	% Change
	Governmental Activities	Business-type Activities	Total	Total	Total		
Land	\$ 9,887,913	\$ 1,322,840	\$ 11,210,753	\$ 11,210,753	\$ -	0.0%	
Construction in progress	86,385,999	-	86,385,999	73,379,325	13,006,674	17.7%	
Intangibles and leased assets	319,124	11,793	330,917	43,745	287,172	656.5%	
Buildings and system	73,309,643	747,997	74,057,640	76,587,919	(2,530,279)	-3.3%	
Land improvements	4,778,727	96,064	4,874,791	2,874,910	1,999,881	69.6%	
Machinery and equipment	10,733,934	981,737	11,715,671	12,681,646	(965,975)	-7.6%	
Infrastructure	46,736,033	4,473,764	51,209,797	47,515,086	3,694,711	7.8%	
Totals	\$ 232,151,373	\$ 7,634,195	\$ 239,785,568	\$ 224,293,384	\$ 15,492,184	6.9%	

June 30, 2021		
Governmental Activities	Business-type Activities	Total
Land	\$ 9,887,913	\$ 1,322,840
Construction in progress	73,379,325	-
Intangibles	27,235	16,510
Buildings and system	75,798,351	789,568
Land improvements	2,769,430	105,480
Machinery and equipment	11,506,212	1,175,434
Infrastructure	42,833,302	4,681,784
Totals	\$ 216,201,768	\$ 8,091,616



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

**Capital Asset and Debt Administration (Continued)**

**Capital Assets (Continued)**

Additional information on the Town's capital assets can be found in Note 5 to the financial statements beginning on page 46.

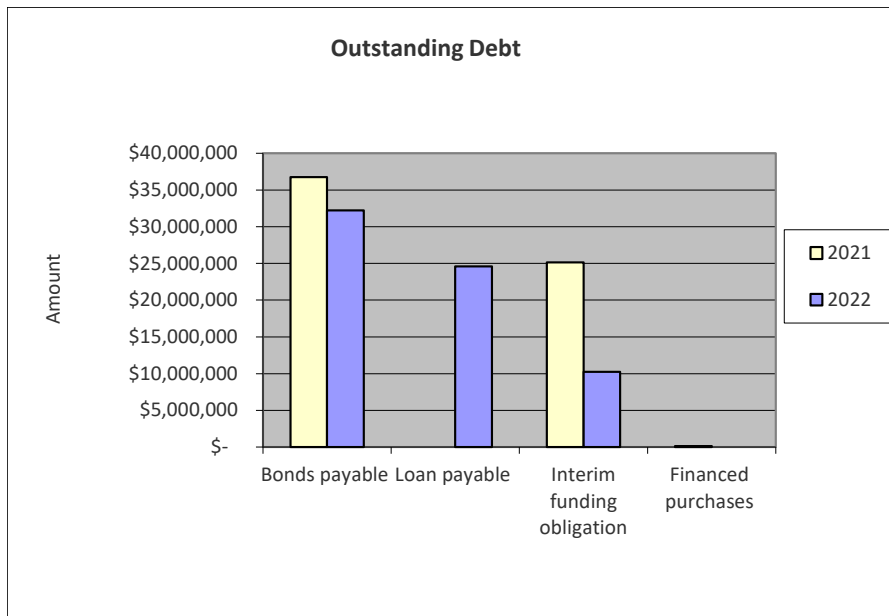
**Debt Administration**

At the end of the current fiscal year, the Town had \$67.053 million in outstanding bonds, loans and financed purchase obligations compared to \$62.080 million at the end of the prior fiscal year. Significant changes in debt included the conversion of the prior year interim funding obligation into a long-term Clean Water Fund loan, proceeds received on a new interim funding obligation, offset by scheduled debt service repayments. The Clean Water Fund loan and interim funding obligation were used to finance upgrades to the Town's wastewater treatment plant. The Town expects to convert amounts outstanding on the interim funding obligation into a second Clean Water Fund loan upon substantial completion of the project. The following is a two-year comparison of long-term and short-term debt:

	June 30, 2022			June 30, 2021		
	Governmental Activities	Business-type Activities	Total	Total	\$ Change	% Change
Bonds payable	\$ 32,215,000	\$ -	\$ 32,215,000	\$ 36,765,000	\$ (4,550,000)	-12.4%
Loan payable	24,600,998	-	24,600,998	-	24,600,998	-
Interim funding obligation	10,237,416	-	10,237,416	25,156,923	(14,919,507)	-59.3%
Financed purchases	-	-	-	157,692	(157,692)	-100.0%
Totals	\$ 67,053,414	\$ -	\$ 67,053,414	\$ 62,079,615	\$ 4,973,799	8.0%

	June 30, 2021		
	Governmental Activities	Business-type Activities	Total
Bonds payable	\$ 36,765,000	\$ -	\$ 36,765,000
Interim funding obligation	25,156,923	-	25,156,923
Financed purchases	157,692	-	157,692
Totals	\$ 62,079,615	\$ -	\$ 62,079,615





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

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**Capital Asset and Debt Administration (Continued)**

**Debt Administration (Continued)**

The Town's Aa2 general obligation bond rating was reviewed and reaffirmed by Moody's Investors on June 26, 2020. The Town's prior ratings, from July 23, 2018, July 24, 2017, July 19, 2016, July 15, 2015 and March 26, 2012, were also Aa2. Moody's most recent rating, when considering recalibrations, is in essence, an equivalent rating that has been assigned to the Town's debt since 1994.

The State limits the amount of general obligation debt that municipalities can issue, utilizing a formula determined under State Statutes based on type of debt and tax base. The Town's outstanding general obligation debt is significantly below the state-imposed limit.

Additional information on the Town's long-term debt can be found in Note 9 to the financial statements beginning on page 49.

**Economic Factors and Next Year's Budget and Rates**

Many economic factors were considered as the Town Council set the fiscal year 2022-23 budget. The ongoing impact of the global pandemic, continued economic uncertainty and financial impact on residents were of great concern of town officials.

Among these factors include the unemployment rate for the Town at year-end was 3.9%, 3.0% less than the prior year-end, attributed, in part, to the improvement of the coronavirus 19 pandemic. This compares similarly with the State's unemployment rate of 4.3% and the national rate of 3.8%.

The Northeast Urban area Consumer Price Index increase was 7.63% for fiscal year 2022 compared with the average U.S. town (National CPI for all urban consumers) rate of 9.06%.

The Town's grand list grew by \$367.621 million or 19.66% and much of that was due to state mandated reassessment of real property; once every 5 years, state law requires municipalities to revalue property.

Highlights of the Town's budget for the 2022-23 fiscal year include the following:

- The 2022-23 combined budgets for operating and capital programs total \$99.808 million, an increase of \$3.919 million, or 4.09%.
- Included in the budget is \$55.775 million for the Vernon Board of Education which represents a 1.35% increase. The Superintendent and Board of Education, after careful consideration, put forth a request that addresses the unparalleled challenges our students, educators, staff and administration face as a result of the global pandemic.
- The primary source of revenue, property taxes, grew by \$733 thousand to \$74.789 million, while income from investments was estimated to increase by \$250 thousand as a result of expectations of interest rate increases by Federal Reserve policy makers.
- In the next fiscal year, the estimated aid from the State of Connecticut is expected to increase by \$222 thousand to \$18.699 million, which represents 18.73% of total revenue for the General Fund.

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

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**Economic Factors and Next Year's Budget and Rates (Continued)**

The Town will use the increases in revenues to finance programs currently offered and to offset expected inflationary increases on program costs. Increases of \$2.668 million in capital improvements, \$743 thousand in education, \$237 thousand in contingency, \$210 thousand in general government, \$99 thousand in debt service, \$73 thousand in maintenance and development, \$41 thousand in park and recreation and \$17 thousand in human services, comprise the major increases in the fiscal year 2022-23 budget. Decreases in the fiscal year 2022-23 budget include \$105 thousand in public safety, \$49 thousand in municipal insurance costs, and \$7 thousand in pension contributions.

The capital budget provides funding for ongoing street, sidewalk and parking lot maintenance, town wide infrastructure/building maintenance and investment in new outdoor recreational spaces. In addition, funding for safety equipment for first responders has been continued and is a staple in the capital program each year. The Town continues to be successful in applying for and being awarded grants for capital improvements. Grant funding will assist in major projects such as the ongoing Waste Treatment Facility upgrade, replacement of Dart Hill and Kelly Road bridges and the stand-alone sidewalk program.

**Tax Rates**

The adopted budget set a mill rate of 33.39 for Real Estate and Personal Property, which is a decrease of 6.24 mills or 15.75% from the prior year, and 32.46 for Motor Vehicles, which is a decrease of 7.17 mills or 18.09% to comply with the cap as directed by the State of Connecticut. When blended together, the decrease is 6.34 mills or 15.99%.

The Town will continue to explore cost containment measures inclusive of a shared services collaborative with the school system employing sound risk management strategies that have resulted in reduced general liability and health insurance costs, lower cost of printing and managed copy services as well as further investment and utilization of the Enterprise Resource Planning system allowing for continued advancement of workflow efficiencies and reduced costs of materials such as paper, ink, toner and other general office supplies.

As a sustainable community, the Town will continue to work to identify viable opportunities to reduce the impact and cost of energy usage, promoting natural resource options where applicable. Purchasing solar credits, searching out locations for new solar array installations and implementing print management software are examples of initiatives that Vernon has and will continue to research and implement.

**Contacting the Town's Financial Management**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Town of Vernon, 14 Park Place, Vernon, Connecticut 06066.

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**BASIC FINANCIAL STATEMENTS**

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**TOWN OF VERNON, CONNECTICUT**

STATEMENT OF NET POSITION

AS OF JUNE 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 63,050,978	\$ 14,400,068	\$ 77,451,046
Investments	4,032,713	-	4,032,713
Receivables:			
Property taxes and interest, net	2,322,142	-	2,322,142
User charges and interest, net	-	670,965	670,965
Grants and contracts	2,233,072	-	2,233,072
Leases	-	30,405	30,405
Other	1,542,438	-	1,542,438
Internal balances	(188,282)	188,282	-
Other	503,189	-	503,189
Noncurrent assets:			
Receivables:			
Loans	582,919	-	582,919
Leases	-	468,639	468,639
Contracts	8,771,640	-	8,771,640
Net pension asset	341,507	-	341,507
Capital assets:			
Non-depreciable	96,273,912	1,322,840	97,596,752
Depreciable, net	135,877,461	6,311,355	142,188,816
Total assets	<u>315,343,689</u>	<u>23,392,554</u>	<u>338,736,243</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related	1,512,254	-	1,512,254
OPEB related	3,013,580	5,201	3,018,781
Total deferred outflows of resources	<u>4,525,834</u>	<u>5,201</u>	<u>4,531,035</u>
<b>LIABILITIES</b>			
Accounts payable	4,326,663	314,219	4,640,882
Accrued interest payable	547,422	-	547,422
Accrued liabilities	3,675,825	-	3,675,825
Interim funding obligation	10,237,416	-	10,237,416
Unearned revenue	7,944,760	-	7,944,760
Noncurrent liabilities:			
Due in one year	8,421,553	86,242	8,507,795
Due in more than one year	112,628,506	3,126,363	115,754,869
Total liabilities	<u>147,782,145</u>	<u>3,526,824</u>	<u>151,308,969</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Advance tax collections	1,836,777	-	1,836,777
Pension related	8,112,188	580,347	8,692,535
OPEB related	3,732,916	6,443	3,739,359
Lease related	-	499,044	499,044
Contract related	9,354,538	-	9,354,538
Deferred charge on refunding	159,586	-	159,586
Total deferred inflows of resources	<u>23,196,005</u>	<u>1,085,834</u>	<u>24,281,839</u>
<b>NET POSITION</b>			
Net investment in capital assets	161,864,712	7,634,195	169,498,907
Restricted for:			
Endowments:			
Nonexpendable	1,061,458	-	1,061,458
Expendable	3,423,234	-	3,423,234
Grants and other programs	3,829,122	-	3,829,122
Unrestricted	(21,287,153)	11,150,902	(10,136,251)
Total net position	<u>\$ 148,891,373</u>	<u>\$ 18,785,097</u>	<u>\$ 167,676,470</u>

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

**TOWN OF VERNON, CONNECTICUT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary Government:</b>							
Governmental activities:							
General government	\$ 5,055,728	\$ 1,388,302	\$ 49,830	\$ -	\$ (3,617,596)	\$ -	\$ (3,617,596)
Community development	619,484	23,845	161,723	-	(433,916)	-	(433,916)
Public safety	14,514,798	2,312,550	146,620	-	(12,055,628)	-	(12,055,628)
Maintenance and development	10,251,255	2,223,055	635,992	6,134,156	(1,258,052)	-	(1,258,052)
Human services	1,767,622	40,955	50,479	-	(1,676,188)	-	(1,676,188)
Parks, recreation and culture	3,351,855	722,003	(124,178)	-	(2,754,030)	-	(2,754,030)
Education	73,688,537	1,021,509	36,151,901	492,843	(36,022,284)	-	(36,022,284)
Interest expense	1,031,353	-	-	-	(1,031,353)	-	(1,031,353)
Total governmental activities	<u>110,280,632</u>	<u>7,732,219</u>	<u>37,072,367</u>	<u>6,626,999</u>	<u>(58,849,047)</u>	<u>-</u>	<u>(58,849,047)</u>
Business-type activities:							
Sewer	5,790,399	6,102,624	65,690	-	-	377,915	377,915
Center 375 (building rental)	290,260	52,866	-	-	-	(237,394)	(237,394)
Total business-type activities	<u>6,080,659</u>	<u>6,155,490</u>	<u>65,690</u>	<u>-</u>	<u>-</u>	<u>140,521</u>	<u>140,521</u>
Total primary government	<u>\$ 116,361,291</u>	<u>\$ 13,887,709</u>	<u>\$ 37,138,057</u>	<u>\$ 6,626,999</u>	<u>(58,849,047)</u>	<u>140,521</u>	<u>(58,708,526)</u>
General revenues:							
Property taxes, levied for general purposes					75,181,322	-	75,181,322
Grants and contributions not restricted to specific programs					900,578	-	900,578
Investment earnings					71,991	38,578	110,569
Transfers, net					46,088	(46,088)	-
Total general revenues					<u>76,199,979</u>	<u>(7,510)</u>	<u>76,192,469</u>
							Change in net position
							17,350,932
							Net position - beginning
							131,540,441
							Net position - ending
							\$ 148,891,373
							\$ 18,785,097
							\$ 167,676,470

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

**TOWN OF VERNON, CONNECTICUT**  
BALANCE SHEET -  
GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2022

	<u>General Fund</u>	<u>Town Capital and Nonrecurring Fund</u>	<u>Waste Treatment Plant Upgrade Fund</u>	<u>American Rescue Plan Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 31,710,535	\$ 3,077,407	\$ -	\$ 4,272,551	\$ 21,690,450	\$ 60,750,943
Investments	-	-	-	-	4,032,713	4,032,713
Receivables:						
Property taxes, net	1,811,387	-	-	-	-	1,811,387
Grants and contracts	118,028	24,155	168,344	-	1,339,647	1,650,174
Loans	-	-	-	-	582,919	582,919
Assessments	-	-	-	-	508	508
Other	161,477	-	-	-	767,243	928,720
Due from other funds	2,699,322	1,585,537	-	-	822,728	5,107,587
Inventories	-	-	-	-	21,158	21,158
Prepaid items	294,083	-	-	-	-	294,083
Advance to other fund	1,534,975	-	-	-	-	1,534,975
Total assets	<u>\$ 38,329,807</u>	<u>\$ 4,687,099</u>	<u>\$ 168,344</u>	<u>\$ 4,272,551</u>	<u>\$ 29,257,366</u>	<u>\$ 76,715,167</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 1,200,053	\$ 61,417	\$ 1,444,632	\$ -	\$ 1,584,390	\$ 4,290,492
Accrued liabilities	3,675,825	-	-	-	-	3,675,825
Due to other funds	2,544,182	-	29,444	-	2,145,070	4,718,696
Interim funding obligation	-	-	10,237,416	-	-	10,237,416
Unearned revenue	347,319	-	-	4,261,985	3,335,456	7,944,760
Advance from other fund	-	1,534,975	-	-	-	1,534,975
Total liabilities	<u>7,767,379</u>	<u>1,596,392</u>	<u>11,711,492</u>	<u>4,261,985</u>	<u>7,064,916</u>	<u>32,402,164</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Advance tax collections	1,836,777	-	-	-	-	1,836,777
Unavailable revenue - property tax and interest	1,811,387	-	-	-	-	1,811,387
Unavailable revenue - grants and other	-	-	-	-	1,038,486	1,038,486
Total deferred inflows of resources	<u>3,648,164</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,038,486</u>	<u>4,686,650</u>
<b>FUND BALANCES</b>						
Nonspendable	1,829,058	-	-	-	1,082,616	2,911,674
Restricted	-	-	-	10,566	8,844,652	8,855,218
Committed	-	3,090,707	-	-	12,103,893	15,194,600
Assigned	1,033,967	-	-	-	-	1,033,967
Unassigned	24,051,239	-	(11,543,148)	-	(877,197)	11,630,894
Total fund balances	<u>26,914,264</u>	<u>3,090,707</u>	<u>(11,543,148)</u>	<u>10,566</u>	<u>21,153,964</u>	<u>39,626,353</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 38,329,807</u>	<u>\$ 4,687,099</u>	<u>\$ 168,344</u>	<u>\$ 4,272,551</u>	<u>\$ 29,257,366</u>	<u>\$ 76,715,167</u>

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

**TOWN OF VERNON, CONNECTICUT**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2022**

Total fund balances for governmental funds		\$	39,626,353
Total net position reported for governmental activities in the statement of net position is different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			230,709,756
Deferred outflows and inflows of resources resulting from changes in the components of the Town's net pension and OPEB liabilities are reported in the statement of net position.			(7,319,270)
Some of the Town's revenues will be collected after year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as unavailable revenues in the funds.			2,849,873
A net pension asset is not recognized in the governmental funds. A net pension asset results from the difference between the pension plan's fiduciary net position and the portion of the present value of projected benefit payments to be provided through the pension plan.			341,507
Long-term receivables are not available soon enough to pay for the current period's expenditures and, therefore, are not reported in the funds:			
Interest on property taxes receivables	\$	749,755	
Less allowance for uncollectible accounts		<u>(239,000)</u>	
			510,755
Long-term liabilities and related amounts applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities and related amounts - both current and long-term - are reported in the statement of net position.			
Accrued interest payable		(547,422)	
Long-term debt:			
Bonds payable		(32,215,000)	
Unamortized bond premiums		(2,427,986)	
Deferred charges on refunding		(159,586)	
Loan payable		(24,600,998)	
Other long-term liabilities:			
Compensated absences		(2,794,075)	
Termination benefits		(2,154,874)	
Heart & hypertension		(452,123)	
Net pension liability		(46,528,461)	
Net OPEB liability		<u>(7,379,142)</u>	
Total long-term liabilities			(119,259,667)
An internal service fund is used by the Town to charge the cost of risk management activities to individual funds. A portion of the assets and liabilities of the internal service funds are included in the governmental activities statement of net position.			<u>1,432,066</u>
Net position of governmental activities		\$	<u><u>148,891,373</u></u>

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

**TOWN OF VERNON, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund	Town Capital and Nonrecurring Fund	Waste Treatment Plant Upgrade Fund	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property taxes	\$ 75,671,550	\$ -	\$ -	\$ -	\$ -	\$ 75,671,550
Grants and contracts	26,629,321	8,340	4,570,503	82,422	14,749,641	46,040,227
Charges for services	1,986,777	19,184	-	-	2,792,616	4,798,577
Licenses and permits	744,007	-	-	-	242,070	986,077
Contributions	-	225,000	-	-	853,307	1,078,307
Interest and dividend income	45,208	5,643	-	10,566	123,942	185,359
Net change in the fair value of investments	-	-	-	-	(426,460)	(426,460)
Assessments	-	-	-	-	1,735,426	1,735,426
Other	226,928	-	-	-	144,118	371,046
Total revenues	<u>105,303,791</u>	<u>258,167</u>	<u>4,570,503</u>	<u>92,988</u>	<u>20,214,660</u>	<u>130,440,109</u>
<b>EXPENDITURES</b>						
Current:						
General government	3,836,124	-	-	-	309,497	4,145,621
Community development	277,590	-	-	-	271,894	549,484
Public safety	9,032,005	-	-	-	1,206,306	10,238,311
Maintenance and development	6,017,790	-	-	-	566,005	6,583,795
Human services	1,124,190	-	-	82,422	197,280	1,403,892
Parks, recreation and culture	1,983,298	-	-	-	505,827	2,489,125
Townwide	7,974,075	-	-	-	-	7,974,075
Education	62,449,543	-	-	-	12,372,151	74,821,694
Debt service	6,057,988	-	-	-	2,219,942	8,277,930
Capital outlays	385,158	1,564,338	15,520,887	-	4,407,497	21,877,880
Total expenditures	<u>99,137,761</u>	<u>1,564,338</u>	<u>15,520,887</u>	<u>82,422</u>	<u>22,056,399</u>	<u>138,361,807</u>
Excess (deficiency) of revenues over expenditures	6,166,030	(1,306,171)	(10,950,384)	10,566	(1,841,739)	(7,921,698)
<b>OTHER FINANCING SOURCES (USES)</b>						
Payment of interim funding obligation	-	-	(25,156,923)	-	-	(25,156,923)
Loan issued	-	-	25,783,098	-	-	25,783,098
Transfers in	8,405	1,218,946	46,088	-	2,900,560	4,173,999
Transfers out	(3,913,270)	-	-	-	(214,641)	(4,127,911)
Total other financing sources (uses)	<u>(3,904,865)</u>	<u>1,218,946</u>	<u>672,263</u>	<u>-</u>	<u>2,685,919</u>	<u>672,263</u>
Net change in fund balances	2,261,165	(87,225)	(10,278,121)	10,566	844,180	(7,249,435)
Fund balances - beginning	<u>24,653,099</u>	<u>3,177,932</u>	<u>(1,265,027)</u>	<u>-</u>	<u>20,309,784</u>	<u>46,875,788</u>
Fund balances - ending	<u>\$ 26,914,264</u>	<u>\$ 3,090,707</u>	<u>\$ (11,543,148)</u>	<u>\$ 10,566</u>	<u>\$ 21,153,964</u>	<u>\$ 39,626,353</u>

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



**TOWN OF VERNON, CONNECTICUT**  
**RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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Net change in fund balances - total governmental funds \$ (7,249,435)

Total change in net position reported for governmental activities in the statement of activities is different because:

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

Expenditures for capital assets	\$ 22,389,304	
Depreciation and amortization expense	<u>(6,543,075)</u>	
Net adjustment		15,846,229

Certain revenues are not susceptible to accrual and, therefore, are only reported as revenue in the funds when the cash is received by the Town. In the government-wide financial statements, the cash received reduces the receivable recognized in the government-wide statement of net position. (172,334)

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

Debt issued or incurred:		
Loan issued	(25,783,098)	
Principal repayments:		
Interim Funding Obligation	25,156,923	
Bonds	4,550,000	
Loan	1,182,100	
Financed purchases	<u>157,692</u>	
Net adjustment		5,263,617

Deferred outflows and inflows of resources resulting from changes in the components of the net pension and OPEB liabilities are amortized as a component of pension and OPEB expense in the statement of activities. 108,326

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service fund is reported within the governmental activities. (1,557,685)

Certain revenues reported in the statement of activities do not provide current financial resources and therefore are reported as deferred inflows of resources in the governmental funds. This amount represents the change in unavailable revenues. (365,504)

*(Continued)*

**TOWN OF VERNON, CONNECTICUT**  
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES *(Concluded)*  
FOR THE YEAR ENDED JUNE 30, 2022

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

Accrued interest	\$	430,739	
Amortization of bond premiums		861,449	
Amortization of deferred charges on refunding		64,597	
Compensated absences		166,220	
Termination benefits		250,816	
Heart & hypertension		13,539	
Net OPEB liability		(320,845)	
Net pension liabilities		4,011,203	
		<hr/>	
			\$ 5,477,718
			<hr/>
Change in net position of governmental activities			\$ 17,350,932
			<hr/> <i>(Concluded)</i>

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

**TOWN OF VERNON, CONNECTICUT**

STATEMENT OF NET POSITION -

PROPRIETARY FUNDS

AS OF JUNE 30, 2022

	Business-type Activities			Governmental
	Sewer User Fund	Nonmajor	Total	Activities
		Center 375 Fund		Internal Service Funds
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 13,672,755	\$ 727,313	\$ 14,400,068	\$ 2,300,035
Receivables:				
User charges and interest, net	664,193	6,772	670,965	-
Leases	-	30,405	30,405	-
Other	-	-	-	613,175
Due from other funds	2,205	-	2,205	222,142
Prepaid expenses	-	-	-	187,948
Total current assets	<u>14,339,153</u>	<u>764,490</u>	<u>15,103,643</u>	<u>3,323,300</u>
Noncurrent assets:				
Lease receivables	-	468,639	468,639	-
Capital assets:				
Non-depreciable	762,160	560,680	1,322,840	-
Depreciable, net	5,804,034	507,321	6,311,355	1,441,617
Total noncurrent assets	<u>6,566,194</u>	<u>1,536,640</u>	<u>8,102,834</u>	<u>1,441,617</u>
Total assets	<u>20,905,347</u>	<u>2,301,130</u>	<u>23,206,477</u>	<u>4,764,917</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
OPEB related	5,201	-	5,201	-
Total deferred outflows of resources	<u>5,201</u>	<u>-</u>	<u>5,201</u>	<u>-</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	304,359	9,860	314,219	36,136
Claims payable	-	-	-	1,095,702
Compensated absences	86,242	-	86,242	36,183
Due to other funds	362,278	45,146	407,424	205,814
Leases	-	-	-	71,778
Total current liabilities	<u>752,879</u>	<u>55,006</u>	<u>807,885</u>	<u>1,445,613</u>
Noncurrent liabilities:				
Claims payable	-	-	-	1,046,130
Compensated absences	158,104	-	158,104	19,715
Leases	-	-	-	227,892
Deposit payable	-	10,710	10,710	-
Net pension liability	2,944,813	-	2,944,813	-
Net OPEB liability	12,736	-	12,736	-
Total non-current liabilities	<u>3,115,653</u>	<u>10,710</u>	<u>3,126,363</u>	<u>1,293,737</u>
Total liabilities	<u>3,868,532</u>	<u>65,716</u>	<u>3,934,248</u>	<u>2,739,350</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related	580,347	-	580,347	-
OPEB related	6,443	-	6,443	-
Lease related	-	499,044	499,044	-
Total deferred inflows of resources	<u>586,790</u>	<u>499,044</u>	<u>1,085,834</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	6,566,194	1,068,001	7,634,195	1,141,947
Unrestricted	9,889,032	668,369	10,557,401	883,620
Total net position	<u>\$ 16,455,226</u>	<u>\$ 1,736,370</u>	<u>18,191,596</u>	<u>\$ 2,025,567</u>
Cumulative adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			593,501	
Net position of business-type activities			<u>\$ 18,785,097</u>	

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

**TOWN OF VERNON, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Business-type Activities</b>			<b>Governmental</b>
	<b>Sewer User</b>	<b>Nonmajor</b>	<b>Total</b>	<b>Activities</b>
		<b>Fund</b>		<b>Center 375</b>
	<b>Fund</b>	<b>Fund</b>		<b>Service</b>
				<b>Funds</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 5,730,377	\$ 52,866	\$ 5,783,243	\$ 12,981,748
Other	372,247	-	372,247	568,544
Total operating revenues	<u>6,102,624</u>	<u>52,866</u>	<u>6,155,490</u>	<u>13,550,292</u>
<b>OPERATING EXPENSES</b>				
Wages and benefits	2,167,768	297	2,168,065	1,176,898
Repairs, maintenance and rentals	259,740	117,154	376,894	652,851
Utilities	1,869,568	45,328	1,914,896	19,155
Supplies and materials	609,437	17,428	626,865	1,249
General and administrative	367,879	61,087	428,966	2,145,068
Claims incurred	-	-	-	10,872,074
Depreciation	466,927	48,966	515,893	302,645
Total operating expenses	<u>5,741,319</u>	<u>290,260</u>	<u>6,031,579</u>	<u>15,169,940</u>
Operating income (loss)	361,305	(237,394)	123,911	(1,619,648)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest income	36,534	2,044	38,578	4,239
Other	65,690	-	65,690	-
Total non-operating revenues	<u>102,224</u>	<u>2,044</u>	<u>104,268</u>	<u>4,239</u>
Income (loss) before capital contributions and transfers	463,529	(235,350)	228,179	(1,615,409)
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS</b>				
Transfers in	-	-	-	8,644
Transfers out	(46,088)	-	(46,088)	-
	<u>(46,088)</u>	<u>-</u>	<u>(46,088)</u>	<u>8,644</u>
Change in net position	417,441	(235,350)	182,091	(1,606,765)
Net position - beginning	<u>16,037,785</u>	<u>1,971,720</u>		<u>3,632,332</u>
Net position - ending	<u>\$ 16,455,226</u>	<u>\$ 1,736,370</u>		<u>\$ 2,025,567</u>
Net current year adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>(49,080)</u>	
Net change in net position of business-type activities			<u>\$ 133,011</u>	

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

**TOWN OF VENRON, CONNECTICUT**  
**STATEMENT OF CASH FLOWS -**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Business-type Activities			Governmental Activities
	Sewer User Fund	Nonmajor Center 375 Fund	Total	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received for the following:				
Charges for services	\$ 5,720,912	\$ 56,804	\$ 5,777,716	\$ 12,289,050
Other operating revenues received	408,940	-	408,940	385,638
Cash paid for the following:				
Claims and administrative	-	-	-	(11,696,618)
Employee wages and benefits	(2,233,780)	-	(2,233,780)	(1,089,794)
Goods and services	(2,673,672)	(248,477)	(2,922,149)	(975,652)
Net cash provided by (used in) operating activities	<u>1,222,400</u>	<u>(191,673)</u>	<u>1,030,727</u>	<u>(1,087,376)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Interfund activities	<u>19,704</u>	<u>-</u>	<u>19,704</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	(23,404)	(35,171)	(58,575)	(17,356)
Principal paid on leases	-	-	-	(80,351)
Net cash used in capital and related financial activities	<u>(23,404)</u>	<u>(35,171)</u>	<u>(58,575)</u>	<u>(97,707)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	<u>36,534</u>	<u>2,044</u>	<u>38,578</u>	<u>4,239</u>
Net increase (decrease) in cash and cash equivalents	1,255,234	(224,800)	1,030,434	(1,180,844)
Cash and cash equivalents, beginning of year	12,417,521	952,113	13,369,634	3,480,879
Cash and cash equivalents, end of year	<u>\$ 13,672,755</u>	<u>\$ 727,313</u>	<u>\$ 14,400,068</u>	<u>\$ 2,300,035</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 361,305	\$ (237,394)	\$ 123,911	\$ (1,619,648)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	466,927	48,966	515,893	302,645
Changes in assets and liabilities:				
Receivables	(58,063)	(6,772)	(64,835)	(612,678)
Due from other funds	131,380	-	131,380	(46,057)
Prepaid expense	23,700	-	23,700	22,214
Deferred outflows of resources	10,618	-	10,618	-
Accounts payable	89,160	(2,329)	86,831	861,344
Accrued liabilities	(20,150)	-	(20,150)	5,354
Due to other funds	294,972	(4,854)	290,118	-
Unearned revenues	-	-	-	(550)
Deposit payable	-	10,710	10,710	-
Net pension liability	(111,401)	-	(111,401)	-
Net OPEB liability	(22,129)	-	(22,129)	-
Deferred inflows of resources	56,081	-	56,081	-
Net cash provided by operating activities	<u>\$ 1,222,400</u>	<u>\$ (191,673)</u>	<u>\$ 1,030,727</u>	<u>\$ (1,087,376)</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets from lease	\$ -	\$ -	\$ -	\$ 380,021

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

**TOWN OF VERNON, CONNECTICUT**  
**STATEMENT OF FIDUCIARY NET POSITION -**  
**FIDUCIARY FUNDS**  
**AS OF JUNE 30, 2022**

	<b>Pension Trust Funds</b>	<b>Private Purpose Trust Fund</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,717,684	\$ 388,703
Investments:		
Certificates of deposit	-	8,830
Fixed insurance contracts	15,318,508	-
Variable insurance contracts	71,165,923	-
Common stock	2,324,653	-
Mutual funds	1,674,415	124,825
Total investments	90,483,499	133,655
Receivables	4,051	-
Total assets	<u>92,205,234</u>	<u>522,358</u>
<b>LIABILITIES</b>		
Payables	491,605	28
Unearned revenue	27,429	-
Total liabilities	<u>519,034</u>	<u>28</u>
<b>NET POSITION</b>		
Restricted for:		
Pensions	89,527,472	-
Other post-employment benefits	2,158,728	-
Other purposes	-	522,330
Total net position	<u>\$ 91,686,200</u>	<u>\$ 522,330</u>

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

**TOWN OF VERNON, CONNECTICUT**  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

	<b>Pension Trust Funds</b>	<b>Private Purpose Trust Fund</b>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 5,391,563	\$ -
Employee	1,095,805	-
Retirees	363,046	-
State	63,953	-
Private	-	35,633
Other	23,929	-
Total contributions	<u>6,938,296</u>	<u>35,633</u>
Investment earnings:		
Net investment income	9,703,029	(6,605)
Less investment expenses	(407,079)	-
Total investment earnings	<u>9,295,950</u>	<u>(6,605)</u>
Total additions	<u>16,234,246</u>	<u>29,028</u>
<b>DEDUCTIONS</b>		
Benefit payments	8,967,343	-
Refunds of contributions	206,584	-
Awards expense	-	36,222
Administrative expenses	210,967	-
Total deductions	<u>9,384,894</u>	<u>36,222</u>
Change in net position	6,849,352	(7,194)
Net position - beginning	<u>84,836,848</u>	<u>529,524</u>
Net position - ending	<u>\$ 91,686,200</u>	<u>\$ 522,330</u>

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

**TOWN OF VERNON, CONNECTICUT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Financial Reporting Entity**

The Town of Vernon, Connecticut, was incorporated in 1808. The Town has operated under a Mayor-Town Council form of government, with a full-time Town Administrator since 1970 as prescribed by the Connecticut General Statutes and its charter, which was adopted October 13, 1964 and last revised November 6, 1990. The Town provides the following services: public safety (police, fire and ambulance), public works (public facility, street and infrastructure maintenance and solid waste disposal), parks and recreation, library and youth and social services, wastewater treatment, and education encompassing grades PreK-12.

Accounting principles generally accepted in the United States of America require that the reporting entity include, the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Town has determined that there are no agencies or entities, which should be presented within the Town's financial statements based on these criteria.

**Government-wide and Fund Financial Statements**

**Government-wide Financial Statements**

The statement of net position and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. The statements are intended to distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

**Fund Financial Statements**

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



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

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

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

**Fund Financial Statements *(Continued)***

The Town reports the following major governmental funds:

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

*Town Capital and Nonrecurring Fund* - This fund is used to account for the financial activity of the various capital improvement projects funded by state and federal grants and General Fund budgetary appropriations.

*Waste Treatment Plant Upgrade Fund* - This fund is used to account for the financial activity of the improvements to the waste water discharge system.

*American Rescue Plan Fund* - This fund is used to account for the financial activity of federal funds awarded under the American Rescue Plan Act.

The Town reports the following major proprietary fund:

*Sewer User Fund* - This fund is used to account for the operations of the Town's wastewater treatment facility.

In addition, the Town reports the following fund types:

*Special Revenue Funds* - These funds account for revenues derived from specific sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities.

*Debt Service Fund* - This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt.

*Capital Project Funds* - These funds account for all financial resources used for the acquisition or construction of major capital facilities not being financed by proprietary funds.

*Permanent Funds* - These funds account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Town's programs.

*Enterprise Fund* - This fund accounts for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

*Internal Service Funds* - These funds accounts for activities that provide goods or services to other funds, departments, or agencies of the Town on a cost-reimbursement basis.

*Pension and Other Post-employment Benefits Trust Funds* - These funds are used to account for resources held in trust for the members and beneficiaries of the Town's retirement and other post-employment benefit plans.

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

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

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

**Fund Financial Statements *(Continued)***

*Private Purpose Trust Funds* - These funds are used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

**Measurement Focus and Basis of Accounting**

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

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

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

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

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 connections with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds and of the Town's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service 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 non-operating revenues and expenses.

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

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

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

**Cash and Cash Equivalents**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, the Town's proprietary funds consider demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

**Investments**

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are reported at cost or amortized cost. Investments in certain external investment pools that meet specific criteria for measuring its investments at amortized cost are reported at amortized cost. Investments in insurance contracts are measured by the Town at contract value, which approximates fair value. All other investments in external investment pools and investments with maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

**Donor-Restricted Endowments**

The Town maintains certain endowments for the perpetual care and maintenance of cemeteries, its library and for various other purposes. The amount of net depreciation of endowments available for expenditure totaled \$(312,680) for the year ended June 30, 2022. As of June 30, 2022, \$1,061,458 of the Town's \$4,484,692 in endowments are considered nonexpendable/nonspendable with the remaining balance of \$3,423,234 reported as a component of restricted net position/fund balance. The Town allocates investment income on endowment investments in accordance with donor restrictions and Connecticut law. The State of Connecticut has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA requires the investment of endowments in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. It requires prudence in incurring investment costs, authorizing only costs that are appropriate and reasonable. Factors to be considered in investing are expanded to include, for example, the effects of inflation. UPMIFA emphasizes that investment decisions. Endowment expenditures are approved by the appropriate governing body.

**Property Taxes**

Property taxes are assessed as of October 1. Real estate and personal property taxes are billed in the following July and are due in two installments, July 1 and January 1. Motor vehicle taxes are billed in July and are due in one installment, July 1, and supplemental motor vehicle taxes are due in full January 1. Taxes become delinquent thirty days after the installment is due. Taxes not paid within 30 days of the due date are subject to an interest charge of 1.5% per month. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes and interest as of June 30, 2022 of \$161,000 and \$237,000, respectively.

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

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

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

**Sewer Charges and Assessments**

The Town operates a wastewater treatment system. Assessments and usage charges are due and payable within thirty days and delinquent amounts are subject to interest at prevailing rates. Liens are filed on all properties until the assessment is paid in full. Based on historical collection experience and other factors, the Town has not established an allowance for uncollectible assessments and usage charges as of June 30, 2022, respectively.

**Leases (as lessor)**

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

Key estimates and judgments include how the Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The Town uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee. The Town monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**Inventories and Prepaid Items**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$300 for the Town and \$1,000 for the Board of Education and an estimated useful life in excess of one year.

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

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

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

**Capital Assets *(Continued)***

As the Town constructs or acquires capital assets each period, they are capitalized and reported at historical cost, except for intangible right-to-use leased assets. Leased asset are initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The reported value of capital assets excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	15-20
Buildings	45
Building improvements	10-30
Machinery and equipment	5-25
Computer software	5-10
Computer equipment	5-10
Vehicles	4-25
Infrastructure	15-50

**Unearned Revenue**

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

**Deferred Outflows and Inflows of Resources**

Deferred outflows and inflows of resources represent either an acquisition or consumption of net assets that applies to a future period(s) and so will not be recognized as outflows or inflows of resources until that time. Deferred outflows and inflows of resources consists of deferred charges on pension and OPEB expenses reported in the government-wide financial statements. Deferred charges on pension and OPEB expenses result from changes in the components of the Town's net pension and OPEB liabilities and are amortized as a component of pension and OPEB expenses on a systematic and rational basis. Deferred inflows of resources also include deferred charges on refundings reported in the government-wide financial statements and unavailable revenues reported in the governmental funds financial statements. Deferred charges on refundings resulted from the difference in the carrying value of refunded debt and its reacquisition price. This amount has been deferred and is being amortized as a component of interest expense over the life of the related debt. Unavailable revenue is deferred and recognized as inflows of resources in the period that the amounts become available.

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

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

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

**Long-term Obligations**

***Long-term Debt***

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

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

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

***Leases (as lessee)***

The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) for a noncancellable lease in the government-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of \$100,000 or more. At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Town reasonably certain to exercise. The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt and other long-term obligations on the statement of net position.

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

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

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

**Long-term Obligations *(Continued)***

***Compensated Absences***

Certain employees are compensated by a prescribed formula for absence due to vacation or sickness. The eligibility for vacation pay vests, and unused sick leave may only be accumulated to be used for future absences, although unused sick leave may be paid upon termination, death or retirement. The liability at June 30, 2022 is calculated by multiplying the current accumulated vacation and sick days earned and payable by the employees' current daily rate of pay. The General Fund is the primary source of funding for compensated absences. 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 yearend.

**Net Position**

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

*Net investment in capital assets* - This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets. Deferred outflows and inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related are also included in this component of net position.

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

*Unrestricted net position* - This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories. As of June 30, 2022, the Town has designated \$1,966,105 of the Sewer User Fund's unrestricted net position for capital upgrades.

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

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

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

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

**Fund Balance**

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

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

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

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

*Committed* - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision making authority of the Town and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action. Commitments may be established, modified, or rescinded through resolutions approved by the Town Council.

*Assigned* - Amounts are constrained by the government's intent to be used for specific purposes, but are not restricted or committed. Amounts may be constrained to be used for a specific purpose by a governing board or body or official that has been delegated authority to assign amounts. Intent is expressed by the passing of a resolution by the Town Council or from a properly approved purchase order.

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

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

**Interfund Activities**

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



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

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

**Use of Estimates**

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

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS**

**Cash Deposits**

A reconciliation of the Town's cash deposits as of June 30, 2022 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 77,451,046
Statement of fiduciary net position:	
Cash and cash equivalents - Pension Trust Funds	1,717,684
Cash and cash equivalents - Private Purpose Trust Funds	388,703
	79,557,433
Add: certificates of deposit presented as investments	8,830
Less: investments presented as cash equivalents	(61,652,740)
	\$ 17,913,523

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2022, \$17,754,658 of the Town's bank balance of \$18,881,723 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 15,979,192
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	1,775,466
	\$ 17,754,658

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

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

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

**Investments**

A reconciliation of the Town's investments as of June 30, 2022 is as follows:

Government-wide statement of net position:		
Investments		\$ 4,032,713
Statement of fiduciary net position:		
Investments - Pension Trust Funds		90,483,499
Investments - Private Purpose Trust Funds		<u>133,655</u>
		94,649,867
Less: certificates of deposit presented as investments		(8,830)
Add: investments presented as cash equivalents		<u>61,652,740</u>
		<u><u>\$ 156,293,777</u></u>

As of June 30, 2022, the Town's investments consist of the following:

Investment Type	Valuation Basis	Value	Investment Maturities (In Years)			
			Less Than 1	1 to 5	6 to 10	More Than 10
<b>Debt Securities:</b>						
<i>Government-wide statement of net position:</i>						
Short-Term Investment Fund	Amortized cost	\$ 60,348,737	\$ 60,348,737	\$ -	\$ -	\$ -
Money market mutual funds	Amortized cost	108,076	108,076	-	-	-
<i>Statement of fiduciary net position:</i>						
Short-Term Investment Fund	Amortized cost	1,064,552	1,064,552	-	-	-
Money market mutual funds	Amortized cost	<u>131,375</u>	<u>131,375</u>	-	-	-
		61,652,740	<u><u>\$ 61,652,740</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>Other Investments:</b>						
<i>Government-wide statement of net position:</i>						
Common stock	Fair value	2,941,054				
Mutual funds	Fair value	1,091,659				
<i>Statement of fiduciary net position:</i>						
Common stock	Fair value	2,324,653				
Mutual funds	Fair value	1,799,240				
Variable insurance contracts	Contract value	71,165,923				
Fixed insurance contracts	Contract value	<u>15,318,508</u>				
		<u><u>\$ 156,293,777</u></u>				

**Interest Rate Risk**

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

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

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

**Investments *(Continued)***

**Credit Risk**

The Town has no investment policy that would further limit its investment choices beyond those limited by Connecticut state statutes. Connecticut state statutes permit the Town to invest in obligations of the United States, including its instrumentalities and agencies; in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service.

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

Investment Type	AAA	Unrated	Total
Debt Securities:			
<i>Government-wide statement of net position:</i>			
Short-Term Investment Fund	\$ 60,348,737	\$ -	\$ 60,348,737
Money market mutual funds	-	108,076	108,076
<i>Statement of fiduciary net position:</i>			
Short-Term Investment Fund	1,064,552	-	1,064,552
Money market mutual funds	-	131,375	131,375
	<u>\$ 61,413,289</u>	<u>\$ 239,451</u>	<u>\$ 61,652,740</u>

**Custodial Credit Risk**

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

**Concentrations of Credit Risk**

The Town's policy states credit risk will be minimized by limiting investments to the safest types of securities and pre-qualifying the financial institution with which the Town will do business. The Town is only allowed to invest in those types of investments that are covered by the state of Connecticut Municipal Investment Act. The investment portfolio must be diversified so that potential losses on individual securities will be minimized.

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from concentration of credit risk disclosures. The Town places no limit on the amount of investment in any one issuer. As of June 30, 2022, none of the Town's investments, in any one issuer that is subject to concentration of credit risk disclosures, exceeded 5.0% or more of the total investments reported in the Town's government-wide statement of net position. As of June 30, 2022, 94.2% of the Town's total investments reported in the Town's fiduciary statement of net position were invested in insurance contracts with Prudential Financial.

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

**NOTE 3 - FAIR VALUE MEASUREMENTS**

The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than those in Level 1; and
- Level 3: Unobservable inputs.

Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Town's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2022, by level within the fair value hierarchy are presented in the table below:

Financial Assets Measured at Fair Value	Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<i>Government-wide statement of net position:</i>				
Common stock	\$ 2,941,054	\$ -	\$ -	\$ 2,941,054
Mutual funds	1,091,659	-	-	1,091,659
<i>Statement of fiduciary net position:</i>				
Common stock	2,324,653	-	-	2,324,653
Mutual funds	1,799,240	-	-	1,799,240
	<u>\$ 8,156,606</u>	<u>\$ -</u>	<u>\$ -</u>	8,156,606
		Investments measured at amortized cost		61,652,740
		Investments measured at contract value		86,484,431
				<u>\$ 156,293,777</u>

**NOTE 4 - RECEIVABLES**

**Leases (as lessee)**

During the year ended June 30, 2022, the Town, as lessor, entered into a ten year noncancellable commercial real estate lease that expires May 31, 2032. The Town recognized \$5,355 in lease related revenue during the current fiscal year. As of June 30, 2022, the Town's receivable for future lease payments totaled \$499,044. In addition the Town has recognized a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. Future minimum lease payments to be received under lease agreement is as follows:

Year ending June 30:	Business-type Activities		
	Principal	Interest	Total
2023	\$ 30,405	\$ 33,974	\$ 64,379
2024	34,078	31,729	65,807
2025	38,016	29,219	67,235
2026	42,239	26,424	68,663
2027	46,767	23,324	70,091
Thereafter	307,539	57,791	365,330
	<u>\$ 499,044</u>	<u>\$ 202,461</u>	<u>\$ 701,505</u>

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

**NOTE 4 - RECEIVABLES *(Continued)***

**Loans**

The Town administers a federally funded rehabilitation loan program for eligible applicants. The loans do not accrue interest and repayment of the loans is deferred. The loans become due and payable upon sale or transfer of the property, the owner's demise, or when the subject property is no longer the applicant's principal place of residence/business. The loans may be paid in full or in part by the borrower at any time without penalty. As of June 30, 2022, loans receivable totaled \$582,919 under this program.

**Contracts**

The Town is currently undergoing capital upgrades to its Waste Treatment Plant. The plant accepts sanitary waste from portions of the surrounding towns of Tolland, Ellington, Manchester and South Windsor in accordance with the provisions of Intergovernmental Sewer Agreements between each of those communities and the Town. In addition to annual user charges, each of the surrounding towns are contractually responsible for a proportionate share of the capital costs (net of grant reimbursements) based on a ratio of the average daily flow allocated to each town. As of June 30, 2022, the Town has reported contract receivables in the amount of \$9,354,538, which represents the surrounding towns' proportionate share of the capital costs incurred through June 30, 2022. Of this amount, \$582,898 is expected to be received during the year ended June 30, 2023. The Town has also reported related deferred inflows of resources, which is being recognized as revenue over a twenty year period. During the year ended June 30, 2022, the Town recognized revenues of \$1,724,171, including interest of \$633,703, for capital recovery charges in connection with the upgrade.

**NOTE 5 - CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 9,887,913	\$ -	\$ -	\$ -	\$ 9,887,913
Construction in progress	73,379,325	19,092,153	-	(6,085,479)	86,385,999
Total capital assets, not being depreciated	<u>83,267,238</u>	<u>19,092,153</u>	<u>-</u>	<u>(6,085,479)</u>	<u>96,273,912</u>
Capital assets, being depreciated:					
Land improvements	8,479,944	1,262,256	-	1,004,908	10,747,108
Buildings and improvements	123,231,906	85,799	-	-	123,317,705
Machinery and equipment	55,496,681	1,285,143	(495)	-	56,781,329
Intangibles - computer software	433,327	-	-	-	433,327
Right-to-use leased equipment	-	380,021	-	-	380,021
Infrastructure	83,184,757	689,953	-	5,080,571	88,955,281
Total capital assets, being depreciated	<u>270,826,615</u>	<u>3,703,172</u>	<u>(495)</u>	<u>6,085,479</u>	<u>280,614,771</u>
Less accumulated depreciation and amortization for:					
Land improvements	5,710,514	257,867	-	-	5,968,381
Buildings and improvements	47,433,555	2,574,507	-	-	50,008,062
Machinery and equipment	43,990,469	2,057,421	(495)	-	46,047,395
Intangibles - computer software	406,092	7,781	-	-	413,873
Right-to-use leased equipment	-	80,351	-	-	80,351
Infrastructure	40,351,455	1,867,793	-	-	42,219,248
Total accumulated depreciation and amortization	<u>137,892,085</u>	<u>6,845,720</u>	<u>(495)</u>	<u>-</u>	<u>144,737,310</u>
Total capital assets, being depreciated, net	<u>132,934,530</u>	<u>(3,142,548)</u>	<u>-</u>	<u>6,085,479</u>	<u>135,877,461</u>
Governmental activities capital assets, net	<u>\$ 216,201,768</u>	<u>\$ 15,949,605</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 232,151,373</u>

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

**NOTE 5 - CAPITAL ASSETS *(Continued)***

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

<b>Governmental Activities:</b>	
General government	\$ 253,908
Community development	992
Public safety	952,434
Maintenance and development	2,596,609
Human services	3,168
Parks, recreation and culture	430,001
Education	<u>2,608,608</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 6,845,720</u>

Capital asset activity for business-type activities for the year ended June 30, 2022 consisted of the following:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance</b>
<b>Business-type Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 1,322,840	\$ -	\$ -	\$ -	\$ 1,322,840
Total capital assets, not being depreciated	<u>1,322,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,322,840</u>
Capital assets, being depreciated:					
Buildings and system	6,550,270	29,385	-	-	6,579,655
Improvements other than building	278,230	-	-	-	278,230
Machinery and equipment	9,696,577	29,188	(2,933)	-	9,722,832
Intangibles - computer software	118,824	-	-	-	118,824
Infrastructure	<u>11,435,340</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,435,340</u>
Total capital assets, being depreciated	<u>28,079,241</u>	<u>58,573</u>	<u>(2,933)</u>	<u>-</u>	<u>28,134,881</u>
Less accumulated depreciation and amortization for:					
Buildings and system	5,760,702	70,956	-	-	5,831,658
Improvements other than building	172,750	9,416	-	-	182,166
Machinery and equipment	8,521,143	222,784	(2,832)	-	8,741,095
Intangibles - computer software	102,314	4,717	-	-	107,031
Infrastructure	<u>6,753,556</u>	<u>208,020</u>	<u>-</u>	<u>-</u>	<u>6,961,576</u>
Total accumulated depreciation and amortization	<u>21,310,465</u>	<u>515,893</u>	<u>(2,832)</u>	<u>-</u>	<u>21,823,526</u>
Total capital assets, being depreciated, net	<u>6,768,776</u>	<u>(457,320)</u>	<u>(101)</u>	<u>-</u>	<u>6,311,355</u>
Business-type activities capital assets, net	<u>\$ 8,091,616</u>	<u>\$ (457,320)</u>	<u>\$ (101)</u>	<u>\$ -</u>	<u>\$ 7,634,195</u>

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

<b>Business-Type Activities:</b>	
Sewer Use	\$ 466,927
Rental of building	<u>48,966</u>
Total depreciation and amortization expense - business-type activities	<u>\$ 515,893</u>

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

**NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES**

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<b>Governmental Funds:</b>		
General Fund	Waste Treatment Plant Upgrade Fund	\$ 29,444
	Town Capital and Nonrecurring Fund	1,534,975
	Other Governmental Funds	2,056,640
	Sewer User Fund	362,278
	Internal Service Funds	205,814
	Other Enterprise Funds	45,146
		<u>4,234,297</u>
Town Capital Nonrecurring Fund	General Fund	1,585,537
Other Governmental Funds	General Fund	734,298
	Other Governmental Funds	88,430
		<u>822,728</u>
	Total Receivable	<u>\$ 6,642,562</u>
<b>Proprietary Funds:</b>		
Sewer User Fund	General Fund	\$ 2,205
Internal Service Fund	General Fund	222,142
		<u>222,142</u>
	Total Receivable	<u>\$ 224,347</u>

Except as disclosed below, the above balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The General Fund has advanced funds to the Town Capital and Nonrecurring Fund for the purpose of internally financing authorized capital purchases. Repayments of the interfund loan are made through annual appropriations for debt service in the General Fund. As of June 30, 2022, the balance outstanding under the interfund loan totaled \$1,667,015. Of this amount, \$1,534,975 represents the non-current portion of the interfund loan, which has been reported as nonspendable fund balance in the General Fund.

**NOTE 7 - INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2022 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
<b>Governmental Funds:</b>		
General Fund	Other Governmental Funds	\$ 8,405
Town Capital and Nonrecurring Fund	General Fund	1,218,946
Waste Treatment Plant Upgrade Fund	Sewer User Fund	46,088
Other Governmental Funds	General Fund	2,694,324
	Other Governmental Funds	206,236
		<u>2,900,560</u>
		<u>\$ 4,173,999</u>

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

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

**NOTE 8 - SHORT-TERM DEBT**

The schedule below details the changes in short-term capital borrowings during the year ended June 30, 2022:

	Project Number	Interest Rate	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>						
Interim Funding Obligation	705-DC	2.0%	\$ 25,156,923	\$ 626,175	\$ (25,783,098)	\$ -
Interim Funding Obligation	705-DC1	2.0%	-	10,237,416	-	10,237,416
			<u>\$ 25,156,923</u>	<u>\$ 10,863,591</u>	<u>\$ (25,783,098)</u>	<u>\$ 10,237,416</u>

The State of Connecticut has approved funding in the form of interim funding obligations for costs associated with upgrades to the Town's Water Pollution Control Facility under the State of Connecticut's Clean Water program. Maximum borrowings available under the project loans are \$47,819,948. The interim funding obligations bear interest rates of 2.00%, with principal and accrued interest due no later than six months following the scheduled completion date of the project. On July 31, 2021, the Town converted amounts outstanding on its interim funding obligation for project 705-DC into a long-term note payable under the State of Connecticut's Clean Water program. The Town expects to convert its interim funding obligation for project 705-DC1 upon substantial completion of the project.

**NOTE 9 - LONG-TERM LIABILITIES**

**Changes in Long-term Liabilities**

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

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
<b>Long-term debt:</b>					
Bonds payable:					
General obligation bonds	\$ 36,765,000	\$ -	\$ (4,550,000)	\$ 32,215,000	\$ 4,690,000
Unamortized premiums	3,289,435	-	(861,449)	2,427,986	-
Total bonds payable	40,054,435	-	(5,411,449)	34,642,986	4,690,000
Loan payable	-	25,783,098	(1,182,100)	24,600,998	1,289,155
Financed purchases	157,692	-	(157,692)	-	-
Total long-term debt	40,212,127	25,783,098	(6,751,241)	59,243,984	5,979,155
<b>Other long-term liabilities:</b>					
Leases	-	380,021	(80,351)	299,670	71,778
Compensated absences:					
Town	2,277,182	476,453	(596,402)	2,157,233	750,057
Board of Education ("BOE")	683,113	52,069	(98,340)	636,842	215,953
Internal Service Fund	50,544	5,354	-	55,898	36,183
Total compensated absences	3,010,839	533,876	(694,742)	2,849,973	1,002,193
Termination benefits:					
BOE estimated retirement pay	2,059,644	(10,935)	(174,614)	1,874,095	137,500
BOE early retirement pay	346,046	79,404	(144,671)	280,779	119,671
Total termination benefits	2,405,690	68,469	(319,285)	2,154,874	257,171
Risk management:					
Claims payable	1,245,448	10,872,074	(9,975,690)	2,141,832	1,095,702
Heart and hypertension	465,662	1,787	(15,326)	452,123	15,554
Total risk management	1,711,110	10,873,861	(9,991,016)	2,593,955	1,111,256
Net pension liability	50,432,670	1,262,233	(5,166,442)	46,528,461	-
Net OPEB liability	7,058,297	640,118	(319,273)	7,379,142	-
Total long-term liabilities	<u>\$ 104,830,733</u>	<u>\$ 39,541,676</u>	<u>\$ (23,322,350)</u>	<u>\$ 121,050,059</u>	<u>\$ 8,421,553</u>



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

**NOTE 9 - LONG-TERM LIABILITIES *(Continued)***

**Changes in Long-term Liabilities *(Continued)***

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Business-type Activities</b>					
<b>Other long-term liabilities:</b>					
Compensated absences	\$ 264,497	\$ (12,973)	\$ (7,178)	\$ 244,346	\$ 86,242
Deposit payable					
Net pension liability	3,056,214	(53,530)	(57,871)	2,944,813	-
Net OPEB liability	34,865	1,105	(23,234)	12,736	-
Total long-term liabilities	<u>\$ 3,355,576</u>	<u>\$ (65,398)</u>	<u>\$ (88,283)</u>	<u>\$ 3,201,895</u>	<u>\$ 86,242</u>

Long-term liabilities have typically been liquidated by the General Fund for governmental activities and the Sewer Fund for business-type activities.

**Long-term Debt**

The Town issues long-term debt to provide funds for the acquisition of capital assets, including the construction of major capital facilities. General obligation bonds and loans payable are direct obligations of the Town for which full faith and credit are pledged and payable from taxes levied on all taxable properties located within the Town.

**General Obligation Bonds and Loans Payable**

General obligation bonds and loans currently outstanding are as follows:

Purpose of Bonds	Fiscal Date of Issue	Original Issue	Interest Rates	Fiscal Maturity Date	Amount Outstanding
<b>Governmental Activities:</b>					
General Obligation Bonds	2017	\$ 6,350,000	2.00% - 4.00%	2032	\$ 4,225,000
General Obligation Bonds	2018	4,400,000	2.00% - 5.00%	2033	3,220,000
General Obligation Bonds	2019	5,000,000	3.00% - 5.00%	2034	3,980,000
General Obligation Bonds	2021	5,000,000	3.00% - 5.00%	2036	4,650,000
General Obligation Refunding Bonds	2021	15,325,000	5.00%	2028	12,305,000
General Obligation Refunding Bonds	2021	3,835,000	0.95% - 2.05%	2031	3,835,000
					<u>\$ 32,215,000</u>
Clean Water Fund Loan	2022	25,783,098	2.0%	2042	<u>\$ 24,600,998</u>

**Financed Purchases**

The Town has entered into a financed purchase contract for the acquisition of capital assets. The contract includes non-appropriation clauses and provide the obligors with security interests in the underlying assets in the event of default. Ownership of the underlying assets are transferred to the Town at the end of the contract. The Town made equal annual payments of principal and interest at an interest rate of 3.3%. No amounts were outstanding on financed purchase arrangements as of June 30, 2022.

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

**NOTE 9 - LONG-TERM LIABILITIES *(Continued)***

**Long-term Debt *(Continued)***

**Long-term Debt Service Requirements**

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

Year ending June 30:	Governmental Activities			
	Bonds Payable		Loan Payable	
	Principal	Interest	Principal	Interest
2023	\$ 4,690,000	\$ 1,082,566	\$ 1,289,155	\$ 480,210
2024	4,705,000	871,866	1,289,155	454,427
2025	3,765,000	692,220	1,289,155	428,644
2026	3,765,000	545,233	1,289,155	402,861
2027	3,495,000	407,340	1,289,155	377,078
2028-2032	9,555,000	893,372	6,445,775	1,498,643
2033-2037	2,240,000	102,618	6,445,775	854,065
2038-2042	-	-	5,263,673	219,336
	<u>\$ 32,215,000</u>	<u>\$ 4,595,215</u>	<u>\$ 24,600,998</u>	<u>\$ 4,715,264</u>

**Legal Debt Limit**

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

**Defeased Debt**

The Town has defeased general obligation bonds in the current year and in prior years by creating separate irrevocable trusts accounts to provide for all future debt service payments on the old bonds. Accordingly, those trust account assets and the liability for those defeased bonds are not included in the Town's financial statements. As of June 30, 2022, \$17,525,000 of defeased bonds remain outstanding.

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

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**NOTE 9 - LONG-TERM LIABILITIES *(Continued)***

**Long-term Debt *(Continued)***

**Authorized and Unissued Debt**

The amount of authorized and unissued bonds at June 30, 2022 totaled to \$3,907,332 for general purposes, \$5,051,504 for schools and \$44,117,648 for sewers as disclosed below.

At a referendum held on November 4, 2004, Public Bond Improvements of \$21,609,000 were authorized to fund \$19,103,000 of roads, sidewalk and bridge reconstruction projects, \$1,295,000 of waste treatment plant improvements and \$1,211,000 of sewer system improvements. Of the \$21,609,000 authorization, the remaining unissued Public Bond Improvements authorization as of June 30, 2022 is \$741,690 for general purposes.

At a referendum held on March 29, 2005, School Bond Improvements of \$68,322,000 were authorized to fund \$34,657,000 of additions and renovations to Rockville High School, \$11,519,000 of renovations to Vernon Center Middle School and \$22,146,000 of additions and renovations to the Town's five elementary schools. Of the \$68,322,000 authorization, the remaining unissued School Bond Improvements authorization as of June 30, 2022 is \$5,051,504 for schools.

On January 28, 2014, a referendum was held that appropriated \$27,637,000 for Road Reconstruction and Improvements. Of the \$27,637,000 authorization, the remaining unissued Road Reconstruction and Improvements authorization as of June 30, 2022 is \$2,803,642 for general purposes.

On February 21, 2017, a referendum was held that appropriated \$3,245,000 for the acquisition of property known as 135 Bolton Road and for design, reconstruction and improvements to such property for use as a Senior Center. Of the \$3,245,000 authorization, the remaining unissued Senior Center authorization as of June 30, 2022 is \$362,000 for general purposes.

On January 15, 2019, a referendum was held that appropriated \$85,972,000 for Waste Treatment Plant Facility Improvements. Of the \$85,972,000 authorization, the remaining unissued Waste Treatment Plan Facility Improvements authorization as of June 30, 2022 is \$49,951,486. This authorization is further reduced by \$21,335,800, which represents the total of grant reimbursements received to date and future grant reimbursements expected to be received.

**Overlapping Debt**

A Bolton Lakes Regional Water Pollution Control Authority (BLRWPCA) sewer project was completed in 2016 with approximately \$6,291,000, or 29% of project costs attributable to the Town of Vernon. This proportionate cost was reduced by BLRWPCA grants and benefit assessments to \$2,701,277. In June 2016, the BLRWPCA issued a State of Connecticut Clean Water Fund loan obligation to finance project costs, allocating \$2,701,277 to Vernon, considered overlapping debt. At June 30, 2022, the overlapping debt balance is \$1,755,830.

**Other Long-term Liabilities**

**Heart and Hypertension Claims**

Heart and hypertension outstanding claims, including an estimated \$188,785 of incurred, but not reported claims, totaled \$452,123 as of June 30, 2022. There are three heart and hypertension claims outstanding at year-end. Medical claims of \$15,326 were made during the year ended June 30, 2022.

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

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**NOTE 9 - LONG-TERM LIABILITIES *(Continued)***

**Other Long-term Liabilities *(Continued)***

**Termination Benefits**

A termination benefit is an incentive for the early termination of services and includes cash payments or healthcare provided by the Town that would otherwise not be provided. Expenditures are recognized in governmental funds when due and payable and recognized as an expense in government-wide financial statements when the employee accepts the early retirement offer.

*School Administrators* - As part of the early retirement incentive plan for school administrators, the Town offers to pay a percentage of the early retiree's health insurance premium and a cash payout. Such benefit provisions, included in the school administrators' bargaining agreement with the Vernon Board of Education, require Town Council approval. Currently, there are no former school administrator receiving this benefit. In addition to healthcare termination benefits, cash payments are available to school administrator early retirees. There are 2 former school administrators receiving this benefit. The cost to the Town for the year ended June 30, 2022 was \$34,671. The early retirement liability of \$91,299 has been calculated based upon the discounted present value of expected future benefits and a 1.4% yield of investments that are expected to be used to finance such benefit payments.

*School Teachers* - The Town also offers an early retirement incentive plan for certified teachers in the form of cash payments. Benefit provisions, included in the school teachers' bargaining agreement with the Vernon Board of Education, require Town Council approval. There are 25 former teachers receiving this benefit. The cost to the Town for the year ended June 30, 2022 was \$110,000. The early retirement liability of \$189,480 as of June 30, 2022 has been calculated based upon the discounted present value of expected future benefits and a 1.4% yield of investments that are expected to be used to finance such benefit payments.

**Estimated Retirement Pay**

Upon retirement, members of the School Administrators, Teachers, Librarians, Nurses and Supervisors bargaining units are eligible to receive up to 3 days of compensation for each year of service. Based upon historical evidence, approximately 75.0% of members of these bargaining units will become eligible for retirement pay. The early retirement pay liability totaled \$1,874,095 as of June 30, 2022. Paid benefits for the year ended June 30, 2022 were \$174,614.

**Leases**

The Town is a lessee for noncancellable lease of technology and related equipment. The terms of the noncancellable lease is for 5 years. The Town makes fixed annual payments with an interest rate of 2.8%. The value of the right-to-use assets as of the end of June 30, 2022 was \$380,021 and had accumulated amortization of \$80,351. As of June 30, 2022, the value of the lease liability was \$299,670.

The future principal and interest lease payments as of June 30, 2022, were as follows:

Year ending June 30:	Governmental Activities	
	Lease Payable	
	Principal	Interest
2023	\$ 71,778	\$ 8,573
2024	73,832	6,519
2025	75,944	4,407
2026	78,116	2,235
	\$ 299,670	\$ 21,734

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

**NOTE 10 - EMPLOYEE RETIREMENT PLANS**

**Pension Plans**

The Town accounts for activity relating to four defined benefit pension plans, (1) the Town Employees' Pension Plan (the Town Plan), (2) the Police Employees' Pension Plan (the Police Plan), (3) the Length of Service Award Program (the LOSAP), and (4) the Connecticut Teachers' Retirement System. As of and for the year ended June 30, 2022, the plans had the following balances reported in the Town's government-wide financial statements:

	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>On Behalf Revenues</u>	<u>Pension Expense</u>
Town Employees' Pension Plan	\$ -	\$ 28,072,569	\$ -	\$ 5,532,385	\$ -	\$ (510,304)
Police Employees' Pension Plan	-	21,400,705	1,222,554	2,731,309	-	1,719,007
LOSAP	341,507	-	289,700	428,841	-	(71,908)
Connecticut Teachers' Retirement System (proportionate share)	-	-	-	-	5,940,565	5,940,565
	<u>\$ 341,507</u>	<u>\$ 49,473,274</u>	<u>\$ 1,512,254</u>	<u>\$ 8,692,535</u>	<u>\$ 5,940,565</u>	<u>\$ 7,077,360</u>

Detailed disclosures for each plan follow.

**Pension Trust Funds**

**Plan Descriptions**

***Plan Administration***

The Town administers three single employer contributory defined benefit plans, the Town Plan, the Police Plan, and the LOSAP. These plans substantially cover all full-time employees, except certified employees of the Board of Education who are covered by the State Teachers' Retirement System, and members of the Town's Volunteer Fire Department (VFD) based upon certain criterion. Although members of the VFD are not Town employees, the Town has recognized the VFD's commitment to protecting the lives and property of Vernon's residents with the establishment of a retirement plan in the form of a Length of Service Award Program (LOSAP). The LOSAP provides a financial reward as an incentive for recruiting and retaining fire department volunteers. Plan benefits are established by the Town and may be amended only by the Town Council. The plans are considered to be a part of the Town's financial reporting entity and are included in the Town's financial statements as pension trust funds. The plans do not issue stand-alone financial statements. Management of each plan is vested in the Board of Trustees (Pension Board), which consists of 4 individuals appointed by the Mayor, including a staff liaison.

***Plan Membership***

As of December 31, 2021, the measurement date, plan membership consisted of the following:

	<u>Town</u>	<u>Police</u>	<u>LOSAP</u>
Retirees and beneficiaries receiving benefits	274	40	32
Terminated plan members entitled to but not yet receiving benefits	186	7	50
Active plan members	197	66	81
	<u>657</u>	<u>113</u>	<u>163</u>

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

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**NOTE 10 - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Pension Trust Funds *(Continued)***

**Plan Descriptions *(Continued)***

***Benefits Provided***

Plan benefits are established by the Town and may be amended only by the Town Council.

*Police Employees* - The plan provides retirement and death benefits. Police officers receive 2.5% of their monthly average earnings times credited service up to a maximum of 28 years capped at 70%. The normal retirement date for police officers hired before July 1, 2012 is attained at the completion of 20 years of service. The normal retirement date for police officers hired after July 1, 2012 is 25 years of service and age 50.

*Town Employees* - The normal retirement date for members of the Public Works (P.W.) and Parks and Water Pollution Control unions is attained at age 55 and 5 years of service or after 25 years of service. The normal retirement date for P.W. Supervisors is Rule 85 with a minimum retirement age of 58. The normal retirement date for members of the Police Civilian Support union is attained at age 55 and 10 years of service. The normal retirement date for non-bargaining Town Hall employees, Education Librarian and Education Secretarial and Maintenance employees is age 62 and 10 years of service or age 60 and 32 years of service. Professionals, Waste Treatment Plant (WTP) Supervisors, P.W. Clerical, Education Supervisors and Education School Nurse union employees attain normal retirement age at age 62 and 10 years of service. The normal retirement date for all other participants is attained at age 65 and 10 years of service. Non-bargaining Town employees receive 2.2% of their monthly average earnings times credited service with a maximum of 32 years capped at 70%. Professional, P.W. Supervisors and Water Pollution Control Supervisors receive 2.2% of their monthly average earnings times credited service with a maximum of 35 years capped at 70%. Police civilian employees receive 2% of their monthly average earnings times credited service, with a maximum of 25 years capped at 50%. P.W. and Parks and Water Pollution Control receive 2.0% of their monthly average earnings times credited service with a maximum of 40 years capped at 70%. P.W. clerical and Education School Nurses receive 2.0% of their monthly average earnings times credited service, with a maximum of 30 years. Education Supervisors, Education Library and Education Secretarial and Maintenance receive 2.0% of their monthly average earnings times credited service with a maximum of 35 years capped at 70%. Education Cafeteria and Education Paraprofessionals receive 1.5% of their monthly average earnings times credited service for a maximum of 20 years.

*LOSAP* - The normal retirement date for volunteer firefighters is attained at age 65 with 10 years of credited service. A year of credited service is achieved based upon a point system established by the Fire Chief. A volunteer shall not be credited with more than 30 years of service. The benefit at normal retirement is equal to \$8 per month for each year of credited service to a maximum of \$240 per month. Effective July 1, 2017, the maximum years of credited service will increase to 35 years. Also effective July 1, 2017, the normal retirement benefit will be as follows: Years of service under 20 years, the benefit will be \$8 per month for each year of service; years of service from 20 to 29 years, the benefit will be \$10 per month for each year of service; years of service from 30 to 35 years, the benefit will be \$12 per month for each year of service.

*Early Retirement* - Participants of the Town and Police Pension Plans may, upon 10 years of service, elect early retirement on a date which shall be within 10 years of normal retirement age. For the P.W. and Parks and the Water Pollution Control unions, this means a minimum age 55 or 25 years of credited service. The early retirement benefit is determined as for normal retirement, based on earnings and service to date of early retirement. Members of the Police Civilian Support union are ineligible for this benefit.

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

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**NOTE 10 - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Pension Trust Funds *(Continued)***

**Plan Description *(Continued)***

***Benefits Provided (Continued)***

*Death Benefits* - Death benefits are payable to beneficiaries as determined by death before retirement or death after retirement provisions. For Police and Town participants, upon the death of a non-vested participant, there shall be payable to the beneficiary, a death benefit equal to the participant's contributions plus interest. A preretirement spousal death benefit is payable to vested participants who have been married five full years prior to death. The preretirement spousal death benefit is determined as for early retirement, based on earnings and credited service to the date of participant death. For volunteer firefighter department members, a preretirement spousal death benefit is payable to a member's surviving spouse in case of Death in the Line of Duty and is equal to the benefit the member would have received if the member had reached his normal retirement date and had elected to receive a 50% Joint and Survivor Annuity.

*Disability Benefits* - In the event of participant disability in the line of duty, volunteer fire department members may elect payment of an actuarial reduced retirement benefit commencing any time prior to the date of normal retirement.

***Contributions***

Contributions rates are established by the Town and may be amended only with Town Council approval. The Town is required to contribute the amount determined by the actuary, considering the member contributions. Town contributions are made during the fiscal year prior to the plans December 31 year end.

*Police Employees' Plan* - Effective July 1, 2012, Police officers hired before July 1, 2012 are required to contribute 7.50% of their W-2 earnings to the plan and police officers hired after July 1, 2012 are required to contribute 8.50% of such earnings. Such contributions are credited with interest at a rate of 5.50% per annum. Effective July 1, 2017, new hires are required to contribute 9.50% of earnings. For the plan year ended December 31, 2021, the average active member contribution rate was 8.50% of annual base compensation, and the Town's average contribution rate was 45.10% of annual payroll.

*Town Employees' Plan* - Non-bargaining Town Hall employees, P.W. Supervisors, School Librarians, School Supervisors, and Education Custodial, Secretarial and Maintenance and the Water Pollution Control nonunion members are required to contribute 7.00% of their earnings (pre-tax). The Professional, P.W. and Parks union, Public Works Clerical, and the Water Pollution Control Supervisors are required to contribute 7.50% of their earnings (pre-tax). Police Civilian Support union members are required to contribute 7.90% of their earnings (pre-tax). Members of the Education Nurses unions are required to contribute 6.50% of earnings (pre-tax). All other participants are required to contribute 4.00% of their earnings (post-tax). Such contributions are credited with interest at a rate of 6.00% per annum. For the plan year ended December 31, 2021, the average active member contribution rate was 6.98% of annual base compensation, and the Town's average contribution rate was 22.94% of annual payroll.

*LOSAP* - Members of the volunteer fire department are not required to contribute to the plan.

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

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**NOTE 10 - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Pension Trust Funds *(Continued)***

**Summary of Significant Accounting Policies**

The plans are accounted for using the accrual basis of accounting and are reported on a December 31 (calendar year end). Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Town Plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Town Plan.

*Investments* - Investments are generally reported at fair value, except for investments in certain external investment pools and insurance contracts. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date. Investments in external investment pools, which are permitted to measure their investment holdings at amortized costs, are measured by the Plan at amortized costs. Investments in pooled separate accounts consist of insurance contracts. Investments in these types of contracts are measured by the Town at contract value, which approximate fair value.

*Investment policy* - The Town and Police pension plans' policy in regard to the allocation of invested assets is established and may be amended by the Pension Board by a majority vote of its members. The allocation for the LOSAP plan is developed by Town management and the investment advisor. It is the policy of the Town's Pension Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

*Concentrations* - None of the plans' investments, in any one issuer that is subject to concentration of credit risk disclosures, exceeded 5.0% or more of each respective plans' total investments.

*Rate of return* - For the plan year ended December 31, 2021, the annual money-weighted rate of return on each plan's investments were as follows:

<u>Plan</u>	<u>Money-Weighted Rate of Return</u>
Police Plan	11.70%
Town Plan	10.70%
LOSAP Plan	15.31%

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



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

**NOTE 10 - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Pension Trust Funds *(Continued)***

**Plan Statements**

The following presents the statement of fiduciary net position and the statement of changes in fiduciary net position for each of the Town's plans as of and for the year ended December 31, 2021, the reporting date of the plans:

	<u>Town Plan</u>	<u>Police Plan</u>	<u>Volunteer Firefighters LOSAP</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 28,526	\$ 13,745	\$ 73,951	\$ 116,222
Investments	58,610,105	27,874,326	2,947,054	89,431,485
Total assets	<u>58,638,631</u>	<u>27,888,071</u>	<u>3,021,005</u>	<u>89,547,707</u>
<b>LIABILITIES</b>				
Payables	11,697	8,538	-	20,235
Total liabilities	<u>11,697</u>	<u>8,538</u>	<u>-</u>	<u>20,235</u>
<b>NET POSITION</b>				
Restricted for pension benefits	58,626,934	27,879,533	3,021,005	89,527,472
	<u>\$ 58,626,934</u>	<u>\$ 27,879,533</u>	<u>\$ 3,021,005</u>	<u>\$ 89,527,472</u>

	<u>Town Plan</u>	<u>Police Plan</u>	<u>Volunteer Firefighters LOSAP</u>	<u>Total</u>
<b>ADDITIONS</b>				
Contributions:				
Employer	\$ 2,589,692	\$ 2,001,944	\$ 109,527	\$ 4,701,163
Plan members	683,388	412,417	-	1,095,805
Total contributions	<u>3,273,080</u>	<u>2,414,361</u>	<u>109,527</u>	<u>5,796,968</u>
Investment earnings:				
Net investment income	6,211,082	3,196,945	432,367	9,840,394
Less investment expense	(265,033)	(126,504)	-	(391,537)
Total investment earnings	<u>5,946,049</u>	<u>3,070,441</u>	<u>432,367</u>	<u>9,448,857</u>
Total additions	<u>9,219,129</u>	<u>5,484,802</u>	<u>541,894</u>	<u>15,245,825</u>
<b>DEDUCTIONS</b>				
Benefit payments	4,775,903	3,187,369	86,511	8,049,783
Refund of contributions	169,946	36,638	-	206,584
Administrative expenses	104,800	71,692	34,475	210,967
Total deductions	<u>5,050,649</u>	<u>3,295,699</u>	<u>120,986</u>	<u>8,467,334</u>
Change in net position	4,168,480	2,189,103	420,908	6,778,491
Net position - beginning	<u>54,458,454</u>	<u>25,690,430</u>	<u>2,600,097</u>	<u>82,748,981</u>
Net position - ending	<u>\$ 58,626,934</u>	<u>\$ 27,879,533</u>	<u>\$ 3,021,005</u>	<u>\$ 89,527,472</u>

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

**NOTE 10 - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Pension Trust Funds *(Continued)***

**Net Pension Liabilities (Asset)**

The components of the Town's net pension liability (asset) for each of the Town's plans measured as of December 31, 2021 were as follows:

	<u>Town Plan</u>	<u>Police Plan</u>	<u>Volunteer Firefighters LOSAP</u>
Total pension liability	\$ 86,699,503	\$ 49,280,238	\$ 2,679,498
Plan fiduciary net position	58,626,934	27,879,533	3,021,005
Net pension liability (asset)	<u>\$ 28,072,569</u>	<u>\$ 21,400,705</u>	<u>\$ (341,507)</u>
Plan fiduciary net position as a percentage of the total pension liability	67.62%	56.57%	112.75%

The Town's net pension liabilities (asset) for the current fiscal year were measured at December 31, 2021, and the total pension liabilities used to calculate the amounts were determined by actuarial valuations as of January 1, 2021. The changes in the net pension liability (asset) for each of the Town's plans were as follows:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
<b>Town Plan</b>			
Balance as of January 1, 2021	<u>\$ 86,063,561</u>	<u>\$ 54,458,454</u>	<u>\$ 31,605,107</u>
<b>Changes for the year:</b>			
Service cost	1,056,070	-	1,056,070
Interest	5,854,272	-	5,854,272
Differences between expected and actual experience	(1,328,551)	-	(1,328,551)
Contributions - employer	-	2,589,692	(2,589,692)
Contributions - employee	-	683,387	(683,387)
Net investment income	-	5,946,050	(5,946,050)
Benefit payments, including refunds	(4,945,849)	(4,945,849)	-
Administrative expense	-	(104,800)	104,800
<b>Net changes</b>	<u>635,942</u>	<u>4,168,480</u>	<u>(3,532,538)</u>
Balance as of December 31, 2021	<u>\$ 86,699,503</u>	<u>\$ 58,626,934</u>	<u>\$ 28,072,569</u>
	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
<b>Police Plan</b>			
Balance as of January 1, 2021	<u>\$ 47,574,207</u>	<u>\$ 25,690,430</u>	<u>\$ 21,883,777</u>
<b>Changes for the year:</b>			
Service cost	778,419	-	778,419
Interest	3,219,262	-	3,219,262
Differences between expected and actual experience	932,357	-	932,357
Contributions - employer	-	2,001,944	(2,001,944)
Contributions - employee	-	412,417	(412,417)
Net investment income	-	3,070,441	(3,070,441)
Benefit payments, including refunds	(3,224,007)	(3,224,007)	-
Administrative expense	-	(71,692)	71,692
<b>Net changes</b>	<u>1,706,031</u>	<u>2,189,103</u>	<u>(483,072)</u>
Balance as of December 31, 2021	<u>\$ 49,280,238</u>	<u>\$ 27,879,533</u>	<u>\$ 21,400,705</u>

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

**NOTE 10 - EMPLOYEE RETIREMENT PLANS *(Continued)***

***Pension Trust Funds (Continued)***

**Net Pension Liabilities (Asset) *(Continued)***

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) - (b)</b>
<b>LOSAP Plan</b>			
Balance as of January 1, 2021	\$ 2,365,584	\$ 2,600,097	\$ (234,513)
<b>Changes for the year:</b>			
Service cost	23,246	-	23,246
Interest	169,789	-	169,789
Differences between expected and actual experience	207,391	-	207,391
Contributions - employer	-	109,527	(109,527)
Net investment income	-	432,368	(432,368)
Benefit payments, including refunds	(86,512)	(86,512)	-
Administrative expense	-	(34,475)	34,475
<b>Net changes</b>	<b>313,914</b>	<b>420,908</b>	<b>(106,994)</b>
Balance as of December 31, 2021	<u>\$ 2,679,498</u>	<u>\$ 3,021,005</u>	<u>\$ (341,507)</u>

*Actuarial assumptions* - The total pension liability was determined by an actuarial valuation as of January 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

	<b>Town Plan</b>	<b>Police Plan</b>	<b>Volunteer Firefighters LOSAP</b>
Inflation	1.50%	1.50%	N/A
Salary increases, including inflation	4.50%	4.00%	N/A
Investment rate of return, including inflation	7.00%	7.00%	6.50%
Discount rate	7.00%	7.00%	6.50%

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.

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

**NOTE 10 - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Pension Trust Funds *(Continued)***

**Net Pension Liabilities (Asset) *(Continued)***

Best estimates of arithmetic real rates of return for each major asset class included in each plan's target asset allocation as of December 31, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Town Plan</u>	<u>Police Plan</u>	<u>Volunteer Firefighters LOSAP</u>
Large Cap Equity	7.50%	7.00%	8.50%
Mid Cap Equity	8.25%	8.25%	9.00%
Small Cap Equity	8.50%	8.50%	9.25%
International Equity	7.00%	7.00%	8.25%
Fixed Income	4.90%	4.90%	4.90%
Stable Value	4.35%	4.35%	N/A
Real Estate/Commodities	N/A	N/A	3.75%

*Discount rate* - The discount rate used to measure the total pension liability was 7.00% for the Town and Police plans and 6.50% for the LOSAP Plan. The projection of cash flows used to determine the discount rates assumed plan member contributions will be made at the current contribution rate and that the Town contributes at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, each plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the net pension liability to changes in the discount rate* - The following presents the net pension liability, calculated using the current discount rate for the plans, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>Discount Rate</u>		
	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Town Plan's net pension liability	\$ 36,449,972	\$ 28,072,569	\$ 20,145,512
Police Plan's net pension liability	27,050,295	21,400,705	16,279,285
LOSAP Plan's net pension (asset) liability	(236,647)	(341,507)	(853,388)
	<u>\$ 63,263,620</u>	<u>\$ 49,131,767</u>	<u>\$ 35,571,409</u>

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

**NOTE 10 - EMPLOYEE RETIREMENT PLANS *(Continued)***

***Pension Trust Funds (Continued)***

**Pension Expense and Deferred Outflows and Inflows of Resources**

For the year ended June 30, 2022, the Town recognized a collective pension expense of \$1,136,795, which consisted of a pension benefit for the Town plan of \$(510,304), a pension expense for the Police plan of \$1,719,007, and a pension benefit for the LOSAP plan of \$(71,908). The Town has reported deferred outflows and inflows of resources as of June 30, 2022 related to each plan from the following sources. The Town made no contributions to the plans between the December 31, 2021 measurement date and June 30, 2022.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferrals</u>
<b>Town Plan</b>			
Difference between expected and actual experience and changes of assumptions and demographics	\$ -	\$ (696,443)	\$ (696,443)
Difference between projected and actual earnings on plan investments	-	(4,835,942)	(4,835,942)
Total	<u>-</u>	<u>(5,532,385)</u>	<u>(5,532,385)</u>
<b>Police Plan</b>			
Difference between expected and actual experience and changes of assumptions and demographics	1,222,554	(34,382)	1,188,172
Difference between projected and actual earnings on plan investments	-	(2,696,927)	(2,696,927)
Total	<u>1,222,554</u>	<u>(2,731,309)</u>	<u>(1,508,755)</u>
<b>LOSAP Plan</b>			
Difference between expected and actual experience and changes of assumptions and demographics	289,700	(75,606)	214,094
Difference between projected and actual earnings on plan investments	-	(353,235)	(353,235)
Total	<u>289,700</u>	<u>(428,841)</u>	<u>(139,141)</u>
	<u>\$ 1,512,254</u>	<u>\$ (8,692,535)</u>	<u>\$ (7,180,281)</u>

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

	<b>Amortization (Benefit) Pension Expense</b>			
	<u>Town Plan</u>	<u>Police Plan</u>	<u>LOSAP Plan</u>	<u>Total</u>
Year ended June 30,				
2023	\$ (2,185,845)	\$ (349,076)	\$ (67,010)	\$ (2,601,931)
2024	(1,977,655)	(659,913)	(118,002)	(2,755,570)
2025	(950,337)	(282,914)	(54,812)	(1,288,063)
2026	(418,548)	(216,852)	(23,031)	(658,431)
2027	-	-	22,595	22,595
Thereafter	-	-	101,119	101,119
	<u>\$ (5,532,385)</u>	<u>\$ (1,508,755)</u>	<u>\$ (139,141)</u>	<u>\$ (7,180,281)</u>

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

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**NOTE 10 - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Connecticut Teachers' Retirement System**

**Plan Description**

The Connecticut Teachers' Retirement System (TRS or the Plan) is the public pension plan offered by the State of Connecticut (the State) to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The Plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes. TRS is a multiemployer pension plan administered by the Connecticut State Teachers' Retirement Board (TRB). The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

Teachers, principals, superintendents or supervisors engaged in the service of public schools are provided with pensions through the Connecticut Teachers' Retirement System - a cost sharing multi-employer defined benefit pension plan administered by the 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](http://www.ct.gov).

**Benefit Provisions**

The Plan provides retirement, disability and death benefits. Employees are eligible to retire at 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.

*Normal Retirement:* Retirement benefits for the employees are calculated as 2.0% of the average annual salary times the years of credited service (maximum benefit is 75.0% of average annual salary during the 3 years of highest salary). In addition, amounts derived from the accumulation of the 6.0% contributions made prior to July 1, 1989 and voluntary contributions are payable.

*Early Retirement:* Employees are eligible after 25 years of credited service with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service. Benefit amounts are reduced by 6.0% per year for the first 5 years preceding normal retirement age and 4.0% per year for the next 5 years preceding normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year by which retirement precedes normal retirement date.

*Minimum Benefit:* Effective January 1, 1999, Public Act 98-251 provides a minimum monthly benefit of \$1,200 to teachers who retire under the normal retirement provisions and who have completed at least 25 years of full time Connecticut service at retirement.

*Disability Retirement:* Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required to be eligible for non-service related disability. Disability benefits are calculated as 2.0% per year of service times the average of the highest three years of pensionable salary, but not less than 15.0%, nor more than 50.0%. 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 75.0% of average annual salary. A plan member who leaves service and has attained 10 years of service will be entitled to 100.0% of the accrued benefit as of the date of termination of covered employment. Benefits are payable at age 60, and early retirement reductions are based on the number of years of service the member would have had if they had continued work until age 60.

*Pre-Retirement Death Benefit:* The plan also offers a lump-sum return of contributions with interest or surviving spouse benefit depending on length of service.

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

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**NOTE 10 - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Connecticut Teachers' Retirement System *(Continued)***

**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 are amended and certified by the TRB 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 amounts to finance any unfunded accrued liability.

*Employers* - School District employers are not required to make contributions to the Plan, as contributions are required only from employees and the State.

*Employees* - Effective January 1, 2018, the required contribution increased to 7.0% of pensionable salary.

**Administrative Expenses**

Administrative costs of the plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

**Basis of Presentation**

The components associated with pension expense and deferred outflows and inflows of resources have been determined based on fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2021. The net pension liability at June 30, 2020 has been calculated using the audited amounts. TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Annual Comprehensive Financial Report can be obtained at [www.ct.gov](http://www.ct.gov).

The accounting standards require participating employers to recognize their proportional share of the collective net pension liability, deferred outflows and inflows of resources and pension expense. Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

**Allocation Methodology**

The allocations for participating employers are based on the expected contribution effort for each participating employer. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to Town totaled 0.617% as of the most recent measurement date.

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

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**NOTE 10 - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Connecticut Teachers' Retirement System *(Continued)***

**Collective Net Pension Liability**

The following summarizes the collective net pension liability of the State for the TRS as of June 30, 2021, the measurement date, in addition to the Town's and State's proportionate shares of the collective net pension liability that is attributed to the Town:

Collective Net Pension Liability of the State for the TRS		<u>\$ 14,926,263,000</u>
	<u>Proportion</u>	<u>Proportionate Share</u>
Town's proportionate share of the Collective Net Pension Liability	0.000%	<u>\$ -</u>
State's proportionate share of the Collective Net Pension Liability attributed to the Town	0.617%	<u>\$ 92,027,000</u>

**Collective Pension Expense**

The Town's expected contribution effort for allocation purposes totaled \$7,705,793 or 0.617% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2022.

The collective pension expense includes certain current period changes in the collective net pension liability, projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective pension expense attributed to the Town totaled \$5,940,565 or 0.617% of the total collective pension expense and has been recognized as an operating contribution and related education expenses in the statement of activities for the year ended June 30, 2022.

**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:

Inflation	2.50%
Salary increases	3.25% - 6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Administrative expenses	\$0 assumption as expenses are paid for by the General Assembly

Mortality rates were based on the PubT-2010 Healthy Retiree Table, adjusted to 105% for males and 103% for females as ages 82 and above, projected generationally with MP-2019 for the period after service retirement.



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

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**NOTE 10 - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Connecticut Teachers' Retirement System *(Continued)***

**Actuarial Assumptions *(Continued)***

Future cost-of-living increases for teachers who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5.0% 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 6.0% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. 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 5.0% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3.0%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

**Long-Term 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.

The current capital market assumptions and the target asset allocation as provided by the Treasurer's Office are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity Fund	20.0%	5.6%
Developed Market Intl. Stock Fund	11.0%	6.0%
Emerging Market Intl. Stock Fund	9.0%	7.9%
Core Fixed Income Fund	16.0%	2.1%
Inflation Linked Bond Fund	5.0%	1.1%
Emerging Market Debt Fund	5.0%	2.7%
High Yield Bond Fund	6.0%	4.0%
Real Estate Fund	10.0%	4.5%
Private Equity	10.0%	7.3%
Alternative Investments	7.0%	2.9%
Liquidity Fund	1.0%	0.4%
	<u>100%</u>	

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

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**NOTE 10 - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Connecticut Teachers' Retirement System *(Continued)***

**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 the State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Defined Contribution Plans**

**Establishment and Amendment**

The Vernon Town Council has authorized the establishment of 14 separate single-employer Defined Contribution Pension Plans for various qualifying bargaining unit members and certain non-affiliated employees. The Town Administrator is responsible for the administration of these plans and only the Town Council may approve amendments to each plan's provisions and contribution requirements.

The effective establishment dates for these fourteen plans are as follows:

<u>Effective Date</u>	<u>Plan</u>
July 1, 2009	Department of Public Works Clerical Bargaining Unit
January 1, 2010	Professional Employees Bargaining Unit
January 1, 2010	DPW Supervisors Bargaining Unit
January 1, 2010	Water Pollution Control Supervisors Bargaining Unit
August 4, 2010	Town Non-Union Employees
July 1, 2011	DPW Laborers/Parks/WPC Bargaining Unit
July 1, 2012	Police civilians Bargaining Unit
June 4, 2014	Board of Education No-Union Employees
July 1, 2014	Board of Education Cafeteria Employees
July 1, 2015	Board of Education Supervisors
July 1, 2016	Board of Education Nurses
July 1, 2016	Board of Education Librarians
January 1, 2017	Board of Education Secretarial / Custodial / Maintenance
January 1, 2018	Board of Education Paraprofessionals

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

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**NOTE 10 - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Defined Contribution Plans *(Continued)***

**Contributions**

Employees are not required to contribute to the respective defined contribution plan. The required level of Employer contribution is dependent on the level of the Employee's contribution as follows:

<u>Plan</u>	<u>Employee Contribution</u>	<u>Employer Contribution</u>
DPW Clerical	0% - 7.5% of wages	2% of wages
	7.5% or more of wages	4% of wages
Professionals	0% - 7.5% of wages	2% of wages
	7.5% or more of wages	4% of wages
DPW Supervisors	0% - 7.5% of wages	2% of wages
	7.5% or more of wages	4% of wages
WPC Supervisors	0% - 7.5% of wages	2% of wages
	7.5% or more of wages	4% of wages
Town Non-Union	0% - 6.0% of wages	3% of wages
	6.0% or more of wages	5% of wages
DPW Laborers	0% - 7.5% of wages	2% of wages
	7.5% or more of wages	4% of wages
Police Civilians	0% - 7.5% of wages	2% of wages
	7.5% or more of wages	4% of wages
Education Non-Union	0% - 6.0% of wages	3% of wages
	6.0% or more of wages	5% of wages
Education Cafeteria	0% - 7.5% of wages	2% of wages
	7.5% or more of wages	4% of wages
Education Supervisors	0% - 7.5% of wages	2% of wages
	7.5% or more of wages	4% of wages
Education Nurses	0% - 7.5% of wages	2% of wages
	7.5% or more of wages	4% of wages
Education Librarians	0% - 7.5% of wages	2% of wages
	7.5% or more of wages	4% of wages
Education Secretarial / Custodial / Maintenance	0% - 7.5% of wages	2% of wages
	7.5% or more of wages	4% of wages
Education Paraprofessionals	0% - 7.5% of wages	2% of wages
	7.5% or more of wages	4% of wages

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

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**NOTE 10 - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Defined Contribution Plans *(Continued)***

**Contributions *(Continued)***

Employee contributions and pension expense recognized by the Town for the year ended June 30, 2022 are as follows:

<u>Plan</u>	<u>Employee Contribution</u>	<u>Employer Expense</u>
Professionals	\$ 122,190	\$ 54,536
Town Non-Union	177,595	107,567
DPW Laborers/Parks/WPC	173,181	85,835
DPW Supervisors	9,409	5,018
Police Civilians	22,423	14,080
Education Non-Union	65,445	51,556
Education Cafeteria	8,942	4,769
Education Supervisors	5,377	2,872
Education Nurses	30,718	10,108
Education Librarians	3,098	925
Education Secretarial / Custodial / Maintenance	47,598	26,954
Education Paraprofessionals	25,111	24,110

**Vesting**

Town non-union and DPW Supervisors become fully vested in the Employer contribution after 5 years of credited service whereas all other eligible employees become fully vested after 10 years of credited service.

**Normal Retirement Age**

DPW Supervisors become eligible to retire upon age 58 and 27 years of service. DPW Laborers / Parks / WPC employees are eligible to retire at age 55 and 5 years of service. All other participants become eligible to retire at age 62 with 10 years of service, with the exception of Cafeteria employees who become eligible to retire at age 65 with 10 years of service.

**Assets**

Employee contributions are held in Trust, with the Town serving as trustee, for the exclusive benefit of Plan participants and their beneficiaries, in a qualified Deferred Compensation Plan. Employer contributions are held in Trust, with the Town serving as trustee, for the exclusive benefit of Plan participants and their beneficiaries, in a qualified 401a Money Purchase Plan.

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

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

The Town accounts for activity relating to two other post-employment benefits plans, (1) the Town Employees Other Post-employment Benefit Plan and (2) the Connecticut Teachers' Retirement System. As of and for the year ended June 30, 2022, the two plans had the following balances reported in the Town's government-wide financial statements:

	<u>Net OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>On Behalf Revenues</u>	<u>OPEB Expense</u>
Town Employees' Other Post-employment Benefits Plan	\$ 7,391,878	\$ 3,018,781	\$ 3,739,359	\$ -	\$ 641,223
Connecticut Teachers' Retirement System (proportionate share)	-	-	-	(370,235)	(370,235)
	<u>\$ 7,391,878</u>	<u>\$ 3,018,781</u>	<u>\$ 3,739,359</u>	<u>\$ (370,235)</u>	<u>\$ 270,988</u>

Detailed disclosures for each plan follow.

**Town Employees' Other Post-employment Benefits Plan**

**Plan Description**

The Town has established an Other Post-Employment Benefit (OPEB) Trust Fund which incorporates a single-employer, post-retirement healthcare plans for the Town, Police and Board of Education employees. The plans provide medical, dental and prescription benefits for eligible retirees and their spouses. The Trust was established in June 2011.

The plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial report as the Other Postemployment Benefits Trust Fund. The plan does not issue a stand-alone financial report.

**Funding Policy**

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

**Employees Covered by Benefit Terms**

At July 1, 2020, date of the most recent actuarial valuation, plan membership consisted of the following:

	<u>Police</u>	<u>Town</u>	<u>Board of Education</u>	<u>Total</u>
Active employees	24	148	545	717
Members receiving benefits	12	19	59	90
Spouses of retired members	3	8	19	30
Beneficiaries	-	-	4	4
Total	<u>39</u>	<u>175</u>	<u>627</u>	<u>841</u>

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

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

**Town Employees' Other Post-employment Benefits Plan *(Continued)***

**Contributions**

Contribution requirements of the plan members and the Town are established in the provisions of the program and in accordance with State Statutes. The Town funds these benefits through contributions to an Other Post-Employment Benefits Trust Fund. Town contributions are based on an actuarially determined amount. Active employees are not required to contribute to the plan, however, retirees are required to contribute a portion of the cost of the benefits. For the year ended June 30, 2022, the Police, Town and Board of Education's contribution totaled \$690,400, which represented 1.51% of covered-employee payroll.

**Net OPEB Liability**

The Town's net OPEB liability reported as of June 30, 2022 totaled \$7,391,878. The net OPEB liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2020.

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

Inflation rate	2.75%
Investment rate of return	6.50%
Discount rate	6.50%
Healthcare trend rate	Varies by group

Mortality rates were based on the PubT-2010 Mortality Table for employees and annuitants (adjusted 105% for males and 103% for females at ages 82 and above) with generational projection of future improvements per the MP-2019 Ultimate Scale for all teachers and administrators, the PubS-2010 Mortality Table with generational projection per MP-2014 ultimate scale, with employee rates before benefit commencement and healthy annuitant rates after commencement, for all police and the PubG-2010 Mortality Table with generational projection per MP-2014 ultimate scale, with employee rates before benefit commencement and healthy annuitant rates after benefit commencement for all other employees.

The long-term expected rate of returns on OPEB Plan investments were 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 OPEB Plan's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Geometric Rate of Return</u>
U.S. Cash	3.10%	1.26%
U.S. Core Bonds	19.80%	1.00%
Non-U.S. Bonds	3.40%	-0.71%
U.S. Large Caps	52.50%	3.65%
Non-U.S. Equity	20.30%	4.90%
Hedge FOF Conservative	0.90%	1.90%

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

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

**Town Employees' Other Post-employment Benefits Plan *(Continued)***

**Net OPEB Liability *(Continued)***

*Discount rate* - The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rates and that the Town's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the OPEB 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 rates of return on the OPEB Plan's investments were applied to all periods of projected benefit payments to determine the OPEB Plan's total OPEB liability.

**Changes in the Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of July 1, 2021	\$ 9,179,797	\$ 2,086,635	\$ 7,093,162
<b>Changes for the year:</b>			
Service cost	238,882	-	238,882
Interest	597,327	-	597,327
Differences between expected and actual experience	-	-	-
Change in assumptions	-	-	-
Contributions - employer	-	690,400	(690,400)
Net investment income	-	(152,907)	152,907
Benefit payments, including refunds	(465,400)	(465,400)	-
<b>Net changes</b>	370,809	72,093	298,716
Balance as of June 30, 2022	<u>\$ 9,550,606</u>	<u>\$ 2,158,728</u>	<u>\$ 7,391,878</u>

*Sensitivity of the net OPEB liability to changes in the discount rate* - The following presents the Town's net OPEB liability for the OPEB Plan, calculated using the discount rate disclosed above, as well as what the Town's net OPEB liability would be for the OPEB Plan if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Discount Rates		
	1% Decrease	Current	1% Increase
Net OPEB liability	\$ 8,557,686	\$ 7,391,878	\$ 6,404,753

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

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

**Town Employees' Other Post-employment Benefits Plan *(Continued)***

**Changes in the Net OPEB Liability**

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates* - The following presents the Town's net OPEB liability for the OPEB Plan, calculated using the discount rate disclosed above, as well as what the Town's net OPEB liability would be for the OPEB Plan if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<b>Healthcare Cost Trend Rates</b>		
	<b>Current</b>		
	<b>1% Decrease</b>	<b>Trend Rate</b>	<b>1% Increase</b>
Net OPEB liability	\$ 6,126,115	\$ 7,391,878	\$ 8,930,339

**OPEB Expense and Deferred Outflows and Inflows of Resources**

For the year ended June 30, 2022, the Town recognized OPEB expense of \$641,223. At June 30, 2022, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Deferral</b>
Difference between expected and actual experience	\$ 2,866,646	\$ (958,193)	\$ 1,908,453
Changes of assumptions and demographics	-	(2,781,166)	(2,781,166)
Difference between projected and actual earnings on plan investments	152,135	-	152,135
Total	\$ 3,018,781	\$ (3,739,359)	\$ (720,578)

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

	<b>Amortization OPEB (Benefit) Expense</b>
Year ended June 30,	
2023	\$ (73,134)
2024	(74,922)
2025	(86,159)
2026	(49,874)
2027	(109,056)
Thereafter	(327,433)
	\$ (720,578)



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

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

**Town Employees' Other Post-employment Benefits Plan *(Continued)***

**OPEB Plan Financial Statements**

The following presents the statement of fiduciary net position and the statement of changes in fiduciary net position for the Town's OPEB Plan as of and for the year ended June 30, 2022:

	<b>OPEB Plan</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,601,462
Investments	1,052,014
Receivables	4,051
Total assets	2,657,527
<b>LIABILITIES</b>	
Payables	471,370
Unearned revenue	27,429
Total liabilities	498,799
<b>NET POSITION</b>	
Restricted for other post-employment benefits	2,158,728
	\$ 2,158,728
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 690,400
Retirees	363,046
State	63,953
Other	23,929
Total contributions	1,141,328
Investment earnings:	
Net investment income	(137,365)
Less investment expense	(15,542)
Total investment earnings	(152,907)
Total additions	988,421
<b>DEDUCTIONS</b>	
Benefit payments	917,560
Total deductions	917,560
Change in net position	70,861
Net position - beginning	2,087,867
Net position - ending	\$ 2,158,728

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

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

**Connecticut Teachers' Retirement System**

**Plan Description**

The Connecticut Teachers' Retirement System (TRS or the Plan) is the public pension plan offered by the State of Connecticut (the State) to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The Plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes. TRS is a multiemployer pension plan administered by the Connecticut State Teachers' Retirement Board (TRB). The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with benefits, including retiree health insurance, through the Connecticut Teachers' Retirement System - a cost sharing multi employer defined benefit pension plan administered by the 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](http://www.ct.gov).

**Benefit Provisions**

The Plan covers retired teachers and administrators of public schools in the State who are receiving benefits from the Plan. The Plan provides healthcare insurance benefits to eligible retirees and their spouses. Any member that is currently receiving a retirement or disability benefit through the Plan is eligible to participate in the healthcare portion of the Plan. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

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

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the Plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage. If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

Employees are eligible to retire at 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.

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

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

**Connecticut Teachers' Retirement System *(Continued)***

**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 TRB and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

*Employers* - School District employers are not required to make contributions to the Plan.

*Employees/Retirees* - The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers' pay for one third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

**Administrative Expenses**

Administrative costs of the Plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

**Basis of Presentation**

The components associated with the other postemployment benefits (OPEB) expense and deferred inflows and outflows of resources have been determined using the unrecognized portions of each year's experience and assumption changes as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2021. The net OPEB liability at June 30, 2021 has been calculated using the audited amounts. The OPEB trust fund is included in the TRS, and the TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Annual Comprehensive Financial Report can be obtained at [www.ct.gov](http://www.ct.gov).

The accounting standards require participating employers to recognize their proportional share of the collective net OPEB liability, deferred outflows and inflows of resources and OPEB expense. Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

**Allocation Methodology**

The allocations for participating employers are based on the expected contribution effort for each participating employer. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to Town totaled 0.617% as of the most recent measurement date.

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

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

**Connecticut Teachers' Retirement System *(Continued)***

**Collective Net OPEB Liability**

The following summarizes the collective net OPEB liability of the State for the TRS as of June 30, 2021, the measurement date, in addition to the Town's and State's proportionate shares of the collective net OPEB liability that is attributed to the Town:

Collective Net OPEB Liability of the State for the TRS		\$ 1,626,189,000
	<u>Proportion</u>	<u>Proportionate Share</u>
Town's proportionate share of the Collective Net OPEB Liability	0.000%	\$ -
State's proportionate share of the Collective Net OPEB Liability attributed to the Town	0.617%	\$ 10,026,000

**Collective OPEB Expense**

The Town's expected contribution effort for allocation purposes totaled \$181,332 or 0.617% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2022.

The collective OPEB expense includes certain current period changes in the collective net OPEB liability, projected earnings on OPEB plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the negative collective OPEB expense attributed to the Town totaled \$(370,235) or 0.617% of the total negative collective OPEB expense and has been recognized as a reduction in operating contributions and related education expenses in the statement of activities for the year ended June 30, 2021.

**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:

Inflation	2.50%	
Real Wage Growth	0.50%	
Wage Inflation	3.00%	
Salary increases	3.00% - 6.50%, including inflation	
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation	
Healthcare cost trend rates:		
Medicare	5.125% for 2020 decreasing to an ultimate rate of 4.50% by 2023	

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

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

**Connecticut Teachers' Retirement System *(Continued)***

**Actuarial Assumptions *(Continued)***

Mortality rates were based on the PubT-2010 Healthy Retiree Table, adjusted 105% for males and 103% for females as ages 82 and above, projected generationally with MP-2019 for the period after service retirement.

**Long-Term Rate of Return**

The long-term expected rate of return on plan assets is reviewed as part of the actuarial valuation process. Several factors are considered in evaluation the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class.

The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Expected 10-Year Geometric Real Rate of Return</b>	<b>Standard Deviation</b>
U.S. Treasuries (Cash Equivalents)	100.0%	0.42%	1.78%

**Discount Rate**

The discount rate used to measure the total OPEB liability was 2.17%. The projection of cash flows used to determine the discount rate was performed in accordance with the applicable standards. The projection's basis was an actuarial valuation performed as of June 30, 2020. In addition to the actuarial methods and assumptions of the June 30, 2020 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annual at a rate of 3.00%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2023 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

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

**NOTE 12 - FUND BALANCE**

As of June 30, 2022, fund balances have been classified based on the following purposes:

	Town					
	General	Capital and	Waste Treatment	American	Nonmajor	Total
	Fund	Nonrecurring	Plant Upgrade	Rescue Plan	Governmental	Governmental
	Fund	Fund	Fund	Fund	Funds	Funds
Nonspendable:						
Cemetery Trust	\$ -	\$ -	\$ -	\$ -	\$ 1,061,458	\$ 1,061,458
Inventories and prepaid items	294,083	-	-	-	21,158	315,241
Interfund loan - noncurrent	1,534,975	-	-	-	-	1,534,975
Nonspendable total	<u>1,829,058</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,082,616</u>	<u>2,911,674</u>
Restricted for:						
Donor purpose restrictions	-	-	-	-	3,423,234	3,423,234
Grant programs	-	-	-	10,566	1,141,058	1,151,624
Sewer assessment	-	-	-	-	28	28
Cemeteries	-	-	-	-	296,134	296,134
Housing and community development	-	-	-	-	218,007	218,007
Education grants	-	-	-	-	749,809	749,809
Adult education	-	-	-	-	149,018	149,018
Debt service	-	-	-	-	1,264,502	1,264,502
Capital outlays	-	-	-	-	1,602,862	1,602,862
Restricted total	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,566</u>	<u>8,844,652</u>	<u>8,855,218</u>
Committed to:						
Sewer repairs and maintenance	-	-	-	-	1,914,769	1,914,769
Insurance and medical	-	-	-	-	451,092	451,092
Cafeteria	-	-	-	-	744,091	744,091
Community development	-	-	-	-	222,492	222,492
Police	-	-	-	-	167,656	167,656
Ambulance	-	-	-	-	677,078	677,078
Animal control	-	-	-	-	53,327	53,327
Human services	-	-	-	-	219,398	219,398
Maintenance for water runoff	-	-	-	-	214,354	214,354
Parks and recreation programs	-	-	-	-	619,085	619,085
Education programs and activities	-	-	-	-	551,856	551,856
Sidewalk development	-	-	-	-	2,701	2,701
Debt payments	-	-	-	-	3,510,573	3,510,573
Capital outlays	-	3,090,707	-	-	2,755,421	5,846,128
Committed total	<u>-</u>	<u>3,090,707</u>	<u>-</u>	<u>-</u>	<u>12,103,893</u>	<u>15,194,600</u>
Assigned to:						
Education - encumbrances	711,967	-	-	-	-	711,967
Compensated absences	322,000	-	-	-	-	322,000
Assigned total	<u>1,033,967</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,033,967</u>
Unassigned						
	24,051,239	-	(11,543,148)	-	(877,197)	11,630,894
	<u>\$ 26,914,264</u>	<u>\$ 3,090,707</u>	<u>\$ (11,543,148)</u>	<u>\$ 10,566</u>	<u>\$ 21,153,964</u>	<u>\$ 39,626,353</u>

**Deficit Fund Balances**

The following funds have deficit equity balances as of June 30, 2022, which do not constitute a violation of statutory provisions:

Fund	Amount
Waste Treatment Plant Facilities Upgrade Fund	\$ (11,543,148)
Disaster Relief Fund	(760,521)
Main Street Bridge Renovations Fund	(109,216)
West Main Street Bridge Renovations Fund	(7,460)

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

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**NOTE 12 - FUND BALANCE *(Continued)***

**Deficit Fund Balances *(Continued)***

The deficit in the Main Street Bridge Renovations Fund and the West Main Street Bridge Renovations Fund will be funded with available current resources from other funds. The deficit in the Disaster Relief Fund will be funded by federal grant reimbursements and, if necessary, local appropriations. The deficit in the Waste Treatment Plant Upgrade Fund will be funded by a combination of grants, loans, and contributions from surrounding towns that utilize the waste treatment facilities.

**NOTE 13 - RISK MANAGEMENT**

The Town is exposed to various risks of loss including torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disaster. Generally, the Town obtains commercial insurance for these risks, but retained the risks for workers' compensation through a Workers' Compensation Fund and for the cost of medical prescriptions for its employees and retirees through a Medical Self-Insurance Fund. Effective July 1, 2019, workers compensation claims incurred on and after that date are no longer considered self-insured. The Town has entered into the workers' compensation risk pool offered by CIRMA to Connecticut municipalities and schools. However, such pooled claims remain separately identifiable and are the responsibility of the Town to fund. Settled claims have not exceeded commercial insurance coverage for each of the last three fiscal years. There has been no reduction in insurance coverage from the prior year.

**Workers' Compensation**

**Self-insured Claims**

The Workers' Compensation fund, classified as an Internal Service Fund, has been supported by contributions from the General and Sewer User Funds. Contribution amounts have been based on historical experience of claims incurred and paid. Although the risk is retained by the Town, commercial insurance had been purchased for individual claims in excess of \$450,000 for police and fire employees and \$425,000 for all other employees with no aggregate maximum per year. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

CIRMA administers the claims processing for the Town, for which the Town pays a fee. Claims incurred have been estimated by CIRMA by fiscal (contract) year. Claims outstanding at June 30 are reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of claim accrual is based on the ultimate costs of settling the claim, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries.

Claims payable at June 30, 2022 includes incurred, but not reported (IBNR) claims of \$139,200. Claims payable includes \$16,638 of estimated incremental claims adjustment expenses, net of estimated subrogation recoveries.

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

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**NOTE 13 - RISK MANAGEMENT *(Continued)***

**Workers' Compensation *(Continued)***

**Pooled Claims**

Effective July 1, 2019, workers compensation claims incurred on and after that date are no longer considered self-insured. The Town has entered into a workers compensation risk pool offered by CIRMA to Connecticut municipalities and schools. The Town is responsible for a per occurrence deductible of \$250,000, excluding negotiated costs of excess workers compensation insurance and associated third party services fees. The General and Sewer User Fund provide resources to fund these pooled claim costs. Claims payable at June 30, 2022 includes incurred, but not reported (IBNR) claims of \$287,048. Claims payable includes \$43,995 of estimated incremental claims adjustment expenses, net of estimated subrogation recoveries.

A summary of claims activity for self-insured and pooled Workers' Compensation transactions for the years ended June 30, 2022 and 2021 are as follows:

<u>Year Ended June 30</u>	<u>Claims Payable, Beginning of Year</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>Claims Payable, End of Year</u>
2022	\$ 1,224,906	\$ 416,092	\$ 307,868	\$ 1,333,130
2021	1,721,073	230,627	726,794	1,224,906

**Medical and Dental**

Effective July 1, 2021, all medical and prescription claims for employees and retirees, and associated third party and administrative costs, became self-insured and are accounted for within the Medical Self-Insurance Internal Service Fund. Effective July 1, 2017, the Town became self-insured for the cost of dental for its education employees and retirees. Effective July 1, 2007, the Town became self-insured for the cost of dental for its general government employees and retirees. The fund is supported by contributions from all covered participants with the remaining support provided by the General Fund, Vernon Cemetery Fund (Special Revenue Fund), the Sewer User Fund (Enterprise Fund) and the Data Processing Fund (Internal Service Fund). Contribution amounts are based upon historical experience of claims incurred and paid.

Third party administrators (TPAs) process claims for the Town for which the Town pays a fee. Claims incurred and paid data are provided to the Town, which reimburses the TPAs for the costs of the claims and administrative expenses. At yearend, claims payable represents the cost of claims incurred and paid by the TPAs that require reimbursement from the Town. Claims payable at June 30, 2022 includes incurred, but not reported claims of \$695,000.

A summary of claims activity for Medical Self-Insurance claims transactions the years ended June 30, 2022 and 2021 are as follows:

<u>Year Ended June 30</u>	<u>Claims Payable, Beginning of Year</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>Claims Payable, End of Year</u>
2022	\$ 20,542	\$ 10,455,982	\$ 9,667,822	\$ 808,702
2021	24,804	426,842	431,104	20,542



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

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**NOTE 14 - COMMITMENTS AND CONTINGENCIES**

**Litigation**

There are several lawsuits pending against the Town. The outcome and eventual liability to the Town, if any, in these cases is not known by management. The Town's management believes it has meritorious defenses against these lawsuits and estimates that potential claims against the Town, not covered by insurance, resulting from such litigation would not have a material adverse effect on the financial condition of the Town.

**Federal Awards and State Financial Assistance**

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, would not have a material adverse effect on the financial condition of the Town.

**Purchase Commitments**

Encumbrance accounting is employed as an extension of formal budgetary integration for the General Fund. Encumbrances are recognized as a valid and proper charge against a General Fund budget appropriation in the year in which a purchase order, contract, or other commitment is issued. Open encumbrances as of June 30, 2022 totaled \$711,967 and are included in assigned fund balance of the General Fund.

**Construction Commitments**

On January 15, 2019, a referendum was held that appropriated \$85,972,000 for Waste Treatment Plant Facility Improvements. The projected cost to complete the improvements as of June 30, 2022 is estimated to be \$17,200,000 and will be financed by a combination of grants and loans from the State of Connecticut's Clean Water Fund and a projected local contribution. Construction commenced shortly after July 1, 2019 and is expected to be completed by December 2023.

**NOTE 15 - TAX ABATEMENTS**

By Ordinance, the Town established a Reduction in Assessment Program pursuant to Connecticut General Statute 12-121(e), as amended, authorizing the Town Council to enter into a tax abatement agreement with any party owning or proposing to acquire an interest in real property in town that is on the town's certified vacant buildings list. Applicants to the program are required to provide a business plan for the property to be renovated and submit a fiscal impact study to the Town Administrator who makes a recommendation to the Town Council as to the amount and duration of the tax abatement. The Town Council may approve the abatement recommendation by a majority vote. The abatement becomes effective upon renovation completion and issuance of a certificate of occupancy.

The following table indicates the minimum value of an improvement that qualifies for a reduction and the maximum reduction period. The Town Council shall determine the specific reduction of the tax assessment for each project based upon the benefits to the Town.

<u>Cost of Improvements</u>	<u>Assessment Reduction</u>	<u>Term</u>
\$10 million and higher	Up to 100% of increased assessment	Up to 25 years
\$5 million - \$10 million	Up to 75% of increased assessment	Up to 15 years
\$1 million - \$5 million	Up to 50% of increased assessment	Up to 10 years
Less than \$1 million	Up to 25% of increased assessment	Up to 5 years

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

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**NOTE 15 - TAX ABATEMENTS *(Continued)***

The Town has entered into the following active tax abatement agreements:

- Loom City Lofts LLC, 215 East Street, with a 25-year duration, with Loom City paying taxes ranging from \$7,500 in year 1 to \$15,246 in year 25, with the remaining annual levy being abated. The amount of abated taxes for fiscal year 2021-2022 were \$149,410. The abated taxes are per the seventh year of the agreement.
- Talcott Mill Landlord LLC, 47 Main Street, with a 20-year duration. The tax abatement for improvements will be 100% for the first 10 years of the agreement, 75% for years 11 to 15 and 50% for years 16 to 20. The amount of abated taxes for fiscal year 2021-2022 is \$106,325. The abated taxes are per the fourth year of the agreement.
- Vernon Schoolhouse LLC, 97 Main Street, with a 3-year duration. The tax abatement for improvements will be 25% for the first year of the agreement, 50% for the second year and 75% for the third year. The amount of abated taxes for fiscal year 2021-2022 is \$467. The abated taxes per the third year of the agreement.

Total tax abatements for year ended June 30, 2022 were \$256,202.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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

	Budgeted Amounts		Actual	Outstanding Encumbrances	Actual with Outstanding Encumbrances	Variance With Final Budget Over (Under)
	Original	Final				
<b>REVENUES</b>						
Property taxes	\$ 74,055,709	\$ 74,055,709	\$ 75,671,550	\$ -	\$ 75,671,550	\$ 1,615,841
Intergovernmental	18,478,552	18,478,552	18,742,196	-	18,742,196	263,644
Charges for services	990,233	990,233	1,958,664	-	1,958,664	968,431
Licenses and permits	509,000	509,000	744,007	-	744,007	235,007
Fines and penalties	19,000	19,000	28,113	-	28,113	9,113
Investment income	50,000	50,000	45,208	-	45,208	(4,792)
Other	204,564	204,564	226,928	-	226,928	22,364
Total revenues	<u>94,307,058</u>	<u>94,307,058</u>	<u>97,416,666</u>	<u>-</u>	<u>97,416,666</u>	<u>3,109,608</u>
<b>EXPENDITURES</b>						
Current:						
General government	3,829,519	3,937,241	3,836,124	-	3,836,124	(101,117)
Community development	321,618	323,840	277,590	-	277,590	(46,250)
Public safety	9,033,576	9,338,335	9,032,005	-	9,032,005	(306,330)
Maintenance and development	6,181,122	6,296,457	6,017,790	-	6,017,790	(278,667)
Human services	1,216,763	1,222,923	1,124,190	-	1,124,190	(98,733)
Parks, recreation and culture	2,139,047	2,153,242	1,983,298	-	1,983,298	(169,944)
Townwide	8,318,098	8,192,206	7,974,075	-	7,974,075	(218,131)
Debt service	6,057,988	6,057,988	6,057,988	-	6,057,988	-
Capital outlay	362,471	387,011	385,158	-	385,158	(1,853)
Education	55,032,612	55,299,131	54,562,418	711,967	55,274,385	(24,746)
Total expenditures	<u>92,492,814</u>	<u>93,208,374</u>	<u>91,250,636</u>	<u>711,967</u>	<u>91,962,603</u>	<u>(1,245,771)</u>
Excess (deficiency) of revenues over expenditures	1,814,244	1,098,684	6,166,030	(711,967)	5,454,063	4,355,379
<b>OTHER FINANCING SOURCES (USES)</b>						
Appropriation of Fund Balance	1,500,000	2,026,410	-	-	-	(2,026,410)
Appropriation of Prior Year Encumbrances	-	706,176	-	-	-	(706,176)
Transfers in	82,000	82,000	8,405	-	8,405	(73,595)
Transfers out	(3,396,244)	(3,913,270)	(3,913,270)	-	(3,913,270)	-
Total other financing sources (uses)	<u>(1,814,244)</u>	<u>(1,098,684)</u>	<u>(3,904,865)</u>	<u>-</u>	<u>(3,904,865)</u>	<u>(2,806,181)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,261,165</u>	<u>\$ (711,967)</u>	<u>\$ 1,549,198</u>	<u>\$ 1,549,198</u>

See accompanying notes to required supplementary information.

**TOWN OF VERNON, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY -**  
**POLICE PENSION PLAN (UNAUDITED)**  
**LAST NINE PLAN YEARS\***

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Total pension liability:									
Service cost	\$ 778,419	\$ 795,241	\$ 765,742	\$ 783,253	\$ 836,982	\$ 812,060	\$ 767,633	\$ 760,493	\$ 759,496
Interest	3,219,262	3,145,958	3,071,092	2,968,071	2,924,672	2,790,349	2,711,068	2,663,012	2,620,600
Differences between expected and actual experience	932,357	278,309	294,203	728,178	(220,230)	878,501	(304,928)	(288,635)	-
Changes in plan benefits and assumptions	-	-	-	(2,332)	-	-	1,833,919	1,214,064	-
Benefit payments, including refunds	(3,224,007)	(3,122,299)	(3,002,788)	(3,008,005)	(2,693,179)	(2,508,006)	(2,473,575)	(2,434,432)	(2,385,303)
Net change in total pension liability	1,706,031	1,097,209	1,128,249	1,469,165	848,245	1,972,904	2,534,117	1,914,502	994,793
Total pension liability - beginning	47,574,207	46,476,998	45,348,749	43,879,584	43,031,339	41,058,435	38,524,318	36,609,816	35,615,023
Total pension liability - ending	49,280,238	47,574,207	46,476,998	45,348,749	43,879,584	43,031,339	41,058,435	38,524,318	36,609,816
Plan fiduciary net position:									
Contributions - employer	2,001,944	1,993,154	1,929,304	1,879,711	1,839,551	1,730,812	1,639,455	1,515,199	1,348,338
Contributions - members	412,417	386,312	362,295	375,468	370,589	364,862	370,334	358,642	368,533
Net investment income	3,070,441	2,838,104	3,805,160	(855,038)	2,724,566	1,352,877	176,500	1,092,203	2,874,222
Benefit payments, including refunds	(3,224,007)	(3,122,299)	(3,002,788)	(3,008,005)	(2,693,179)	(2,508,006)	(2,473,575)	(2,434,432)	(2,210,603)
Administrative expense	(71,692)	(65,142)	(64,161)	(67,440)	(68,718)	(70,666)	(49,744)	(70,783)	(67,398)
Net change in plan fiduciary net position	2,189,103	2,030,129	3,029,810	(1,675,304)	2,172,809	869,879	(337,030)	460,829	2,313,092
Plan fiduciary net position - beginning	25,690,430	23,660,301	20,630,491	22,305,795	20,132,986	19,263,107	19,600,137	19,139,308	16,826,216
Plan fiduciary net position - ending	27,879,533	25,690,430	23,660,301	20,630,491	22,305,795	20,132,986	19,263,107	19,600,137	19,139,308
Town's net pension liability	\$ 21,400,705	\$ 21,883,777	\$ 22,816,697	\$ 24,718,258	\$ 21,573,789	\$ 22,898,353	\$ 21,795,328	\$ 18,924,181	\$ 17,470,508
Plan fiduciary net position as a percentage of total pension liability	56.57%	54.00%	50.91%	45.49%	50.83%	46.79%	46.92%	50.88%	52.28%
Covered payroll	\$ 4,439,222	\$ 4,615,288	\$ 4,668,336	\$ 4,563,773	\$ 4,789,390	\$ 4,866,463	\$ 4,747,257	\$ 4,549,520	\$ 4,390,111
Town's net pension liability as a percentage of covered payroll	482.08%	474.16%	488.75%	541.62%	450.45%	470.53%	459.11%	415.96%	397.95%

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

See accompanying notes to required supplementary information.

**TOWN OF VERNON, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY -**  
**TOWN PENSION PLAN (UNAUDITED)**  
**LAST NINE PLAN YEARS\***

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Total pension liability:									
Service cost	\$ 1,056,070	\$ 1,193,493	\$ 1,380,530	\$ 1,505,283	\$ 1,658,692	\$ 1,510,406	\$ 1,464,780	\$ 1,396,502	\$ 1,355,480
Interest	5,854,272	5,766,883	5,655,860	5,451,494	5,338,478	5,055,024	4,604,469	4,540,614	4,472,890
Differences between expected and actual experience	(1,328,551)	(903,529)	(1,073,395)	(41,960)	(2,232,932)	1,507,303	135,086	(3,083,615)	-
Changes in plan benefits and assumptions	-	-	-	-	-	-	5,959,086	3,200,987	-
Benefit payments, including refunds	(4,945,849)	(4,675,581)	(4,088,237)	(3,905,481)	(3,786,932)	(3,781,356)	(3,280,576)	(2,935,096)	(2,814,688)
Net change in total pension liability	635,942	1,381,266	1,874,758	3,009,336	977,306	4,291,377	8,882,845	3,119,392	3,013,682
Total pension liability - beginning	86,063,561	84,682,295	82,807,537	79,798,201	78,820,895	74,529,518	65,646,673	62,527,281	59,513,599
Total pension liability - ending	86,699,503	86,063,561	84,682,295	82,807,537	79,798,201	78,820,895	74,529,518	65,646,673	62,527,281
Plan fiduciary net position:									
Contributions - employer	2,589,692	2,733,202	2,698,572	2,535,950	2,495,374	2,575,719	2,383,370	2,135,571	1,883,779
Contributions - members	683,387	730,627	865,239	881,387	950,310	930,892	1,032,684	1,031,071	1,001,400
Net investment income	5,946,050	5,779,451	7,631,899	(1,663,356)	5,244,052	2,457,038	352,500	1,981,432	4,782,653
Benefit payments, including refunds	(4,945,849)	(4,675,581)	(4,088,237)	(3,905,481)	(3,786,932)	(3,781,356)	(3,280,577)	(2,935,096)	(2,664,672)
Administrative expense	(104,800)	(96,574)	(94,103)	(101,640)	(105,945)	(114,432)	(89,656)	(101,919)	(93,140)
Net change in plan fiduciary net position	4,168,480	4,471,125	7,013,370	(2,253,140)	4,796,859	2,067,861	398,321	2,111,059	4,910,020
Plan fiduciary net position - beginning	54,458,454	49,987,329	42,973,959	45,227,099	40,430,240	38,362,379	37,964,058	35,852,999	30,942,979
Plan fiduciary net position - ending	58,626,934	54,458,454	49,987,329	42,973,959	45,227,099	40,430,240	38,362,379	37,964,058	35,852,999
Town's net pension liability	<u>\$ 28,072,569</u>	<u>\$ 31,605,107</u>	<u>\$ 34,694,966</u>	<u>\$ 39,833,578</u>	<u>\$ 34,571,102</u>	<u>\$ 38,390,655</u>	<u>\$ 36,167,139</u>	<u>\$ 27,682,615</u>	<u>\$ 26,674,282</u>
Plan fiduciary net position as a percentage of total pension liability	67.62%	63.28%	59.03%	51.90%	56.68%	51.29%	51.47%	57.83%	57.34%
Covered payroll	\$ 11,287,114	\$ 12,103,562	\$ 13,141,484	\$ 14,477,456	\$ 14,795,233	\$ 15,411,202	\$ 14,789,154	\$ 14,933,089	\$ 14,895,476
Town's net pension liability as a percentage of covered payroll	248.71%	261.12%	264.01%	275.14%	233.66%	249.11%	244.55%	185.38%	179.08%

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

**TOWN OF VERNON, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY -**  
**LOSAP RETIREMENT PLAN (UNAUDITED)**  
**LAST NINE PLAN YEARS\***

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Total pension liability:									
Service cost	\$ 23,246	\$ 26,337	\$ 25,379	\$ 25,480	\$ 20,149	\$ 21,190	\$ 24,830	\$ 26,292	\$ 19,751
Interest	169,789	148,581	139,106	133,795	92,532	92,540	85,622	82,620	78,483
Differences between expected and actual experience	207,391	(20,086)	46,368	(46,250)	124,920	(27,545)	(13,707)	(31,211)	-
Changes in plan benefits and assumptions	-	-	-	-	451,934	-	-	-	-
Benefit payments, including refunds	(86,512)	(75,151)	(65,044)	(62,585)	(46,894)	(36,536)	(33,270)	(29,764)	(19,718)
Net change in total pension liability	313,914	79,681	145,809	50,440	642,641	49,649	63,475	47,937	78,516
Total pension liability - beginning	2,365,584	2,285,903	2,140,094	2,089,654	1,447,013	1,397,364	1,333,889	1,285,952	1,207,436
Total pension liability - ending	2,679,498	2,365,584	2,285,903	2,140,094	2,089,654	1,447,013	1,397,364	1,333,889	1,285,952
Plan fiduciary net position:									
Contributions - employer	109,527	106,269	134,029	137,551	53,605	52,289	39,924	37,752	34,172
Net investment income	432,368	331,104	457,665	(114,598)	263,129	135,693	(54,768)	54,828	204,365
Benefit payments, including refunds	(86,512)	(75,151)	(65,044)	(62,585)	(46,894)	(36,536)	(33,270)	(29,764)	(26,184)
Administrative expense	(34,475)	(26,801)	(24,462)	(21,797)	(20,777)	(18,545)	(18,745)	(18,516)	(15,668)
Net change in plan fiduciary net position	420,908	335,421	502,188	(61,429)	249,063	132,901	(66,859)	44,300	196,685
Plan fiduciary net position - beginning	2,600,097	2,264,676	1,762,488	1,823,917	1,574,854	1,441,953	1,508,812	1,464,512	1,267,827
Plan fiduciary net position - ending	3,021,005	2,600,097	2,264,676	1,762,488	1,823,917	1,574,854	1,441,953	1,508,812	1,464,512
Town's net pension liability (asset)	<u>\$ (341,507)</u>	<u>\$ (234,513)</u>	<u>\$ 21,227</u>	<u>\$ 377,606</u>	<u>\$ 265,737</u>	<u>\$ (127,841)</u>	<u>\$ (44,589)</u>	<u>\$ (174,923)</u>	<u>\$ (178,560)</u>
Plan fiduciary net position as a percentage of total pension liability	112.75%	109.91%	99.07%	82.36%	87.28%	108.83%	103.19%	113.11%	113.89%

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

*See accompanying notes to required supplementary information.*



**TOWN OF VERNON, CONNECTICUT**  
 SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS -  
 POLICE PENSION PLAN (UNAUDITED)  
 LAST NINE FISCAL YEARS\*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 2,001,944	\$ 1,993,154	\$ 1,929,304	\$ 1,879,711	\$ 1,839,551	\$ 1,730,812	\$ 1,639,455	\$ 1,515,199	\$ 1,348,338
Contributions in relation to the actuarially determined contribution	<u>2,001,944</u>	<u>1,993,154</u>	<u>1,929,304</u>	<u>1,879,711</u>	<u>1,839,551</u>	<u>1,730,812</u>	<u>1,639,455</u>	<u>1,515,199</u>	<u>1,348,338</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,439,222	\$ 4,615,288	\$ 4,668,336	\$ 4,563,773	\$ 4,789,390	\$ 4,866,463	\$ 4,747,257	\$ 4,549,520	\$ 4,390,111
Contributions as a percentage of covered payroll	45.10%	43.19%	41.33%	41.19%	38.41%	35.57%	34.53%	33.30%	30.71%
Annual money-weighted rate of return, net of investment expense	11.70%	12.70%	19.80%	-4.50%	13.60%	6.80%	0.20%	5.90%	14.60%

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

*See accompanying notes to required supplemental information.*

**TOWN OF VERNON, CONNECTICUT**  
 SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS -  
 TOWN PENSION PLAN (UNAUDITED)  
 LAST NINE FISCAL YEARS\*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 2,589,692	\$ 2,733,202	\$ 2,643,503	\$ 2,535,950	\$ 2,495,374	\$ 2,525,719	\$ 2,383,370	\$ 2,135,571	\$ 1,883,779
Contributions in relation to the actuarially determined contribution	<u>2,589,692</u>	<u>2,733,202</u>	<u>2,698,572</u>	<u>2,535,950</u>	<u>2,495,374</u>	<u>2,575,719</u>	<u>2,383,370</u>	<u>2,135,571</u>	<u>1,883,779</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (55,069)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (50,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 11,287,114	\$ 12,103,562	\$ 13,141,484	\$ 14,477,456	\$ 14,795,233	\$ 15,411,202	\$ 14,789,154	\$ 14,933,089	\$ 14,895,476
Contributions as a percentage of covered payroll	22.94%	22.58%	20.53%	17.52%	16.87%	16.71%	16.12%	14.30%	12.65%
Annual money-weighted rate of return, net of investment expense	10.70%	12.20%	18.70%	-4.20%	13.00%	6.20%	0.20%	7.00%	13.50%

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

*See accompanying notes to required supplementary information.*

**TOWN OF VERNON, CONNECTICUT**  
 SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS -  
 LOSAP RETIREMENT PLAN (UNAUDITED)  
 LAST NINE FISCAL YEARS\*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 1,173	\$ 31,118	\$ 68,951	\$ 64,101	\$ 6,711	\$ 15,753	\$ 6,654	\$ 7,988	\$ 7,988
Contributions in relation to the actuarially determined contribution	<u>109,527</u>	<u>106,269</u>	<u>134,029</u>	<u>137,551</u>	<u>53,605</u>	<u>52,289</u>	<u>39,924</u>	<u>37,752</u>	<u>34,172</u>
Contribution deficiency (excess)	<u>\$ (108,354)</u>	<u>\$ (75,151)</u>	<u>\$ (65,078)</u>	<u>\$ (73,450)</u>	<u>\$ (46,894)</u>	<u>\$ (36,536)</u>	<u>\$ (33,270)</u>	<u>\$ (29,764)</u>	<u>\$ (26,184)</u>
Annual money-weighted rate of return, net of investment expense	15.31%	13.40%	22.40%	-7.48%	15.39%	8.10%	-4.87%	2.48%	12.39%

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

*See accompanying notes to required supplementary information.*

**TOWN OF VERNON, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY -**  
**CONNECTICUT TEACHERS' RETIREMENT SYSTEM (UNAUDITED)**  
**LAST EIGHT FISCAL YEARS\***  
(Rounded to nearest thousand)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net pension liability attributed to the Town	92,027,000	116,195,000	104,208,000	80,350,000	83,461,000	88,052,000	73,579,000	68,009,000
Total	<u>\$ 92,027,000</u>	<u>\$ 116,195,000</u>	<u>\$ 104,208,000</u>	<u>\$ 80,350,000</u>	<u>\$ 83,461,000</u>	<u>\$ 88,052,000</u>	<u>\$ 73,579,000</u>	<u>\$ 68,009,000</u>
Town's covered payroll	\$ 27,749,000	\$ 26,838,000	\$ 26,793,000	\$ 26,362,000	\$ 26,534,000	\$ 25,575,000	\$ 27,325,000	\$ 26,337,000
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total collective pension liability	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

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

*See accompanying notes to required supplementary information.*

**TOWN OF VERNON, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY -**  
**OTHER POST-EMPLOYMENT BENEFITS PLAN (UNAUDITED)**  
**LAST SIX FISCAL YEARS\***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB liability</b>						
Service cost	\$ 238,882	\$ 265,249	\$ 281,111	\$ 525,888	\$ 314,481	\$ 295,287
Interest	597,327	658,193	635,112	584,733	541,389	514,729
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(1,213,711)	-	4,843,646	-	-
Changes of assumptions	-	(125,797)	(42,946)	(4,483,302)	-	-
Benefit payments, including refunds	(465,400)	(521,682)	(483,535)	(419,694)	(381,807)	(455,185)
Net change in total OPEB liability	370,809	(937,748)	389,742	1,051,271	474,063	354,831
Total OPEB liability - beginning	9,179,797	10,117,545	9,727,803	8,676,532	8,202,469	7,847,638
Total OPEB liability - ending	<u>9,550,606</u>	<u>9,179,797</u>	<u>10,117,545</u>	<u>9,727,803</u>	<u>8,676,532</u>	<u>8,202,469</u>
<b>Plan fiduciary net position</b>						
Contributions - employer	690,400	746,682	688,535	624,694	586,807	660,185
Net investment income	(152,907)	290,813	36,735	66,496	(41,095)	4,205
Benefit payments, including refunds	(465,400)	(521,682)	(483,535)	(419,694)	(381,807)	(455,185)
Net change in plan fiduciary net position	72,093	515,813	241,735	271,496	163,905	209,205
Plan fiduciary net position - beginning	2,086,635	1,570,822	1,329,087	1,057,591	893,686	684,481
Plan fiduciary net position - ending	<u>2,158,728</u>	<u>2,086,635</u>	<u>1,570,822</u>	<u>1,329,087</u>	<u>1,057,591</u>	<u>893,686</u>
<b>Town's net OPEB liability</b>	<u>\$ 7,391,878</u>	<u>\$ 7,093,162</u>	<u>\$ 8,546,723</u>	<u>\$ 8,398,716</u>	<u>\$ 7,618,941</u>	<u>\$ 7,308,783</u>
Plan fiduciary net position as a percentage of total OPEB liability	-	-	-	-	-	-
	22.60%	22.73%	15.53%	13.66%	12.19%	10.90%
Covered payroll	\$ 45,693,187	\$ 45,693,187	\$ 39,014,808	\$ 39,014,808	\$ 52,602,048	\$ 52,602,048
Town's net OPEB liability as a percentage of covered payroll	16.18%	15.52%	21.91%	21.53%	14.48%	13.89%

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

*See accompanying notes to required supplementary information.*

**TOWN OF VERNON, CONNECTICUT**  
**SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS -**  
**OTHER POST-EMPLOYMENT BENEFITS PLAN (UNAUDITED)**  
**LAST SIX FISCAL YEARS\***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 796,876	\$ 906,964	\$ 854,456	\$ 826,134	\$ 770,427	\$ 719,304
Contributions in relation to the actuarially determined contribution	<u>690,400</u>	<u>746,682</u>	<u>688,535</u>	<u>624,694</u>	<u>586,807</u>	<u>660,185</u>
Contribution deficiency (excess)	<u>\$ 106,476</u>	<u>\$ 160,282</u>	<u>\$ 165,921</u>	<u>\$ 201,440</u>	<u>\$ 183,620</u>	<u>\$ 59,119</u>
Covered employee payroll	\$ 45,693,187	\$ 45,693,187	\$ 39,014,808	\$ 39,014,808	\$ 52,602,048	\$ 52,602,048
Contributions as a percentage of covered payroll	1.51%	1.63%	1.76%	1.60%	1.12%	1.26%
Annual money-weighted rate of return, net of investment expense	-7.19%	18.10%	2.68%	6.06%	-4.60%	0.61%

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

*See accompanying notes to required supplementary information.*

**TOWN OF VERNON, CONNECTICUT**  
 SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY -  
 CONNECTICUT TEACHERS' RETIREMENT SYSTEM (UNAUDITED)  
 LAST FIVE FISCAL YEARS\*  
 (Rounded to Nearest Thousand)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the collective net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net OPEB liability attributed to the Town	<u>10,260,000</u>	<u>17,330,000</u>	<u>16,252,000</u>	<u>16,062,000</u>	<u>21,482,000</u>
Total	<u>\$ 10,260,000</u>	<u>\$ 17,330,000</u>	<u>\$ 16,252,000</u>	<u>\$ 16,062,000</u>	<u>\$ 21,482,000</u>
Town's covered payroll	\$ 27,749,000	\$ 26,838,000	\$ 26,793,000	\$ 26,362,000	\$ 26,534,000
Town's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total collective OPEB liability	6.11%	2.50%	2.08%	1.49%	1.79%

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

*See accompanying notes to required supplementary information.*

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

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

**Budgetary Information**

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund statement of revenues, expenditures and changes in fund balance on a budgetary basis:

- No later than March 15, the Mayor must submit an appropriated budget to the Town Council for review. The Town Council must hold two or more public hearings, the last of which shall be the annual Town Meeting, not later than April 30. The Town Council shall approve a budget to be presented at the Annual Town Meeting. The budget becomes effective only after it has been approved by a majority vote of qualified voters present and voting at the annual Town Meeting. The vote may neither increase nor decrease the budget as approved by Town Council. Within five days after the adoption of the budget, the Council must set the mill rate for the coming fiscal year.
- The Town Council is authorized to transfer any unencumbered appropriation balance or portion thereof from one department to another; however, such transfers must occur subsequent to March 31. Transfers within account classifications of a single department are approved by the Town's Finance Officer. Individual additional appropriations of less than 1/10 of 1% of the total budgeted expenditures are approved by Town Council.
- The Board of Education is authorized, under State law, to make any transfers necessary within the education budget at their discretion. Authorization for additional appropriations exceeding 1/10 of 1% of total budgeted expenditures requires a public hearing followed by Town Council approval in a special Town meeting. Revised budget amounts are reported as amended by the Town Council during the course of the year.
- Additional appropriations of \$526,410 were authorized during the fiscal year along with re-appropriations of \$706,176. The legal level of control, the level at which expenditures may not legally exceed appropriations, is at the department level.
- Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at yearend are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.



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

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

**Budgetary Information *(Continued)***

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP basis). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2022:

	<u>Total</u> <u>Revenues</u>	<u>Total</u> <u>Expenditures</u>	<u>Other Financing</u> <u>Sources</u> <u>(Uses), Net</u>	<u>Net Change</u> <u>in</u> <u>Fund Balance</u>
Budgetary basis	\$ 97,416,666	\$ 91,962,603	\$ (3,904,865)	\$ 1,549,198
"On-behalf" payments - State Teachers Retirement Fund	7,887,125	7,887,125	-	-
Encumbrances outstanding as of June 30, 2022	-	(711,967)	-	711,967
GAAP basis	<u>\$ 105,303,791</u>	<u>\$ 99,137,761</u>	<u>\$ (3,904,865)</u>	<u>\$ 2,261,165</u>

**NOTE 2 - SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY - POLICE PENSION PLAN**

The Town began to report this schedule when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plans - An Amendment of GASB Statement No. 25* in fiscal year 2014. GASB Statement No. 67 requires the information within this schedule to be presented for the ten most recent fiscal years.

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

*Assumption Changes* - The following assumption changes have had a significant effect on the measurement of the total pension liability.

- the investment rate of return was decreased in 2015 from 7.25% to 7.00%,
- the investment rate of return was decreased in 2014 from 7.50% to 7.25%.

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

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**NOTE 3 - SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY - TOWN PENSION PLAN**

The Town began to report this schedule when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plans - An Amendment of GASB Statement No. 25* in fiscal year 2014. GASB Statement No. 67 requires the information within this schedule to be presented for the ten most recent fiscal years.

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

*Assumption Changes* - The following assumption changes have had a negligible effect on the measurement of the total pension liability.

- the investment rate of return was decreased in 2015 from 7.25% to 7.00%,
- the investment rate of return was decreased in 2014 from 7.50% to 7.25%.

**NOTE 4 - SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY - LOSAP RETIREMENT PLAN**

The Town began to report this schedule when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plans - An Amendment of GASB Statement No. 25* in fiscal year 2014. GASB Statement No. 67 requires the information within this schedule to be presented for the ten most recent fiscal years.

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

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

**NOTE 5 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - POLICE PENSION PLAN**

The Town began to report this schedule when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plans - An Amendment of GASB Statement No. 25* in fiscal year 2014. GASB Statement No. 67 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial determined contribution rates are calculated as of January 1, six months prior to the fiscal year in which contributions are reported. Actuarial determined contribution for fiscal year ending June 30, 2022 were determined from the January 1, 2021 valuation.

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

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**NOTE 5 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - POLICE PENSION PLAN *(Continued)***

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2022.

Actuarial Cost method	Entry Age Normal
Amortization method	Level dollar, closed
Asset valuation method	5 year smoother market
Salary increases	4.00%
Investment rate of return	7.00%

Mortality rates were based RP-2014 Blue Collar Mortality Table with Scale MP-2014.

**NOTE 6 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - TOWN PENSION PLAN**

The Town began to report this schedule when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plans - An Amendment of GASB Statement No. 25* in fiscal year 2014. GASB Statement No. 67 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial determined contribution rates are calculated as of January 1, six months prior to the fiscal year in which contributions are reported. Actuarial determined contribution for fiscal year ending June 30, 2022 were determined from the January 1, 2021 valuation.

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2022.

Actuarial Cost method	Entry Age Normal
Amortization method	Level dollar, closed
Asset valuation method	5 year smoother market
Salary increases	4.50%
Investment rate of return	7.00%

Mortality rates were based RP-2014 Blue Collar Mortality Table with Scale MP-2014.

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

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**NOTE 7 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - LOSAP RETIREMENT PLAN**

The Town began to report this schedule when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plans - An Amendment of GASB Statement No. 25* in fiscal year 2014. GASB Statement No. 67 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial determined contribution rates are calculated as of January 1, six months prior to the fiscal year in which contributions are reported. Actuarial determined contribution for fiscal year ending June 30, 2022 were determined from the January 1, 2021 valuation.

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2022.

Actuarial Cost method	Entry Age Normal
Amortization method	Level dollar, closed
Asset valuation method	5 year smoother market
Salary increases	N/A
Investment rate of return	6.50%

Mortality rates were based 2020 IRS Static Table Male and Female.

**NOTE 8 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY – CONNECTICUT TEACHERS' RETIREMENT SYSTEM**

The Town began to report this schedule when it implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, in fiscal year 2015. GASB Statement No. 68 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2020. The liabilities were estimated based on a measurement date of June 30, 2021. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. This information is utilized by the Town for reporting as of June 30, 2022.

*Benefit changes* - There were no benefit term changes that have had a significant effect on the measurement of the collective net pension liability reported as of June 30, 2022.

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

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

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**NOTE 9 - SCHEDULE OF CHANGES IN NET OPEB LIABILITY - OTHER POST-EMPLOYMENT BENEFITS PLAN**

The Town began to report this schedule when it implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*, in fiscal year 2017. GASB Statement No. 74 requires the information within this schedule to be presented for the ten most recent fiscal years.

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

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

**NOTE 10 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - OTHER POST-EMPLOYMENT BENEFITS PLAN**

The Town began to report this schedule when it implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*, in fiscal year 2017. GASB Statement No. 74 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial determined contribution rates are calculated as of July 1, one fiscal years prior to the fiscal year in which contributions are reported. Actuarial determined contribution for fiscal year ending June 30, 2022 were determined from the July 1, 2020 valuation.

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2022.

Actuarial Cost method	Entry Age Normal
Amortization method	Level percent, closed
Remaining amortization period	17 years
Asset valuation method	Market value
Inflation rate	2.75%
Salary increases	3.50%
Investment rate of return	6.50%
Healthcare trend rates	Varies by group

Mortality rates were based on the PubT-2010 Mortality Table for employees and annuitant (adjusted 105% for males and 103% for females at ages 82 and above) with generational projection of future improvements per the MP-2019 ultimate scale, for all teachers and administrators, the PubS-2010 Mortality Table with generational projection per MP-2014 ultimate scale, with employee rates before benefit commencement and healthy annuitant rates after commencement, for all police and the PubG-2010 Mortality Table with generational projection per MP-2014 ultimate scale, with employee rates before benefit commencement and healthy annuitant rates after benefit commencement for all other employees.

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

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**NOTE 11 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OTHER POST-EMPLOYMENT BENEFITS LIABILITY - CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM**

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

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2020. The liabilities were estimated based on a measurement date of June 30, 2021. The employer allocations were then applied to the net OPEB liability and pension expense to determine the amount applicable to each employer. This information is utilized by the Town for reporting as of June 30, 2022.

*Benefit Changes* - There were no benefit term changes that had a significant effect on the measurement of the collective net OPEB liability reported as of June 30, 2022.

*Assumption Changes* - The following assumption changes had a significant effect on the measurement of the collective net OPEB liability reported as of June 30, 2022.

- a decrease in the municipal bond index rate assumption from 2.21% to 2.16%; and
- a decrease in the single equivalent interest rate assumption from 2.21% to 2.17%

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**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

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## **GENERAL FUND**

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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.). These activities are funded principally by property taxes, user fees and grants from other governmental units.



**TOWN OF VERNON, CONNECTICUT**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Over (Under)</u>
<b>Property Taxes:</b>				
Current year taxes	\$ 72,277,198	\$ 72,277,198	\$ 72,594,451	\$ 317,253
Supplemental motor vehicle tax	891,264	891,264	1,151,591	260,327
Prior year taxes	607,435	607,435	1,261,865	654,430
Interest and lien fees	270,582	270,582	655,241	384,659
Liens	5,730	5,730	5,136	(594)
Warrant revenue	3,500	3,500	3,266	(234)
Total property taxes	<u>74,055,709</u>	<u>74,055,709</u>	<u>75,671,550</u>	<u>1,615,841</u>
<b>Intergovernmental:</b>				
Education cost sharing	17,645,165	17,645,165	17,647,590	2,425
Municipal stabilization grant	330,755	330,755	330,755	-
PILOT - State owned property	123,084	123,084	252,652	129,568
Medicaid reimbursement	100,000	100,000	88,812	(11,188)
PILOT - Shelter rent	85,658	85,658	93,159	7,501
Mashantucket Pequot and Mohegan grant	79,820	79,820	79,820	-
Telephone tax sharing	41,086	41,086	34,973	(6,113)
Tax relief - Veterans exemption	18,227	18,227	15,743	(2,484)
Civil preparedness grant	14,549	14,549	14,644	95
State DUI grant	12,000	12,000	7,767	(4,233)
Motor Vehicle Violation surcharge	10,000	10,000	14,710	4,710
Historic Document Preservation Grant	7,500	7,500	7,500	-
Tax relief - Disability exemption	3,678	3,678	3,693	15
Safe streets driving enforcement	2,500	2,500	-	(2,500)
Bullet Proof Vest grant	2,000	2,000	17,577	15,577
Other - State grants	1,900	1,900	22,112	20,212
Judicial reimbursements	530	530	360	(170)
Judicial reimbursements - Parking	100	100	-	(100)
Coronavirus Relief Fund	-	-	3,000	3,000
FEMA Storm Reimbursement	-	-	13,532	13,532
MRSF sales tax sharing	-	-	89,783	89,783
Drug Enforcement Grant	-	-	4,014	4,014
Total intergovernmental revenue	<u>18,478,552</u>	<u>18,478,552</u>	<u>18,742,196</u>	<u>263,644</u>
<b>Charges for Services:</b>				
Town Clerk recording fees	550,285	550,285	922,646	372,361
Tuition - Vo-ag	245,000	245,000	375,265	130,265
Police - Special services	28,500	28,500	343,408	314,908
Other - Education community	27,613	27,613	-	(27,613)
Tuition - Special education Vo-ag	25,000	25,000	60,500	35,500
Historic document preservation	22,800	22,800	6,222	(16,578)
Recycling	20,000	20,000	37,642	17,642
Bulky waste pickup	20,000	20,000	36,226	16,226
Solid Waste Collection fee	12,100	12,100	9,995	(2,105)
Finance administration fee	11,000	11,000	11,000	-
Recycling bin promotion	4,000	4,000	9,310	5,310
Planning and zoning fees	7,800	7,800	9,150	1,350
Energy assistance administration	3,245	3,245	3,011	(234)
Fingerprint fees	3,000	3,000	5,202	2,202
Other maintenance and development	3,000	3,000	778	(2,222)

*Continued*

**TOWN OF VERNON, CONNECTICUT**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Over (Under)</u>
<b>Charges for services (continued) :</b>				
Conservation fees	\$ 2,100	\$ 2,100	\$ 2,520	\$ 420
Library printing fees	1,000	1,000	1,612	612
Senior Center Membership fees	1,000	1,000	5,173	4,173
Library copy fees	600	600	584	(16)
Library book sales	600	600	1,230	630
Housing Rehab Administration	500	500	594	94
Assessor fees	400	400	81	(319)
Printing and copying fees	200	200	10	(190)
Fire Marshal - services	200	200	933	733
Energy application administration	140	140	-	(140)
Food Sales	100	100	-	(100)
Historic Properties Certification fees	50	50	-	(50)
Tuition - Special education	-	-	93,814	93,814
Tuition - Next step	-	-	21,758	21,758
Total charges for services	<u>990,233</u>	<u>990,233</u>	<u>1,958,664</u>	<u>968,431</u>
<b>Licenses and permits:</b>				
Building permits	400,000	400,000	642,052	242,052
Transfer station permits	72,000	72,000	77,130	5,130
Permit link revenue	20,000	20,000	-	(20,000)
Driveway & road cut permits	9,000	9,000	14,150	5,150
Zoning Permits	5,000	5,000	6,175	1,175
Refuse licensing	3,000	3,000	3,500	500
Zoning Review	-	-	1,000	1,000
Total licenses and permits	<u>509,000</u>	<u>509,000</u>	<u>744,007</u>	<u>235,007</u>
<b>Fines and penalties:</b>				
Zoning citations	15,000	15,000	19,808	4,808
Parking tags	2,000	2,000	5,352	3,352
Library fines	2,000	2,000	2,953	953
Total fines and penalties	<u>19,000</u>	<u>19,000</u>	<u>28,113</u>	<u>9,113</u>
<b>Gifts and contributions:</b>				
Library donations	2,500	2,500	-	(2,500)
<b>Investment income:</b>				
General Fund	50,000	50,000	45,208	(4,792)
<b>Other revenue:</b>				
Rental management fee	50,000	50,000	50,000	-
Gasoline reimbursement	42,000	42,000	48,978	6,978
Education	30,000	30,000	30,000	-
Rental income - Annex	24,000	24,000	24,000	-
Purchasing Card Reimbursement	21,000	21,000	1,909	(19,091)
Miscellaneous	12,350	12,350	5,884	(6,466)
Vision insurance reimbursements	9,414	9,414	9,483	69
Lease - Ellington pump station	7,100	7,100	7,908	808
Rental income other	6,000	6,000	6,001	1
Library - miscellaneous	200	200	303	103
Insurance reimbursements	-	-	37,761	37,761
Refunds and reimbursements	-	-	3,147	3,147
Medical insurance reimbursement	-	-	1,554	1,554
Total other revenues	<u>202,064</u>	<u>202,064</u>	<u>226,928</u>	<u>24,864</u>
<b>Total revenues</b>	<u>94,307,058</u>	<u>94,307,058</u>	<u>97,416,666</u>	<u>3,109,608</u>

*Continued*

**TOWN OF VERNON, CONNECTICUT**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Concluded)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Other Financing Sources:				
Appropriation of Fund Balance	\$ 1,500,000	\$ 2,026,410	\$ -	\$ (2,026,410)
Reappropriation of Prior Year Encumbrances	-	706,176	-	(706,176)
Transfers in:				
Special Revenue Funds	82,000	82,000	8,405	(73,595)
Total other financing sources	<u>1,582,000</u>	<u>2,814,586</u>	<u>8,405</u>	<u>(2,806,181)</u>
Total revenues and other financing sources	<u>\$ 95,889,058</u>	<u>\$ 97,121,644</u>	<u>\$ 97,425,071</u>	<u>\$ 303,427</u>
				<i>Concluded</i>

**TOWN OF VERNON, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Expenditures	Outstanding Encumbrances	Total Expenditures and Encumbrances	Variance With Final Budget Over (Under)
	Original	Final				
<b>General Government:</b>						
Town Council	\$ 9,750	\$ 9,750	\$ 7,475	\$ -	\$ 7,475	\$ (2,275)
Probate court	13,498	13,498	13,498	-	13,498	-
Executive and administrative	874,500	933,632	931,185	-	931,185	(2,447)
Law	152,000	152,000	98,784	-	98,784	(53,216)
Registration	80,281	80,281	79,790	-	79,790	(491)
Elections - general	38,550	44,050	43,367	-	43,367	(683)
Elections - primary	1	1	-	-	-	(1)
Elections - referendum	1	1	-	-	-	(1)
Finance administration	484,903	509,706	507,566	-	507,566	(2,140)
Independent audit	81,537	82,139	82,139	-	82,139	-
Treasury	4,640	4,038	2,604	-	2,604	(1,434)
Assessment	309,712	309,712	299,908	-	299,908	(9,804)
Refunds - tax adjustments	45,360	45,360	30,415	-	30,415	(14,945)
Collector of Revenue	180,190	194,507	193,194	-	193,194	(1,313)
Town Clerk	283,813	283,813	274,953	-	274,953	(8,860)
Board of Assessment Appeals	2,500	2,500	2,400	-	2,400	(100)
Water Pollution Control Authority	8,700	8,700	7,093	-	7,093	(1,607)
Greater Hartford Transit District	4,669	4,669	4,669	-	4,669	-
Data processing	1,254,914	1,258,884	1,257,084	-	1,257,084	(1,800)
<b>Total General Government</b>	<b>3,829,519</b>	<b>3,937,241</b>	<b>3,836,124</b>	<b>-</b>	<b>3,836,124</b>	<b>(101,117)</b>
<b>Community Development:</b>						
Town planner - administrator	195,147	195,147	149,370	-	149,370	(45,777)
Community & economic development	126,471	128,693	128,220	-	128,220	(473)
<b>Total Community Development</b>	<b>321,618</b>	<b>323,840</b>	<b>277,590</b>	<b>-</b>	<b>277,590</b>	<b>(46,250)</b>
<b>Public Safety:</b>						
Police	6,545,379	6,766,067	6,646,412	-	6,646,412	(119,655)
School crossing guards	66,053	66,053	65,064	-	65,064	(989)
Traffic authority	165,350	165,350	131,670	-	131,670	(33,680)
Fire fighting and administration	635,736	649,411	568,160	-	568,160	(81,251)
Fire hydrants	840,021	865,313	850,318	-	850,318	(14,995)
Fire Marshal	186,303	186,803	181,446	-	181,446	(5,357)

*Continued*

**TOWN OF VERNON, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual Expenditures</b>	<b>Outstanding Encumbrances</b>	<b>Total Expenditures and Encumbrances</b>	<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>				
<b>Public Safety (Continued) :</b>						
Building inspection	\$ 396,933	\$ 404,672	\$ 356,262	\$ -	\$ 356,262	\$ (48,410)
Emergency Management	57,139	57,139	55,783	-	55,783	(1,356)
Animal control	140,662	140,662	140,025	-	140,025	(637)
Storm expense	-	36,865	36,865	-	36,865	-
<b>Total Public Safety</b>	<b>9,033,576</b>	<b>9,338,335</b>	<b>9,032,005</b>	<b>-</b>	<b>9,032,005</b>	<b>(306,330)</b>
<b>Maintenance and Development:</b>						
Public Works administration	716,732	747,166	745,394	-	745,394	(1,772)
General maintenance	1,487,931	1,433,286	1,364,760	-	1,364,760	(68,526)
Equipment maintenance	772,855	772,855	726,756	-	726,756	(46,099)
Maintenance of gov't buildings	949,378	962,348	880,422	-	880,422	(81,926)
Snow removal	244,826	368,058	360,933	-	360,933	(7,125)
Refuse collection and disposal	1,255,702	1,257,649	1,248,514	-	1,248,514	(9,135)
Recycling	359,565	359,565	343,468	-	343,468	(16,097)
Condominium refuse	6,218	6,218	6,218	-	6,218	-
Tree Warden	17,150	17,150	16,334	-	16,334	(816)
Leaf collection program	126,924	126,924	98,692	-	98,692	(28,232)
Engineering admin. services	243,841	245,238	226,299	-	226,299	(18,939)
<b>Total Maintenance and Development</b>	<b>6,181,122</b>	<b>6,296,457</b>	<b>6,017,790</b>	<b>-</b>	<b>6,017,790</b>	<b>(278,667)</b>
<b>Human Services:</b>						
North Central Health District	137,107	137,107	137,107	-	137,107	-
Hockanum Valley Community Council	180,000	180,000	180,000	-	180,000	-
Child Guidance Clinic	3,500	3,500	3,500	-	3,500	-
Kidsafe CT	2,500	2,500	2,500	-	2,500	-
MARC, Inc. of Manchester	5,000	5,000	5,000	-	5,000	-
Cornerstone Foundation	5,500	5,500	5,500	-	5,500	-
Hartford Interval House	2,500	2,500	2,500	-	2,500	-
YWCA Sexual Assault Services	2,000	2,000	2,000	-	2,000	-
Opportunity Works	3,000	3,000	3,000	-	3,000	-
Social services administration	273,600	279,740	279,328	-	279,328	(412)
Youth services	263,678	263,678	258,018	-	258,018	(5,660)
Senior center	338,378	338,398	245,737	-	245,737	(92,661)
<b>Total Human Services</b>	<b>1,216,763</b>	<b>1,222,923</b>	<b>1,124,190</b>	<b>-</b>	<b>1,124,190</b>	<b>(98,733)</b>

*Continued*

**TOWN OF VERNON, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Expenditures	Outstanding Encumbrances	Total Expenditures and Encumbrances	Variance With Final Budget Over (Under)
	Original	Final				
<b>Parks, Recreation and Culture:</b>						
Recreation administration	\$ 372,103	\$ 373,186	\$ 370,833	\$ -	\$ 370,833	\$ (2,353)
Public celebration	30,500	30,500	30,419	-	30,419	(81)
Parks maintenance	877,335	877,335	839,973	-	839,973	(37,362)
Art commission	4,440	4,440	4,440	-	4,440	-
Historical Society	7,000	7,000	7,000	-	7,000	-
Rockville Public Library	827,669	830,538	700,390	-	700,390	(130,148)
Invasive aquatic plant management	20,000	30,243	30,243	-	30,243	-
<b>Total Parks, Recreation and Culture</b>	<b>2,139,047</b>	<b>2,153,242</b>	<b>1,983,298</b>	<b>-</b>	<b>1,983,298</b>	<b>(169,944)</b>
<b>Townwide:</b>						
Social Security and Medicare	1,195,796	1,195,796	1,072,455	-	1,072,455	(123,341)
Pension	3,387,595	3,387,595	3,387,662	-	3,387,662	67
Group insurance	2,711,128	2,713,728	2,683,917	-	2,683,917	(29,811)
Unemployment compensation	21,400	21,400	19,951	-	19,951	(1,449)
Municipal insurance	647,680	647,680	602,462	-	602,462	(45,218)
Contingency	150,931	18,379	-	-	-	(18,379)
Housing Authority sewer subsidy	47,500	51,560	51,560	-	51,560	-
Vernon Cemetery Commission	156,068	156,068	156,068	-	156,068	-
<b>Total Townwide</b>	<b>8,318,098</b>	<b>8,192,206</b>	<b>7,974,075</b>	<b>-</b>	<b>7,974,075</b>	<b>(218,131)</b>
<b>Debt Service:</b>						
Principal	4,842,755	4,842,755	4,842,755	-	4,842,755	-
Interest	1,215,233	1,215,233	1,215,233	-	1,215,233	-
<b>Total Debt Service</b>	<b>6,057,988</b>	<b>6,057,988</b>	<b>6,057,988</b>	<b>-</b>	<b>6,057,988</b>	<b>-</b>
<b>Capital Improvements - Town</b>	<b>362,471</b>	<b>387,011</b>	<b>385,158</b>	<b>-</b>	<b>385,158</b>	<b>(1,853)</b>
<b>Education:</b>						
Regular instruction	17,800,770	17,878,312	17,710,395	3,638	17,714,033	(164,279)
Gifted and talented	14,000	14,000	8,905	-	8,905	(5,095)
Special Education instruction	6,612,227	6,063,115	5,931,806	-	5,931,806	(131,309)
Continuing Education	226,371	226,371	186,176	-	186,176	(40,195)
Special Education program support	2,712,500	3,100,921	3,097,114	-	3,097,114	(3,807)
Social Work services	600	600	344	-	344	(256)

*Continued*

**TOWN OF VERNON, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Concluded)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual Expenditures</b>	<b>Outstanding Encumbrances</b>	<b>Total Expenditures and Encumbrances</b>	<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>				
Education (Continued) :						
Guidance services	\$ 813,507	\$ 755,518	\$ 748,549	\$ -	\$ 748,549	\$ (6,969)
Health services	634,305	652,871	628,785	11,828	640,613	(12,258)
Psychological services	729,225	740,831	684,305	-	684,305	(56,526)
Speech pathology & audio services	668,473	662,217	663,890	-	663,890	1,673
Instructional program support	77,430	76,447	64,101	-	64,101	(12,346)
Library / Media services	329,942	330,320	327,479	1,822	329,301	(1,019)
Curriculum development	1,399,223	1,351,540	1,342,242	-	1,342,242	(9,298)
Superintendent's office	883,025	900,616	890,675	-	890,675	(9,941)
Board of Education - Elected	109,600	70,861	64,722	-	64,722	(6,139)
Principal office services	2,770,385	2,770,857	2,769,221	2,268	2,771,489	632
Business office	792,451	833,560	816,565	53,718	870,283	36,723
Building / Plant operations	4,542,938	5,111,654	4,888,115	608,067	5,496,182	384,528
Logistics and safety	444,101	483,140	468,264	29,724	497,988	14,848
Student transportation services	2,689,511	2,467,796	2,457,324	902	2,458,226	(9,570)
General control	64,000	64,000	65,280	-	65,280	1,280
Information systems	900,000	1,048,148	1,048,148	-	1,048,148	-
System-wide fringe benefits	9,060,698	8,981,616	8,993,418	-	8,993,418	11,802
Extra curricular student activities	677,650	692,266	685,041	-	685,041	(7,225)
Reserve for negotiations	79,680	21,554	21,554	-	21,554	-
Total Education	<u>55,032,612</u>	<u>55,299,131</u>	<u>54,562,418</u>	<u>711,967</u>	<u>55,274,385</u>	<u>(24,746)</u>
Total Expenditures	<u>92,492,814</u>	<u>93,208,374</u>	<u>91,250,636</u>	<u>711,967</u>	<u>91,962,603</u>	<u>(1,245,771)</u>
Other Financing Uses:						
Transfers Out:						
Special Revenue Funds	5,000	5,000	5,000	-	5,000	-
Capital Projects Funds	2,080,465	2,597,491	2,597,491	-	2,597,491	-
Debt Service Fund	1,310,779	1,310,779	1,310,779	-	1,310,779	-
Total Other Financing Uses	<u>3,396,244</u>	<u>3,913,270</u>	<u>3,913,270</u>	<u>-</u>	<u>3,913,270</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 95,889,058</u>	<u>\$ 97,121,644</u>	<u>\$ 95,163,906</u>	<u>\$ 711,967</u>	<u>\$ 95,875,873</u>	<u>\$ (1,245,771)</u>

*Concluded*

**TOWN OF VERNON, CONNECTICUT**  
**GENERAL FUND -**  
**COMPARATIVE BALANCE SHEET**  
**AS OF JUNE 30, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 31,710,535	\$ 31,071,431
Receivables:		
Property taxes, net	1,811,387	2,129,281
Grants and contracts	118,028	131,372
Other	161,477	251,993
Due from other funds	2,699,322	2,986,555
Prepaid items	294,083	543,850
Advance to other fund	1,534,975	1,024,235
Total assets	<u>\$ 38,329,807</u>	<u>\$ 38,138,717</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 1,200,053	\$ 1,317,921
Accrued liabilities	3,675,825	529,103
Due to other funds	2,544,182	2,612,176
Unearned revenue	347,319	335,315
Total liabilities	<u>7,767,379</u>	<u>4,794,515</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Advance tax collections	1,836,777	6,561,822
Unavailable revenues	1,811,387	2,129,281
Total deferred inflows of resources	<u>3,648,164</u>	<u>8,691,103</u>
<b>FUND BALANCES</b>		
Nonspendable	1,829,058	1,507,631
Assigned	1,033,967	1,028,176
Unassigned	24,051,239	22,117,292
Total fund balances	<u>26,914,264</u>	<u>24,653,099</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 38,329,807</u>	<u>\$ 38,138,717</u>



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

Grand List Year	Balance Uncollected June 30, 2021	Current Levy	Lawful Corrections		Transfers To (From) Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2022
			Additions	Deductions			Taxes	Interest Liens and Fees	Total	
2020	\$ -	\$ 74,950,199	\$ 143,344	\$ 280,822	\$ 9,201	\$ 74,803,520	\$ 73,746,042	\$ 235,450	\$ 73,981,492	\$ 1,057,478
2019	1,034,386	-	78,945	17,108	2,079	1,094,144	655,537	136,094	791,631	438,607
2018	549,977	-	53,494	11,889	89,188	502,394	330,311	124,418	454,729	172,083
2017	313,610	-	218	11,082	71,467	231,279	163,725	84,262	247,987	67,554
2016	129,215	-	-	11,581	893	116,741	73,967	51,087	125,054	42,774
2015	68,270	-	-	11,558	(4,539)	61,251	25,352	19,646	44,998	35,899
2014	40,004	-	-	10,472	(1,579)	31,111	4,400	2,318	6,718	26,711
2013	34,909	-	-	10,397	(1,807)	26,319	2,794	2,476	5,270	23,525
2012	28,802	-	-	10,224	(842)	19,420	2,590	3,238	5,828	16,830
2011	26,015	-	-	9,466	(670)	17,219	1,201	1,582	2,783	16,018
2010	29,542	-	-	12,559	(127)	17,110	635	743	1,378	16,475
2009	29,323	-	-	12,609	(89)	16,803	610	751	1,361	16,193
2008	27,426	-	-	11,937	(136)	15,625	349	569	918	15,276
2007	25,860	-	-	11,833	(50)	14,077	50	119	169	14,027
2006	24,837	-	-	11,900	(219)	13,156	219	562	781	12,937
2005	19,105	-	-	19,105	(124)	124	124	329	453	-
	<u>\$ 2,381,281</u>	<u>\$ 74,950,199</u>	<u>\$ 276,001</u>	<u>\$ 464,542</u>	<u>\$ 162,646</u>	<u>\$ 76,980,293</u>	<u>\$ 75,007,906</u>	<u>\$ 663,644</u>	<u>\$ 75,671,550</u>	<u>\$ 1,972,387</u>

**TOWN OF VERNON, CONNECTICUT**  
**SCHEDULE OF DEBT LIMITATION**  
**CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2022**

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

Town:

Taxes	\$ 75,007,906
Interest and lien fees	663,644
Subtotal	<u>75,671,550</u>

Reimbursement for revenue loss:

Tax relief (CGS 12-129d)	19,436
Base	<u>\$ 75,690,986</u>

	<b>General Purposes</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Pension Deficit</b>
Debt limitation:					
2-1/4 times base	\$ 170,304,719	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	340,609,437	-	-	-
3-3/4 times base	-	-	283,841,198	-	-
3-1/4 times base	-	-	-	245,995,705	-
3 times base	-	-	-	-	227,072,958
Total debt limitation	<u>170,304,719</u>	<u>340,609,437</u>	<u>283,841,198</u>	<u>245,995,705</u>	<u>227,072,958</u>
Indebtedness:					
Bonds payable	24,141,000	7,847,000	227,000	-	-
Loan payable	-	-	24,600,998	-	-
Interim funding obligation	-	-	10,237,416	-	-
Authorized and unissued debt	3,907,332	5,051,504	49,951,486	-	-
Total indebtedness	<u>28,048,332</u>	<u>12,898,504</u>	<u>85,016,900</u>	<u>-</u>	<u>-</u>
Less: expected grant reimbursements*	-	-	(21,335,800)	-	-
Less: expected contractual reimbursements*	-	-	(14,425,178)	-	-
Net indebtedness before overlapping debt	<u>28,048,332</u>	<u>12,898,504</u>	<u>49,255,922</u>	<u>-</u>	<u>-</u>
Overlapping debt:					
Bolton Lakes Regional Water Pollution Control Authority:					
Notes payable	-	-	1,755,830	-	-
Authorized and unissued debt	-	-	3,591,000	-	-
Total overlapping debt	<u>-</u>	<u>-</u>	<u>5,346,830</u>	<u>-</u>	<u>-</u>
Net indebtedness	<u>28,048,332</u>	<u>12,898,504</u>	<u>54,602,752</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 142,256,387</u>	<u>\$ 327,710,933</u>	<u>\$ 229,238,446</u>	<u>\$ 245,995,705</u>	<u>\$ 227,072,958</u>
Total capacity of borrowing (7 times base)	\$ 529,836,902				
Total present indebtedness	95,549,588				
Margin for additional borrowing	<u>\$ 434,287,314</u>				

\* State statutes exclude from a municipality's aggregate debt calculation debt issued in anticipation of the receipt of proceeds from any state or federal grant or from a contract with the state, a state agency or another municipality providing for the reimbursement of capital costs.

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**CAPITAL PROJECTS FUND**

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**TOWN OF VERNON, CONNECTICUT**  
**SCHEDULE OF CAPITAL PROJECT AUTHORIZATIONS**  
**AS OF JUNE 30, 2022**

<u>Project</u>	<u>Project Authorization</u>	<u>Expended To Date</u>	<u>Remaining Authorization</u>
<b>General Government:</b>			
ADA Building and Grounds Improvements	\$ 31,429	\$ 4,998	\$ 26,431
Town Hall Renovations	328,402	38,496	289,906
<b>Planning and Community Development:</b>			
Citizens Block Building Renovations	1,662,835	1,427,933	234,902
Grove St Building Security Enhancements *	3,090	2,934	156
<b>Public Safety:</b>			
Police Department Elevator Repairs	16,000	-	16,000
Police Station Improvements	245,405	22,327	223,078
Police Portable Radios	155,170	-	155,170
Firehouse Building Renovations	219,318	130,245	89,073
Animal Control Facility Improvements	313,939	1,743	312,196
Talcottville Firehouse Roof Replacement	17,750	-	17,750
Firehouse #2 Parking Lot Repavement	40,000	-	40,000
Fire Alarm Replacements - Nye St & Hartford Turnpike	32,930	-	32,930
<b>Maintenance and Development:</b>			
Road Reconstruction	30,719,923	26,846,285	3,873,638
Storm Drainage	60,000	8,865	51,135
Bridges	8,315,485	4,494,114	3,821,371
Sidewalk Reconstruction	569,922	46,643	523,279
Facility / Land Improvements	985,518	763,429	222,089
Waste Treatment Plant Facilities Studies	87,585,244	54,229,704	33,355,540
<b>Parks and Recreation:</b>			
Walkers Reservoir Dam Design and Reconstruction	197,932	53,655	144,277
Open Space Land Acquisition	60,000	27,900	32,100
Park, Ball Field and Pool Improvements	1,483,062	994,422	488,640
<b>Human Services:</b>			
Senior Center Acquisition and Renovations	3,245,000	2,832,551	412,449
<b>Education:</b>			
Safe Routes to Schools	793,990	790,312	3,678
Center Road School Roof Replacement	1,476,450	345,371	1,131,079
Center Road School Access Drive Improvements*	321,000	283,480	37,520
RHS Turf and Track Improvements*	1,549,171	1,549,171	-
VCMS Cafeteria Equipment*	26,930	29,573	(2,643)
Northeast School HVAC Improvements*	212,002	213,186	(1,184)
Northeast School Parking Lot Improvements*	34,667	34,500	167
Center Road School Parking Lot Improvements*	169,901	168,235	1,666
Center Road School HVAC Improvements*	33,500	31,500	2,000
<b>Total</b>	<b><u>\$ 140,905,965</u></b>	<b><u>\$ 95,371,572</u></b>	<b><u>\$ 45,534,393</u></b>

\* Project completed during the fiscal year.

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**NONMAJOR GOVERNMENTAL FUNDS**

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**SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for the proceeds of specific revenue sources that are designated or legally restricted to expenditures for specific purposes. The nature and purpose of each special revenue fund is as follows:

<b>Fund</b>	<b>Funding Source</b>	<b>Function</b>
Cafeteria	Sales of food, State and Federal subsidies	Operation of the school cafeterias
Town Clerk Special	Sportsmen license fees	State DEEP
Insurance Exchange	Casualty losses	Insurance claims and deductibles
Town Aid Road	State grant	General Town road maintenance and Connecticut Housing Partnership Program Grant
Dog License	Licenses and fees	Animal control program
Ambulance Medical Services	Ambulance services fees	Paramedic and collection agency costs
Vernon Cemetery Commission	Lot sales, related income, Town Council appropriation	Cemetery maintenance
Special Education Excess Cost Reserve	State grant	Educational purposes
Adult Basic Education Tuition	State and local governments	Adult education
CDBG Small Cities	Federal grant - HUD and program income	Community development programs
Housing and Community Development	Federal grant - HUD and program income	Community development programs
Downstream	Developer fees	Improvements to storm drainage system
Sidewalk Development	Developer fees	Town sidewalks
Sewer Assessment	Levied sewer assessments	Sewer bonded debt service
Sewer Connections	Sewer construction and permit fees	Sewer repairs, maintenance and related expenditures
Medical Savings Reserve	Town and demutualization proceeds	Medical claims and expenses
Brownfield Mills Remediation Projects	State grants	Community and Economic development programs
Education Program and Activity	Contributions	Education programs and activities
Disaster Relief Fund	Federal reimbursement grants	Eligible emergency relief activities
Parks and Recreation Programs	Program Fees	Parks and Recreation programs
Public Safety Complex Grant-in-Aid	State grant	Addition to ambulance building
Library Programs and Activities	Program Fees and grants	Library programs and activities
Miscellaneous Grants	Local, state and federal grants	Youth Service Bureau, State Asset Forfeiture and other grant programs
Miscellaneous Special Revenue	Various	Federal Forfeiture, Public Celebration and Special Youth Activities Funds
Special Education Grants	Federal and State grants	Educational purposes
Senior Center Programs and Activities	Program Fees	Senior Citizen programs and activities

**NONMAJOR GOVERNMENTAL FUNDS (Continued)**

**DEBT SERVICE FUND**

This fund is used to account for resources used to pay off the sewer related bonds.

**CAPITAL PROJECTS FUND**

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

<b>Fund</b>	<b>Funding Source</b>	<b>Function</b>
Recreational Fields	Local funds	Recreational field acquisition and improvements
Senior Center Acquisition and Renovations	General Obligation Debt proceeds	Acquisition and renovations for a new Senior Center
School Roof Replacements and Renovations	State grant and local funds	Replacement of school roofs
Pleasantview Drive Bridge Renovations Project 146-200	Federal grant and local funds	Renovation of bridge
Phoenix Street Bridge Renovations Project 146-181	State and Federal grants	Renovation of bridge
Dart Hill Road Bridge Renovations	Federal grant and local funds	Renovation of bridge
Education Capital and Nonrecurring	Town Council appropriations, State grants	Capital improvements in school system
Alliance 20 Improvements	State Alliance District grant	School building and grounds improvements and equipment
Road Improvements Bond Fund	Bond funds	Roadway reconstruction
South Street Reconstruction	Federal grant and local funds	Roadway reconstruction
West Main Street Bridge Renovation	Federal grant and local funds	Renovation of bridge
Kelly Road Bridge Repairs	State grant and local funds	Renovation of bridge
Main Street Bridge Renovation	Federal grant and local funds	Renovation of bridge
Citizens Block Renovations	State grant and local funds	Renovations to Citizens Block Building
RHS Turf Field and Track	Town Council appropriations	School facility improvements
Safe Routes to Schools	Federal grant and local funds	Safety improvement project
Exit 66/67 Sewer Feasibility System Evaluation	State grant and local funds	Waste treatment sewer system expansion/evaluation studies

**PERMANENT FUNDS**

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

<b>Fund</b>	<b>Funding Source</b>	<b>Function</b>
Cemetery Trust	Investment income	Perpetual care
Memorial Trust	Investment income	Memorial care
Rockville Library Endowment Trust	Investment income, donations	Library capital improvements and specific purposes
Senior Center Endowment Trust	Investment income, donations	Senior Center memorials and specific purposes

**TOWN OF VERNON, CONNECTICUT**  
 COMBINING BALANCE SHEET -  
 NONMAJOR GOVERNMENTAL FUNDS  
 AS OF JUNE 30, 2022

**Nonmajor Special Revenue Funds**

	Cafeteria Fund	Town Clerk Special Fund	Insurance Exchange Fund	Town Aid Road Fund	Dog License Fund	Ambulance Medical Services Fund	Education Program Activity Fund	Vernon Cemetery Commission Fund
<b>ASSETS</b>								
Cash and cash equivalents	\$ 345,477	\$ 17,700	\$ 51,247	\$ 985,064	\$ 65,185	\$ 760,111	\$ 464,965	\$ 278,319
Investments	-	-	-	-	-	-	-	-
Receivables:								
Grants and contracts	415,841	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Assessments	-	-	-	-	-	-	-	-
Other	-	-	42,936	-	3,000	454,657	79,859	-
Due from other funds	323	5,149	-	-	2,266	-	8,039	43,560
Inventories	21,158	-	-	-	-	-	-	-
Total assets	<u>\$ 782,799</u>	<u>\$ 22,849</u>	<u>\$ 94,183</u>	<u>\$ 985,064</u>	<u>\$ 70,451</u>	<u>\$ 1,214,768</u>	<u>\$ 552,863</u>	<u>\$ 321,879</u>
<b>LIABILITIES</b>								
Accounts payable	\$ 5,925	\$ 21,863	\$ 675	\$ -	\$ 16,572	\$ 22,720	\$ -	\$ 215
Due to other funds	-	986	-	-	552	61,618	1,007	25,530
Unearned revenue	11,625	-	75,575	-	-	-	-	-
Total liabilities	<u>17,550</u>	<u>22,849</u>	<u>76,250</u>	<u>-</u>	<u>17,124</u>	<u>84,338</u>	<u>1,007</u>	<u>25,745</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue	-	-	-	-	-	453,352	-	-
<b>FUND BALANCES</b>								
Nonspendable	21,158	-	-	-	-	-	-	-
Restricted	-	-	-	985,064	-	-	-	296,134
Committed	744,091	-	17,933	-	53,327	677,078	551,856	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>765,249</u>	<u>-</u>	<u>17,933</u>	<u>985,064</u>	<u>53,327</u>	<u>677,078</u>	<u>551,856</u>	<u>296,134</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 782,799</u>	<u>\$ 22,849</u>	<u>\$ 94,183</u>	<u>\$ 985,064</u>	<u>\$ 70,451</u>	<u>\$ 1,214,768</u>	<u>\$ 552,863</u>	<u>\$ 321,879</u>

*Continued*

**TOWN OF VERNON, CONNECTICUT**  
 COMBINING BALANCE SHEET -  
 NONMAJOR GOVERNMENTAL FUNDS (Continued)  
 AS OF JUNE 30, 2022

**Nonmajor Special Revenue Funds**

	Special Education Excess Cost Reserve Fund	Adult Basic Education Tuition Fund	CDBG Small Cities Fund	Housing and Community Development Fund	Downstream Fund	Sidewalk Development Fund	Disaster Relief Fund	Sewer Assessment Fund
<b>ASSETS</b>								
Cash and cash equivalents	\$ 347,497	\$ 182,581	\$ 107,168	\$ 29,450	\$ 54,576	\$ 2,701	\$ 80,070	\$ 8,405
Investments	-	-	-	-	-	-	-	-
Receivables:								
Grants and contracts	-	-	-	-	-	-	-	-
Loans	-	-	484,764	98,155	-	-	-	-
Assessments	-	-	-	-	-	-	-	508
Other	-	-	-	-	-	-	-	28
Due from other funds	14,820	2,083	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Total assets	<u>\$ 362,317</u>	<u>\$ 184,664</u>	<u>\$ 591,932</u>	<u>\$ 127,605</u>	<u>\$ 54,576</u>	<u>\$ 2,701</u>	<u>\$ 80,070</u>	<u>\$ 8,941</u>
<b>LIABILITIES</b>								
Accounts payable	\$ 12,317	\$ 35,646	\$ 293	\$ -	\$ 2,850	\$ -	\$ -	\$ -
Due to other funds	-	-	594	-	-	-	840,591	8,405
Unearned revenue	-	-	-	-	-	-	-	-
Total liabilities	<u>12,317</u>	<u>35,646</u>	<u>887</u>	<u>-</u>	<u>2,850</u>	<u>-</u>	<u>840,591</u>	<u>8,405</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue	-	-	484,764	98,155	-	-	-	508
<b>FUND BALANCES</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	350,000	149,018	106,281	29,450	-	-	-	28
Committed	-	-	-	-	51,726	2,701	-	-
Unassigned	-	-	-	-	-	-	(760,521)	-
Total fund balances	<u>350,000</u>	<u>149,018</u>	<u>106,281</u>	<u>29,450</u>	<u>51,726</u>	<u>2,701</u>	<u>(760,521)</u>	<u>28</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 362,317</u>	<u>\$ 184,664</u>	<u>\$ 591,932</u>	<u>\$ 127,605</u>	<u>\$ 54,576</u>	<u>\$ 2,701</u>	<u>\$ 80,070</u>	<u>\$ 8,941</u>

*Continued*



**TOWN OF VERNON, CONNECTICUT**  
 COMBINING BALANCE SHEET -  
 NONMAJOR GOVERNMENTAL FUNDS (Continued)  
 AS OF JUNE 30, 2022

	<b>Nonmajor Special Revenue Funds</b>						
	<b>Sewer Connections Fund</b>	<b>Medical Savings Reserve Fund</b>	<b>Brownfield Mills Remediation Projects Fund</b>	<b>Parks and Recreation Programs Fund</b>	<b>Public Safety Complex Grant-In-Aid Fund</b>	<b>Library Programs and Activities Fund</b>	<b>Miscellaneous Grants Fund</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,914,769	\$ 433,159	\$ 88,514	\$ 529,930	\$ -	\$ 40,009	\$ 161,685
Investments	-	-	-	-	-	-	-
Receivables:							
Grants and contracts	1,707	-	34,031	-	-	-	-
Loans	-	-	-	-	-	-	-
Assessments	-	-	-	-	-	-	-
Other	-	-	-	5,763	-	-	175,000
Due from other funds	-	-	-	-	-	5,131	15,001
Inventories	-	-	-	-	-	-	-
Total assets	<u>\$ 1,916,476</u>	<u>\$ 433,159</u>	<u>\$ 122,545</u>	<u>\$ 535,693</u>	<u>\$ -</u>	<u>\$ 45,140</u>	<u>\$ 351,686</u>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ 28,053	\$ 459	-	\$ 244	\$ 33,023
Due to other funds	-	-	12,216	62,555	-	4,241	33,555
Unearned revenue	-	-	-	24,250	-	13,897	-
Total liabilities	<u>-</u>	<u>-</u>	<u>40,269</u>	<u>87,264</u>	<u>-</u>	<u>18,382</u>	<u>66,578</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue	<u>1,707</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	82,276	-	-	-	285,108
Committed	1,914,769	433,159	-	448,429	-	26,758	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>1,914,769</u>	<u>433,159</u>	<u>82,276</u>	<u>448,429</u>	<u>-</u>	<u>26,758</u>	<u>285,108</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,916,476</u>	<u>\$ 433,159</u>	<u>\$ 122,545</u>	<u>\$ 535,693</u>	<u>\$ -</u>	<u>\$ 45,140</u>	<u>\$ 351,686</u>

*Continued*

**TOWN OF VERNON, CONNECTICUT**  
 COMBINING BALANCE SHEET -  
 NONMAJOR GOVERNMENTAL FUNDS (Continued)  
 AS OF JUNE 30, 2022

	<u>Nonmajor Special Revenue Funds</u>				<u>Nonmajor Capital Projects Funds</u>		
	Miscellaneous Special Revenue Fund	Special Education Grants Fund	Senior Center Programs and Activities Fund	Total	Nonmajor Debt Service Fund	Recreational Fields Fund	Senior Center Acquisition and Renovations Fund
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,073,859	\$ 1,114,399	\$ 49,620	\$ 9,186,460	\$ 5,176,865	\$ 351,545	\$ 202,685
Investments	-	-	-	-	-	-	-
Receivables:							
Grants and contracts	-	440,953	-	892,532	-	-	-
Loans	-	-	-	582,919	-	-	-
Assessments	-	-	-	508	-	-	-
Other	6,000	-	-	767,243	-	-	-
Due from other funds	62,437	58,946	-	217,755	25,000	-	-
Inventories	-	-	-	21,158	-	-	-
Total assets	<u>\$ 1,142,296</u>	<u>\$ 1,614,298</u>	<u>\$ 49,620</u>	<u>\$ 11,668,575</u>	<u>\$ 5,201,865</u>	<u>\$ 351,545</u>	<u>\$ 202,685</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 171,643	\$ 786,967	\$ -	\$ 1,139,465	\$ -	\$ 2,785	\$ -
Due to other funds	70,279	61,957	1,043	1,185,129	-	3,671	-
Unearned revenue	-	494,679	-	620,026	459,669	-	-
Total liabilities	<u>241,922</u>	<u>1,343,603</u>	<u>1,043</u>	<u>2,944,620</u>	<u>459,669</u>	<u>6,456</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue	-	-	-	1,038,486	-	-	-
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	21,158	-	-	-
Restricted	-	270,695	-	2,554,054	1,264,502	-	-
Committed	900,374	-	48,577	5,870,778	3,477,694	345,089	202,685
Unassigned	-	-	-	(760,521)	-	-	-
Total fund balances	<u>900,374</u>	<u>270,695</u>	<u>48,577</u>	<u>7,685,469</u>	<u>4,742,196</u>	<u>345,089</u>	<u>202,685</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,142,296</u>	<u>\$ 1,614,298</u>	<u>\$ 49,620</u>	<u>\$ 11,668,575</u>	<u>\$ 5,201,865</u>	<u>\$ 351,545</u>	<u>\$ 202,685</u>

*Continued*

**TOWN OF VERNON, CONNECTICUT**  
 COMBINING BALANCE SHEET -  
 NONMAJOR GOVERNMENTAL FUNDS (Continued)  
 AS OF JUNE 30, 2022

	<b>Nonmajor Capital Projects Funds</b>							
	<b>School Roof Replacements and Renovations Fund</b>	<b>Pleasantview Dr Bridge Renovation Project 146-200 Fund</b>	<b>Phoenix Street Bridge Renovations Project 146-181 Fund</b>	<b>Dart Hill Road Bridge Renovations Project 146-20x Fund</b>	<b>Education Capital and Nonrecurring Fund</b>	<b>Alliance 20 Improvements Fund</b>	<b>Road Improvements Bond Fund</b>	<b>South Street Reconstruction Fund</b>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 176,079	\$ 26,863	\$ 6,999	\$ 2,753,365	\$ 289,284	\$ 625	\$ 1,602,862	\$ 134,201
Investments	-	-	-	-	-	-	-	-
Receivables:								
Grants and contracts	210,344	49,362	-	-	-	-	-	11,745
Loans	-	-	-	-	-	-	-	-
Assessments	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	425,000	-	-	-
Inventories	-	-	-	-	-	-	-	-
Total assets	<u>\$ 386,423</u>	<u>\$ 76,225</u>	<u>\$ 6,999</u>	<u>\$ 2,753,365</u>	<u>\$ 714,284</u>	<u>\$ 625</u>	<u>\$ 1,602,862</u>	<u>\$ 145,946</u>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ 2,645	\$ -	\$ 281,781	\$ -	\$ 625	\$ -	\$ 15,457
Due to other funds	-	40,409	-	-	-	-	-	-
Unearned revenue	-	-	-	2,103,307	-	-	-	-
Total liabilities	<u>-</u>	<u>43,054</u>	<u>-</u>	<u>2,385,088</u>	<u>-</u>	<u>625</u>	<u>-</u>	<u>15,457</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue	-	-	-	-	-	-	-	-
<b>FUND BALANCES</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	1,602,862	-
Committed	386,423	33,171	6,999	368,277	714,284	-	-	130,489
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>386,423</u>	<u>33,171</u>	<u>6,999</u>	<u>368,277</u>	<u>714,284</u>	<u>-</u>	<u>1,602,862</u>	<u>130,489</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 386,423</u>	<u>\$ 76,225</u>	<u>\$ 6,999</u>	<u>\$ 2,753,365</u>	<u>\$ 714,284</u>	<u>\$ 625</u>	<u>\$ 1,602,862</u>	<u>\$ 145,946</u>

*Continued*

**TOWN OF VERNON, CONNECTICUT**  
 COMBINING BALANCE SHEET -  
 NONMAJOR GOVERNMENTAL FUNDS (Continued)  
 AS OF JUNE 30, 2022

	<b>Nonmajor Capital Projects Funds</b>							
	<b>West Main St Bridge Renovations Fund</b>	<b>Kelly Rd Bridge Repairs Fund</b>	<b>Main St Bridge Renovations Fund</b>	<b>Citizens Block Renovations Fund</b>	<b>Safe Routes to Schools Fund</b>	<b>RHS Turf Field and Track Fund</b>	<b>Exit 66/67 Sewer Feasibility System Evaluation Fund</b>	<b>Total</b>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 2,887	\$ 100,000	\$ 421,219	\$ 289,089	\$ 195,909	\$ -	\$ 279,242	\$ 6,832,854
Investments	-	-	-	-	-	-	-	-
Receivables:								
Grants and contracts	11,974	-	126,121	-	37,569	-	-	447,115
Loans	-	-	-	-	-	-	-	-
Assessments	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Due from other funds	-	151,598	-	-	-	-	-	576,598
Inventories	-	-	-	-	-	-	-	-
Total assets	<u>\$ 14,861</u>	<u>\$ 251,598</u>	<u>\$ 547,340</u>	<u>\$ 289,089</u>	<u>\$ 233,478</u>	<u>\$ -</u>	<u>\$ 279,242</u>	<u>\$ 7,856,567</u>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ -	\$ 12,301	\$ 100,327	\$ 26,897	\$ -	\$ -	\$ 442,818
Due to other funds	22,321	-	644,255	-	205,725	-	-	916,381
Unearned revenue	-	151,598	-	-	856	-	-	2,255,761
Total liabilities	<u>22,321</u>	<u>151,598</u>	<u>656,556</u>	<u>100,327</u>	<u>233,478</u>	<u>-</u>	<u>-</u>	<u>3,614,960</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue	-	-	-	-	-	-	-	-
<b>FUND BALANCES</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	1,602,862
Committed	-	100,000	-	188,762	-	-	279,242	2,755,421
Unassigned	(7,460)	-	(109,216)	-	-	-	-	(116,676)
Total fund balances	<u>(7,460)</u>	<u>100,000</u>	<u>(109,216)</u>	<u>188,762</u>	<u>-</u>	<u>-</u>	<u>279,242</u>	<u>4,241,607</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,861</u>	<u>\$ 251,598</u>	<u>\$ 547,340</u>	<u>\$ 289,089</u>	<u>\$ 233,478</u>	<u>\$ -</u>	<u>\$ 279,242</u>	<u>\$ 7,856,567</u>

*Continued*

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

	<b>Nonmajor Permanent Funds</b>					
	<b>Cemetery Trust Fund</b>	<b>Memorial Trust Fund</b>	<b>Rockville Library Trust Fund</b>	<b>Senior Center Endowment Trust Fund</b>	<b>Total</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 323,100	\$ 7,839	\$ 121,693	\$ 41,639	\$ 494,271	\$ 21,690,450
Investments	2,800,042	-	1,232,671	-	4,032,713	4,032,713
Receivables:						
Grants and contracts	-	-	-	-	-	1,339,647
Loans	-	-	-	-	-	582,919
Assessments	-	-	-	-	-	508
Other	-	-	-	-	-	767,243
Due from other funds	3,375	-	-	-	3,375	822,728
Inventories	-	-	-	-	-	21,158
Total assets	<u>\$ 3,126,517</u>	<u>\$ 7,839</u>	<u>\$ 1,354,364</u>	<u>\$ 41,639</u>	<u>\$ 4,530,359</u>	<u>\$ 29,257,366</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ 2,107	\$ -	\$ 2,107	\$ 1,584,390
Due to other funds	43,560	-	-	-	43,560	2,145,070
Unearned revenue	-	-	-	-	-	3,335,456
Total liabilities	<u>43,560</u>	<u>-</u>	<u>2,107</u>	<u>-</u>	<u>45,667</u>	<u>7,064,916</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	-	-	-	-	-	1,038,486
<b>FUND BALANCES</b>						
Nonspendable	1,056,458	5,000	-	-	1,061,458	1,082,616
Restricted	2,026,499	2,839	1,352,257	41,639	3,423,234	8,844,652
Committed	-	-	-	-	-	12,103,893
Unassigned	-	-	-	-	-	(877,197)
Total fund balances	<u>3,082,957</u>	<u>7,839</u>	<u>1,352,257</u>	<u>41,639</u>	<u>4,484,692</u>	<u>21,153,964</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,126,517</u>	<u>\$ 7,839</u>	<u>\$ 1,354,364</u>	<u>\$ 41,639</u>	<u>\$ 4,484,692</u>	<u>\$ 29,257,366</u>

*Concluded*

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

	<b>Nonmajor Special Revenue Funds</b>							
	<b>Cafeteria Fund</b>	<b>Town Clerk Special Fund</b>	<b>Insurance Exchange Fund</b>	<b>Town Aid Road Fund</b>	<b>Dog License Fund</b>	<b>Ambulance Medical Services Fund</b>	<b>Education Program Activity Fund</b>	<b>Vernon Cemetery Commission Fund</b>
<b>REVENUES</b>								
Grants and contracts	\$ 2,461,862	\$ -	\$ -	\$ 406,082	\$ -	\$ 1,305	\$ -	\$ -
Charges for services	90,844	291,449	-	-	6,520	1,201,769	290,002	119,667
Licenses and permits	-	6,692	-	-	16,803	-	-	-
Contributions	-	-	-	-	3,500	-	334,980	485
Interest and dividend income	-	-	-	-	-	2,205	-	248
Net changes in the fair value of investments	-	-	-	-	-	-	-	-
Assessments	-	-	-	-	-	-	-	-
Other	6,600	-	205	-	-	-	-	4,425
Total revenues	<u>2,559,306</u>	<u>298,141</u>	<u>205</u>	<u>406,082</u>	<u>26,823</u>	<u>1,205,279</u>	<u>624,982</u>	<u>124,825</u>
<b>EXPENDITURES</b>								
Current:								
General government	-	298,141	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	36,274	996,285	-	-
Maintenance and development	-	-	-	398,676	-	-	-	99,496
Human services	-	-	-	-	-	-	-	-
Parks, recreation and culture	-	-	-	-	-	-	-	-
Education	2,013,515	-	-	-	-	-	584,612	-
Debt service	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	52,385	-	11,369
Total expenditures	<u>2,013,515</u>	<u>298,141</u>	<u>-</u>	<u>398,676</u>	<u>36,274</u>	<u>1,048,670</u>	<u>584,612</u>	<u>110,865</u>
Excess (deficiency) of revenues over expenditures	545,791	-	205	7,406	(9,451)	156,609	40,370	13,960
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	-	-	43,184
Transfers out	-	-	-	-	-	(124,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(124,000)</u>	<u>-</u>	<u>43,184</u>
Net change in fund balances	545,791	-	205	7,406	(9,451)	32,609	40,370	57,144
Fund balances - beginning	219,458	-	17,728	977,658	62,778	644,469	511,486	238,990
Fund balances - ending	<u>\$ 765,249</u>	<u>\$ -</u>	<u>\$ 17,933</u>	<u>\$ 985,064</u>	<u>\$ 53,327</u>	<u>\$ 677,078</u>	<u>\$ 551,856</u>	<u>\$ 296,134</u>

*Continued*

**TOWN OF VERNON, CONNECTICUT**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 NONMAJOR GOVERNMENTAL FUNDS (Continued)  
 FOR THE YEAR ENDED JUNE 30, 2022

	Nonmajor Special Revenue Funds							
	Special Education Excess Cost Reserve Fund	Adult Basic Education Tuition Fund	CDBG Small Cities Fund	Housing and Community Development Fund	Downstream Fund	Sidewalk Development Fund	Disaster Relief Fund	Sewer Assessment Fund
<b>REVENUES</b>								
Grants and contracts	\$ 14,820	\$ 1,087,895	\$ 20,170	\$ -	\$ -	\$ -	\$ 12,093	\$ -
Charges for services	-	-	-	-	-	-	40,070	-
Licenses and permits	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Interest and dividend income	-	-	-	-	-	-	-	-
Net changes in the fair value of investments	-	-	-	-	-	-	-	-
Assessments	-	-	-	-	2,850	-	-	8,405
Other	-	-	52,880	-	-	-	-	-
Total revenues	<u>14,820</u>	<u>1,087,895</u>	<u>73,050</u>	<u>-</u>	<u>2,850</u>	<u>-</u>	<u>52,163</u>	<u>8,405</u>
<b>EXPENDITURES</b>								
Current:								
General government	-	-	-	-	-	-	-	-
Community development	-	-	31,016	-	-	-	-	-
Public safety	-	-	-	-	-	-	127,854	-
Maintenance and development	-	-	-	-	2,850	-	-	-
Human services	-	-	-	-	-	-	-	-
Parks, recreation and culture	-	-	-	-	-	-	-	-
Education	14,820	1,066,842	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-	-
Total expenditures	<u>14,820</u>	<u>1,066,842</u>	<u>31,016</u>	<u>-</u>	<u>2,850</u>	<u>-</u>	<u>127,854</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	21,053	42,034	-	-	-	(75,691)	8,405
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(8,405)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,405)</u>
Net change in fund balances	-	21,053	42,034	-	-	-	(75,691)	-
Fund balances - beginning	350,000	127,965	64,247	29,450	51,726	2,701	(684,830)	28
Fund balances - ending	<u>\$ 350,000</u>	<u>\$ 149,018</u>	<u>\$ 106,281</u>	<u>\$ 29,450</u>	<u>\$ 51,726</u>	<u>\$ 2,701</u>	<u>\$ (760,521)</u>	<u>\$ 28</u>

*Continued*

**TOWN OF VERNON, CONNECTICUT**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 NONMAJOR GOVERNMENTAL FUNDS (Continued)  
 FOR THE YEAR ENDED JUNE 30, 2022

	Nonmajor Special Revenue Funds						
	Sewer Connections Fund	Medical Savings Reserve Fund	Brownfield Mills Remediation Projects Fund	Parks and Recreation Programs Fund	Public Safety Complex Grant-In-Aid Fund	Library Programs and Activities Fund	Miscellaneous Grants Fund
<b>REVENUES</b>							
Grants and contracts	\$ -	\$ -	\$ 140,053	\$ -	\$ -	\$ 969	\$ 353,734
Charges for services	-	-	-	703,485	-	6,663	-
Licenses and permits	174,589	-	-	-	-	-	-
Contributions	-	-	1,500	4,050	-	5,160	244,576
Interest and dividend income	4,782	-	-	-	-	9	-
Net changes in the fair value of investments	-	-	-	-	-	-	-
Assessments	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total revenues	<u>179,371</u>	<u>-</u>	<u>141,553</u>	<u>707,535</u>	<u>-</u>	<u>12,801</u>	<u>598,310</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	-	-	-
Community development	-	-	146,291	-	-	-	-
Public safety	-	-	-	-	-	-	4,431
Maintenance and development	23,976	-	-	-	-	-	-
Human services	-	-	-	-	-	-	88,279
Parks, recreation and culture	-	-	-	465,886	-	5,578	-
Education	-	-	-	-	-	6,663	435,257
Debt service	-	-	-	-	-	-	-
Capital outlays	-	-	-	6,630	-	-	-
Total expenditures	<u>23,976</u>	<u>-</u>	<u>146,291</u>	<u>472,516</u>	<u>-</u>	<u>12,241</u>	<u>527,967</u>
Excess (deficiency) of revenues over expenditures	155,395	-	(4,738)	235,019	-	560	70,343
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	39,052	124,000	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,052</u>	<u>124,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	155,395	-	(4,738)	274,071	124,000	560	70,343
Fund balances - beginning	<u>1,759,374</u>	<u>433,159</u>	<u>87,014</u>	<u>174,358</u>	<u>(124,000)</u>	<u>26,198</u>	<u>214,765</u>
Fund balances - ending	<u>\$ 1,914,769</u>	<u>\$ 433,159</u>	<u>\$ 82,276</u>	<u>\$ 448,429</u>	<u>\$ -</u>	<u>\$ 26,758</u>	<u>\$ 285,108</u>

*Continued*



**TOWN OF VERNON, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUNDS (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Nonmajor Special Revenue Funds</u>				<u>Nonmajor Capital Projects Funds</u>		
	Miscellaneous Special Revenue Fund	Special Education Grants Fund	Senior Center Programs and Activities Fund	Total	Nonmajor Debt Service Fund	Recreational Fields Fund	Senior Center Acquisition and Renovations Fund
<b>REVENUES</b>							
Grants and contracts	\$ 18,000	\$ 8,340,702	\$ -	\$ 12,857,685	\$ -	\$ -	\$ -
Charges for services	1,200	-	40,947	2,792,616	-	-	-
Licenses and permits	43,986	-	-	242,070	-	-	-
Contributions	84,141	-	-	678,392	-	-	-
Interest and dividend income	-	-	-	7,244	-	-	-
Net changes in the fair value of investments	-	-	-	-	-	-	-
Assessments	-	-	-	11,255	1,724,171	-	-
Other	80,000	-	8	144,118	-	-	-
Total revenues	<u>227,327</u>	<u>8,340,702</u>	<u>40,955</u>	<u>16,733,380</u>	<u>1,724,171</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	298,141	-	-	-
Community development	94,587	-	-	271,894	-	-	-
Public safety	41,462	-	-	1,206,306	-	-	-
Maintenance and development	-	-	-	524,998	-	-	-
Human services	80,649	-	28,352	197,280	-	-	-
Parks, recreation and culture	34,363	-	-	505,827	-	-	-
Education	-	8,250,442	-	12,372,151	-	-	-
Debt service	-	-	-	-	2,219,942	-	-
Capital outlays	2,884	-	-	73,268	-	69,839	34,036
Total expenditures	<u>253,945</u>	<u>8,250,442</u>	<u>28,352</u>	<u>15,449,865</u>	<u>2,219,942</u>	<u>69,839</u>	<u>34,036</u>
Excess (deficiency) of revenues over expenditures	(26,618)	90,260	12,603	1,283,515	(495,771)	(69,839)	(34,036)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	5,000	-	-	211,236	1,310,779	-	-
Transfers out	(39,052)	-	-	(171,457)	-	-	-
Total other financing sources (uses)	<u>(34,052)</u>	<u>-</u>	<u>-</u>	<u>39,779</u>	<u>1,310,779</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(60,670)	90,260	12,603	1,323,294	815,008	(69,839)	(34,036)
Fund balances - beginning	961,044	180,435	35,974	6,362,175	3,927,188	414,928	236,721
Fund balances - ending	<u>\$ 900,374</u>	<u>\$ 270,695</u>	<u>\$ 48,577</u>	<u>\$ 7,685,469</u>	<u>\$ 4,742,196</u>	<u>\$ 345,089</u>	<u>\$ 202,685</u>

*Continued*

**TOWN OF VERNON, CONNECTICUT**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 NONMAJOR GOVNERMENTAL FUNDS (Continued)  
 FOR THE YEAR ENDED JUNE 30, 2022

	Nonmajor Capital Projects Funds							
	School Roof Replacements and Renovations Fund	Pleasantview Dr Bridge Renovation Project 146-200 Fund	Phoenix Street Bridge Renovations Project 146-181 Fund	Dart Hill Road Bridge Renovations Project 146-20x Fund	Education Capital and Nonrecurring Fund	Alliance 20 Improvements Fund	Road Improvements Bond Fund	South Street Reconstruction Fund
<b>REVENUES</b>								
Grants and contracts	\$ 206,078	\$ -	\$ -	\$ 247,067	\$ -	\$ 286,765	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Contributions	-	-	-	156,200	-	-	-	-
Interest and dividend income	-	-	-	-	-	2,918	-	-
Net changes in the fair value of investments	-	-	-	-	-	-	-	-
Assessments	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>206,078</u>	<u>-</u>	<u>-</u>	<u>403,267</u>	<u>-</u>	<u>286,765</u>	<u>2,918</u>	<u>-</u>
<b>EXPENDITURES</b>								
Current:								
General government	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Maintenance and development	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Parks, recreation and culture	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital outlays	337,881	-	-	300,373	14,063	286,765	-	-
Total expenditures	<u>337,881</u>	<u>-</u>	<u>-</u>	<u>300,373</u>	<u>14,063</u>	<u>286,765</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(131,803)	-	-	102,894	(14,063)	-	2,918	-
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	425,000	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>425,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(131,803)	-	-	102,894	410,937	-	2,918	-
Fund balances - beginning	518,226	33,171	6,999	265,383	303,347	-	1,599,944	130,489
Fund balances - ending	<u>\$ 386,423</u>	<u>\$ 33,171</u>	<u>\$ 6,999</u>	<u>\$ 368,277</u>	<u>\$ 714,284</u>	<u>\$ -</u>	<u>\$ 1,602,862</u>	<u>\$ 130,489</u>

*Continued*

**TOWN OF VERNON, CONNECTICUT**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 NONMAJOR GOVNERMENTAL FUNDS (Continued)  
 FOR THE YEAR ENDED JUNE 30, 2022

	Nonmajor Capital Projects Funds							Total
	West Main St Bridge Renovations Fund	Kelly Rd Bridge Repairs Fund	Main St Bridge Renovations Fund	Citizens Block Renovations Fund	Safe Routes to Schools Fund	RHS Turf Field and Track Fund	Exit 66/67 Sewer Feasability System Evaluation Fund	
<b>REVENUES</b>								
Grants and contracts	\$ -	\$ -	\$ 1,040,122	\$ -	\$ 111,924	\$ -	\$ -	\$ 1,891,956
Charges for services	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	156,200
Interest and dividend income	-	-	-	-	-	-	-	2,918
Net changes in the fair value of investments	-	-	-	-	-	-	-	-
Assessments	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	-	-	1,040,122	-	111,924	-	-	2,051,074
<b>EXPENDITURES</b>								
Current:								
General government	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Maintenance and development	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Parks, recreation and culture	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital outlays	-	-	1,269,571	841,956	111,924	1,050,372	5,661	4,322,441
Total expenditures	-	-	1,269,571	841,956	111,924	1,050,372	5,661	4,322,441
Excess (deficiency) of revenues over expenditures	-	-	(229,449)	(841,956)	-	(1,050,372)	(5,661)	(2,271,367)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	100,000	-	853,545	-	-	-	1,378,545
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	100,000	-	853,545	-	-	-	1,378,545
Net change in fund balances	-	100,000	(229,449)	11,589	-	(1,050,372)	(5,661)	(892,822)
Fund balances - beginning	(7,460)	-	120,233	177,173	-	1,050,372	284,903	5,134,429
Fund balances - ending	\$ (7,460)	\$ 100,000	\$ (109,216)	\$ 188,762	\$ -	\$ -	\$ 279,242	\$ 4,241,607

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**TOWN OF VERNON, CONNECTICUT**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 NONMAJOR GOVERNMENTAL FUNDS *(Concluded)*  
 FOR THE YEAR ENDED JUNE 30, 2022

	Nonmajor Permanent Funds					Total Nonmajor Governmental Funds
	Cemetery Trust Fund	Memorial Trust Fund	Rockville Library Trust Fund	Senior Center Endowment Trust Fund	Total	
<b>REVENUES</b>						
Grants and contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,749,641
Charges for services	-	-	-	-	-	2,792,616
Licenses and permits	-	-	-	-	-	242,070
Contributions	18,690	-	-	25	18,715	853,307
Interest and dividend income	82,464	-	31,197	119	113,780	123,942
Net changes in the fair value of investments	(230,655)	-	(195,805)	-	(426,460)	(426,460)
Assessments	-	-	-	-	-	1,735,426
Other	-	-	-	-	-	144,118
Total revenues	<u>(129,501)</u>	<u>-</u>	<u>(164,608)</u>	<u>144</u>	<u>(293,965)</u>	<u>20,214,660</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	11,356	-	11,356	309,497
Community development	-	-	-	-	-	271,894
Public safety	-	-	-	-	-	1,206,306
Maintenance and development	41,007	-	-	-	41,007	566,005
Human services	-	-	-	-	-	197,280
Parks, recreation and culture	-	-	-	-	-	505,827
Education	-	-	-	-	-	12,372,151
Debt service	-	-	-	-	-	2,219,942
Capital outlays	-	-	11,788	-	11,788	4,407,497
Total expenditures	<u>41,007</u>	<u>-</u>	<u>23,144</u>	<u>-</u>	<u>64,151</u>	<u>22,056,399</u>
Excess (deficiency) of revenues over expenditures	(170,508)	-	(187,752)	144	(358,116)	(1,841,739)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	2,900,560
Transfers out	(43,184)	-	-	-	(43,184)	(214,641)
Total other financing sources (uses)	<u>(43,184)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(43,184)</u>	<u>2,685,919</u>
Net change in fund balances	(213,692)	-	(187,752)	144	(401,300)	844,180
Fund balances - beginning	<u>3,296,649</u>	<u>7,839</u>	<u>1,540,009</u>	<u>41,495</u>	<u>4,885,992</u>	<u>20,309,784</u>
Fund balances - ending	<u>\$ 3,082,957</u>	<u>\$ 7,839</u>	<u>\$ 1,352,257</u>	<u>\$ 41,639</u>	<u>\$ 4,484,692</u>	<u>\$ 21,153,964</u>

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## **INTERNAL SERVICE FUNDS**

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Internal Service funds are used to account for the providing of goods or services provided by one department to other departments of the Town on a cost reimbursement basis or accounting for risk retention activities.

### **DATA PROCESSING**

Provides data processing services, on a cost-reimbursement basis, to the Town's General Fund.

### **WORKERS' COMPENSATION**

Accounts for the receipt of General and Sewer User Fund contributions to fund general government, education and water pollution related incurred workers' compensation claims. Contribution amounts are based on historical experience of claims incurred and paid. Effective July 1, 2019, workers compensation claims incurred on and after that date are no longer considered self-insured.

### **MEDICAL SELF-INSURANCE FUND**

Accounts for the cost of self-insured medical and dental prescriptions for the Town's employees and retirees.

**TOWN OF VERNON, CONNECTICUT**  
**COMBINING STATEMENT OF NET POSITION -**  
**INTERNAL SERVICE FUNDS**  
**AS OF JUNE 30, 2022**

	<u>Data Processing Fund</u>	<u>Workers' Compensation Fund</u>	<u>Medical Self-Insurance Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 466,863	\$ 1,499,433	\$ 333,739	\$ 2,300,035
Receivables	-	-	613,175	613,175
Prepaid expenses	187,948	-	-	187,948
Due from other funds	-	222,142	-	222,142
Total current assets	<u>654,811</u>	<u>1,721,575</u>	<u>946,914</u>	<u>3,323,300</u>
Capital assets:				
Depreciable, net	1,441,617	-	-	1,441,617
Total noncurrent assets	<u>1,441,617</u>	<u>-</u>	<u>-</u>	<u>1,441,617</u>
Total assets	<u>2,096,428</u>	<u>1,721,575</u>	<u>946,914</u>	<u>4,764,917</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	6,914	29,222	-	36,136
Claims payable	-	287,000	808,702	1,095,702
Compensated absences	36,183	-	-	36,183
Due to other funds	60,275	145,539	-	205,814
Leases	71,778	-	-	71,778
Total current liabilities	<u>175,150</u>	<u>461,761</u>	<u>808,702</u>	<u>1,445,613</u>
Noncurrent liabilities:				
Claims payable	-	1,046,130	-	1,046,130
Compensated absences	19,715	-	-	19,715
Leases	227,892	-	-	227,892
Total non-current liabilities	<u>247,607</u>	<u>1,046,130</u>	<u>-</u>	<u>1,293,737</u>
Total liabilities	<u>422,757</u>	<u>1,507,891</u>	<u>808,702</u>	<u>2,739,350</u>
<b>NET POSITION</b>				
Net investment in capital assets	1,141,947	-	-	1,141,947
Unrestricted	531,724	213,684	138,212	883,620
Total net position	<u>\$ 1,673,671</u>	<u>\$ 213,684</u>	<u>\$ 138,212</u>	<u>\$ 2,025,567</u>

**TOWN OF VERNON, CONNECTICUT**  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Data Processing Fund</u>	<u>Workers' Compensation Fund</u>	<u>Medical Self-Insurance Fund</u>	<u>Total</u>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 2,181,267	\$ 322,142	\$ 10,478,339	\$ 12,981,748
Other	1,916	42,729	523,899	568,544
Total operating revenues	<u>2,183,183</u>	<u>364,871</u>	<u>11,002,238</u>	<u>13,550,292</u>
<b>OPERATING EXPENSES</b>				
Wages and benefits	1,176,898	-	-	1,176,898
Repairs, maintenance and rentals	652,851	-	-	652,851
Utilities	19,155	-	-	19,155
Supplies and materials	1,249	-	-	1,249
General and administrative	231,321	222,876	1,690,871	2,145,068
Claims incurred	-	416,092	10,455,982	10,872,074
Depreciation	302,645	-	-	302,645
Total operating expenses	<u>2,384,119</u>	<u>638,968</u>	<u>12,146,853</u>	<u>15,169,940</u>
Operating loss	(200,936)	(274,097)	(1,144,615)	(1,619,648)
<b>NON-OPERATING REVENUES</b>				
Interest income	849	3,026	364	4,239
Total non-operating revenue	<u>849</u>	<u>3,026</u>	<u>364</u>	<u>4,239</u>
Loss before capital contributions	(200,087)	(271,071)	(1,144,251)	(1,615,409)
<b>CAPITAL CONTRIBUTIONS</b>				
Capital contributions	8,644	-	-	8,644
Change in net position	(191,443)	(271,071)	(1,144,251)	(1,606,765)
Net position - beginning	<u>1,865,114</u>	<u>484,755</u>	<u>1,282,463</u>	<u>3,632,332</u>
Net position - ending	<u>\$ 1,673,671</u>	<u>\$ 213,684</u>	<u>\$ 138,212</u>	<u>\$ 2,025,567</u>

**TOWN OF VERNON, CONNECTICUT**  
**COMBINING STATEMENT OF CASH FLOWS -**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Data Processing Fund</b>	<b>Workers' Compensation Fund</b>	<b>Medical Self-Insurance Fund</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received for the following:				
Charges for services	\$ 2,183,182	\$ 100,000	\$ 10,005,868	\$ 12,289,050
Other operating revenues received	-	2,495	383,143	385,638
Cash paid for the following:				
Claims and administrative	-	(337,924)	(11,358,694)	(11,696,618)
Employee wages and benefits	(1,089,794)	-	-	(1,089,794)
Goods and services	(975,652)	-	-	(975,652)
Net cash provided by (used in) operating activities	<u>117,736</u>	<u>(235,429)</u>	<u>(969,683)</u>	<u>(1,087,376)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	(17,356)	-	-	(17,356)
Principal paid on leases	(80,351)	-	-	(80,351)
Net cash used in capital and related financial activities	<u>(97,707)</u>	<u>-</u>	<u>-</u>	<u>(97,707)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest income	849	3,026	364	4,239
Net change in cash and cash equivalents	20,878	(232,403)	(969,319)	(1,180,844)
Cash and cash equivalents, beginning of year	445,985	1,731,836	1,303,058	3,480,879
Cash and cash equivalents, end of year	<u>\$ 466,863</u>	<u>\$ 1,499,433</u>	<u>\$ 333,739</u>	<u>\$ 2,300,035</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>				
Operating loss	\$ (200,936)	\$ (274,097)	\$ (1,144,615)	\$ (1,619,648)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation and amortization	302,645	-	-	302,645
Changes in assets and liabilities:				
Receivables	-	-	(612,678)	(612,678)
Prepaid expenses	22,214	-	-	22,214
Accounts payable	(42,087)	115,271	788,160	861,344
Accrued liabilities	5,354	-	-	5,354
Due from/to other funds	30,546	(76,603)	-	(46,057)
Unearned revenue	-	-	(550)	(550)
Net cash provided by (used in) operating activities	<u>\$ 117,736</u>	<u>\$ (235,429)</u>	<u>\$ (969,683)</u>	<u>\$ (1,087,376)</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets from lease	\$ 380,021	\$ -	\$ -	\$ 380,021



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## FIDUCIARY FUNDS

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Fiduciary funds are used to account for assets held by the Town in a trustee capacity for individuals, private organizations or other governments.

### **PENSION TRUST FUNDS**

A fiduciary fund type used to report resources that are required to be held in trust for the member and beneficiaries of defined benefit pension plans.

The Town has three pension plans covering substantially all of its employees, except teachers who are covered by the State Teachers' Retirement Fund. The Town Plan is a contributory defined benefit plan. The Police Plan is a contributory defined benefit plan. The LOSAP Plan is a non-contributory defined benefit plan for fire department volunteers.

### **OPEB TRUST FUNDS**

A fiduciary fund type is used to report resources accumulated for the payment of retiree health insurance costs in accordance with employee bargaining agreements.

### **PRIVATE-PURPOSE TRUST FUNDS**

To account for the activities of various restricted school awards.

**TOWN OF VERNON, CONNECTICUT**  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION -  
 FIDUCIARY FUNDS  
 AS OF JUNE 30, 2022

	<b>Pension Trust Funds</b>	<b>OPEB Trust Fund</b>	<b>Total Pension &amp; OPEB Trust Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 116,222	\$ 1,601,462	\$ 1,717,684
Investments:			
Fixed insurance contracts	15,318,508	-	15,318,508
Variable insurance contracts	71,165,923	-	71,165,923
Common stock	1,773,347	551,306	2,324,653
Mutual funds	1,173,707	500,708	1,674,415
Total investments	<u>89,431,485</u>	<u>1,052,014</u>	<u>90,483,499</u>
Receivables	-	4,051	4,051
Total assets	<u>89,547,707</u>	<u>2,657,527</u>	<u>92,205,234</u>
<b>LIABILITIES</b>			
Payables	20,235	471,370	491,605
Unearned revenue	-	27,429	27,429
Total liabilities	<u>20,235</u>	<u>498,799</u>	<u>519,034</u>
<b>NET POSITION</b>			
Restricted for:			
Pensions	89,527,472	-	89,527,472
Other post-employment benefits	-	2,158,728	2,158,728
Total net position	<u>\$ 89,527,472</u>	<u>\$ 2,158,728</u>	<u>\$ 91,686,200</u>

**TOWN OF VERNON, CONNECTICUT**  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022

	<b>Pension Trust Funds</b>	<b>OPEB Trust Fund</b>	<b>Total Pension &amp; OPEB Trust Funds</b>
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 4,701,163	\$ 690,400	\$ 5,391,563
Employee	1,095,805	-	1,095,805
Retirees	-	363,046	363,046
State	-	63,953	63,953
Other	-	23,929	23,929
Total contributions	<u>5,796,968</u>	<u>1,141,328</u>	<u>6,938,296</u>
Investment earnings:			
Net investment income	9,840,394	(137,365)	9,703,029
Less investment expenses	(391,537)	(15,542)	(407,079)
Total investment earnings	<u>9,448,857</u>	<u>(152,907)</u>	<u>9,295,950</u>
Total additions	<u>15,245,825</u>	<u>988,421</u>	<u>16,234,246</u>
<b>DEDUCTIONS</b>			
Benefit payments	8,049,783	917,560	8,967,343
Refunds of contributions	206,584	-	206,584
Administrative expenses	210,967	-	210,967
Total deductions	<u>8,467,334</u>	<u>917,560</u>	<u>9,384,894</u>
Change in net position	6,778,491	70,861	6,849,352
Net position - beginning	<u>82,748,981</u>	<u>2,087,867</u>	<u>84,836,848</u>
Net position - ending	<u>\$ 89,527,472</u>	<u>\$ 2,158,728</u>	<u>\$ 91,686,200</u>

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## STATISTICAL SECTION

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

### **CONTENTS:**

#### **Financial Trends (Tables 1 - 4):**

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 5 - 7):**

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

#### **Debt Capacity (Tables 8 - 11):**

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 (Table 12):**

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 (Table 13 - 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 presented in these schedules is derived from the comprehensive annual financial reports for the relevant year.

TABLE 1

**TOWN OF VERNON, CONNECTICUT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

	FISCAL YEARS ENDING JUNE 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental Activities:</b>										
Net investment in capital assets	\$ 107,081,145	\$ 111,596,204	\$ 117,079,226	\$ 113,236,903	\$ 121,663,258	\$ 126,560,421	\$ 138,611,668	\$ 142,415,468	\$ 151,661,979	\$ 161,864,712
Restricted for:										
Endowments:										
Expendable	510,963	599,215	599,304	557,664	712,370	826,421	2,160,643	2,189,467	3,864,360	3,423,234
Nonexpendable	1,696,935	1,707,760	1,718,860	1,718,860	1,743,985	1,757,835	1,757,835	1,767,123	1,021,632	1,061,458
Grant programs	409,496	420,308	409,919	374,621	550,518	1,157,220	586,382	926,683	1,190,813	2,627,516
Sewer assessment	89,392	20,152	10,464	84	28	28	28	28	28	28
Cemeteries	184,036	186,559	129,428	94,237	74,513	82,682	114,345	229,991	237,940	296,134
Housing and community development	29,450	29,450	112,257	113,984	119,000	109,274	80,685	72,131	93,697	135,731
Education programs	157,770	108,553	324,395	434,575	557,736	515,604	560,368	701,268	619,059	620,695
Adult education	-	-	72,671	17,298	41,239	31,837	39,304	91,758	127,965	149,018
Unrestricted	7,962,107	7,699,805	(38,202,259)	(30,420,414)	(35,404,457)	(39,520,431)	(39,476,684)	(34,218,656)	(27,277,032)	(21,287,153)
<b>Total Net Position - Governmental Activities</b>	<b>118,121,294</b>	<b>122,368,006</b>	<b>82,254,265</b>	<b>86,127,812</b>	<b>90,058,190</b>	<b>91,520,891</b>	<b>104,434,574</b>	<b>114,175,261</b>	<b>131,540,441</b>	<b>148,891,373</b>
<b>Business-Type Activities:</b>										
Net investment in capital assets	10,110,672	10,719,298	10,294,619	9,804,653	9,567,003	9,231,706	8,870,382	8,636,882	8,091,616	7,634,195
Unrestricted	8,121,996	9,203,267	7,490,120	8,543,715	9,403,122	9,144,495	9,102,031	9,211,833	10,560,470	11,150,902
<b>Total Net Position - Business-Type Activities</b>	<b>18,232,668</b>	<b>19,922,565</b>	<b>17,784,739</b>	<b>18,348,368</b>	<b>18,970,125</b>	<b>18,376,201</b>	<b>17,972,413</b>	<b>17,848,715</b>	<b>18,652,086</b>	<b>18,785,097</b>
<b>Primary Government:</b>										
Net investment in capital assets	117,191,817	122,315,502	127,373,845	123,041,556	131,230,261	135,792,127	147,482,050	151,052,350	159,753,595	169,498,907
Restricted for:										
Endowments:										
Expendable	510,963	599,215	599,304	557,664	712,370	826,421	2,160,643	2,189,467	3,864,360	3,423,234
Nonexpendable	1,696,935	1,707,760	1,718,860	1,718,860	1,743,985	1,757,835	1,757,835	1,767,123	1,021,632	1,061,458
Grant programs	409,496	420,308	409,919	374,621	550,518	1,157,220	586,382	926,683	1,190,813	2,627,516
Sewer assessment	89,392	20,152	10,464	84	28	28	28	28	28	28
Cemeteries	184,036	186,559	129,428	94,237	74,513	82,682	114,345	229,991	237,940	296,134
Housing and community development	29,450	29,450	112,257	113,984	119,000	109,274	80,685	72,131	93,697	135,731
Education programs	157,770	108,553	324,395	434,575	557,736	515,604	560,368	701,268	619,059	620,695
Adult education	-	-	72,671	17,298	41,239	31,837	39,304	91,758	127,965	149,018
Unrestricted	16,084,103	16,903,072	(30,712,139)	(21,876,699)	(26,001,335)	(30,375,936)	(30,374,653)	(25,006,823)	(16,716,562)	(10,136,251)
<b>Total Net Position - Primary Government</b>	<b>\$ 136,353,962</b>	<b>\$ 142,290,571</b>	<b>\$ 100,039,004</b>	<b>\$ 104,476,180</b>	<b>\$ 109,028,315</b>	<b>\$ 109,897,092</b>	<b>\$ 122,406,987</b>	<b>\$ 132,023,976</b>	<b>\$ 150,192,527</b>	<b>\$ 167,676,470</b>

**TOWN OF VERNON, CONNECTICUT**  
 CHANGES IN NET POSITION  
 (ACCRUAL BASIS OF ACCOUNTING)  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

	FISCAL YEAR									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities:										
Expenses:										
General government	\$ 5,907,367	\$ 5,497,317	\$ 5,673,665	\$ 6,397,451	\$ 6,076,452	\$ 5,726,965	\$ 5,923,426	\$ 5,528,254	\$ 5,385,975	\$ 5,055,728
Community development	419,554	605,573	548,397	603,740	497,261	516,403	434,475	584,946	489,383	619,484
Public safety	12,414,267	12,686,921	14,215,899	14,550,637	14,975,891	14,218,806	14,959,888	13,623,628	14,812,824	14,514,798
Maintenance and development	8,841,241	11,401,777	10,116,217	11,025,727	15,085,714	12,373,159	11,444,665	11,196,472	10,863,706	10,251,255
Human services	1,310,967	1,300,698	1,391,161	1,296,978	1,469,554	1,321,334	1,602,732	1,592,119	1,585,115	1,767,622
Parks, recreation and culture	2,657,811	2,552,523	2,661,919	2,614,666	3,182,850	3,226,817	4,371,420	3,202,174	3,156,729	3,351,855
Education	63,366,856	65,638,249	66,522,642	67,270,471	68,502,574	75,318,075	67,833,325	76,052,699	82,874,311	73,688,537
Interest on long-term debt	1,626,972	1,348,996	1,403,135	1,792,161	1,426,711	1,563,477	1,535,696	1,380,973	1,526,117	1,031,353
Total expenses	<u>96,545,035</u>	<u>101,032,054</u>	<u>102,533,035</u>	<u>105,551,831</u>	<u>111,217,007</u>	<u>114,265,036</u>	<u>108,105,627</u>	<u>113,161,265</u>	<u>120,694,160</u>	<u>110,280,632</u>
Program Revenues:										
Charges for services:										
General government	1,033,606	1,118,278	1,425,021	1,775,305	1,250,953	1,464,231	1,611,470	1,532,052	1,698,209	1,388,302
Community development	8,422	10,183	8,812	11,472	94,311	45,406	92,146	57,948	69,930	23,845
Public safety	1,092,752	1,291,753	1,204,428	1,496,729	2,053,102	2,377,758	1,770,204	2,148,576	2,220,293	2,312,550
Maintenance and development	590,490	469,094	556,001	525,845	528,937	726,735	235,363	699,900	564,682	2,223,055
Human services	-	-	-	-	79,352	123,453	153,985	118,762	159,616	40,955
Parks, recreation and culture	778,727	804,255	861,914	899,878	919,706	953,588	960,507	684,927	467,198	722,003
Education	984,549	1,060,476	1,045,766	1,256,755	1,166,626	1,238,827	1,086,993	989,881	912,125	1,021,509
Operating grants and contributions	29,920,655	31,446,928	32,660,452	33,703,632	35,384,900	38,647,706	30,416,836	37,558,104	46,902,203	37,072,367
Capital grants and contributions	835,929	4,390,500	2,637,723	2,103,224	3,750,012	2,950,461	4,230,984	3,791,048	8,839,898	6,626,999
Total program revenues	<u>35,245,130</u>	<u>40,591,467</u>	<u>40,400,117</u>	<u>41,772,840</u>	<u>45,227,899</u>	<u>48,528,165</u>	<u>40,558,488</u>	<u>47,581,198</u>	<u>61,834,154</u>	<u>51,431,585</u>
Net Program Expense	(61,299,905)	(60,440,587)	(62,132,918)	(63,778,991)	(65,989,108)	(65,736,871)	(67,547,139)	(65,580,067)	(58,860,006)	(58,849,047)
General revenues:										
Property taxes	58,971,919	62,672,181	64,166,823	66,111,585	68,129,637	70,636,382	73,175,891	73,840,194	73,792,051	75,181,322
Grants and contributions not restricted to specific programs	1,671,664	1,157,706	1,054,078	898,432	1,532,993	905,765	1,124,707	794,291	787,539	900,578
Investment income	135,297	146,202	37,394	(3,363)	256,856	245,173	578,316	685,870	1,002,207	71,991
Miscellaneous	1,005,114	700,385	830,872	635,159	-	-	-	-	-	-
Contributions to permanent funds	-	10,825	11,100	10,725	-	-	-	-	-	-
Gain on sale of assets	44,449	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	399	133,585	46,088
Total general revenues	<u>61,828,443</u>	<u>64,687,299</u>	<u>66,100,267</u>	<u>67,652,538</u>	<u>69,919,486</u>	<u>71,787,320</u>	<u>74,878,914</u>	<u>75,320,754</u>	<u>75,715,382</u>	<u>76,199,979</u>
Special item - transfer of library operations	-	-	-	-	-	-	5,581,908	-	-	-
Total Change in Net Position	528,538	4,246,712	3,967,349	3,873,547	3,930,378	6,050,449	12,913,683	9,740,687	16,855,376	17,350,932
Net Position July 1	<u>117,592,756</u>	<u>118,121,294</u>	<u>78,286,916</u> a	<u>82,254,265</u>	<u>86,127,812</u>	<u>85,470,442</u> b	<u>91,520,891</u>	<u>104,434,574</u>	<u>114,685,065</u>	<u>131,540,441</u>
Net Position June 30	<u>\$ 118,121,294</u>	<u>\$ 122,368,006</u>	<u>\$ 82,254,265</u>	<u>\$ 86,127,812</u>	<u>\$ 90,058,190</u>	<u>\$ 91,520,891</u>	<u>\$ 104,434,574</u>	<u>\$ 114,175,261</u>	<u>\$ 131,540,441</u>	<u>\$ 148,891,373</u>

(Continued)

**TOWN OF VERNON, CONNECTICUT**  
**CHANGES IN NET POSITION (Continued)**  
 (ACCRUAL BASIS OF ACCOUNTING)  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Business-Type Activities:</b>										
Expenses:										
Sewer	\$ 5,644,174	\$ 5,370,748	\$ 4,614,237	\$ 5,240,935	\$ 5,657,815	\$ 6,428,958	\$ 6,065,710	\$ 5,348,785	\$ 5,256,429	\$ 5,790,399
Building rental	186,503	217,673	196,324	204,593	205,667	211,897	180,436	180,763	213,810	290,260
Total expenses	<u>5,830,677</u>	<u>5,588,421</u>	<u>4,810,561</u>	<u>5,445,528</u>	<u>5,863,482</u>	<u>6,640,855</u>	<u>6,246,146</u>	<u>5,529,548</u>	<u>5,470,239</u>	<u>6,080,659</u>
Revenues:										
Charges for services:										
Sewer use	6,198,859	5,985,632	5,698,447	5,818,367	5,989,522	5,967,655	5,378,154	5,069,546	6,133,359	6,102,624
Building rental	165,268	168,848	167,117	166,831	165,721	165,721	166,354	146,457	113,475	52,866
Operating grants and contributions	-	-	-	-	17,209	7,948	-	41,468	146,362	65,690
Capital grants and contributions	-	-	6,248	360	292,493	67,470	132,186	9,020	3,576	-
Total revenues	<u>6,364,127</u>	<u>6,154,480</u>	<u>5,871,812</u>	<u>5,985,558</u>	<u>6,464,945</u>	<u>6,208,794</u>	<u>5,676,694</u>	<u>5,266,491</u>	<u>6,396,772</u>	<u>6,221,180</u>
Net Program (Expenses) Revenues	533,450	566,059	1,061,251	540,030	601,463	(432,061)	(569,452)	(263,057)	926,533	140,521
General revenues:										
Grants and contributions not restricted to specific programs	-	-	-	-	-	-	-	-	-	-
Investment income	724	277	1,181	9,800	20,294	45,650	165,664	139,758	10,423	38,578
Miscellaneous	206,990	9,812	17,784	13,799	-	-	-	-	-	-
Capital contributions	-	1,113,749	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	(399)	(133,585)	(46,088)
Total general revenues	<u>207,714</u>	<u>1,123,838</u>	<u>18,965</u>	<u>23,599</u>	<u>20,294</u>	<u>45,650</u>	<u>165,664</u>	<u>139,359</u>	<u>(123,162)</u>	<u>(7,510)</u>
Total Change in Net Position	741,164	1,689,897	1,080,216	563,629	621,757	(386,411)	(403,788)	(123,698)	803,371	133,011
Net Position July 1	<u>17,491,504</u>	<u>18,232,668</u>	<u>16,704,523</u> a	<u>17,784,739</u>	<u>\$ 18,348,368</u>	<u>\$ 18,762,612</u> b	<u>\$ 18,376,201</u>	<u>\$ 17,972,413</u>	<u>\$ 17,848,715</u>	<u>\$ 18,652,086</u>
Net Position, June 30	<u>\$ 18,232,668</u>	<u>\$ 19,922,565</u>	<u>\$ 17,784,739</u>	<u>\$ 18,348,368</u>	<u>\$ 18,970,125</u>	<u>\$ 18,376,201</u>	<u>\$ 17,972,413</u>	<u>\$ 17,848,715</u>	<u>\$ 18,652,086</u>	<u>\$ 18,785,097</u>
Total Change in Net Position	1,269,702	5,936,609	5,047,565	4,437,176	4,552,135	5,664,038	12,509,895	9,616,989	17,658,747	17,483,943
Net Position, July 1	<u>135,084,260</u>	<u>136,353,962</u>	<u>94,991,439</u> a	<u>100,039,004</u>	<u>\$ 104,476,180</u>	<u>\$ 104,233,054</u> b	<u>\$ 109,897,092</u>	<u>\$ 122,406,987</u>	<u>\$ 132,533,780</u> c	<u>\$ 150,192,527</u>
Net Position, June 30	<u>\$ 136,353,962</u>	<u>\$ 142,290,571</u>	<u>\$ 100,039,004</u>	<u>\$ 104,476,180</u>	<u>\$ 109,028,315</u>	<u>\$ 109,897,092</u>	<u>\$ 122,406,987</u>	<u>\$ 132,023,976</u>	<u>\$ 150,192,527</u>	<u>\$ 167,676,470</u>

(Concluded)

a - Net position restated to reflect cumulative effect on GASB No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*.b - Net position restated to reflect cumulative effect on GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.c - Net position restated to reflect cumulative effect on GASB No. 84, *Fiduciary Activities*.

**TOWN OF VERNON, CONNECTICUT**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Fund Balances - Governmental Funds	FISCAL YEAR END									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Fund:</b>										
Nonspendable	\$ 625,082	\$ 957,770	\$ 1,464,018	\$ 1,448,917	\$ 1,925,692	\$ 2,258,353	\$ 3,254,535	\$ 544,767	\$ 1,507,631	\$ 1,829,058
Assigned	1,388,542	1,540,633	2,003,342	2,729,466	3,201,676	2,149,417	1,319,062	997,702	1,028,176	1,033,967
Unassigned	9,390,566	10,184,939	10,817,427	12,781,873	14,080,738	16,945,977	19,297,219	21,018,091	22,117,292	24,051,239
Total General Fund	<u>11,404,190</u>	<u>12,683,342</u>	<u>14,284,787</u>	<u>16,960,256</u>	<u>19,208,106</u>	<u>21,353,747</u>	<u>23,870,816</u>	<u>22,560,560</u>	<u>24,653,099</u>	<u>26,914,264</u>
<b>All Other Governmental Funds:</b>										
Nonspendable	1,733,192	1,736,239	1,749,521	1,740,472	1,775,492	1,787,893	1,789,907	1,814,909	1,048,544	1,082,616
Restricted	1,381,107	1,364,237	1,658,438	1,570,851	2,169,261	2,723,066	3,541,755	4,211,326	7,733,806	8,855,218
Committed	3,068,867	6,590,021	6,472,283	7,899,613	6,271,373	7,846,724	9,253,805	14,320,219	15,521,656	15,194,600
Assigned	892,047	180,000	180,000	180,000	-	-	-	-	-	-
Unassigned	(887,804)	(2,593,688)	(7,752,478)	(929,811)	(2,073,076)	(3,426,711)	(5,746,935)	(13,895,318)	(2,081,317)	(12,420,345)
Total Fund Balance - All Other Governmental Funds	<u>6,187,409</u>	<u>7,276,809</u>	<u>2,307,764</u>	<u>10,461,125</u>	<u>8,143,050</u>	<u>8,930,972</u>	<u>8,838,532</u>	<u>6,451,136</u>	<u>22,222,689</u>	<u>12,712,089</u>
<b>Total Governmental Funds:</b>										
Nonspendable	2,358,274	2,694,009	3,213,539	3,189,389	3,701,184	4,046,246	5,044,442	2,359,676	2,556,175	2,911,674
Restricted	1,381,107	1,364,237	1,658,438	1,570,851	2,169,261	2,723,066	3,541,755	4,211,326	7,733,806	8,855,218
Committed	3,068,867	6,590,021	6,472,283	7,899,613	6,271,373	7,846,724	9,253,805	14,320,219	15,521,656	15,194,600
Assigned	2,280,589	1,720,633	2,183,342	2,909,466	3,201,676	2,149,417	1,319,062	997,702	1,028,176	1,033,967
Unassigned	8,502,762	7,591,251	3,064,949	11,852,062	12,007,662	13,519,266	13,550,284	7,122,773	20,035,975	11,630,894
Total Fund Balances - Governmental Funds	<u>\$ 17,591,599</u>	<u>\$ 19,960,151</u>	<u>\$ 16,592,551</u>	<u>\$ 27,421,381</u>	<u>\$ 27,351,156</u>	<u>\$ 30,284,719</u>	<u>\$ 32,709,348</u>	<u>\$ 29,011,696</u>	<u>\$ 46,875,788</u>	<u>\$ 39,626,353</u>

NOTE: Prepared on the modified accrual basis of accounting.



TABLE 4

**TOWN OF VERNON, CONNECTICUT**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Changes in Fund Balances - Governmental Funds	For the fiscal year ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues:</b>										
Property taxes	\$ 58,939,088	\$ 62,683,962	\$ 64,116,182	\$ 66,502,928	\$ 67,962,636	\$ 70,116,452	\$ 72,973,560	\$ 73,224,601	\$ 73,746,671	\$ 75,671,550
Intergovernmental	32,106,379	36,692,587	36,041,125	36,498,965	39,922,904	37,434,993	39,545,066	39,089,234	45,949,933	46,040,227
Assessments	4,683	8,735	10,380	22,472	-	-	-	8,235	19,285	1,735,426
Charges for services	4,355,989	4,551,193	4,984,511	5,832,562	5,329,923	5,732,282	4,760,625	4,418,926	5,163,580	5,784,654
Gifts and contributions	781,887	534,642	650,683	553,044	190,596	424,619	193,065	656,589	715,780	1,078,307
Income on investments	135,176	146,145	40,012	73,098	92,952	151,891	595,345	605,100	97,855	185,359
Net change in fair value of investments	-	-	(2,618)	(76,461)	163,904	93,282	163,779	80,770	904,352	(426,460)
Other	1,000,431	691,650	820,492	978,613	1,415,424	1,127,797	1,228,332	1,101,603	1,045,401	371,046
<b>Total Revenues</b>	<b>97,323,633</b>	<b>105,308,914</b>	<b>106,660,767</b>	<b>110,385,221</b>	<b>115,078,339</b>	<b>115,081,316</b>	<b>119,459,772</b>	<b>119,185,058</b>	<b>127,642,857</b>	<b>130,440,109</b>
<b>Expenditures:</b>										
General government	3,248,285	3,434,887	3,597,134	3,700,966	3,651,238	3,863,391	3,962,666	3,880,593	4,040,240	4,145,621
Community development	301,852	491,759	440,127	468,123	352,377	391,321	330,991	407,327	398,494	549,484
Public safety	9,178,663	8,992,975	9,512,816	9,738,400	9,655,144	9,356,730	9,966,761	9,635,186	10,992,897	10,238,311
Maintenance and development	5,622,410	5,855,039	6,302,123	6,732,520	8,688,681	6,716,745	6,579,966	5,776,891	6,142,305	6,583,795
Human services	1,056,536	1,021,879	1,061,248	1,037,486	1,028,732	1,014,647	1,226,745	1,210,771	1,155,972	1,403,892
Parks, recreation and culture	2,023,123	2,258,749	2,163,123	2,256,867	2,351,919	2,564,368	2,680,213	2,406,302	2,102,638	2,489,125
Townwide	7,054,780	7,107,547	7,469,937	7,933,163	8,017,224	8,391,849	8,734,918	8,575,319	8,460,577	7,974,075
Education	61,283,091	64,217,906	65,031,245	65,260,728	66,060,717	68,175,233	69,071,615	69,909,939	71,913,779	74,821,694
Capital outlay	4,053,503	3,753,735	8,742,077	8,849,041	11,945,063	11,640,667	11,622,392	14,833,878	30,198,885	21,877,880
Debt service:										
Principal	4,659,209	4,408,742	4,356,238	4,649,173	4,394,641	4,074,861	4,533,483	4,787,587	4,835,150	6,024,480
Interest	1,397,144	1,397,144	1,352,299	1,499,107	1,458,645	1,527,426	1,572,249	1,455,093	1,156,521	2,253,450
<b>Total Expenditures</b>	<b>99,878,596</b>	<b>102,940,362</b>	<b>110,028,367</b>	<b>112,125,574</b>	<b>117,604,381</b>	<b>117,717,238</b>	<b>120,281,999</b>	<b>122,878,886</b>	<b>141,397,458</b>	<b>138,361,807</b>
Excess of Revenues over Expenditures	(2,554,963)	2,368,552	(3,367,600)	(1,740,353)	(2,526,042)	(2,635,922)	(822,227)	(3,693,828)	(13,754,601)	(7,921,698)
<b>Other Financing Sources (Uses):</b>										
Refunding bonds issued	-	-	-	-	-	-	-	-	19,160,000	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	(21,315,043)	-
Premium on refunding bonds issued	-	-	-	-	-	-	-	-	2,364,274	-
Bonds issued	-	-	-	6,130,000	6,350,000	4,400,000	3,387,000	-	5,000,000	-
Bond anticipation notes issued	-	-	-	6,350,000	2,200,000	3,138,000	-	-	-	-
Premium on bonds/BANs issued	-	-	-	89,183	255,817	231,485	200,413	-	609,150	-
Repayment of BANs	-	-	-	-	(6,350,000)	(2,200,000)	(1,525,000)	-	-	-
Payment of interim funding obligation	-	-	-	-	-	-	-	-	-	(25,156,923)
Loan issued	-	-	-	-	-	-	-	-	-	25,783,098
Interim funding obligation	-	-	-	-	-	-	-	-	25,156,923	-
Transfer of library operations	-	-	-	-	-	-	1,184,443	-	-	-
Lease purchase of equipment	2,010,000	-	-	-	-	-	-	-	-	-
Sale of Assets	44,830	-	-	-	-	-	-	-	-	-
Transfers in	2,245,806	2,484,435	2,350,227	3,096,890	3,131,792	4,289,556	3,633,557	8,284,324	5,395,166	4,173,999
Transfers out	(2,245,806)	(2,484,435)	(2,350,227)	(3,096,890)	(3,131,792)	(4,289,556)	(3,633,557)	(8,288,147)	(5,261,581)	(4,127,911)
<b>Net Other Financing Sources (Uses)</b>	<b>2,054,830</b>	<b>-</b>	<b>-</b>	<b>12,569,183</b>	<b>2,455,817</b>	<b>5,569,485</b>	<b>3,246,856</b>	<b>(3,823)</b>	<b>31,108,889</b>	<b>672,263</b>
<b>Net Change in Fund Balances</b>	<b>\$ (500,133)</b>	<b>\$ 2,368,552</b>	<b>\$ (3,367,600)</b>	<b>\$ 10,828,830</b>	<b>\$ (70,225)</b>	<b>\$ 2,933,563</b>	<b>\$ 2,424,629</b>	<b>\$ (3,697,651)</b>	<b>\$ 17,354,288</b>	<b>\$ (7,249,435)</b>
Debt Service as a percentage of noncapital expenditures	6.32%	5.81%	5.66%	6.00%	5.56%	5.31%	5.74%	5.70%	5.45%	6.78%
Debt Service as a percentage of total expenditures	6.06%	5.64%	5.19%	5.48%	4.98%	4.76%	5.08%	5.08%	4.24%	5.98%

NOTE: Schedule prepared on the modified accrual basis of accounting.

**TOWN OF VERNON, CONNECTICUT**  
**TAXABLE ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
(In Thousands of Dollars)  
LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year Ended June 30,	Grand List as of 10/1	Real Property				(2) Total	(3) Personal Property	(3) Motor Vehicles*	Total Assessed Value of All Property	Less Exemptions	Net Assessed Value (Net Taxable Grand List)	(4) Total Direct Tax Rate (Mill Rate)****	Estimated Actual Value All Property	Ratio of Assessed Value to Estimated Actual Value
		Residential	Commercial/Industrial	Vacant / Use Assess.	(1)									
2022	2020	\$ 1,091,853	\$ 480,262	\$ 10,037	\$ 1,582,152	\$ 96,809	\$ 201,155	\$ 1,880,116	\$ 17,883	\$ 1,862,233	39.63	\$ 3,251,370	57.83%	
2021	2019	1,087,511	475,187	10,411	1,573,109	94,060	189,122	1,856,291	17,628	1,838,663	39.63	2,845,579	65.23%	
2020	2018	1,086,853	468,630	10,264	1,565,747	96,373	186,228	1,848,348	18,278	1,830,070	39.63	2,864,053	64.54%	
2019	2017	1,085,330	457,723	11,039	1,554,092	99,541	186,780	1,840,413	20,187	1,820,226	39.63	2,955,054	62.28%	
2018	2016 ***	1,083,608	447,502	11,878	1,542,988	86,312	183,244	1,812,544	17,713	1,794,831	38.55	2,576,069	70.36%	
2017	2015	1,146,488	368,921	6,350	1,521,759	82,321	180,716	1,784,796	16,099	1,768,697	37.93	2,529,667	70.55%	
2016	2014	1,142,602	367,152	6,425	1,516,179	89,335	180,314	1,785,828	18,745	1,767,083	36.91	2,565,109	69.62%	
2015	2013	1,137,949	364,583	7,202	1,509,734	85,341	184,647	1,779,722	17,671	1,762,051	36.11	2,536,923	70.15%	
2014	2012	1,133,280	359,258	7,470	1,500,008	75,767	176,322	1,752,097	17,716	1,734,381	35.40	2,418,110	72.46%	
2013	2011 ***	1,130,299	355,469	8,646	1,494,414	82,581	181,538	1,758,533	20,093	1,738,440	33.63	2,501,860	70.29%	

\* Excludes assessed value on supplemental motor vehicle listings.

\*\*\* Revaluation.

\*\*\*\* Represents blended mil rate.

(1) Includes public utility property.

(2) The latest real estate revaluation was effective for the October 1, 2016 Grand List. Real estate is assessed at 70% of estimated full value.

(3) The basis of assessment is 70% of estimated full value for personal property and motor vehicles which are assessed annually.

(4) Tax rate is per \$1,000 of assessed value.

Source of data: Town Assessor's office.

TABLE 6

**TOWN OF VERNON, CONNECTICUT**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**FISCAL YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2013**  
**(UNAUDITED)**

Taxpayer	Fiscal Years Ended June 30,					
	2022			2013		
	Taxable Assessed Value (10/01/20 Grand List)*	Rank	% of Taxable Assessed Value (Grand List)	Taxable Assessed Value (10/01/11 Grand List)*	Rank	% of Taxable Assessed Value (Grand List)
Chapman and Mansions LLC	\$ 76,238,470	1	4.09%	\$ 47,852,430	1	2.75%
Evandro Santini & Woodbrook LLC	55,640,310	2	2.99%	19,724,670	3	1.13%
Tri City Improvements, LLC	26,620,150	3	1.42%	26,634,980	2	1.53%
Connecticut Water Company	26,207,879	4	1.41%	18,173,560	4	1.05%
Connecticut Light & Power/Yankee Gas Co.	20,034,350	5	1.08%	17,661,910	5	1.02%
Prospect Rockville Hospital / ECHN	17,506,710	6	0.94%			
CE Vernon II, LLC	16,109,450	7	0.87%	13,055,000	6	0.75%
Talcotville Development	13,293,170	8	0.71%			0.00%
Boston Rockville / Boston Vernon	8,373,810	9	0.45%	8,624,230	8	
Briar Knoll Apartments	7,929,380	10	0.43%			
Chapman Acres, LLC				9,339,480	7	0.54%
Kerensky, Schneider (Risley Trust)				6,352,570	9	0.37%
Parkwest Residents Association				4,947,690	10	0.28%
<b>Total Top 10 Taxpayers</b>	<u>267,953,679</u>		<u>14.39%</u>	<u>172,366,520</u>		<u>9.92%</u>
* Based on 10/1 Net Taxable Grand List of:	<u>\$ 1,862,232,814</u>			<u>\$ 1,738,439,714</u>		

Source: Town of Vernon, Tax Assessor's Department

**TOWN OF VERNON, CONNECTICUT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Fiscal Year Ended June 30,	Grand List Oct 1,	Current Year Levy			Current Levy Collected within the Fiscal Year of the Levy		Collections of Current Levy Subsequent Years	Total Levy Collections to Date			Uncollected Collectible Taxes June 30, 2022
		Original Current Year Levy	Adjustments to date	Adjusted Current Year Levy	Amount	Percentage of Original Levy		Amount	Percentage of Original Levy	Percentage of Adjusted Levy	
2022	2020	\$ 74,950,199	\$ (146,679)	\$ 74,803,520	\$ 73,746,042	98.4%	\$ -	\$ 73,746,042	98.4%	98.6%	\$ 1,057,478
2021	2019	73,729,237	(197,308)	73,531,929	72,437,785	98.2%	655,537	73,093,322	99.1%	99.4%	438,607
2020	2018	73,535,721	(298,910)	73,236,811	72,139,857	98.1%	924,871	73,064,728	99.4%	99.8%	172,083
2019	2017	72,976,496	(410,025)	72,566,471	71,718,449	98.3%	780,468	72,498,917	99.3%	99.9%	67,554
2018	2016	69,992,863	314,877	70,307,740	69,399,587	99.2%	865,379	70,264,966	100.4%	99.9%	42,774
2017	2015	67,980,089	(311,567)	67,668,522	66,936,857	98.5%	695,766	67,632,623	99.5%	99.9%	35,899
2016	2014	65,976,102	(320,565)	65,655,537	65,021,214	98.6%	607,612	65,628,826	99.5%	100.0%	26,711
2015	2013	64,211,229	(277,825)	63,933,404	63,158,074	98.4%	751,805	63,909,879	99.5%	100.0%	23,525
2014	2012	62,079,457	1,967	62,081,424	61,327,304	98.8%	737,290	62,064,594	100.0%	100.0%	16,830
2013	2011	58,943,099	(357,969)	58,585,130	57,812,300	98.1%	756,812	58,569,112	99.4%	100.0%	16,018

Note: The latest revaluation was effective for the October 1, 2016 Grand List. Property is taxed by the Town of Vernon only.

Source of Data:  
Town of Vernon, Finance Department  
Town of Vernon, Tax Collector

**TOWN OF VERNON, CONNECTICUT**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Fiscal Year Ended June 30,	Governmental Activities							Total Primary Government	Estimated Actual Value of Property (in thousands of \$)	Total Debt as a % of Estimated Actual Value of Property	Population (3)	Total Debt Per Capita	Per Capita Personal Income (4)	Total Debt as a % of Per Capita Personal Income	Personal Income as a % of Total Debt
	General Obligation Bonds				Unamortized Bond Premiums	Loans and Interim Funding Obligations	Financed Purchases	Total All Debt (1)	(2)	(%)		(3)	(4)	(%)	(%)
2022	\$ 24,141,000	\$ 7,847,000	\$ 227,000	\$ 32,215,000	\$ 2,427,986	\$ 34,838,414	\$ -	\$ 69,481,400	\$ 3,251,370	2.14%	30,326	\$ 2,291	n/a	n/a	n/a
2021	26,905,000	9,583,000	277,000	36,765,000	3,289,435	25,156,923	157,691	65,369,049	2,845,579	2.30%	30,215	2,163	\$ 63,722	3.40%	0.15%
2020	24,805,000	12,807,000	363,000	37,975,000	519,188	-	312,777	38,806,965	2,864,053	1.35%	29,359	1,322	59,590	2.22%	0.15%
2019	27,233,000	14,826,000	416,000	42,475,000	561,213	-	465,300	43,501,513	2,955,054	1.47%	29,303	1,485	57,307	2.59%	0.13%
2018	27,464,000	16,850,000	469,000	44,783,000	401,633	-	693,718	45,878,351	2,576,069	1.78%	29,289	1,566	56,614	2.77%	0.12%
2017	23,904,000	18,733,000	523,000	43,160,000	228,933	-	918,516	44,307,449	2,529,667	1.75%	29,148	1,520	54,818	2.77%	0.12%
2016	23,053,000	20,480,000	577,000	44,110,000	-	826,194	1,139,748	46,075,942	2,565,109	1.80%	28,959	1,591	52,466	3.03%	0.11%
2015	11,488,500	22,084,500	632,000	34,205,000	-	2,454,022	1,357,473	38,016,495	2,536,923	1.50%	29,098	1,306	52,311	2.50%	0.14%
2014	12,410,000	23,693,000	687,000	36,790,000	-	4,049,643	1,579,841	42,419,484	2,418,110	1.75%	29,161	1,455	49,598	2.93%	0.12%
2013	13,317,000	25,275,000	743,000	39,335,000	-	5,613,695	1,798,543	46,747,238	2,501,860	1.87%	29,122	1,605	47,623	3.37%	0.10%

Source of data:

- (1) Town of Vernon, Finance Department.
- (2) Estimated Actual Value of Property provided by State Office of Policy and Management and Town Assessor's Office.
- (3) Population estimates are provided by the Connecticut Department of Public Health except for the Fiscal Year (FY) 2020/21 and 2021/22 population estimates which were provided by the U.S. Census Bureau.
- (4) Per capita income is for Tolland County, of which Vernon is part of. Per capita income for fiscal year-end 2022 is not available.

n/a - Information is not yet available.

TABLE 9

**TOWN OF VERNON, CONNECTICUT**  
**RATIO OF NET GENERAL OBLIGATION DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Fiscal Year Ended June 30,	Total General Obligation Bonds (1)	Unamortized Bond Premiums	Other General Obligation Debt			Total Net Other General Debt	Total Net General Obligation Debt	Net General Obligation Debt as a % of Estimated Actual Value of Property (2)	Net General Obligation Debt Per Capita (3)
			Loans and Interim Funding Obligations	Less Funds Provided by Surrounding Municipalities	Financed Purchases				
2022	\$ 32,215,000	\$ 2,427,986	\$ 34,838,414	\$ (10,434,217)	\$ -	\$ 26,832,183	\$ 59,047,183	1.82%	\$ 1,947
2021	36,765,000	3,289,435	25,156,923	(7,722,038)	157,691	20,882,011	57,647,011	2.03%	1,908
2020	37,975,000	519,188	-	-	312,777	831,965	38,806,965	1.35%	1,322
2019	42,475,000	561,213	-	-	465,300	1,026,513	43,501,513	1.47%	1,485
2018	44,783,000	401,633	-	-	693,718	1,095,351	45,878,351	1.78%	1,566
2017	43,160,000	228,933	-	-	918,516	1,147,449	44,307,449	1.75%	1,520
2016	44,110,000	-	826,194	(177,837)	1,139,748	1,788,105	45,898,105	1.79%	1,585
2015	34,205,000	-	2,454,022	(528,225)	1,357,473	3,283,270	37,488,270	1.48%	1,288
2014	36,790,000	-	4,049,643	(871,680)	1,579,841	4,757,804	41,547,804	1.72%	1,425
2013	39,335,000	-	5,613,695	(1,208,340)	1,798,543	6,203,898	45,538,898	2.22%	1,564

(1) See Table 8 for components of General Obligation Bonds.

(2) Estimated Actual Value of Property - See Table 5.

(3) Population - See Table 8.

TABLE 10

**TOWN OF VERNON, CONNECTICUT**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2022**  
**(UNAUDITED)**

<b>Fiscal year End</b>	<b>Debt Outstanding *</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>	<b>Town Direct Debt</b>	<b>Total Direct and Overlapping Debt</b>
2022	\$1,755,830	100%	\$1,755,830	\$69,481,400	\$71,237,230
2021	1,890,894	100%	1,890,894	65,369,049	67,259,943
2020	2,025,958	100%	2,025,958	38,806,965	40,832,923
2019	2,161,021	100%	2,161,021	43,501,513	45,662,534
2018	2,296,085	100%	2,296,085	45,878,351	48,174,436
2017	2,431,149	100%	2,431,149	44,307,449	46,738,598
2016	2,566,213	100%	2,566,213	46,075,942	48,642,155

Source: Town of Vernon, Finance Department

\* Represents Bolton Lakes Regional Water Pollution Control Authority Overlapping Debt repaid with property taxes.

TABLE 11

**TOWN OF VERNON, CONNECTICUT**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt limit	\$ 411,836,390	\$ 437,941,686	\$ 449,852,739	\$ 464,838,675	\$ 477,242,262
Total net debt applicable to limit	<u>55,338,576</u>	<u>76,292,782</u>	<u>70,000,325</u>	<u>68,645,611</u>	<u>71,058,289</u>
Legal Debt Margin	<u>\$ 356,497,814</u>	<u>\$ 361,648,904</u>	<u>\$ 379,852,414</u>	<u>\$ 396,193,064</u>	<u>\$ 406,183,973</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>13.44%</u>	<u>17.42%</u>	<u>15.56%</u>	<u>14.77%</u>	<u>14.89%</u>
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt limit	\$ 492,664,200	\$ 510,970,460	\$ 512,720,481	\$ 516,380,032	\$ 529,836,902
Total net debt applicable to limit	<u>70,458,225</u>	<u>148,800,161</u>	<u>144,066,740</u>	<u>102,788,688</u>	<u>95,549,588</u>
Legal Debt Margin	<u>\$ 422,205,975</u>	<u>\$ 362,170,299</u>	<u>\$ 368,653,741</u>	<u>\$ 413,591,344</u>	<u>\$ 434,287,314</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>14.30%</u>	<u>29.12%</u>	<u>28.10%</u>	<u>19.91%</u>	<u>18.03%</u>

Source: Town of Vernon, Finance Department



**TOWN OF VERNON, CONNECTICUT**  
**DEMOGRAPHIC AND ECONOMIC DATA**  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

Fiscal Year Ended June 30,	Population	(1) Median Age	(2) Personal Income (in thousands of dollars)	(2) Per Capita Personal Income	School Enrollment	Annual Change in School Enrollment	Unemployment Rate (June 30,)	Labor Force (June 30,)
2022	30,326	n/a	n/a	n/a	3,166	138	3.9%	17,801
2021	30,215	37.8	\$ 9,576,942	\$ 63,722	3,028	-92	6.9%	17,197
2020	29,359	37.9	8,942,240	59,590	3,120	14	11.3%	17,693
2019	29,303	37.9	8,637,429	57,307	3,106	31	3.7%	17,641
2018	29,289	38.1	8,544,286	56,614	3,075	-111	4.2%	17,418
2017	29,148	39.2	8,302,286	54,818	3,186	18	4.9%	17,454
2016	28,959	39.5	7,928,531	52,466	3,168	-70	5.9%	17,208
2015	29,098	39.3	7,920,906	52,311	3,238	-79	5.2%	17,362
2014	29,161	40.4	7,507,486	49,598	3,317	-123	6.6%	17,047
2013	29,122	39.7	7,224,684	47,623	3,440	-110	7.5%	16,819

n/a - Information is not yet available.

Sources of data:

Population estimates are provided by the Connecticut Department of Public Health, except for fiscal year-ending 2021 which was provided by the U.S. Census Bureau

(1) Median Age data is shown for Tolland County, Connecticut of which Vernon is a part of. This information is provided by American FactFinder for years 2012 to 2018 (no longer available) and from Connecticut Demographics for 2019-2021.

(2) Personal Income and Per Capita Personal Income are identified for Tolland County, Connecticut, of which Vernon is a part of. This information is provided by the Bureau of Economic Analysis, U.S. Department of Commerce and prior year estimates were all revised.

School Enrollment is provided by the Vernon Office of Superintendent of Schools.

Unemployment and Labor Force data are provided by the State Department of Labor.

**TABLE 13**

**TOWN OF VERNON, CONNECTICUT**  
**MAJOR EMPLOYERS**  
**FISCAL YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2013**  
**(UNAUDITED)**

<b>Major Employer</b>	<b>2022</b>			<b>2013</b>		
	<b>Number Employed</b>	<b>Rank</b>	<b>Percentage of Total Town Employment</b>	<b>Number Employed</b>	<b>Rank</b>	<b>Percentage of Total Town Employment</b>
Town of Vernon	834	1	4.7%	840	1	5.0%
Rockville General Hospital	414	2	2.3%	523	2	3.1%
Visiting Nurse and Health Services	343	3	1.9%	505	3	3.0%
Stop & Shop	287	4	1.6%	323	4	1.9%
Vernon Manor	186	5	1.0%	175	9	1.0%
Shop Rite	169	6	0.9%			
T. J. Maxx & Home Goods	168	7	0.9%			
Fox Hill Nursing and Rehabilitation	157	8	0.9%	190	8	1.1%
Rein's Delicatessen	132	9	0.8%	155	10	0.9%
State of Connecticut	123	10	0.7%	204	6	1.2%
Price Chopper				221	5	1.3%
New England Mechanical Services				200	7	1.2%
<b>Total</b>	<b>2,813</b>		<b>15.8%</b>	<b>3,336</b>		<b>19.8%</b>
<b>Labor Force</b>			<b>17,801</b>			<b>16,819</b>

Source: Town of Vernon Economic Development Department

**TOWN OF VERNON, CONNECTICUT**  
**MUNICIPAL EMPLOYMENT, BY BARGAINING UNIT**  
 JUNE 30, 2022  
 (UNAUDITED)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Municipal Employment										
Board of Education	612	587	598	597	580	629	615	622	640	635
General Government	222	218	220	219	212	212	209	208	206	205
Total	<u>834</u>	<u>805</u>	<u>818</u>	<u>816</u>	<u>792</u>	<u>841</u>	<u>824</u>	<u>830</u>	<u>846</u>	<u>840</u>

<u>Board of Education</u>	<u>Bargaining Unit</u>	Employees Covered at 6/30/2022	Current Contract Expiration Date
Clerical / Custodial / Maintenance	Local 1303, AFSCME, AFL-CIO	65	6/30/23
Teachers	Vernon Education Association	329	6/30/25
School Administrators	Vernon School Administrators Association	19	6/30/25
School Nurses	Vernon School Nurses' Association	9	6/30/23
Cafeteria	United Food & Commercial Workers, Local 919, AFL-CIO	29	6/30/23
Plant Operation Supervisors	Local 818, Council #4, Supervisors	2	6/30/26
Service Aids & Teacher Assistants	Vernon Federation of Paraprofessionals	108	6/30/23
Librarians / Media Managers / Assistants	Local 1303-279, AFSCME, AFL-CIO	8	6/30/23
Non-Bargaining Employees	Not affiliated - salaried	43	n/a
	Total Board of Education	<u>612</u>	
<u>General Government</u>	<u>Bargaining Unit</u>		
Police officers	Vernon Police Association	48	6/30/22 (1)
Public Works/ Parks / Water Pollution	Local 1471, AFSCME, AFL-CIO	62	6/30/25
Public Works Supervisors	Local 818, AFSCME, AFL-CIO	5	6/30/24
Civilian Police Department Employees	Local 47, Connecticut Independent Laborers Union	13	6/30/23
Professionals	Local 818 Professionals, AFSCME, AFL-CIO	25	6/30/25
Professional Supervisors	Local 818 Professionals, AFSCME, AFL-CIO	9	6/30/25
Waste Treatment Plant Supervisors	Local 818, AFSCME, AFL-CIO	3	6/30/23
Non-Bargaining Employees	Not affiliated	57	n/a
	Total General Government	<u>222</u>	

Source of data:  
 Board of Education, Business Office.  
 General Government, Town Administration.

(1) Bargaining Agreement currently under negotiation.

**TOWN OF VERNON, CONNECTICUT**  
**MUNICIPAL FULL-TIME EMPLOYMENT BY FUNCTION / PROGRAM**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Function / Program	Full-time Employment Positions - Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government:										
Administrative	9	9	9	8	7	7	7	7	7	7
Finance	13	13	14	14	14	14	14	14	14	13
Town Clerk	4	3	3	3	3	3	3	3	3	3
Data processing	13	12	12	12	12	12	11	11	10	10
Community Development:										
Planning	2	2	2	2	2	2	2	2	2	2
Economic Development	1	1	1	1	1	1	1	1	1	1
Public Safety:										
Police	64	64	64	64	64	64	64	64	64	64
Fire / Ambulance	3	3	3	3	3	3	2	2	2	2
Building	5	5	6	6	7	7	7	6	5	5
Animal Control	2	2	2	2	2	2	2	2	2	2
Maintenance and development:										
Public Works	49	48	48	48	46	46	46	47	47	47
Engineering	3	3	3	3	4	4	4	4	4	4
Water Pollution Control	22	22	23	23	22	22	22	22	22	22
Human Services:										
Youth Services	3	3	3	3	3	4	3	3	3	3
Social Services	4	4	4	4	4	4	4	4	4	4
Senior Center	4	4	4	4	4	3	3	3	3	3
Parks and Recreation:										
Administration	5	5	5	5	5	5	5	5	5	5
Parks Maintenance	8	7	7	7	7	7	7	6	6	6
Library	6	6	5	5						
Townwide:										
Cemeteries	2	2	2	2	2	2	2	2	2	2
Subtotal Town Hall employees	222	218	220	219	212	212	209	208	206	205
Education	612	587	598	597	580	629	615	622	640	635
Total Full-Time Employees	834	805	818	816	792	841	824	830	846	840

Source: Vernon Finance Department and Vernon School Business Office.

**TOWN OF VERNON, CONNECTICUT**  
**OPERATING INDICATORS BY FUNCTION/ PROGRAM**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Function/Program	Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Community Development</b>										
Planning Administration:										
Number of Inland Wetland applications	8	8	5	8	8	7	10	9	7	9
Number of Planning/Zoning applications (both indicators based on calendar year)	16	17	15	14	22	20	17	14	22	22
<b>Public Safety</b>										
Police:										
Number of crimes	417	367	273	309	328	271	334	103	277	360
Number of motor vehicle infractions	175	578	753	749	1,463	949	789	1,010	678	1,002
Number of citations	1,970	1,977	3,475	3,094	5,231	4,070	3,304	3,517	3,465	5,206
Number of service calls (all indicators based on calendar year)	17,609	32,450	20,127	19,379	19,753	20,461	19,027	18,689	18,448	19,454
Building Inspection:										
Building permits issued	1,892	2,212	1,395	1,566	1,798	2,202	2,400	2,130	1,938	1,903
Building inspections conducted	3,494	3,564	2,925	2,368	3,150	2,661	4,812	5,514	7,596	7,594
<b>Maintenance and Development</b>										
General Maintenance:										
Miles of streets paved / reconstructed	1.51	2.92	14.10	13.38	10.06	18.02	14.94	15.30	10.21	1.64
Refuse Collection and Disposal:										
Tons of Municipal Solid Waste collected	8,809.71	8,805.00	7,700.00	7,441.00	7,339.10	7,151.56	7,187.91	7,158.84	7,178.17	6,740.80
Tons of Bulky Waste received	1,440.38	1,720.00	1,885.30	1,911.50	1,563.92	1,490.82	1,541.05	1,362.42	1,462.63	1,366.38
Recycling:										
Tons of Recyclables collected	2,321.40	2,162.00	2,313.20	2,304.90	2,433.18	2,490.23	2,566.03	2,462.33	2,528.12	2,510.82
Tons of Waste Motor Oil received	1.4	7.7	7.0	5.8	3.5	5.2	3.5	4.4	3.5	2.4
Tons of Metal received	172	182	266	233	199	215	158	159	162	162
Tons of Electronics received	42.7	54.5	78.8	73.8	68.8	71.2	73.0	72.0	74.8	69.5
Units of Lead Acid Batteries received	157	71	60	51	47	52	63	70	89	102
<b>Parks and Recreation</b>										
Recreation programs:										
Number of programs offered (1)	73	57	72	107	104	100	108	112	108	89
Number of summer camp participants (1)	1,428	1,069	0	2,876	2,321	2,669	2,756	2,696	2,618	2,378
<b>Townwide</b>										
Vernon Cemeteries:										
Number of cemetery lots sold	41	47	41	30	31	32	27	37	31	71
Number of burials / cremations	86	101	56	83	76	60	72	81	72	87
Water Pollution Control Facility:										
Average daily sewage treatment (thousands of gallons)	4,758	3,494	4,168	4,093	3,490	2,840	2,890	3,160	3,210	2,825

Source of data: Various town departments.

(1) FYEs 2020 and 2021 reduced due to coronavirus 19 pandemic

Note: No operating indicators are available/presented for general government, human services or education functions.

**TOWN OF VERNON, CONNECTICUT**  
**CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

FUNCTION/PROGRAM	FISCAL YEAR ENDED JUNE 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Public Safety:										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of police officers	50	50	50	50	50	50	50	50	50	50
Number of fire / ambulance stations	6	6	6	6	6	6	6	6	6	6
Number of fire / ambulance volunteers	166	162	163	170	180	183	168	166	166	155
Maintenance and Development:										
Miles of improved roads	113.68	113.68	113.48	113.48	113.03	113.00	113.00	112.78	112.78	112.78
Miles of unimproved roads	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Miles of sanitary sewers	122.3	122.3	122.2	122.2	122.0	120.0	112.9	112.9	112.9	112.9
Number of sanitary sewer pump stations	7	7	7	7	7	7	7	7	7	7
Treatment capacity - million gallons/day	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1
Parks and Recreation:										
Number of parks	29	29	28	26	26	26	26	26	26	26
Acres of park land	681.82	681.82	591.42	582.52	582.52	582.52	582.52	582.52	582.52	582.52
Number of pools	1	1	2	2	2	2	2	2	2	2
Number of beaches	2	2	2	2	2	2	2	2	2	2
Education:										
Number of schools:										
Elementary	5	5	5	5	5	5	5	5	5	5
Middle	1	1	1	1	1	1	1	1	1	1
High / VOAG	1	1	1	1	1	1	1	1	1	1
Special Education	1	1	1	1	1	1	1	1	1	1
Townwide:										
Number of cemeteries maintained	5	5	5	5	5	5	5	5	5	5

Source of data: Various town departments.

Note: No capital asset indicators are available for general government, community development or human services functions.

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## TREND DATA SECTION

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This part of the Town's comprehensive annual financial report presents additional 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.

TOWN OF VERNON, CONNECTICUT  
GENERAL FUND  
BALANCE SHEET  
LAST TEN FISCAL YEARS  
(UNAUDITED)

	Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Assets</b>										
Cash and cash equivalents	\$ 31,710,535	\$ 31,071,431	\$ 22,893,309	\$ 20,970,663	\$ 24,300,526	\$ 15,394,454	\$ 13,861,671	\$ 12,656,001	\$ 12,682,587	\$ 9,068,082
Receivables:										
Property taxes	1,811,387	2,129,281	2,166,369	1,685,060	1,557,421	1,285,423	1,491,096	1,736,071	1,819,045	1,754,356
Grants and other	279,505	383,365	195,949	103,493	174,675	45,696	69,493	202,558	103,857	868,194
Due from other funds	2,699,322	2,986,555	5,579,743	10,593,644	6,242,797	5,309,418	5,417,912	8,326,930	3,359,413	3,746,953
Prepaid items	294,083	543,850	544,767	587,300	558,850	595,917	-	-	-	-
Advance from other funds	1,534,975	1,024,235	-	-	-	-	-	129,500	-	-
<b>Total Assets</b>	<u>\$ 38,329,807</u>	<u>\$ 38,138,717</u>	<u>\$ 31,380,137</u>	<u>\$ 33,940,160</u>	<u>\$ 32,834,269</u>	<u>\$ 22,630,908</u>	<u>\$ 20,840,172</u>	<u>\$ 23,051,060</u>	<u>\$ 17,964,902</u>	<u>\$ 15,437,585</u>
<b>Liabilities</b>										
Accounts payable	\$ 1,200,053	\$ 1,317,921	\$ 1,131,710	\$ 1,050,129	\$ 1,258,498	\$ 958,331	\$ 1,054,590	\$ 1,129,926	\$ 1,243,216	\$ 936,300
Accrued wages and benefits	3,675,825	529,103	459,313	325,684	407,607	341,339	672,962	525,010	438,418	326,395
Due to other funds	2,544,182	2,612,176	462,877	467,822	795,529	767,767	667,277	501,580	234,446	844,442
Unearned revenue	347,319	335,315	319,815	316,176	362,618	306,216	319,882	301,386	293,879	289,007
<b>Total Liabilities</b>	<u>7,767,379</u>	<u>4,794,515</u>	<u>2,373,715</u>	<u>2,159,811</u>	<u>2,824,252</u>	<u>2,373,653</u>	<u>2,714,711</u>	<u>2,457,902</u>	<u>2,209,959</u>	<u>2,396,144</u>
<b>Deferred Inflows of Resources</b>										
Advanced tax collections	1,836,777	6,561,822	4,279,493	6,224,473	7,098,849	5,319	-	4,800,790	1,629,621	109,695
Unavailable revenues	1,811,387	2,129,281	2,166,369	1,685,060	1,557,421	1,043,830	1,165,205	1,507,581	1,441,980	1,527,556
<b>Total Deferred Inflows of Resources</b>	<u>3,648,164</u>	<u>8,691,103</u>	<u>6,445,862</u>	<u>7,909,533</u>	<u>8,656,270</u>	<u>1,049,149</u>	<u>1,165,205</u>	<u>6,308,371</u>	<u>3,071,601</u>	<u>1,637,251</u>
<b>Fund Equity</b>										
Nonspendable	1,829,058	1,507,631	544,767	3,254,535	2,258,353	1,925,692	1,448,917	1,464,018	957,770	625,082
Assigned	1,033,967	1,028,176	997,702	1,319,062	2,149,417	3,201,676	2,729,466	2,003,342	1,540,633	1,388,542
Unassigned	24,051,239	22,117,292	21,018,091	19,297,219	16,945,977	14,080,738	12,781,873	10,817,427	10,184,939	9,390,566
<b>Total fund equity</b>	<u>26,914,264</u>	<u>24,653,099</u>	<u>22,560,560</u>	<u>23,870,816</u>	<u>21,353,747</u>	<u>19,208,106</u>	<u>16,960,256</u>	<u>14,284,787</u>	<u>12,683,342</u>	<u>11,404,190</u>
<b>Total liabilities, deferred inflows of resources and fund equity</b>	<u>\$ 38,329,807</u>	<u>\$ 38,138,717</u>	<u>\$ 31,380,137</u>	<u>\$ 33,940,160</u>	<u>\$ 32,834,269</u>	<u>\$ 22,630,908</u>	<u>\$ 20,840,172</u>	<u>\$ 23,051,060</u>	<u>\$ 17,964,902</u>	<u>\$ 15,437,585</u>

Source: Town of Vernon, Finance Department.



**TOWN OF VERNON, CONNECTICUT**  
**GENERAL FUND**  
**REVENUES BY SOURCE AND OTHER FINANCING SOURCES - GAAP BASIS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Fiscal Year Ended June 30,	Revenues By Source									Revenues and Other Financing Sources		
	Property Taxes	Intergovernmental	Charges for Services	Licenses and Permits	Gifts and Contributions	Fines and Penalties	Investment Income	Other	On-Behalf Payments	Other Financing Sources	Total	Annual % Increase
2022 % of Total	\$ 75,671,550 71.9%	\$ 18,742,196 17.8%	\$ 1,958,664 1.9%	\$ 744,007 0.7%	\$ - 0.0%	\$ 28,113 0.0%	\$ 45,208 0.0%	\$ 226,928 0.2%	\$ 7,887,125 7.5%	\$ 8,405 0.0%	\$ 105,312,196 100.0%	1.7%
2021 % of Total	73,746,671 71.2%	19,003,679 18.4%	1,661,289 1.6%	724,384 0.7%	- 0.0%	18,381 0.0%	20,476 0.0%	706,467 0.7%	7,632,776 7.4%	19,522 0.0%	103,533,645 100.0%	0.0%
2020 % of Total	73,224,601 70.7%	18,885,696 18.2%	1,495,985 1.5%	803,933 0.8%	- 0.0%	11,899 0.0%	463,849 0.4%	501,580 0.5%	8,103,581 7.8%	8,235 0.0%	103,499,359 100.0%	0.3%
2019 % of Total	72,973,560 70.7%	18,912,215 18.3%	1,567,087 1.5%	423,922 0.4%	- 0.0%	33,170 0.0%	449,557 0.4%	755,315 0.7%	7,981,121 7.7%	65,425 0.1%	103,161,372 100.0%	4.3%
2018 % of Total	70,116,452 70.9%	19,101,973 19.3%	1,473,242 1.5%	985,405 1.0%	- 0.0%	101,419 0.1%	62,936 0.1%	577,141 0.6%	6,379,589 6.4%	133,003 0.1%	98,931,160 100.0%	2.6%
2017 % of Total	67,962,636 70.5%	19,688,630 20.4%	1,337,058 1.4%	800,744 0.8%	- 0.0%	21,716 0.0%	28,277 0.0%	456,813 0.5%	6,030,310 6.3%	73,286 0.1%	96,399,470 100.0%	1.0%
2016 % of Total	66,502,928 69.7%	19,224,840 20.1%	1,426,501 1.5%	1,557,541 1.6%	- 0.0%	111,596 0.1%	14,060 0.0%	510,816 0.5%	5,895,525 6.2%	237,180 0.2%	95,480,987 100.0%	2.8%
2015 % of Total	64,116,182 69.0%	19,415,486 20.9%	1,431,194 1.5%	831,371 0.9%	- 0.0%	94,347 0.1%	1,369 0.0%	490,685 0.5%	6,360,944 6.8%	167,162 0.2%	92,908,740 100.0%	2.0%
2014 % of Total	62,683,962 68.8%	19,327,891 21.2%	1,498,391 1.7%	531,337 0.6%	- 0.0%	21,903 0.0%	136 0.0%	480,030 0.5%	6,285,839 6.9%	222,961 0.2%	91,052,450 100.0%	4.6%
2013 % of Total	58,939,088 67.7%	20,104,837 23.1%	1,276,169 1.5%	547,833 0.6%	- 0.0%	18,615 0.0%	1,054 0.0%	416,345 0.5%	5,170,568 5.9%	572,915 0.7%	87,047,424 100.0%	-1.1%

Source: Town of Vernon, Finance Department

**TOWN OF VERNON, CONNECTICUT**  
 GENERAL FUND  
 EXPENDITURES BY FUNCTION AND OTHER FINANCING USES - GAAP BASIS  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

Fiscal Year Ended June 30,	Expenditures by Function											Expenditures and Other Financing Uses	
	General Government	Community Develop.	Public Safety	Maintenance and Develop.	Human Services	Parks, Recreation and Culture	Townwide	Education & On-Behalf Payments	Capital Outlay	Debt Service	Other Financing Uses	Total	Annual % Increase
	2022	\$ 3,836,124	\$ 277,590	\$ 9,032,005	\$ 6,017,790	\$ 1,124,190	\$ 1,983,298	\$ 7,974,075	\$ 62,449,543	\$ 385,158	\$ 6,057,988	\$ 3,913,270	\$ 103,051,031
% of Total	3.7%	0.3%	8.8%	5.8%	1.1%	1.9%	7.7%	60.6%	0.4%	5.9%	3.8%	100.0%	
2021	3,718,155	306,592	8,973,560	5,708,958	994,069	1,893,821	8,460,577	61,743,228	210,000	5,900,591	3,531,555	101,441,106	-3.2%
% of Total	3.7%	0.3%	8.8%	5.6%	1.0%	1.9%	8.3%	60.9%	0.2%	5.8%	3.5%	100.0%	
2020	3,648,694	210,760	8,601,179	5,608,649	1,035,053	1,855,866	8,575,319	61,444,362	215,419	6,242,680	7,371,634	104,809,615	4.1%
% of Total	3.5%	0.2%	8.2%	5.4%	1.0%	1.8%	8.2%	58.6%	0.2%	5.9%	7.0%	100.0%	
2019	3,958,019	237,348	8,897,450	5,877,282	1,022,428	1,814,408	8,734,918	60,608,276	223,674	6,048,071	3,222,429	100,644,303	4.0%
% of Total	3.9%	0.3%	8.8%	5.8%	1.0%	1.8%	8.7%	60.2%	0.2%	6.0%	3.2%	100.0%	
2018	3,858,068	308,006	8,239,281	5,721,529	929,904	1,601,828	8,391,849	59,077,409	412,942	5,538,195	2,706,508	96,785,519	2.8%
% of Total	4.0%	0.3%	8.5%	5.9%	1.0%	1.7%	8.7%	61.0%	0.4%	5.7%	2.8%	100.0%	
2017	3,645,882	259,219	8,533,042	5,504,582	915,790	1,496,065	8,017,224	58,063,598	257,845	4,910,864	2,547,509	94,151,620	1.5%
% of Total	3.9%	0.3%	9.1%	5.8%	1.0%	1.6%	8.5%	61.7%	0.3%	5.2%	2.7%	100.0%	
2016	3,694,679	248,607	8,561,323	5,408,134	938,018	1,430,950	7,933,163	56,591,613	740,131	4,399,190	2,859,710	92,805,518	1.6%
% of Total	4.0%	0.3%	9.2%	5.8%	1.0%	1.5%	8.5%	61.0%	0.8%	4.7%	3.1%	100.0%	
2015	3,590,896	235,770	8,525,361	5,550,883	962,959	1,369,686	7,469,937	57,008,315	363,926	4,046,597	2,183,065	91,307,395	1.7%
% of Total	3.9%	0.3%	9.3%	6.1%	1.1%	1.5%	8.2%	62.4%	0.4%	4.4%	2.4%	100.0%	
2014	3,428,718	221,149	7,995,555	5,431,695	936,012	1,329,070	7,107,547	56,788,058	130,174	4,143,846	2,261,474	89,773,298	3.5%
% of Total	3.8%	0.3%	8.9%	6.1%	1.0%	1.5%	7.9%	63.3%	0.1%	4.6%	2.5%	100.0%	
2013	3,230,952	241,139	8,169,618	5,222,913	974,251	1,358,243	7,054,780	54,365,055	57,787	4,365,302	1,717,721	86,757,761	-1.4%
% of Total	3.7%	0.3%	9.4%	6.0%	1.1%	1.6%	8.1%	62.7%	0.1%	5.0%	2.0%	100.0%	

Source: Town of Vernon, Finance Department

TABLE 21

**TOWN OF VERNON, CONNECTICUT**  
**SEWER ASSESSMENTS BILLINGS AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

<b>Fiscal Year Ended June 30,</b>	<b>Current Assessment Receivable, July 1,</b>	<b>Assessment Billings</b>	<b>Assessment Collections</b>	<b>Current Assessment Receivable, June 30,</b>
2022	\$ 508	\$ 8,405	\$ 8,405	\$ 508
2021	508	19,284	19,284	508
2020	508	8,235	8,235	508
2019	508	2,925	2,925	508
2018	508	70,500	70,500	508
2017	527	9,666	9,685	508
2016	834	16,400	16,707	527
2015	985	9,362	9,513	834
2014	1,016	8,597	8,628	985
2013	1,086	4,391	4,461	1,016

Source: Town of Vernon, Water Pollution Control Department.  
Town of Vernon, Finance Department.

**TOWN OF VERNON, CONNECTICUT**  
**CHANGES IN NET POSITION - PENSION TRUST FUND**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

	Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Additions:</b>										
Contributions:										
Employer	\$ 4,701,163	\$ 4,832,625	\$ 4,761,905	\$ 4,553,212	\$ 4,388,529	\$ 4,358,821	\$ 4,062,749	\$ 3,688,522	\$ 3,266,289	\$ 3,199,500
Employee	1,095,805	1,116,939	1,227,534	1,256,855	1,320,899	1,295,754	1,403,018	1,389,713	1,369,933	1,332,034
Net investment income (loss)	9,448,857	8,948,659	11,894,725	(2,632,992)	8,231,748	3,945,608	460,955	3,128,463	7,861,240	4,787,526
Total additions to Net Position	<u>15,245,825</u>	<u>14,898,223</u>	<u>17,884,164</u>	<u>3,177,075</u>	<u>13,941,176</u>	<u>9,600,183</u>	<u>5,926,722</u>	<u>8,206,698</u>	<u>12,497,462</u>	<u>9,319,060</u>
<b>Deductions:</b>										
Benefit payments / annuity purchases	8,049,783	7,651,632	7,027,159	6,681,608	6,292,742	6,295,600	5,561,889	5,051,222	4,839,395	4,340,495
Refunds of contributions	206,584	221,400	131,668	294,463	234,263	30,299	225,532	348,070	62,064	74,631
Administrative expense	210,967	188,516	179,968	190,877	195,440	203,643	144,869	191,218	176,206	178,039
Total deductions to Net Position	<u>8,467,334</u>	<u>8,061,548</u>	<u>7,338,795</u>	<u>7,166,948</u>	<u>6,722,445</u>	<u>6,529,542</u>	<u>5,932,290</u>	<u>5,590,510</u>	<u>5,077,665</u>	<u>4,593,165</u>
Change in Plan Net Position	<u>\$ 6,778,491</u>	<u>\$ 6,836,675</u>	<u>\$ 10,545,369</u>	<u>\$ (3,989,873)</u>	<u>\$ 7,218,731</u>	<u>\$ 3,070,641</u>	<u>\$ (5,568)</u>	<u>\$ 2,616,188</u>	<u>\$ 7,419,797</u>	<u>\$ 4,725,895</u>
Employer contributions as a percentage of covered payroll	<u>29.20%</u>	<u>28.27%</u>	<u>25.98%</u>	<u>23.19%</u>	<u>22.13%</u>	<u>21.24%</u>	<u>20.60%</u>	<u>18.74%</u>	<u>16.76%</u>	<u>16.75%</u>

Source: Town of Vernon, Finance Department

**TOWN OF VERNON, CONNECTICUT**  
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL DEBT TO GENERAL FUND EXPENDITURES - GAAP BASIS  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

	Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund expenditures	\$ 99,137,761	\$ 97,909,551	\$ 97,437,981	\$ 97,421,874	\$ 94,079,011	\$ 91,604,111	\$ 89,945,808	\$ 89,124,230	\$ 87,511,824	\$ 85,040,040
Debt service expenditures:										
Principal	\$ 4,842,755	\$ 4,835,150	\$ 4,787,587	\$ 4,533,483	\$ 4,074,861	\$ 3,505,186	\$ 3,021,345	\$ 2,760,617	\$ 2,771,437	\$ 3,126,102
Interest	1,215,233	1,065,441	1,455,093	1,514,588	1,463,334	1,405,678	1,377,845	1,285,880	1,372,409	1,239,200
Total debt service	\$ 6,057,988	\$ 5,900,591	\$ 6,242,680	\$ 6,048,071	\$ 5,538,195	\$ 4,910,864	\$ 4,399,190	\$ 4,046,497	\$ 4,143,846	\$ 4,365,302
Percentage of debt service expenditures to General Fund expenditures	6.11%	6.03%	6.41%	6.21%	5.89%	5.36%	4.89%	4.54%	4.74%	5.13%

Source of data: Town of Vernon, Finance Department.

**TOWN OF VERNON, CONNECTICUT**  
**NET TAXABLE GRAND LIST AND PERCENTAGE CHANGE BY TAXABLE PROPERTY**  
**LAST TEN YEARS**  
**(UNAUDITED)**

Fiscal Year Ended June 30,	Grand List	Real Estate		Personal Property		Motor Vehicles*		Total All Property	
		Net Taxable Grand List	% Change	Net Taxable Grand List	% Change	Net Taxable Grand List	% Change	Net Taxable Grand List	% Change
2022	10/1/2020	\$ 1,570,537,780	0.59%	\$ 92,366,924	2.50%	\$ 199,328,110	6.42%	\$ 1,862,232,814	1.28%
2021	10/1/2019	1,561,252,553	0.52%	90,116,158	-2.56%	187,294,630	1.56%	1,838,663,341	0.47%
2020	10/1/2018	1,553,158,764	0.60%	92,488,415	0.11%	184,423,127	0.30%	1,830,070,306	0.54%
2019	10/1/2017	1,543,962,088	0.71%	92,385,720	13.19%	183,878,085	2.11%	1,820,225,893	1.41%
2018	10/1/2016 **	1,533,125,300	1.13%	81,619,137	8.69%	180,086,105	1.43%	1,794,830,542	1.48%
2017	10/1/2015	1,516,055,457	0.39%	75,094,698	-5.97%	177,546,348	0.27%	1,768,696,503	0.09%
2016	10/1/2014	1,510,155,882	0.45%	79,865,015	5.16%	177,061,631	-3.09%	1,767,082,528	0.29%
2015	10/1/2013	1,503,406,927	0.69%	75,942,989	13.70%	182,700,970	4.73%	1,762,050,886	1.60%
2014	10/1/2012	1,493,134,500	0.45%	66,792,040	-9.39%	174,454,325	-2.17%	1,734,380,865	-0.23%
2013	10/1/2011 **	1,486,403,230	-11.28%	73,714,500	-4.54%	178,321,984	10.12%	1,738,439,714	-9.20%

\* Excludes assessed value on supplemental motor vehicle listings.

\*\* Revaluation.

Source of data: Town Assessor and Town Clerk Offices.

**TOWN OF VERNON, CONNECTICUT**  
 PROPERTY TAX LEVIES, RATES, COLLECTIONS AND UNCOLLECTED TAXES  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

Fiscal Year Ended June 30,	Grand List Oct 1,	Tax Rate (In Mills)	Original Current Year Levy	Adjusted Current Year Levy at Fiscal Year End	Adjusted Current Year Levy at June 30, 2022	Current Levy Collected within the Fiscal Year of the Levy		Collections of Current Levy, Subsequent Years	Total Levy Collections To Date	Uncollected Taxes		Total Levy Uncollected to Date	
						Amount	Percentage of Adjusted Levy			As of End of Each Fiscal Year	As of June 30, 2022	Percentage of Original Levy	Percentage of Adjusted Levy
2022	2020	39.63	\$ 74,950,199	\$ 74,803,520	\$ 74,803,520	\$ 73,746,042	98.6%	\$ -	\$ 73,746,042	\$ 1,057,478	\$ 1,057,478	1.61%	1.41%
2021	2019	39.63	73,729,237	73,472,171	73,531,929	72,437,785	98.5%	655,537	73,093,322	1,034,386	438,607	0.86%	0.60%
2020	2018	39.63	73,535,721	73,359,622	73,236,811	72,139,857	98.5%	924,871	73,064,728	1,219,765	172,083	0.64%	0.23%
2019	2017	39.63	72,976,496	72,742,183	72,566,471	71,718,449	98.8%	780,468	72,498,917	1,023,734	67,554	0.65%	0.09%
2018	2016	38.55	* 69,992,863	70,400,141	70,307,740	69,399,587	98.7%	865,379	70,264,966	1,000,554	42,774	-0.39%	0.06%
2017	2015	37.93	* 67,980,089	67,778,045	67,668,522	66,936,857	98.9%	695,766	67,632,623	841,188	35,899	0.51%	0.05%
2016	2014	36.91	65,976,102	65,758,703	65,655,537	65,021,214	99.0%	607,612	65,628,826	737,489	26,711	0.53%	0.04%
2015	2013	36.11	64,211,229	63,997,909	63,933,404	63,158,074	98.8%	751,805	63,909,879	839,835	23,525	0.47%	0.04%
2014	2012	35.40	62,079,457	62,210,620	62,081,424	61,327,304	98.8%	737,290	62,064,594	883,316	16,830	0.02%	0.03%
2013	2011	33.63	58,943,099	58,684,540	58,585,130	57,812,300	98.7%	756,812	58,569,112	872,240	16,018	0.63%	0.03%

\* Represents a blended tax rate.

Note: The latest revaluation was effective for the year ended June 30, 2018. Property is taxed by the Town of Vernon only.

Source Data:  
 Town of Vernon, Tax Collector  
 Town of Vernon, Finance Department

**TOWN OF VERNON, CONNECTICUT**  
 RATIOS OF DIRECT AND NET DEBT TO NET TAXABLE, FULL VALUE AND EQUALIZED GRAND LIST  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

Fiscal Year Ended June 30,	Governmental Activities		Grand List			Total Direct Debt as a % of			Total Net Debt as a % of		
	Total Direct Debt (1)	Total Net Debt (1)	Net Taxable Grand List (2)	Full Value Grand List (2)	Equalized Net Taxable Grand List (3)	Net Taxable Grand List	Full Value Grand List	Equalized Net Taxable Grand List	Net Taxable Grand List	Full Value Grand List	Equalized Net Taxable Grand List
2022	\$ 69,481,400	\$ 59,047,183	\$ 1,862,232,814	\$ 2,660,332,591	\$ 3,242,472,970	3.73%	2.61%	2.14%	3.17%	2.22%	1.82%
2021	65,369,049	57,647,011	1,838,663,341	2,626,661,916	2,837,530,661	3.56%	2.49%	2.30%	3.14%	2.19%	2.03%
2020	38,806,965	38,806,965	1,830,070,306	2,614,386,151	2,855,989,613	2.12%	1.48%	1.36%	2.12%	1.48%	1.36%
2019	43,501,513	43,501,513	1,820,225,893	2,600,322,704	2,940,732,662	2.39%	1.67%	1.48%	2.39%	1.67%	1.48%
2018	45,878,351	45,878,351	1,794,830,542	2,564,043,631	2,564,921,991	2.56%	1.79%	1.79%	2.56%	1.79%	1.79%
2017	44,307,449	44,307,449	1,768,696,503	2,526,709,290	2,514,856,753	2.51%	1.75%	1.76%	2.51%	1.75%	1.76%
2016	46,075,942	45,898,105	1,767,082,528	2,524,403,611	2,546,983,355	2.61%	1.83%	1.81%	2.60%	1.82%	1.80%
2015	38,016,495	37,488,270	1,762,050,886	2,517,215,551	2,520,764,900	2.16%	1.51%	1.51%	2.13%	1.49%	1.49%
2014	42,419,484	41,547,804	1,734,380,865	2,477,686,950	2,402,677,895	2.45%	1.71%	1.77%	2.40%	1.68%	1.73%
2013	46,747,238	45,538,898	1,738,439,714	2,483,485,306	2,484,656,177	2.69%	1.88%	1.88%	2.62%	1.83%	1.83%

Source of data:

- (1) Town of Vernon, Finance Department.
- (2) Net Grand List and Full Value Grand List provided by Town Assessor's Office.
- (3) Equalized Net Grand List provided by State Office of Policy and Management.



**TOWN OF VERNON, CONNECTICUT**  
PROPERTY VALUES, CONSTRUCTION AND BANK DEPOSITS  
LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year Ended June 30,	Building Permits (1)						Property Values (3)**					
	Residential		Industrial and Commercial		All Other *		Total Building Permits		Bank Deposits (2) (in thousands)	(3)** Residential	Industrial and Commercial	(4) Nontaxable
	#	Construction Value	#	Construction Value	#	Construction Value	#	Construction Value				
2022	5	\$ 1,265,000	2	\$ 6,000,000	1,885	\$ 30,634,584	1,892	\$ 37,899,584	\$ 2,339,739	\$ 1,963,110,352	\$ 847,291,907	\$ 205,888,770
2021	16	2,135,000	5	4,020,244	2,212	32,450,769	2,233	38,606,013	2,102,115	1,709,969,590	715,279,603	206,278,740
2020	8	615,500	6	6,686,145	1,381	83,695,353	1,395	90,996,998	1,957,081	1,607,712,238	851,921,192	206,956,478
2019	2	255,000	14	9,089,279	1,550	29,769,533	1,566	39,113,812	1,546,649	1,594,607,731	935,761,488	208,852,180
2018	5	625,000	16	8,146,100	1,777	24,008,540	1,798	32,779,640	1,491,469	1,534,732,201	640,021,431	206,610,920
2017	10	1,450,000	23	11,905,338	1,862	28,474,582	1,895	41,829,920	1,442,317	1,557,385,628	582,880,643	231,613,320
2016	9	1,308,200	27	48,995,999	2,364	31,212,032	2,400	81,516,231	1,294,291	1,523,952,459	647,748,690	231,510,180
2015	16	2,100,600	50	11,502,039	2,064	19,536,294	2,130	33,138,932	1,488,947	1,549,748,720	592,059,742	231,375,068
2014	11	1,368,500	76	7,120,134	1,851	14,408,001	1,938	22,896,635	1,271,012	1,554,753,889	493,430,505	231,289,640
2013	16	1,998,000	80	5,741,017	1,807	19,899,840	1,903	27,638,857	1,002,845	1,606,255,471	506,433,643	229,212,099

\* Includes municipal improvements, multi-family dwellings, mobile homes, garages, pools, alterations, additions, stoves, sheds, fences etc.

\*\* Excludes vacant land.

Sources: (1) Town of Vernon, Building Department.  
(2) Available on-line at [www.fdic.gov/sod](http://www.fdic.gov/sod).  
(3) State of Connecticut Office of Policy and Management sales / assessment ratio studies.  
(4) Town of Vernon, Assessor's Department.

**TOWN OF VERNON, CONNECTICUT**  
**LAND USE / ZONING STATISTICS**  
 JUNE 30, 2022  
 (UNAUDITED)

Category	LAND USE			EXISTING ZONING		
	# of Acres	% of Total	% of Developed / Committed Land	Category	# of Acres	% of Total
Residential	5,302	46.03%	53.65%	Residential	7,222	62.70%
Commercial / Industrial*	713	6.19%	7.22%	Business:		
Community Facilities / Institutional	352	3.06%	3.56%	Commercial / Industrial	872	7.57%
Open Space	1,905	16.54%	19.28%	Rockville Historic District	713	6.19%
R-O-W / Utilities	1,610	13.98%	16.29%	Other Special Zones	1,311	11.38%
Vacant	1,636	14.20%		No zone (right-of-way, water, other)	1,400	12.15%
<b>Total</b>	<b>11,518</b>	<b>100.00%</b>	<b>100.00%</b>	<b>Total</b>	<b>11,518</b>	<b>100.00%</b>

\* Includes Agriculture and Mixed Use total acreage of 95 and 16 acres, respectively.

Source: Land Use statistics from the Town's Plan of Conservation and Development and Existing Zoning from Town Planner's Office.

TABLE 29

**TOWN OF VERNON, CONNECTICUT**  
**SCHOOL FACILITIES AND ENROLLMENT DATA**  
 JUNE 30, 2022  
 (UNAUDITED)

School	Grades	Number of Classrooms	Total Floor Area (Sq. ft.)	School Capacity	School Enrollment as of 10/1/2021
Elementary Schools:					
Center Road	Pre-K to 5	33	75,122	825	464
Lake Street	Pre-K to 5	20	39,219	525	256
Maple Street	Pre-K to 5	23	39,920	525	271
Northeast	Pre-K to 5	19	41,500	525	189
Skinner Road	Pre-K to 5	21	45,350	525	311
Total Elementary Schools				2,925	1,491
Middle School	6 to 8	70	135,988	1,500	713
Rockville High and VO-AG	9 to 12	136	272,748	2,400	962
<b>Total In-District Enrollment</b>				<b>6,825</b>	<b>3,166</b>
Out of District	All	n/a	n/a	n/a	25
<b>Total Enrollment</b>				<b>6,825</b>	<b>3,191</b>

**ACTUAL  
 SCHOOL ENROLLMENTS  
 LAST TEN FISCAL YEARS**

School Year *	Pre-K	K-5	6-8	9-12	TOTAL IN-DISTRICT	ANNUAL % CHANGE	OUT-OF-DISTRICT
2012/13	172	1,595	697	976	3,440	-3.10%	48
2013/14	177	1,552	659	929	3,317	-3.58%	48
2014/15	177	1,535	649	877	3,238	-2.38%	46
2015/16	165	1,499	681	823	3,168	-2.16%	41
2016/17	146	1,480	712	848	3,186	0.57%	38
2017/18	135	1,445	703	792	3,075	-3.48%	34
2018/19	120	1,427	705	854	3,106	1.01%	32
2019/20	102	1,444	723	851	3,120	0.45%	31
2020/21	98	1,324	704	902	3,028	-2.95%	34
2021/22	122	1,369	713	962	3,166	-2.95%	25

\* As of October 1.

**PROJECTED  
 SCHOOL ENROLLMENTS  
 NEXT 5 FISCAL YEARS**

2022/23	116	1,390	716	986	3,208	1.33%	59
2023/24	113	1,375	703	1,002	3,193	-0.47%	65
2024/25	109	1,378	665	1,016	3,168	-0.78%	69
2025/26	110	1,340	697	979	3,126	-1.33%	59
2026/27	111	1,331	679	990	3,111	-0.48%	59

School Classrooms, Capacity and Actual Enrollments: Vernon Superintendent of Schools Office.

\* Projected Enrollments: Prepared by Peter Prowda, Phd.

School Square Footage: Per Code Information Sheets (updated to reflect recent school building projects).