

**THE OLD COLONY  
BEACH CLUB ASSOCIATION**

**FINANCIAL STATEMENTS  
AS OF JUNE 30, 2022**

**TOGETHER WITH  
ACCOUNTANTS' COMPILATION REPORT,  
AND  
REQUIRED SUPPLEMENTARY INFORMATION**



**THE OLD COLONY BEACH CLUB ASSOCIATION  
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JUNE 30, 2022**

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## ACCOUNTANTS' COMPILATION REPORT

Board of Directors  
The Old Colony Beach Club Association  
Old Lyme, Connecticut

Management is responsible for the accompanying financial statements of the governmental activities, the business-type activities and each major fund of The Old Colony Beach Club Association (The "Association") as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Association's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 2 – 6 and 27, respectively, be presented to supplement the basic financial statements. Such information is presented for the purposes of additional analysis and, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

*Hoyt, Filippetti & Malaghan, LLC*

Groton,  
Connecticut  
February 16, 2023

**THE OLD COLONY BEACH CLUB ASSOCIATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

**BASIC FINANCIAL STATEMENTS**

Our discussion and analysis of The Old Colony Beach Club Association (the Association)'s financial performance provides an overview of the Association's financial activities for the fiscal year ended June 30, 2022; as such, it should be read in conjunction with the Association's compiled financial statements. The Association's financials consist of two series of financial statements: Government-Wide and Fund Financial Statements.

- 1) Government-Wide Financial Statements: These statements, which include the Statement of Net Position and the Statement of Activities, provide information about the activity of the Association as a whole. These statements also present a longer-term view of the Association's finances by presenting all assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses on the *accrual basis of accounting*, which is similar to the accounting methods used by many private-sector companies.

For purposes of the Government-Wide Financial Statements, The Old Colony Beach Club Association has the following activities:

- a) Governmental Activities – The Association's primary operating activities are reported here. These activities are financed primarily through an annual levy of property taxes.
  - b) Business-Type Activities – This consists of a proprietary fund. This is the Association's WPCA Fund for which the accounting for sewer related expenditures are reported.
- 2) Fund Financial Statements: For governmental activities, these statements present how the services provided by the Association were financed in the short term as well as what remains for future spending. Additionally, these statements report the Association's activities in greater detail by highlighting the Association's most significant funds. The Association's funds are separated into two types:
    - a) Governmental Funds – Most of the Association's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the *modified accrual basis of accounting*, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Association's general government operations; these statements help you to determine whether there are more or fewer financial resources that can be spent in the near future to finance Association operations. We describe the relationship (or differences) between governmental *activities* (reported in the government-wide financial statements) and government *funds* in reconciliation at the bottom of the fund financial statements.
    - b) Proprietary Funds – Proprietary funds are reported in the same way that all activities are reported in the government-wide financial statements.

**THE OLD COLONY BEACH CLUB ASSOCIATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

**CONDENSED GOVERNMENT-WIDE STATEMENTS**

Presented below is a condensed version of the government-wide financial statements.

Statement of Net Position

|  | Governmental        |                     |                  | Business-Type     |                   |                  |
|--|---------------------|---------------------|------------------|-------------------|-------------------|------------------|
|  | Activities          |                     | Increase         | Activities        |                   | Increase         |
|  | 2022                | 2021                | (Decrease)       | 2022              | 2021              | (Decrease)       |
| Current and other assets                           | \$ 1,050,158        | \$ 1,027,134        | \$ 23,024        | \$ 25,470         | \$ 34,528         | \$ (9,058)       |
| Capital assets, net                                | 273,636             | 280,645             | (7,009)          | 759,377           | 727,731           | 31,646           |
| Total assets                                       | <u>\$ 1,323,794</u> | <u>\$ 1,307,779</u> | <u>\$ 16,015</u> | <u>\$ 784,847</u> | <u>\$ 762,259</u> | <u>\$ 22,588</u> |
| Current liabilities                                | \$ 3,800            | \$ 3,800            | \$ -             | \$ 24,408         | \$ 14,864         | \$ 9,544         |
| Non-current liabilities                            | 756,311             | 800,000             | (43,689)         | 575,449           | 551,804           | 23,645           |
| Total liabilities                                  | <u>760,111</u>      | <u>803,800</u>      | <u>(43,689)</u>  | <u>599,857</u>    | <u>566,668</u>    | <u>33,189</u>    |
| Net position                                       |                     |                     |                  |                   |                   |                  |
| Invested in capital assets,<br>net of related debt | -                   | -                   | -                | 183,928           | 175,927           | 8,001            |
| Unrestricted                                       | 563,683             | 503,979             | 59,704           | 1,062             | 19,664            | (18,602)         |
| Total net position                                 | <u>563,683</u>      | <u>503,979</u>      | <u>59,704</u>    | <u>184,990</u>    | <u>195,591</u>    | <u>(10,601)</u>  |
| Total liabilities and net position                 | <u>\$ 1,323,794</u> | <u>\$ 1,307,779</u> | <u>\$ 16,015</u> | <u>\$ 784,847</u> | <u>\$ 762,259</u> | <u>\$ 22,588</u> |

Significant capital outlays (>\$1,500) are being recorded as Association capital assets and are being depreciated over their estimated useful lives. Capital assets presented here are shown net of their accumulated depreciation. Net position has been separated into two categories on the Association's financial statements: 1) Invested in capital assets, net of related debt and 2) Unrestricted net position. Because capital assets are not very liquid (i.e. easily converted to cash), the Association's equity in these assets has been separated and labeled as such. Unrestricted net position, however, represents the liquid portion of the Association's net position that can be used to finance daily operations without constraints.

Current and other assets in the governmental activities *increased* during the fiscal year ended June 30, 2022 due to an *increase* in cash and cash equivalents. Governmental activities' capital assets *decreased* as a result of depreciation. Non-current liabilities also *decreased* in the 2021-2022 fiscal year from the repayment of long term debt.

Current and other assets in the business-type activities *decreased* during the fiscal year ended June 30, 2022 due to an *decrease* in cash and cash equivalents at year end. Capital assets of business-type activities *increased* due to continued construction in progress on the sewer project. Total liabilities *increased* as of June 30, 2022 primarily due to an *increase* in long term debt related to the sewer project and associated accrued interest.

**THE OLD COLONY BEACH CLUB ASSOCIATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

**CONDENSED GOVERNMENT-WIDE STATEMENTS *(Continued)***

Statement of Activities

|                                    | Governmental      |                   |                  | Business-Type     |                   |                    |
|------------------------------------|-------------------|-------------------|------------------|-------------------|-------------------|--------------------|
|                                    | Activities        |                   | Increase         | Activities        |                   | Increase           |
|                                    | 2022              | 2021              | (Decrease)       | 2022              | 2021              | (Decrease)         |
| Revenues                           |                   |                   |                  |                   |                   |                    |
| Program revenues                   |                   |                   |                  |                   |                   |                    |
| Charges for services               | \$ 6,125          | \$ 7,418          | \$ (1,293)       | \$ -              | \$ -              | \$ -               |
| Operating grants and contributions | 8,677             | 8,550             | 127              | -                 | -                 | -                  |
| Capital grants and contributions   | -                 | -                 | -                | 9,169             | 40,675            | (31,506)           |
| General revenues                   |                   |                   |                  |                   |                   |                    |
| Property taxes, interest and liens | 189,084           | 163,539           | 25,545           | -                 | -                 | -                  |
| Interest income                    | 418               | 539               | (121)            | -                 | -                 | -                  |
| Total revenues                     | <u>204,304</u>    | <u>180,046</u>    | <u>24,258</u>    | <u>9,169</u>      | <u>40,675</u>     | <u>(31,506)</u>    |
| Program expenses                   |                   |                   |                  |                   |                   |                    |
| Administration                     | 32,412            | 19,664            | 12,748           | -                 | -                 | -                  |
| Public safety                      | 47,198            | 54,079            | (6,881)          | -                 | -                 | -                  |
| Public works                       | 36,098            | 41,696            | (5,598)          | -                 | -                 | -                  |
| Recreation                         | 3,602             | 1,167             | 2,435            | -                 | -                 | -                  |
| Interest on long-term debt         | 25,290            | 11,411            | 13,879           | 9,544             | 14,864            | (5,320)            |
| WPCA                               | -                 | -                 | -                | 10,226            | 22,481            | (12,255)           |
| Total expenses                     | <u>144,600</u>    | <u>128,017</u>    | <u>16,583</u>    | <u>19,770</u>     | <u>37,345</u>     | <u>(17,575)</u>    |
| Change in net position             | 59,704            | 52,029            | 7,675            | (10,601)          | 3,330             | (13,931)           |
| Net position                       |                   |                   |                  |                   |                   |                    |
| Beginning of year                  | <u>503,979</u>    | <u>451,950</u>    | <u>52,029</u>    | <u>195,591</u>    | <u>192,261</u>    | <u>3,330</u>       |
| End of year                        | <u>\$ 563,683</u> | <u>\$ 503,979</u> | <u>\$ 59,704</u> | <u>\$ 184,990</u> | <u>\$ 195,591</u> | <u>\$ (10,601)</u> |

Governmental Activities

The general government's financial position for the year ended June 30, 2022 *increased* by \$59,704.

Property tax revenue *increased* by \$25,545 for the fiscal year ended June 30, 2022 due to a *increase* in the tax levy. Administration expenses *increased* by \$17,269 primarily due to an *increase* in professional fees compared to the prior year. Interest on long-term debt *increased* by \$13,879 as the 2021-2022 fiscal year was the first year of debt service.

Business-Type Activities

Virtually all the revenues derived from business-type activities come from grant income related to the capital sewer project. Expenses *decreased* during the fiscal year due to a *decrease* in miscellaneous expenses.

**THE OLD COLONY BEACH CLUB ASSOCIATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

**FINANCIAL ANALYSIS OF THE ASSOCIATION'S FUNDS**

As noted earlier, The Old Colony Beach Club Association uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Association's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Association's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The Association currently maintains two (2) governmental funds, the general fund and the capital reserve fund.

At the end of the current fiscal year, the Association's total governmental funds reported an ending combined fund balance of \$1,046,358, which is an *increase* of \$23,024 from the prior year. Approximately 20% or \$212,888 of the total fund balance is unassigned fund balance, which is available for spending at the government's discretion. The remaining amount, \$833,470 is committed for capital replacement.

General Fund Budgetary Highlights

Total revenues were *ahead* of budget by \$7,421, in part due to the Association receiving more in merchandise sales than budgeted. Overall, actual expenditures were *over* budget by \$1,067, mainly due to additional transfers to the capital improvement fund.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets

At June 30, 2022, the Association had \$1,834,241 invested in various capital assets as listed below:

|  | Governmental<br>Activities | Business-Type<br>Activities | Total               |
|--|----------------------------|-----------------------------|---------------------|
| Land                                       | \$ 141,047                 | \$ -                        | \$ 141,047          |
| Construction in process                    | -                          | 759,377                     | 759,377             |
| Buildings, improvements and infrastructure | 890,020                    | -                           | 890,020             |
| Equipment and vehicles                     | 43,797                     | -                           | 43,797              |
| Total                                      | <u>\$ 1,074,864</u>        | <u>\$ 759,377</u>           | <u>\$ 1,834,241</u> |

During the fiscal year ended June 30, 2022, the Association added \$31,646 of capitalized engineering fees to its construction in process in the business-type activities.

Debt Administration

The Association's governmental activities had one note outstanding of \$756,311 at June 30, 2022.

The Association's business-type activities had two notes outstanding with the Connecticut Department of Environmental and Energy Protection totaling \$575,449 at June 30, 2022.

More detailed information on the Association's capital assets and debt administration is presented in the notes to the financial statements.

**THE OLD COLONY BEACH CLUB ASSOCIATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

**NEXT YEAR'S BUDGET AND RATES**

At its annual budget meeting, the Old Colony Beach Club Association adopted a \$196,900 budget for 2022-2023 using a mill rate of 4.00.

**CONTACTING THE ASSOCIATION'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Association's finances for all those with an interest in the Association's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Board of Governors, P.O. Box 10, Old Lyme, CT 06375.



**THE OLD COLONY BEACH CLUB ASSOCIATION**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

**ASSETS**

|   | GOVERNMENTAL<br>ACTIVITIES | BUSINESS-TYPE<br>ACTIVITIES | TOTAL        |
|---|----------------------------|-----------------------------|--------------|
| ASSETS  |                            |                             |              |
| Cash  | \$ 1,049,695               | \$ 25,470                   | \$ 1,075,165 |
| Accounts receivable                             | 463                        | -                           | 463          |
| Capital assets, non-depreciable                 | 141,047                    | 759,377                     | 900,424      |
| Capital assets, net of accumulated depreciation | 132,589                    | -                           | 132,589      |
| Total assets                                    | \$ 1,323,794               | \$ 784,847                  | \$ 2,108,641 |

**LIABILITIES AND NET POSITION**

|   |              |            |              |
|---|--------------|------------|--------------|
| LIABILITIES                                     |              |            |              |
| Accounts payable                                | \$ 3,800     | \$ -       | \$ 3,800     |
| Accrued expenses                                | -            | 24,408     | 24,408       |
| NON-CURRENT LIABILITIES                         |              |            |              |
| Due within one year                             | 43,519       | -          | 43,519       |
| Due in more than one year                       | 712,792      | 575,449    | 1,288,241    |
| Total liabilities                               | 760,111      | 599,857    | 1,359,968    |
| NET POSITION                                    |              |            |              |
| Invested in capital assets, net of related debt | -            | 183,928    | 183,928      |
| Unrestricted                                    | 563,683      | 1,062      | 564,745      |
| Total net position                              | 563,683      | 184,990    | 748,673      |
| Total liabilities and net position              | \$ 1,323,794 | \$ 784,847 | \$ 2,108,641 |

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

**THE OLD COLONY BEACH CLUB ASSOCIATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

| Functions / Programs            | Expenses          | Program Revenue         |                                       |                                     | Net (Expense) Revenue and<br>Change in Net Position |                             |                   |
|---------------------------------|-------------------|-------------------------|---------------------------------------|-------------------------------------|---|-----------------------------|-------------------|
|                                 |                   | Charges for<br>Services | Operating Grants<br>and Contributions | Capital Grants<br>and Contributions | Governmental<br>Activities                          | Business-Type<br>Activities | Total             |
| <b>GOVERNMENTAL ACTIVITIES</b>  |                   |                         |                                       |                                     |   |                             |                   |
| Administration                  | \$ 32,412         | \$ 3,430                | \$ 8,677                              | \$ -                                | \$ (20,305)   | \$ -                        | \$ (20,305)       |
| Public safety                   | 47,198            | -                       | -                                     | -                                   | (47,198)  | -                           | (47,198)          |
| Public Works                    | 36,098            | -                       | -                                     | -                                   | (36,098)  | -                           | (36,098)          |
| Recreation                      | 3,602             | 2,695                   | -                                     | -                                   | (907)   | -                           | (907)             |
| Interest on long term debt      | 25,290            | -                       | -                                     | -                                   | (25,290)  | -                           | (25,290)          |
| Total governmental activities   | <u>144,600</u>    | <u>6,125</u>            | <u>8,677</u>                          | <u>-</u>                            | <u>(129,798)</u>                                    | <u>-</u>                    | <u>(129,798)</u>  |
| <b>BUSINESS-TYPE ACTIVITIES</b> |                   |                         |                                       |                                     |   |                             |                   |
| WPCA                            | 10,226            | -                       | -                                     | 9,169                               | -   | (1,057)                     | (1,057)           |
| Interest on long term debt      | 9,544             | -                       | -                                     | -                                   | -   | (9,544)                     | (9,544)           |
| Total business-type activities  | <u>19,770</u>     | <u>-</u>                | <u>-</u>                              | <u>9,169</u>                        | <u>-</u>  | <u>(10,601)</u>             | <u>(10,601)</u>   |
| Total primary government        | <u>\$ 164,370</u> | <u>\$ 6,125</u>         | <u>\$ 8,677</u>                       | <u>\$ 9,169</u>                     | <u>(129,798)</u>                                    | <u>(10,601)</u>             | <u>(140,399)</u>  |
| <b>GENERAL REVENUES</b>         |                   |                         |                                       |                                     |   |                             |                   |
|                                 |                   |                         |                                       |                                     | 189,084   | -                           | 189,084           |
|                                 |                   |                         |                                       |                                     | 418   | -                           | 418               |
|                                 |                   |                         |                                       |                                     | <u>189,502</u>                                      | <u>-</u>                    | <u>189,502</u>    |
|                                 |                   |                         |                                       |                                     |   |                             |                   |
|                                 |                   |                         |                                       |                                     | 59,704  | (10,601)                    | 49,103            |
|                                 |                   |                         |                                       |                                     |   |                             |                   |
|                                 |                   |                         |                                       |                                     | 503,979   | 195,591                     | 699,570           |
|                                 |                   |                         |                                       |                                     |   |                             |                   |
|                                 |                   |                         |                                       |                                     | <u>\$ 563,683</u>                                   | <u>\$ 184,990</u>           | <u>\$ 748,673</u> |

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

**THE OLD COLONY BEACH CLUB ASSOCIATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022**

|                       | ASSETS          |                                |              |
|-----------------------|-----------------|--------------------------------|--------------|
|                       | GENERAL<br>FUND | CAPITAL<br>IMPROVEMENT<br>FUND | TOTAL        |
| <b>CURRENT ASSETS</b> |                 |                                |              |
| Cash                  | \$ 216,225      | \$ 833,470                     | \$ 1,049,695 |
| Receivables           | 463             | -                              | 463          |
| Total current assets  | \$ 216,688      | \$ 833,470                     | \$ 1,050,158 |

| <b>LIABILITIES AND FUND BALANCES</b> |            |            |              |
|--------------------------------------|------------|------------|--------------|
| <b>CURRENT LIABILITIES</b>           |            |            |              |
| Accounts payable                     | \$ 3,800   | \$ -       | \$ 3,800     |
| Total current liabilities            | 3,800      | -          | 3,800        |
| <b>FUND BALANCES</b>                 |            |            |              |
| Committed                            | -          | 833,470    | 833,470      |
| Unassigned                           | 212,888    | -          | 212,888      |
| Total fund balances                  | 212,888    | 833,470    | 1,046,358    |
| Total liabilities and fund balances  | \$ 216,688 | \$ 833,470 | \$ 1,050,158 |

Amounts reported for *governmental activities* in the statement of net position are different because:

|  |              |
|--|--------------|
| Total fund balances  | \$ 1,046,358 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds   | 273,636      |
| Some liabilities, such as notes and bonds payable and related accrued interest, are not due and payable in the current period and therefore are not reported in the funds. | (756,311)    |
| Net position of governmental activities  | \$ 563,683   |

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

**THE OLD COLONY BEACH CLUB ASSOCIATION  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

|   | <u>GENERAL<br/>FUND</u> | <u>CAPITAL<br/>IMPROVEMENT<br/>FUND</u> | <u>TOTAL</u>        |
|---|-------------------------|---|---------------------|
| <b>REVENUES</b>                                   |                         |   |                     |
| Administration:                                   |                         |   |                     |
| Taxes, interest and liens                         | \$ 189,084              | \$ -                                    | \$ 189,084          |
| Interest  | 36                      | 382                                     | 418                 |
| Town of Old Lyme                                  | 8,677                   | -                                       | 8,677               |
| Miscellaneous                                     | 3,430                   | -                                       | 3,430               |
| Recreation  | 2,695                   | -                                       | 2,695               |
| Total revenues                                    | <u>203,922</u>          | <u>382</u>                              | <u>204,304</u>      |
| <b>EXPENDITURES</b>                               |                         |   |                     |
| Current   |                         |   |                     |
| Administration                                    | 21,670                  | -                                       | 21,670              |
| Public Safety                                     | 47,198                  | -                                       | 47,198              |
| Public Works                                      | 36,098                  | -                                       | 36,098              |
| Recreation  | 3,602                   | -                                       | 3,602               |
| Debt service interest                             | -                       | 25,290                                  | 25,290              |
| Debt service principal                            | -                       | 43,689                                  | 43,689              |
| Capital outlay                                    | -                       | 3,733                                   | 3,733               |
| Total expenditures                                | <u>108,568</u>          | <u>72,712</u>                           | <u>181,280</u>      |
| Excess (deficiency) of revenues over expenditures | <u>95,354</u>           | <u>(72,330)</u>                         | <u>23,024</u>       |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                         |   |                     |
| Transfers in (out)                                | <u>(89,000)</u>         | <u>89,000</u>                           | <u>-</u>            |
| Total other financing sources (uses)              | <u>(89,000)</u>         | <u>89,000</u>                           | <u>-</u>            |
| Net changes in fund balances                      | <u>6,354</u>            | <u>16,670</u>                           | <u>23,024</u>       |
| FUND BALANCES, beginning of year                  | <u>206,534</u>          | <u>816,800</u>                          | <u>1,023,334</u>    |
| FUND BALANCES, end of year                        | <u>\$ 212,888</u>       | <u>\$ 833,470</u>                       | <u>\$ 1,046,358</u> |

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

**THE OLD COLONY BEACH CLUB ASSOCIATION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

Net changes in fund balances - total governmental funds \$ 23,024

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which depreciation (\$7,009) exceeded capital additions (\$0) in the current period. (7,009)

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 debt obligations is as follows: 43,689

Changes in net position of governmental activities \$ 59,704

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

**THE OLD COLONY BEACH CLUB ASSOCIATION**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2022**

**ASSETS**

|                                 | WPCA       |
|---------------------------------|------------|
| <b>CURRENT ASSETS</b>           |            |
| Cash                            | \$ 25,470  |
| Total current assets            | 25,470     |
| <br><b>NONCURRENT ASSETS</b>    |            |
| Capital assets, non-depreciable | 759,377    |
| Total noncurrent assets         | 759,377    |
| Total assets                    | \$ 784,847 |

**LIABILITIES AND NET POSITION**

|   |            |
|---|------------|
| <b>CURRENT LIABILITIES</b>                      |            |
| Accrued expenses                                | \$ 24,408  |
| Total current liabilities                       | 24,408     |
| <br><b>NONCURRENT LIABILITIES</b>               |            |
| Due in more than one year                       | 575,449    |
| Total noncurrent liabilities                    | 575,449    |
| Total liabilities                               | 599,857    |
| <br><b>NET POSITION</b>                         |            |
| Invested in capital assets, net of related debt | 183,928    |
| Unrestricted                                    | 1,062      |
| Total net position                              | 184,990    |
| Total liabilities and net position              | \$ 784,847 |

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

**THE OLD COLONY BEACH CLUB ASSOCIATION**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

|  | WPCA       |
|--|------------|
| OPERATING EXPENSES                     |            |
| Administration                         | \$ 10,226  |
| Total operating expenses               | 10,226     |
| Operating loss                         | (10,226)   |
| NON-OPERATING REVENUE (EXPENSES)       |            |
| Capital grants                         | \$ 9,169   |
| Interest expense                       | (9,544)    |
| Total non-operating revenue (expenses) | (375)      |
| Change in net position                 | (10,601)   |
| NET POSITION, beginning of year        | 195,591    |
| NET POSITION, end of year              | \$ 184,990 |

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

**THE OLD COLONY BEACH CLUB ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

|  | WPCA        |
|--|-------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |             |
| Payments to suppliers  | \$ (10,226) |
| Net cash used in operating activities  | (10,226)    |
| <br><b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                  |             |
| Capital grants   | 9,169       |
| Purchases of capital assets  | (31,646)    |
| Proceeds from long term debt   | 23,645      |
| Net cash provided by capital and related financing activities                        | 1,168       |
| Net decrease in cash   | (9,058)     |
| CASH, beginning of year  | 34,528      |
| CASH, end of year  | \$ 25,470   |
| <br><b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES</b> |             |
| Operating loss   | \$ (10,226) |
| Net cash used in operating activities  | \$ (10,226) |

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



**THE OLD COLONY BEACH CLUB ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

The Old Colony Beach Club Association (the Association) is a political subdivision created in 1935 by Charter from the State of Connecticut, and a division of the Town of Old Lyme. The Association operates under the direction of a Board of Governors.

The Association's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Association are discussed below.

**REPORTING ENTITY**

The reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature of significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be incomplete or misleading as set forth by GASB. In evaluating how to define the reporting entity for financial statement reporting purposes, management has considered all potential component units. The decision to include a potential component unit in this reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. The criterion has been considered and there are no agencies or entities which should be presented with this government.

**BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS**

The Association's basic financial statements include both government-wide (reporting the Association as a whole) and fund financial statements (reporting the Association's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental.

In the government-wide statement of net position, the governmental activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Association's net position is reported in two parts – invested in capital assets, net of related debt and unrestricted net position.

The government-wide statement of activities reports both the gross and net cost of each of the Association's functions. These functions are also supported by general government revenues (property taxes, interest, and misc. income). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants. Program revenues must be directly associated with the functions. The net costs of each function are normally covered by general revenue (property taxes, interest, and miscellaneous income), as well as by any charges for services or operating or capital grants applicable to each function. The Association does not allocate indirect costs.

This government-wide focus is more on the sustainability of the Association as an entity and the change in the Association's net position resulting from the current year's activities.

**THE OLD COLONY BEACH CLUB ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

**BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS**

The financial transactions of the Association are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Association:

1) Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Association:

- a) General Fund. This fund is the general operating fund of the Association. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is considered a major fund.
- b) Capital Improvement Fund. This fund is used to account for the acquisition or construction of capital assets. The Association's Capital Improvement Fund is considered a capital project fund and is a major fund.

2) Proprietary Funds:

The focus of proprietary fund measurement is on the determination of operating income, changes in financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary fund of the Association:

- a) Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs. The Association currently maintains only one enterprise fund, the WPCA; this fund is used to finance and account for sewer infrastructure expenditures.

**THE OLD COLONY BEACH CLUB ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

**BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS *(Continued)***

2) Proprietary Funds *(Continued)*:

- a) Enterprise Funds *(Continued)* - Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are the charges to customers for services. Operating expenses for the funds include the cost of operations and maintenance, provision of doubtful accounts, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. When restricted, committed, assigned and unassigned resources are available for use, it is the Association's policy to use restricted resources first, then committed, assigned and unassigned as they are needed.

**BASIS OF ACCOUNTING**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1) Accrual:

Both governmental and business-type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2) Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e. both measurable and available. "Available" means collectible within the current period or within sixty (60) days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**THE OLD COLONY BEACH CLUB ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

**CAPITAL ASSETS**

Capital assets purchased or acquired are reported at historical cost or estimated historical cost. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over estimated useful lives:

| Assets                                     | Years       | Capitalization<br>Threshold |
|--|-------------|-----------------------------|
| Land                                       | N/A         | \$ -                        |
| Buildings, improvements and infrastructure | 10-50 years | 1,500                       |
| Equipment and vehicles                     | 5-10 years  | 1,500                       |

GASB Statement No. 34 requires the Association to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc.

**ALLOWANCE FOR DOUBTFUL ACCOUNTS**

Based upon prior experience, management has not established an allowance for doubtful accounts for its delinquent property taxes in its General Fund. No allowance has been established for its WPCA enterprise fund receivables because these are secured by liens that will impose payment upon sale of the residence or a transfer to the new resident.

**BUDGETS**

The Association is required by state law to adopt an annual budget. The budget is presented on the modified accrual basis of accounting which is consistent with accounting principles generally accepted in the United States of America. The budget includes the expenditures of the General Fund. Unexpended appropriations lapse at the end of the fiscal year.

The budget is developed by the Association's Board of Governors and then presented to eligible voters for approval at the Annual Meeting. The Association's tax rate is also approved by the eligible voters at the Annual Meeting.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**SUBSEQUENT EVENTS EVALUATION BY MANAGEMENT**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through February 16, 2023, the date that the financial statements were available to be issued. There were no subsequent events identified that require disclosure.

**THE OLD COLONY BEACH CLUB ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

**CASH EQUIVALENTS**

The Association defines cash equivalents as liquid investments with an original maturity of three months or less. The Association had no cash equivalents at June 30, 2022.

**FUND EQUITY AND NET POSITION**

In the government-wide financial statements, net position is classified in the following categories:

*Invested in Capital Assets, Net of Related Debt* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce this category.

*Restricted Net Position* – This category represents constraints placed on net position use which are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

*Unrestricted Net Position* – This category represents the net position of the Association, which is not restricted for any project or other purpose.

In the fund financial statements, fund balances of governmental funds are classified in five separate categories as follows:

*Nonspendable Fund Balance* – Amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

*Restricted Fund Balance* – Amounts restricted by enabling legislation. Also reported if (a) externally imposed by creditors, grantors, contributors, or laws regulated by other governments, or (b) imposed by law through constitutional provisions.

*Committed Fund Balance* – Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority, the Board of Governors. A vote by the Board of Governors is required to establish and modify or rescind a fund balance commitment.

*Assigned Fund Balance* – Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

*Unassigned Fund Balance* – Residual classification of the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

**APPLICATION OF ACCOUNTING STANDARDS**

For the year ended June 30, 2022, the following accounting pronouncements became effective and the Association implemented such pronouncements, where applicable:

GASB Statement 87, Leases. The statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

**THE OLD COLONY BEACH CLUB ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2 - CASH, CERTIFICATES OF DEPOSIT, CASH EQUIVALENTS AND INVESTMENTS**

Deposits – The Association does not have a formal policy for deposits. However, as a practice, the Association follows Connecticut State Statutes. The State of Connecticut requires that each depositor maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank’s risk based capital ratio.

Cash Equivalents / Investments - The Association does not have a custodial credit risk policy with regard to cash equivalents, investments, or related credit risk for debt securities; however, it is the Association’s practice to follow Connecticut State Statutes (CGS). CGS Section 7-400 permits municipalities and local governments to invest in: (1) obligations of the United States and its agencies (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. CGS Sections 3-27a to 3-27f permit the investment in the shares of Connecticut’s Short Term Investment Fund (STIF).

Interest Rate Risk - The Association does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate increases.

Concentration of Credit Risk – At June 30, 2022, the carrying amount of the Association’s deposits with financial institutions, was \$1,075,165 and the bank balance was \$1,075,899, of which \$250,000 was covered by federal depository insurance, \$107,590 was collateralized by debt securities held by financial institutions, and \$718,309 was uninsured and uncollateralized.

**NOTE 3 - PROPERTY TAXES**

The Association’s property tax is levied each July 1st and due on August 1st on the assessed value listed as of the prior October 1. Property taxes that have been levied and are due on or before year end are recognized as revenue on the fund financial statements if they are collected within sixty days after year end. Property taxes receivable not collected within sixty days after year end are reflected as deferred inflows of resources.

**NOTE 4 - RISK MANAGEMENT AND LITIGATION**

The Association is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Association has obtained coverage from commercial insurance companies and has effectively managed risk through various employee education and prevention programs. There have been no significant reductions in insurance coverage and settlements have not exceeded insurance coverage for each of the past three fiscal years. All risk management activities are accounted for in the general fund. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. There were no claims outstanding at June 30, 2022.

**THE OLD COLONY BEACH CLUB ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 5 - INTERFUND TRANSFERS**

Interfund transfers are nonreciprocal transactions between funds. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

The Association made the following transfers during the year ended June 30, 2022.

|                          | Transfer In | Transfer Out |
|--------------------------|-------------|--------------|
| General fund             | \$ -        | \$ 89,000    |
| Capital improvement fund | 89,000      | -            |
|                          | \$ 89,000   | \$ 89,000    |

Transfers from the general fund to the capital reserve fund were for the continued accumulation of savings for future nonrecurring expenditures.

**NOTE 6 - CAPITAL ASSETS**

Changes in capital assets of governmental activities are as follows:

|   | Beginning<br>Balance | Increases  | Decreases    | Ending<br>Balance |
|---|----------------------|------------|--------------|-------------------|
| Nondepreciable assets                       |                      |            |              |                   |
| Land  | \$ 141,047           | \$ -       | \$ -         | \$ 141,047        |
| Construction in process                     | 140,182              | -          | (140,182)    | -                 |
| Total nondepreciable assets                 | 281,229              | -          | (140,182)    | 141,047           |
| Depreciable assets                          |                      |            |              |                   |
| Buildings, improvements and infrastructure  | 749,838              | 140,182    | -            | 890,020           |
| Equipment and vehicles                      | 43,797               | -          | -            | 43,797            |
| Total depreciable assets                    | 793,635              | 140,182    | -            | 933,817           |
| Totals at historical cost                   | 1,074,864            | 140,182    | (140,182)    | 1,074,864         |
| Less accumulated depreciation               |                      |            |              |                   |
| Buildings, improvements and infrastructure  | 750,422              | 7,009      | -            | 757,431           |
| Equipment and vehicles                      | 43,797               | -          | -            | 43,797            |
| Total accumulated depreciation              | 794,219              | 7,009      | -            | 801,228           |
| Governmental activities capital assets, net | \$ 280,645           | \$ 133,173 | \$ (140,182) | \$ 273,636        |

Depreciation by function for governmental activities is as follows:

|                |          |
|----------------|----------|
| Administration | \$ 7,009 |
|----------------|----------|

**THE OLD COLONY BEACH CLUB ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 6 - CAPITAL ASSETS (Continued)**

Changes in capital assets of business-type activities are as follows:

|  | Beginning<br>Balance | Increases        | Decreases   | Ending<br>Balance |
|--|----------------------|------------------|-------------|-------------------|
| Nondepreciable assets                        |                      |                  |             |                   |
| Construction in process                      | \$ 727,731           | \$ 31,646        | \$ -        | \$ 759,377        |
| Total nondepreciable assets                  | <u>727,731</u>       | <u>31,646</u>    | <u>-</u>    | <u>759,377</u>    |
| Totals at historical cost                    | <u>727,731</u>       | <u>31,646</u>    | <u>-</u>    | <u>759,377</u>    |
| Business-type activities capital assets, net | <u>\$ 727,731</u>    | <u>\$ 31,646</u> | <u>\$ -</u> | <u>\$ 759,377</u> |

**NOTE 7 - NONCURRENT LIABILITIES – GOVERNMENTAL ACTIVITIES**

Noncurrent liabilities of the government-type activities for the year ended June 30, 2022 consist of the following direct borrowings/direct placement obligations:

| Purpose of Obligation                           | Balance<br>July 1, 2021 | Increases   | Decreases                 | Balance<br>June 30, 2022 |
|---|-------------------------|-------------|---------------------------|--------------------------|
| General Obligation Note dated 9/23/20 - 9/1/35. |                         |             |                           |                          |
| Interest rate of 3.25%.                         |                         |             |                           |                          |
| Original balance of \$800,000                   | \$ 800,000              | \$ -        | \$ 43,689                 | \$ 756,311               |
|   | <u>\$ 800,000</u>       | <u>\$ -</u> | <u>\$ 43,689</u>          | <u>\$ 756,311</u>        |
|   |                         |             | Due within one year       | \$ 43,519                |
|   |                         |             | Due in more than one year | <u>712,792</u>           |
|   |                         |             |                           | <u>\$ 756,311</u>        |



**THE OLD COLONY BEACH CLUB ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 7- NONCURRENT LIABILITIES – GOVERNMENTAL ACTIVITIES (Continued)**

Payments to maturity on outstanding debt are as follows:

| Name                      | General Obligation Note |
|---------------------------|-------------------------|
| Issue Date                | 9/23/2020               |
| Original Balance          | <u>\$ 800,000</u>       |
| Principal Maturities      |                         |
| <u>June 30,</u>           |                         |
| 2023                      | \$ 43,519               |
| 2024                      | 44,934                  |
| 2025                      | 46,394                  |
| 2026                      | 47,902                  |
| 2027                      | 49,554                  |
| 2028 and thereafter       | <u>524,008</u>          |
| Total                     | <u>\$ 756,311</u>       |
| Due within one year       | \$ 43,519               |
| Due in more than one year | <u>712,792</u>          |
|                           | <u>\$ 756,311</u>       |
| Interest Maturities       |                         |
| <u>June 30,</u>           |                         |
| 2023                      | \$ 24,143               |
| 2024                      | 22,436                  |
| 2025                      | 20,952                  |
| 2026                      | 19,419                  |
| 2027                      | 17,902                  |
| 2028 and thereafter       | <u>116,642</u>          |
| Total                     | <u>\$ 221,494</u>       |
| Due within one year       | \$ 24,143               |
| Due in more than one year | <u>197,351</u>          |
|                           | <u>\$ 221,494</u>       |

All debt is included as a general obligation of the Capital Improvement Fund of the Association.

Interest on the above debt incurred by the Association for the year ended June 30, 2022 was \$25,290.

**THE OLD COLONY BEACH CLUB ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 8 - NONCURRENT LIABILITIES – BUSINESS-TYPE ACTIVITIES**

Noncurrent liabilities of the business-type activities for the year ended June 30, 2022 consist of the following direct borrowings/direct placement obligations:

| Purpose of Obligation   | Balance<br>July 1, 2021 | Increases                 | Decreases   | Balance<br>June 30, 2022 |
|---|-------------------------|---------------------------|-------------|--------------------------|
| General Obligation Note dated 2/26/19 - 1/31/23.<br>Interest rate of 2%.<br>Original balance of \$161,383 | \$ 160,312              | \$ 687                    | \$ -        | \$ 160,999               |
| General Obligation Note dated 7/18/19 - 1/31/23.<br>Interest rate of 2%.<br>Original balance of \$540,815 | 391,492                 | 22,958                    | -           | 414,450                  |
|   | <u>\$ 551,804</u>       | <u>\$ 23,645</u>          | <u>\$ -</u> | <u>\$ 575,449</u>        |
|   |                         | Due within one year       |             | \$ -                     |
|   |                         | Due in more than one year |             | 575,449                  |
|   |                         |                           |             | <u>\$ 575,449</u>        |

Payments to maturity on outstanding debt are as follows:

| Name<br>Issue Date        | General Obligation Note<br>2/26/2019 | General Obligation Note<br>7/18/2019 | Total             |
|---------------------------|--------------------------------------|--------------------------------------|-------------------|
| Original Balance          | <u>\$ 160,999</u>                    | <u>\$ 414,450</u>                    |                   |
| Principal Maturities      |                                      |                                      |                   |
| June 30,                  |                                      |                                      |                   |
| 2023                      | \$ -                                 | \$ -                                 | \$ -              |
| 2024                      | 160,999                              | 414,450                              | 575,449           |
| Total                     | <u>\$ 160,999</u>                    | <u>\$ 414,450</u>                    | <u>\$ 575,449</u> |
| Due within one year       | \$ -                                 | \$ -                                 | \$ -              |
| Due in more than one year | 160,999                              | 414,450                              | 575,449           |
|                           | <u>\$ 160,999</u>                    | <u>\$ 414,450</u>                    | <u>\$ 575,449</u> |
| Interest Maturities       |                                      |                                      |                   |
| June 30,                  |                                      |                                      |                   |
| 2023                      | \$ -                                 | \$ -                                 | \$ -              |
| 2024                      | 3,220                                | 8,289                                | 11,509            |
| Total                     | <u>\$ 3,220</u>                      | <u>\$ 8,289</u>                      | <u>\$ 11,509</u>  |
| Due within one year       | \$ -                                 | \$ -                                 | \$ -              |
| Due in more than one year | 3,220                                | 8,289                                | 11,509            |
|                           | <u>\$ 3,220</u>                      | <u>\$ 8,289</u>                      | <u>\$ 11,509</u>  |

**THE OLD COLONY BEACH CLUB ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 8 - NONCURRENT LIABILITIES – BUSINESS-TYPE ACTIVITIES (Continued)**

All debt is included as a general obligation of the WPCA Fund of the Association.

**NOTE 9 - FUND BALANCE**

At June 30, 2022, fund balances reported on the fund financial statements consisted of the following:

|                           | Committed  | Unassigned |
|---------------------------|------------|------------|
| General Fund:             |            |            |
| Unassigned                | -          | 212,888    |
| Capital Improvement Fund: |            |            |
| For capital replacement   | 833,470    | -          |
| Total fund balance        | \$ 833,470 | \$ 212,888 |

**NOTE 10 - EXPENDITURE IN EXCESS OF APPROPRIATION**

For the year ended June 30, 2022, the following budget items were expended in excess of their appropriations by the indicated amounts:

|                                   | Amount |
|-----------------------------------|--------|
| Expenditure:                      |        |
| Public works                      | \$ 97  |
| Merchandise                       | 2,275  |
| Capital improvement fund transfer | 20,000 |

**NOTE 11 - PRONOUNCEMENTS ISSUED, NOT YET EFFECTIVE**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2022 that have effective dates that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

GASB Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. This statement improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this statement are effective for fiscal years beginning after June 15, 2022 (the Association’s year ending June 30, 2023).

GASB Statement 96, Subscription-Based Information Technology Arrangements. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. The requirements of this statement are effective for fiscal years beginning after June 15, 2022 (the Association’s year ending June 30, 2023).

**THE OLD COLONY BEACH CLUB ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 11 - PRONOUNCEMENTS ISSUED, NOT YET EFFECTIVE (*Continued*)**

GASB Statement 99, Omnibus 2022. This statement address both select practice issues that have been identified during implementation and accounting and financial reporting for financial guarantees. Portions of the statement are effective upon issuance (April 2022), while other are effective for years beginning after June 15, 2022 or June 15, 2023 (the Association's fiscal years ending June 30, 2023 and 2024, respectively).

GASB Statement 100, Accounting Changes and Error Corrections. This statement enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement is effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023 (the Association's fiscal year ending June 30, 2024).

GASB Statement 101, Compensated Absences. This statement updates the recognition and measurement guidance for compensated absences. The requirements of this statement is effective for fiscal years beginning after December 15, 2023 (the Association's fiscal year ending June 30, 2025).

## **SUPPLEMENTARY INFORMATION**

**THE OLD COLONY BEACH CLUB ASSOCIATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

|  | ORIGINAL<br>BUDGET | ADDITIONAL<br>APPROPRIATIONS<br>AND TRANSFERS | FINAL<br>BUDGET | ACTUAL            | VARIANCE WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |
|--|--------------------|---|-----------------|-------------------|---|
| <b>REVENUES</b>  |                    |   |                 |                   |   |
| Administration:  |                    |   |                 |                   |   |
| Taxes, interest and liens  | \$ 186,300         | \$ -  | \$ 186,300      | \$ 189,084        | \$ 2,784  |
| Interest   | 400                | -   | 400             | 418               | 18  |
| Merchandise  | 200                | -   | 200             | 2,732             | 2,532   |
| Beach  | -                  | -   | -               | 697               | 697   |
| Security:  |                    |   |                 |                   |   |
| Town of Old Lyme   | 8,900              | -   | 8,900           | 8,677             | (223)   |
| Fines and fees   | 500                | -   | 500             | 1,300             | 800   |
| Parking and golf cart registrations                                    | 200                | -   | 200             | 1,395             | 1,195   |
| Total revenues   | <u>196,500</u>     | <u>-</u>                                      | <u>196,500</u>  | <u>204,303</u>    | <u>7,803</u>  |
| <b>EXPENDITURES</b>  |                    |   |                 |                   |   |
| Public safety  | 38,500             | -   | 38,500          | 31,486            | 7,014   |
| Public works   | 36,000             | -   | 36,000          | 36,097            | (97)  |
| Insurance  | 7,000              | -   | 7,000           | 6,195             | 805   |
| General administration   | 7,000              | -   | 7,000           | 4,403             | 2,597   |
| Electricity  | 6,400              | -   | 6,400           | 4,628             | 1,772   |
| Fire Protection  | 12,000             | -   | 12,000          | 11,089            | 911   |
| Recreation   | 3,300              | -   | 3,300           | 827               | 2,473   |
| Merchandise  | 500                | -   | 500             | 2,775             | (2,275)   |
| Professional fees  | 15,400             | -   | 15,400          | 9,758             | 5,642   |
| Donations  | 200                | -   | 200             | 200               | -   |
| Property taxes   | 1,200              | -   | 1,200           | 1,109             | 91  |
| Capital improvement fund transfer                                      | 69,000             | -   | 69,000          | 89,000            | (20,000)  |
| Total expenditures   | <u>196,500</u>     | <u>-</u>                                      | <u>196,500</u>  | <u>197,567</u>    | <u>(1,067)</u>  |
| Excess (deficiency) of revenues over<br>expenditures - Budgetary Basis | <u>\$ -</u>        | <u>\$ -</u>                                   | <u>\$ -</u>     | 6,736             | <u>\$ 6,736</u>   |
| FUND BALANCE, beginning of year  |                    |   |                 | 206,534           |   |
| FUND BALANCE, end of year  |                    |   |                 | <u>\$ 213,270</u> |   |
| Adjustments to Generally Accepted Accounting Principals (GAAP):        |                    |   |                 |                   |   |
| Capital improvement fund interest income                               |                    |   |                 | (382)             |   |
| Excess (deficiency) of revenues over expenditures - GAAP Basis         |                    |   |                 | <u>\$ 212,888</u> |   |

*See independent auditors' report*