

TOWN OF OLD LYME, CONNECTICUT

ANNUAL FINANCIAL REPORT
JUNE 30, 2020

TOWN OF OLD LYME, CONNECTICUT
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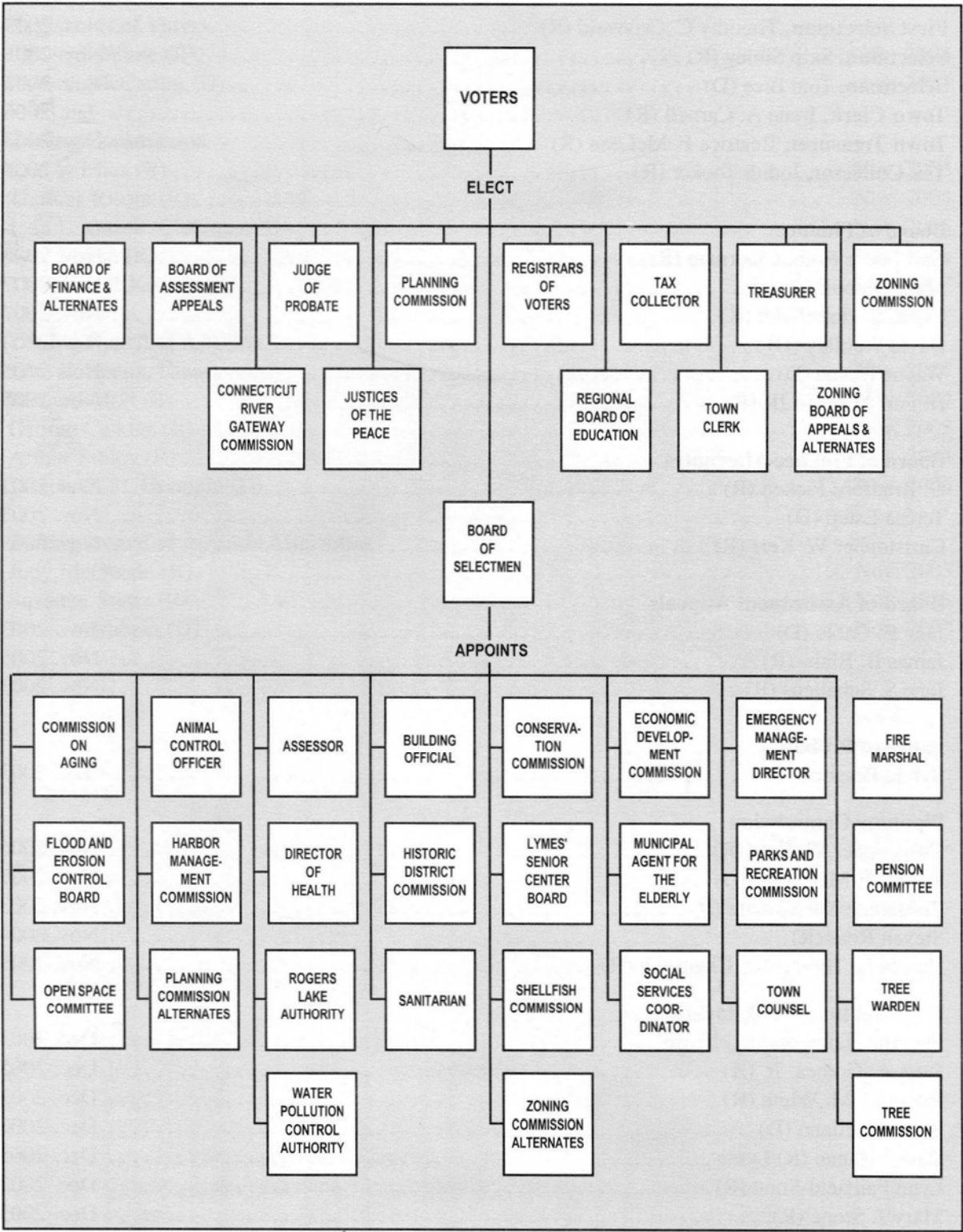
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Introductory Section

TOWN OF OLD LYME, CONNECTICUT

ORGANIZATION CHART



Financial Section

Independent Auditors' Report
To the Board of Finance
Town of Old Lyme, Connecticut

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Old Lyme, Connecticut, as of June 30, 2020 and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Old Lyme, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and trend information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2020 on our consideration of the Town of Old Lyme, Connecticut'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 of Old Lyme, Connecticut'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 of Old Lyme, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
November 24, 2020

**Town of Old Lyme, Connecticut
Management's Discussion and Analysis
For the Year Ended June 30, 2020**

Management of the Town of Old Lyme offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2020.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the 2019 fiscal year by \$34,568,403. Of this amount, \$12,863,272 (*unrestricted net position*) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$293,485. The most significant reasons for the increase were the positive general fund change in fund balance and capital purchases in excess of depreciation expense.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$13,693,860, a decrease of \$584,677 in comparison with the prior year. The most significant reasons for the decrease was material expenditures from multiple non-major capital project funds that caused an overall net decrease in fund balance within the non-major governmental funds of \$975,380.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$8,574,753, or 22.2% of total budgetary general fund expenditures and transfers out.
- The Town's total long-term debt increased by \$725,926 (30.4%) due to issuance of the library improvement bonds offset by annual scheduled debt service payments and decreases in the liability for compensated absences.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Old Lyme'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.

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 and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

The government-wide financial statements present the functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, health and social services, public safety, public works, roads and streets, sanitation, education and parks and recreation programs.

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 two categories: governmental funds and fiduciary funds.

Governmental Funds

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

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

The Town reports governmental funds 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 which is considered to be major fund. Data from the other governmental funds are combined into a single, aggregated presentation under the caption nonmajor governmental funds. Individual fund data for each of these nonmajor governmental funds is provided on Schedules 4 and 5.

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.

Fiduciary Funds

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

Notes to Financial Statements

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

Other Information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a Town's financial position. In the case of the Town, assets exceeded liabilities by \$34,568,403 at the close of the most recent fiscal year.

By far the largest portion of the Town's net position (62.8%) reflects its investment in capital assets (e.g., land, works of art, construction in progress, buildings and improvements, land improvements, machinery, vehicles and equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	<u>Summary Statement of Net Position</u>	
	<u>2020</u>	<u>2019</u>
Current and other assets	\$ 15,628,074	\$ 15,886,812
Capital assets (net)	<u>23,184,162</u>	<u>21,669,187</u>
Total assets	<u>38,812,236</u>	<u>37,555,999</u>
Deferred outflows of resources	<u>20,969</u>	<u>25,163</u>
Current liabilities	1,494,600	1,177,239
Long-term liabilities	<u>2,667,000</u>	<u>1,939,300</u>
Total liabilities	<u>4,161,600</u>	<u>3,116,539</u>
Deferred inflows of resources	<u>103,202</u>	<u>189,705</u>
Net investment in capital assets	21,705,131	19,854,187
Unrestricted	<u>12,863,272</u>	<u>14,420,731</u>
Total net position	<u>\$ 34,568,403</u>	<u>\$ 34,274,918</u>

Governmental Activities

The Town's net position increased by \$293,485.

	Statement of Changes in Net Position	
	2020	2019
Revenues:		
Program revenues:		
Charges for services	\$ 1,229,306	\$ 1,100,244
Operating grants and contributions	281,253	399,565
Capital grants and contributions	468,463	307,814
General revenues:		
Property taxes	35,754,220	34,942,146
Grants and contributions not restricted to specific programs	172,122	54,141
Investment income (loss)	281,341	296,320
Loss on sale of capital assets	46,314	379
Miscellaneous	20,106	39,757
Total revenues	<u>38,253,125</u>	<u>37,140,366</u>
Expenses:		
General government	4,614,532	3,191,913
Public works	1,345,193	1,317,452
Parks and recreation	527,133	504,181
Other public safety	452,117	440,272
Social services	111,802	107,983
Fire services	560,305	641,510
Police services	1,288,332	1,238,522
Health services	94,131	106,951
Senior citizens	288,948	233,385
Sanitation	1,072,049	1,053,639
Education	27,556,679	26,343,259
Interest expense	48,419	31,233
Total expenses	<u>37,959,640</u>	<u>35,210,300</u>
Change in net position	293,485	1,930,066
Net position - July 1	<u>34,274,918</u>	<u>32,344,852</u>
Net Position - June 30	<u>\$ 34,568,403</u>	<u>\$ 34,274,918</u>

The key elements of this increase are as follows:

- Property taxes (including interest and liens) increased by \$812,074 (2.3%) during the year. This increase is due mostly to the increase in the total budget appropriation.
- General government expenses increased \$1,422,619 (44.6%) due to contributions of \$1,576,254 made to the Old Lyme Phoebe Griffin Noyes Library for renovation project.
- Education increased by \$1,213,420 (4.6%) due to the cost allocation from Regional School District No. 18.

For the most part, other increases in expenses closely paralleled inflation and growth in the demand for services.

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. The Town continues to accumulate funds for known future capital expenditures.

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 a 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 \$13,693,860, a decrease of \$584,677 in comparison with the prior year. 62.6% of this total amount (\$8,573,249) constitutes unassigned fund balance which is available for spending at the Town's discretion. The remainder of fund balance is not available for appropriation or spending by the Town and is classified as follows: Nonspendable (\$1,016,794), Committed (\$1,660,512), and Assigned (\$2,443,305).

The general fund is the operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$8,574,753, while total fund balance reached \$11,701,097. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 22.2% of total budgetary general fund expenditures and transfers out, while total fund balance represents 30.4% of that same amount.

The fund balance of the Town's general fund increased by \$391,153 during the current fiscal year.

The increase was due to the following:

- Property taxes/interest & liens collected exceeded the budgeted amount by \$173,124
- Intergovernmental revenues fell short of budgetary estimates by \$631,562 mostly due to grants budgeted but not yet spent/requested for reimbursement (SV Sidewalks \$400,000 and Emergency Management \$104,015)
- Investment income fell short of budgetary estimates by \$138,623 as interest rates declined significantly due to COVID19 economic impact.
- Cancellation of encumbrances exceeded budgetary estimates by \$73,379
- Transfer In of \$72,059 of unspent funds from SV Improvement Project Funds was not budgeted.

- Due to COVID-19 several Town facilities were closed with significant reduction in activities. This situation caused several Town department budget estimates to exceed actual amount expended as follows:
 - General Government \$88,139 due to savings in Selectman's Office (\$24,884) and Town Hall operations (\$28,135).
 - Board and Commission - Land Use (\$60,151) reduce need for engineering services.
 - Public Works \$195,529 due to weather related need of fuel/salt/sand (\$75,000) and not filling an open position (\$62,000).
 - Town Woods Park (\$21,051) and Senior Center (\$15,732) - COVID-19 closure reducing operational costs.
 - Capital - Emergency Management projects totaling \$91,000 were not pursued due to COVID-19 priorities.

These positive variances were offset by the appropriation of fund balance totaling \$353,870.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were \$353,870. The significant increases in appropriations were as follows:

○ Additional costs for Mile Creek Road Bridge	\$328,500
○ Contribution to Lyme Academy	\$ 8,750
○ OLFD-hose	\$ 9,000
○ OLFD-water supply signs	\$ 6,120
○ Harbor Management Commission-grant costs	\$ 1,500

Capital Assets and Debt Administration

Capital Assets

The Town's investment in capital assets for its governmental activities as of June 30, 2020 amounts to \$23,184,162 (net of accumulated depreciation). This investment in capital assets includes land, works of art, construction in progress, buildings and improvements, land improvements, machinery, vehicles and equipment and infrastructure. The net increase in the Town's investment in capital assets for the current fiscal year was \$1,514,975 or 7.0% as depreciation expense for the year exceeded additions. Major capital asset events during the current fiscal year included the following:

Additions:

• McCulloch Property purchase for Open Space	\$600,000
• Two OLFD tankers	\$600,000
• OLFD Cross Lane Roof replacement	\$104,000
• Emergency Management Tower at DPW Garage	\$ 80,783
• Grassy Hill Road paving	\$377,100
• DPW wash down project	\$103,565

Deletions:

• Two OLFD tankers	\$ 80,300
• Police vehicles	\$ 94,239

**Capital Assets
(Net of Depreciation)**

	<u>2020</u>	<u>2019</u>
Land	\$ 4,247,356	\$ 3,647,356
Works of art	291,000	291,000
Construction in progress	436,193	156,048
Buildings and improvements	5,777,544	5,719,128
Land improvements	1,301,678	1,331,472
Machinery, vehicles and equipment	4,363,580	4,015,999
Infrastructure	<u>6,766,811</u>	<u>6,508,184</u>
Total	<u>\$ 23,184,162</u>	<u>\$ 21,669,187</u>

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

Long-Term Debt

At the end of the current fiscal year, the Town had bonded debt outstanding of \$1,815,000. All debt is backed by the full faith and credit of the Town.

**Town of Old Lyme Outstanding Debt
General Obligation Bonds/Notes**

	<u>2020</u>	<u>2019</u>
General obligation bonds	\$ <u>2,750,000</u>	\$ <u>1,815,000</u>

The Town's total debt increased by \$935,000 during the current fiscal year due to issuance of the library improvement bonds offset by scheduled debt payments.

In addition, the Town is responsible for 81.2% of debt service for Regional School District No. 18, which totals \$17,096,960 at year end.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is \$249,308,507, which is significantly in excess of the Town's outstanding general obligation debt.

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

Economic Factors and Next Year's Budget and Rates

The unemployment rate for the Town of Old Lyme as of June 2020 was 8.9%. This compares favorably with the Norwich/New London labor market area's unemployment rate of 13.3% and the State of Connecticut's rate of 10.2% for the same period. Due to the current national economic conditions (COVID 19) the unemployment rates for the State, Norwich/New London area, and Old Lyme increased by 168%, 250% and 147%, respectively.

Although the initial estimate of Town of Old Lyme's portion of the Regional School District No. 18 operating budget showed an increase, revised estimates due to the effect of COVID19 kept total billings the same as prior year.

Major capital projects nearing completion for the Town include the following:

- Mile Creek Road Bridge replacement
- Hains Park restrooms

New projects include the following:

- OLFD keyless entry systems
- Public Works facility paving
- Ferry Road sidewalks
- Town Hall exterior door replacement
- Town Hall HVAC upgrades
- Sound View sidewalks
- Ongoing road and drainage projects that are funded through the Town budget.

Purchases of capital assets and larger nonrecurring expenses are scheduled through the Town's five-year Capital Plan include the following:

- 2 police vehicles

Due to the economic effects from COVID 19, the occupancy rate of the Town's commercial areas has suffered and is expected to further decline into the future.

In August 2019, the Town approved \$9,500,000 for the construction of the Sound View Beach Sewer Project and authorized the Town to enter into a Project Funding Agreement with the State of Connecticut as well as authorized the Town to issue debt for said Project.

All of these factors were considered during the preparation of the Town's budget for the 2020/2021 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Treasurer or Finance Director, Town of Old Lyme, 52 Lyme Street, Old Lyme, CT 06371.

Basic Financial Statements

**TOWN OF OLD LYME, CONNECTICUT
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2020**

Assets:

Current Assets:

Cash	\$ 2,437,484
Investments	11,268,552
Receivables:	
Property taxes	442,847
Intergovernmental	8,137
Other	94,927
Prepaid amounts	1,016,794
Total current assets	<u>15,268,741</u>

Noncurrent Assets:

Receivables (net):

Property taxes	<u>359,333</u>
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Capital Assets (Net of Accumulated Depreciation):

Land	4,247,356
Works of art	291,000
Construction in progress	436,193
Buildings and improvements	5,777,544
Land improvements	1,301,678
Machinery, vehicles and equipment	4,363,580
Infrastructure	6,766,811
Total capital assets (net of depreciation)	<u>23,184,162</u>

Total noncurrent assets	<u>23,543,495</u>
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Total assets	<u>38,812,236</u>
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Deferred Outflows of Resources:

Deferred charge on refunding	<u>20,969</u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF OLD LYME, CONNECTICUT
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES (CONTINUED)
JUNE 30, 2020**

Liabilities:

Current liabilities:

Accounts payable	\$ 496,707
Accrued liabilities	116,284
Unearned revenue	415,841
Accrued interest payable	14,768
Bonds and related liabilities	435,000
Landfill postclosure costs	16,000
Total current liabilities	<u>1,494,600</u>

Noncurrent liabilities:

Bonds and related liabilities	2,315,000
Landfill postclosure costs	352,000
Total noncurrent liabilities	<u>2,667,000</u>

Total liabilities	<u>4,161,600</u>
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Deferred Inflows of Resources:

Advanced property tax collections	<u>103,202</u>
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Net Position:

Net investment in capital assets	21,705,131
Unrestricted	<u>12,863,272</u>

Total Net Position	<u>\$ 34,568,403</u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF OLD LYME, CONNECTICUT
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net Expenses and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
General government	\$ 4,614,532	\$ 656,401	\$ 17,358	\$ -	\$ (3,940,773)
Public works	1,345,193	4,134	-	468,463	(872,596)
Parks and recreation	527,133	208,081	-	-	(319,052)
Other public safety	452,117	11,176	16,085	-	(424,856)
Social services	111,802	-	-	-	(111,802)
Fire services	560,305	60	-	-	(560,245)
Police services	1,288,332	98,789	-	-	(1,189,543)
Health services	94,131	-	7,926	-	(86,205)
Senior citizens	288,948	46,769	-	-	(242,179)
Sanitation	1,072,049	201,624	-	-	(870,425)
Education	27,556,679	2,272	239,884	-	(27,314,523)
Interest expense	48,419	-	-	-	(48,419)
Total	<u>\$ 37,959,640</u>	<u>\$ 1,229,306</u>	<u>\$ 281,253</u>	<u>\$ 468,463</u>	<u>(35,980,618)</u>
General revenues:					
Property taxes					35,754,220
Grants and contributions not restricted to specific program					172,122
Investment income					281,341
Gain on sale of capital assets					46,314
Miscellaneous					20,106
Total general revenues					<u>36,274,103</u>
Change in net position					293,485
Net position - July 1, 2019					<u>34,274,918</u>
Net position - June 30, 2020					<u>\$ 34,568,403</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF OLD LYME, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash	\$ 624,213	\$ 1,813,271	\$ 2,437,484
Investments	11,268,552	-	11,268,552
Receivables:			
Property taxes	779,990	-	779,990
Intergovernmental	8,137	-	8,137
Other	31,727	43,465	75,192
Due from other funds	189,523	417,558	607,081
Prepaid amounts	<u>1,016,794</u>	<u>-</u>	<u>1,016,794</u>
Total Assets	<u>\$ 13,918,936</u>	<u>\$ 2,274,294</u>	<u>\$ 16,193,230</u>
LIABILITIES			
Accounts payable	\$ 496,707	\$ -	\$ 496,707
Accrued liabilities	116,284	-	116,284
Due to other funds	417,558	169,788	587,346
Unearned revenue	<u>304,098</u>	<u>111,743</u>	<u>415,841</u>
Total liabilities	<u>1,334,647</u>	<u>281,531</u>	<u>1,616,178</u>
Deferred Inflows of Resources:			
Unavailable revenue - property taxes	779,990	-	779,990
Advanced property tax collections	<u>103,202</u>	<u>-</u>	<u>103,202</u>
Total deferred inflows of resources	<u>883,192</u>	<u>-</u>	<u>883,192</u>
Fund Balances:			
Nonspendable	1,016,794	-	1,016,794
Committed	-	1,660,512	1,660,512
Assigned	2,109,550	333,755	2,443,305
Unassigned	<u>8,574,753</u>	<u>(1,504)</u>	<u>8,573,249</u>
Total fund balances	<u>11,701,097</u>	<u>1,992,763</u>	<u>13,693,860</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 13,918,936</u>	<u>\$ 2,274,294</u>	<u>\$ 16,193,230</u>

(Continued on next page)

**TOWN OF OLD LYME, CONNECTICUT
RECONCILIATION OF FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2020**

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different from the governmental fund balance sheet. The details of this difference are as follows:

Total fund balance (Exhibit C, Page 1)	\$ 13,693,860
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Beginning net capital assets	21,669,187
Current year capital asset additions	2,156,309
Depreciation expense	(607,055)
Disposal of capital assets	(34,279)

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

Interest receivable on property taxes	164,190
Allowance for doubtful accounts	(142,000)

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

Property tax receivable - accrual basis change	779,990
Deferred charge on refunding	20,969

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

Bonds payable	(2,750,000)
Landfill postclosure costs	(368,000)
Accrued interest payable	<u>(14,768)</u>

Net Position of Governmental Activities	\$ <u><u>34,568,403</u></u>
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The accompanying notes are an integral part of the financial statements

TOWN OF OLD LYME, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Property taxes	\$ 35,653,724	\$ -	\$ 35,653,724
Charges for services	1,044,529	184,777	1,229,306
Intergovernmental	905,615	6,595	912,210
Investment income	258,623	22,718	281,341
Contributions	-	9,628	9,628
Other revenue	-	20,106	20,106
Total revenues	<u>37,862,491</u>	<u>243,824</u>	<u>38,106,315</u>
Expenditures:			
Current:			
General government	2,512,511	1,765,650	4,278,161
Boards and commissions	426,034	-	426,034
Public works	753,379	414,828	1,168,207
Parks and recreation	409,339	616,550	1,025,889
Other public safety	441,631	7,403	449,034
Social services	111,802	-	111,802
Fire services	353,151	610,225	963,376
Police services	905,341	85,266	990,607
Health services	80,092	14,039	94,131
Senior citizens	162,803	50,534	213,337
Other associations	387,000	-	387,000
Sanitation	1,075,780	-	1,075,780
Chartered associations	71,700	-	71,700
Education	27,556,679	-	27,556,679
Capital outlay	857,812	-	857,812
Debt service	352,036	-	352,036
Total expenditures	<u>36,457,090</u>	<u>3,564,495</u>	<u>40,021,585</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,405,401</u>	<u>(3,320,671)</u>	<u>(1,915,270)</u>
Other financing sources (uses):			
Transfers in	125,459	1,161,600	1,287,059
Transfers out	(1,140,000)	(147,059)	(1,287,059)
Proceeds from issuance of debt	-	1,250,000	1,250,000
Proceeds from sale of capital assets	293	80,300	80,593
Net Other Financing Sources (Uses)	<u>(1,014,248)</u>	<u>2,344,841</u>	<u>1,330,593</u>
Net Change in Fund Balances	391,153	(975,830)	(584,677)
Fund Balances - July 1, 2019	<u>11,309,944</u>	<u>2,968,593</u>	<u>14,278,537</u>
Fund Balances - June 30, 2020	<u>\$ 11,701,097</u>	<u>\$ 1,992,763</u>	<u>\$ 13,693,860</u>

(Continued on next page)

**TOWN OF OLD LYME, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

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

Net change in fund balances - total governmental funds (Exhibit D) \$ (584,677)

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. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay	2,156,309
Depreciation expense	<u>(607,055)</u>
Total	<u>1,549,254</u>

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

Change in property tax receivable - accrual basis change	96,840
Change in property tax interest and lien revenue	22,656
Change in allowance for doubtful accounts	<u>(19,000)</u>
Total	<u>100,496</u>

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

Debt issued or incurred:	
Deferred charge on refunding bonds	(4,194)
Principal repayments:	
General obligation bonds	315,000
Other assets	<u>(1,250,000)</u>
Total	<u>(939,194)</u>

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

Compensated absences	193,074
Landfill closure and postclosure	16,000
Accrued interest payable	<u>(7,189)</u>
Total	<u>201,885</u>

Change in Net Position of Governmental Activities (Exhibit B) \$ 293,485

TOWN OF OLD LYME, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:				
Property taxes	\$ 35,480,600	\$ 35,480,600	\$ 35,653,724	\$ 173,124
Charges for services	890,110	890,110	1,044,529	154,419
Intergovernmental	1,537,177	1,537,177	905,615	(631,562)
Investment income	120,000	120,000	258,623	138,623
Total revenues	<u>38,027,887</u>	<u>38,027,887</u>	<u>37,862,491</u>	<u>(165,396)</u>
Expenditures:				
Current:				
General government	2,692,828	2,610,628	2,522,489	88,139
Boards and commissions	544,609	546,109	451,563	94,546
Public works	932,958	932,958	737,429	195,529
Parks and recreation	427,244	427,244	403,910	23,334
Other public safety	396,031	478,231	450,643	27,588
Social services	112,864	112,864	111,802	1,062
Fire services	374,058	385,678	353,151	32,527
Police services	902,370	905,870	905,341	529
Health services	80,092	80,092	80,092	-
Senior citizens' activities	178,535	178,535	162,803	15,732
Other associations	372,000	380,750	380,750	-
Sanitation	1,107,069	1,107,069	1,075,780	31,289
Chartered associations	71,700	71,700	71,700	-
Regional School District No. 18	27,556,679	27,556,679	27,556,679	-
Debt service:				
Redemption of debt	315,000	315,000	315,000	-
Interest on debt	38,000	38,000	37,036	964
Capital outlay	1,790,250	2,118,750	1,920,708	198,042
Total expenditures	<u>37,892,287</u>	<u>38,246,157</u>	<u>37,536,876</u>	<u>709,281</u>
Excess (Deficiency) of Revenues over Expenditures	<u>135,600</u>	<u>(218,270)</u>	<u>325,615</u>	<u>543,885</u>
Other financing sources (uses):				
Appropriation of fund balance	800,000	1,153,870	-	(1,153,870)
Proceeds from sale of capital assets	1,000	1,000	293	(707)
Cancellation of prior year encumbrances	30,000	30,000	103,379	73,379
Transfers in	38,400	38,400	125,459	87,059
Transfers out	<u>(1,020,000)</u>	<u>(1,020,000)</u>	<u>(1,020,000)</u>	<u>-</u>
Net Other Financing Sources (Uses)	<u>(150,600)</u>	<u>203,270</u>	<u>(790,869)</u>	<u>(994,139)</u>
Net Change in Fund Balance	<u>\$ (15,000)</u>	<u>\$ (15,000)</u>	<u>(465,254)</u>	<u>\$ (450,254)</u>
Fund Balance - July 1, 2019			<u>10,151,009</u>	
Fund Balance - June 30, 2020			<u>\$ 9,685,755</u>	

The accompanying notes are an integral part of the financial statements

TOWN OF OLD LYME, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	Agency Funds
	<hr/>
Assets:	
Cash	\$ <u>318,786</u>
Liabilities	
Liabilities:	
Accounts payable	299,051
Due to other funds	<u>19,735</u>
Total Liabilities	\$ <u><u>318,786</u></u>

The accompanying notes are an integral part of the financial statements

History, Organization and Reporting Entity

The Town of Old Lyme, Connecticut (the Town) was founded in 1655. The Town covers 27.1 square miles located in southeastern Connecticut.

The Town operates under a Selectmen/Town Meeting form of government and provides a full range of services including public safety, roads, sanitation, health, social services, culture and recreation, planning, zoning and general administrative services to its residents. The Town is a member of Regional School District No. 18 (the District) with the Town of Lyme. The District provides education for grades K-12. The accompanying basic financial statements conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies used by the Town:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

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

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

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Agency funds have no measurement focus but are accounted for using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

TOWN OF OLD LYME, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For 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 expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Property taxes, expenditure reimbursement-type grants, certain intergovernmental revenues, transfers and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental fund:

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

Additionally, the Town reports the following fund type:

Agency Funds are used to account for performance bonds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions are charges between certain Town functions because elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

Deposits and Investments

Deposits - The Town considers cash as cash on hand, demand deposits and money market accounts.

Investments - Eligible investments are governed by the Connecticut General Statutes which, in general, allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivisions rated within the top three rating categories of any nationally recognized rating service. Investment income is recorded in the fund in which it was earned.

Investments for the Town are reported at fair value.

Receivables and Payables

Interfunds

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans).

Property Taxes and Other Receivables

In the government-wide financial statements, all trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance is 15% of outstanding receivable balances and is calculated based upon prior collections.

In the fund financial statements, all property taxes receivable at June 30, have been recorded as unavailable revenue, since they are not considered to be available to finance expenditures of the current year.

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

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than purchased.

Capital Assets

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

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

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

TOWN OF OLD LYME, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

<u>Assets</u>	<u>Years</u>
Buildings	30-75
Building improvements	50
Land improvements	15-75
Vehicles	10-25
Machinery and equipment	10-25
Roads	75
Bridges	100

Compensated Absences

Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement.

Sick leave and vacation leave expenditures are recognized in the governmental funds in the current year to the extent they are paid during the year or the vested amount is expected to be paid with available resources. The liability for the remainder of the vested sick and vacation leave, and the nonvested portion expected to be paid in future periods, is accounted for in the government-wide financial statements as a noncurrent liability.

Long-Term Obligations

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding which results from the difference in the carry value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding or the refunded debt.

**TOWN OF OLD LYME, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports a deferred inflow for advanced property tax collections. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

Fund Equity and Net Position

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

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

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

Nonspendable

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

Restricted

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

Committed

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

Assigned

This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent can be expressed by the governing body (Board of Finance) or by an official (Finance Director).

Unassigned

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

The Town will sometimes 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 financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

The Town will sometimes 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 to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Accordingly, actual results could differ from those estimates.

Reclassifications

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

Budget policies - The procedures for establishing the budgetary data reported in the financial statements are as follows:

- The Town legally adopts an annual budget for the General Fund. Formal budgetary integration is employed by the Board of Finance as a management control device during the year for the General Fund.

The Capital Project Funds employ a project length budget, which is approved by the annual Town Meeting.

TOWN OF OLD LYME, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

- Prior to March 1, each department head, office, agency, board or commission of the Town, supported wholly or in part from Town funds, shall submit budget requests in the form requested by the First Selectman so as to indicate the programs, activities and work accomplished in the current fiscal year and to be accomplished during the ensuing year. These shall be accompanied by detailed estimates of expenditures to be made and of revenues other than taxes to be collected during the ensuing fiscal year, along with such other information as may be requested by the Board of Finance or the First Selectman.
- Prior to April 1, the First Selectman shall present to the Board of Finance a budget.
- The Board of Finance shall hold at least one public hearing on the budget during the month of April and shall adopt a proposed budget, including a recommended appropriation act, by May 1, which shall be published in a newspaper in general circulation in the Town at least five days prior to the annual Town Meeting for budget consideration.
- An annual Town Meeting for budget consideration shall be held on the second Tuesday in May. This meeting shall consider the budget presented to it by the Board of Finance and may approve or lower any item, but may not raise the amount of such item. If the annual Town Meeting fails to adopt a budget, the budget will be returned to the Board of Finance for its consideration. The Board of Finance shall return the same or a revised budget to a Town Meeting called by the Board of Finance for a date no later than ten days after the annual meeting, at which the Town Meeting may approve or lower any item. Should the Town Meeting then fail or refuse to adopt a budget, the budget appropriation last proposed by the Board of Finance shall be in full effect.
- The level at which expenditures may not legally exceed appropriations without Board of Finance and/or Town Meeting approval is at the department level. Transfers between departments or new appropriations may be approved by consecutive actions of the Board of Finance and a Town Meeting, which shall be called by the Board of Finance following its action on the new spending proposal.

An appropriation of over \$20,000 for an additional expenditure at the department level not provided for in the annual budget or as a second request may be approved by consecutive favorable actions of the Board of Finance and a referendum of the electors of the Town at a special or regular election of the Town, as one or the other may be determined by the Board of Finance. Additional appropriations to the general fund budget during the year were \$353,870 from fund balance.

- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in budgetary reports (Exhibit E) as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the capital projects funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

**TOWN OF OLD LYME, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

B. Budget - GAAP Reconciliation

A reconciliation of expenditures and fund balance between the accounting treatment required by GAAP (Exhibit D), and budgetary requirements (Exhibit E), is as follows:

	<u>Expenditures</u>	<u>Fund Balance</u>
Balance, budgetary basis, Exhibit E - June 30, 2020	\$ 37,536,876	\$ 9,685,755
Encumbrances outstanding at June 30, 2019 liquidated during the fiscal year	582,081	
Encumbrances outstanding at June 30, 2019 and 2020		447,683
Encumbrances outstanding at June 30, 2020 charged to budgetary expenditures during the fiscal year	<u>(1,661,867)</u>	<u>1,661,867</u>
Balance, GAAP basis, Exhibit D - June 30, 2020	<u>\$ 36,457,090</u>	<u>\$ 11,795,305</u>

C. Deficit Fund Balance

The Bus Barn Fund had a deficit fund balance at year-end of \$1,504. The deficit will be eliminated by transfer in from General Fund and future charges for services.

3. DETAILED NOTES

A. Cash and Investments

Deposits - Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. At year end, \$13,930,738 of the Town's bank balance of \$14,999,524 (including certificates of deposit and money market accounts classified as investments) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 12,462,664
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,468,074</u>
Total Amount Subject to Custodial Risk	<u>\$ 13,930,738</u>

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

TOWN OF OLD LYME, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Investments

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

Investment Type	Fair Value	Investment Maturities (Years)		
		Less Than 1	1 - 10	More than 10
Bank money market accounts	\$ 8,249,674	\$ 8,249,674	\$	\$
Certificates of deposit	3,018,878	3,018,878		
Total	\$ 11,268,552	\$ 11,268,552	\$ -	\$ -

Interest rate risk - The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

Custodial credit risk - The Town has no formal policy with respect to custodial credit risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town had no investments subject to custodial credit risk.

B. Receivables

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

	Property Taxes		
	Taxes	Interest and Lien Fees	Total
Current portion	\$ 331,495	\$ 111,352	\$ 442,847
Long-term portion	448,495	52,838	501,333
Less allowance for uncollectible	(117,000)	(25,000)	(142,000)
Net Long-Term Portion	\$ 331,495	\$ 27,838	\$ 359,333

TOWN OF OLD LYME, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

C. Capital Assets

Capital asset activity for the fiscal year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 3,647,356	\$ 600,000	\$	\$ 4,247,356
Works of art	291,000			291,000
Construction in progress	156,048	280,145		436,193
Total capital assets not being depreciated	<u>4,094,404</u>	<u>880,145</u>	<u>-</u>	<u>4,974,549</u>
Capital assets being depreciated:				
Buildings and improvements	6,824,314	146,338		6,970,652
Land improvements	1,800,170			1,800,170
Machinery, vehicles and equipment	7,369,197	752,726	374,239	7,747,684
Infrastructure	7,326,432	377,100		7,703,532
Total capital assets being depreciated	<u>23,320,113</u>	<u>1,276,164</u>	<u>374,239</u>	<u>24,222,038</u>
Less accumulated depreciation for:				
Buildings and improvements	1,105,186	87,922		1,193,108
Land improvements	468,698	29,794		498,492
Machinery, vehicles and equipment	3,353,198	370,866	339,960	3,384,104
Infrastructure	818,248	118,473		936,721
Total accumulated depreciation	<u>5,745,330</u>	<u>607,055</u>	<u>339,960</u>	<u>6,012,425</u>
Total capital assets being depreciated, net	<u>17,574,783</u>	<u>669,109</u>	<u>34,279</u>	<u>18,209,613</u>
Governmental Activities Capital Assets, Net	<u>\$ 21,669,187</u>	<u>\$ 1,549,254</u>	<u>\$ 34,279</u>	<u>\$ 23,184,162</u>

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

Governmental activities:	
General government	\$ 207,738
Public works	121,118
Parks and recreation	63,193
Other public safety	2,903
Fire services	163,526
Police services	38,637
Senior citizens	9,940
Total	<u>\$ 607,055</u>

The Town has a collection of artworks presented in public buildings. The true value of the art is expected to either be maintained at cost or appreciate over time and, thus, the art is not depreciated. If individual pieces are lost or destroyed, the loss is recorded.

TOWN OF OLD LYME, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

D. Interfund Accounts

Interfund Payables and Receivables

A summary of interfund balances is as follows:

	Corresponding Fund	Due from	Due to
Major fund:			
General fund:			
Social Workers Fund	N/A	\$ 2,006	\$
Misc Revenue	N/A		106,244
Dog Fund	N/A	971	
Police Private Duty	N/A	48,873	
Harbor Mgt	N/A	277	
Public Building Improve	N/A		1,377
Sanitation & Recycling	N/A		12,000
Senior Center Board	N/A	613	
Bus Barn	N/A	2,321	
Capital Nonrecurring	N/A	9,880	
Fire Fighting Equipment	N/A		80,300
Hains Park Restroom	N/A		31,675
Town Building Improvements	N/A	26,665	
Sound View Improv	N/A		
Land Acquisition	N/A	1,082	
IT	N/A		2,749
Library Improvement	N/A		183,213
Road Improvement	N/A	77,100	
Performance Bonds	N/A	19,735	
Total general fund		<u>189,523</u>	<u>417,558</u>
Nonmajor funds:			
Special revenue funds:			
Social Workers Fund	General fund		2,006
Misc Revenue	General fund	106,244	
Dog Fund	General fund		971
Police Private Duty	General fund		48,873
Harbor Mgt	General fund		277
Public Building Improve	General fund	1,377	
Sanitation & Recycling	General fund	12,000	
Senior Ctr Board	General fund		613
Bus Barn	General fund		2,321
Capital project funds:			
Capital Nonrecurring	General fund		9,880
Land Acquisition	General fund		1,082
Hains Park Restroom	General fund	31,675	
Town Building improvement	General fund		26,665
IT	General fund	2,749	
Fire Fighters Equipment	General fund	80,300	
Sound View Improv	General fund		
Library Improvements	General fund	183,213	
Road Improvement	General fund		77,100
Total nonmajor funds		<u>417,558</u>	<u>169,788</u>
Fiduciary funds:			
Performance bonds	General fund		19,735
Grand total		<u>\$ 607,081</u>	<u>\$ 607,081</u>

TOWN OF OLD LYME, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Interfund Transfers

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

	Corresponding Fund	Transfers In	Transfer Out
Major fund:			
General fund:			
Dog Fund	N/A	\$ 15,000	\$
Bus Barn	N/A	38,400	
Sound View Improvement	N/A	72,059	
Land Acquisition	N/A		75,000
Capital Nonrecurring	N/A		20,000
Town Building Improvement	N/A		5,000
Road Improvement	N/A		630,000
Firefighters equipment	N/A		125,000
IT	N/A		115,000
PW Capital	N/A		160,000
Sanitation & Recycling	N/A		10,000
Total general fund		<u>125,459</u>	<u>1,140,000</u>
Nonmajor funds:			
Special revenue funds:			
Bus Barn	General Fund		38,400
Bus Barn	Revaluation Fund		21,600
Dog Fund	General Fund		15,000
Sanitation & Recycling	General Fund	10,000	
Capital project funds:			
Capital Nonrecurring	Bus Barn	21,600	
Capital Nonrecurring	General fund	20,000	
Sound View Improvements	General fund		72,059
IT	General fund	115,000	
Town Building Improvement	General fund	5,000	
Land Acquisition	General Fund	75,000	
Firefighters Equipment	General Fund	125,000	
Road Improvement	General Fund	630,000	
PW Capital	General Fund	160,000	
Total nonmajor funds		<u>1,161,600</u>	<u>147,059</u>
Grand total		\$ <u>1,287,059</u>	\$ <u>1,287,059</u>

Transfers are used to account the financing by the general fund of various program and activities in other funds.

**TOWN OF OLD LYME, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

E. Changes in Long-Term Obligations

Summary of Changes

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

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Current Portion
Bonds - refunding	\$ 2,765,000	6/30/2016	9/15/2024	1.44%	\$ 1,815,000	\$ 1,250,000	\$ 315,000	\$ 1,500,000	\$ 310,000
Bonds - Library	1,250,000	8/26/2019	9/1/2029	2.05%	1,815,000	1,250,000	315,000	1,250,000	125,000
								\$ 2,750,000	\$ 435,000
Landfill postclosure costs					384,000		16,000	368,000	16,000
Compensated absences					193,074		193,074	-	
Total long-term obligations					\$ 2,392,074	\$ 1,250,000	\$ 524,074	\$ 3,118,000	\$ 451,000

Old Lyme is a member of the District, which provides education facilities for grades pre-k through 12 for the Towns of Lyme and Old Lyme. At year end, the outstanding bonded indebtedness of the District was \$21,055,000. The Town of Old Lyme's share will be approximately 81.2%, which totaled \$17,096,660. These are general obligations of the District and its member towns.

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

The annual requirements to amortize bonds payable are as follows:

Fiscal Year Ended June 30	Principal	Interest	Total
2021	\$ 435,000	\$ 43,712	\$ 478,712
2022	430,000	36,722	466,722
2023	425,000	29,803	454,803
2024	420,000	22,957	442,957
2025	415,000	16,182	431,182
2026	125,000	11,531	136,531
2027	125,000	8,969	133,969
2028	125,000	6,407	131,407
2029	125,000	3,844	128,844
2030	125,000	1,282	126,282
Total	\$ 2,750,000	\$ 181,409	\$ 2,931,409

Landfill Closure and Postclosure Care Costs

State and Federal laws and regulations require that the Town place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The Town closed and covered its landfill. Monitoring costs and estimated repairs and maintenance for the next 24 years at \$16,000 per year are \$368,000. The postclosure care amounts are estimates, which are subject to changes due to inflation, technology or applicable landfill laws and regulations.

**TOWN OF OLD LYME, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Authorized/Unissued Bonds

There are no authorized/unissued bonds.

Statutory Debt Limitations

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 80,134,877	\$ 2,750,000	\$ 77,384,877
Schools	160,269,755	17,096,660	143,173,095
Sewers	133,558,129	-	133,558,129
Urban renewal	115,750,378	-	115,750,378
Pension deficit	106,846,503	-	106,846,503

The overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$249,308,507.

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

**TOWN OF OLD LYME, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

F. Fund Balance Classifications

Fund balances are composed of the following:

	General Fund	Nonmajor Governmental Funds	Total
Fund balances:			
Nonspendable for:			
Prepays expenditures	\$ 1,016,794	\$	\$ 1,016,794
Committed for:			
Town capital projects		1,660,512	1,660,512
Assigned for:			
General government	12,978	28,095	41,073
Boards and commissions	146,205	26,871	173,076
Public works	15,000		15,000
Parks and recreation		13,818	13,818
Other public safety	9,012	33,148	42,160
Police services		54,946	54,946
Health services		58,170	58,170
Senior citizens		106,707	106,707
Sanitation and recycling		12,000	12,000
Capital outlay	1,926,355		1,926,355
Unassigned	8,574,753	(1,504)	8,573,249
Total Fund Balances	\$ 11,701,097	\$ 1,992,763	\$ 13,693,860

Fund balance amounts classified as assigned under the general fund represent encumbrances outstanding at June 30, 2020.

4. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters.

The Town currently is a member in Connecticut Interlocal Risk Management Agency (CIRMA), a public entity risk pool established for the purpose of administering an interlocal risk management program pursuant to the provisions of Section 7-479a et. seq. of Connecticut General Statutes for workers' compensation and employer liability coverage. The Town pays an annual premium for its coverage. CIRMA should be self-sustaining through members' premiums but reinsures in excess of \$1,000,000 for each insured occurrence. Members may be subject to supplemental assessment in the event of deficiencies; however, potential assessments are limited pursuant to the by-laws.

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

B. Commitments and Litigation

The Town has been named as defendant in several claims and legal actions. The Town's attorney estimates that the potential claims against the Town not covered by insurance resulting from such claims and legal actions would not materially affect the financial condition of the Town.

The Town has received federal and state 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 upon prior experience, Town management believes such disallowances, if any, will not be material.

C. Pension Plans

Defined Contribution Town of Old Lyme Pension Plan

The Town has established and administers a multiple employer defined contribution plan to provide pension benefits for all of its full-time employees and the District nonprofessional administrative employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate at twenty-one (21) years of age and after one year of service. Participants are not required to contribute to the plan; however, they are allowed to contribute on an after-tax basis up to 10%, which is fully vested. The Town's contributions for each employee and interest allocated to the employee's account are fully vested after five years of continuous service. The Town's contribution is allocated to participants' accounts on the basis of compensation. Contribution requirements of the plan members and the Town are established and may be amended by the Board of Selectmen. The Town is required to contribute 8% of its employee covered payroll. The plan does not issue stand-alone reports.

The Town and the District's payroll of eligible individuals covered by the plan was \$5,892,913. Employee contributions totaled \$104,487, or 1.8%, of covered payroll, and the Town and District recognized pension expense of \$471,433, or 8% of covered payroll.

The Town has no liability to the plan at year end.

Defined Contribution Volunteer Firefighters' Retirement Plan

The volunteer firefighters participate in a defined contribution plan; however, the assets are not held in the Town's name. Although not required, it has been the Town's policy in the past years to fund all pension costs accrued in the current year. The Town's contribution during the fiscal year was \$70,850.

Coronavirus (COVID-19)

On January 30, 2020, the World Health Organization declared the coronavirus to be a public health emergency. On March 10, 2020, the Governor of the State of Connecticut declared a public health emergency and a civil preparedness emergency due to COVID-19.

The Town derives a significant portion of its revenues from property taxes. While the Town has not experienced any significant increase in the amount of delinquency from its taxpayers, the situation creates uncertainty about the impact of future revenues that might be generated. In addition, at this time, it is uncertain what the effects of the pandemic will be on the Town's health care costs, changes in interest rates, investment valuation and future federal or state fiscal relief.

Supplemental Schedules

General Fund

The general fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The general fund accounts for the normal recurring activities of the Town (i.e., general government, public safety, public works, health, social services, recreation, education, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

TOWN OF OLD LYME, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget
Property taxes:				
Property taxes	\$ 35,255,600	\$ 35,255,600	\$ 35,463,099	\$ 207,499
Interest and lien fees	200,000	200,000	165,401	(34,599)
Telephone access line grant	25,000	25,000	25,224	224
Total property taxes	35,480,600	35,480,600	35,653,724	173,124
Charges for services:				
Ambulance fuel reimbursement	7,000	7,000	7,552	552
Assessor	1,000	1,000	742	(258)
Beach stickers and permits	30,000	30,000	30,365	365
Building department	155,000	155,000	148,801	(6,199)
Cell phone tower lease	31,200	31,200	36,862	5,662
Fire marshal	400	400	60	(340)
Historic District commission	300	300	-	(300)
Inland/wetlands	2,500	2,500	-	(2,500)
Insurance reimbursement	1,200	1,200	23,258	22,058
Land use reimbursements	9,500	9,500	780	(8,720)
Miscellaneous	15,010	15,010	111,286	96,276
Other reimbursements	-	-	1,530	1,530
Parking fines	16,000	16,000	6,010	(9,990)
Parking	95,000	95,000	98,136	3,136
Parks and recreation department	45,000	45,000	44,103	(897)
Planning commission	1,000	1,000	4,297	3,297
Recycling	1,500	1,500	1,012	(488)
Registrar reimbursement	2,000	2,000	-	(2,000)
Rogers Lake Authority reimbursement	39,500	39,500	12,343	(27,157)
School crossing guard	8,500	8,500	2,272	(6,228)
Selectmen's office	11,000	11,000	12,156	1,156
Senior center reimbursement	40,000	40,000	32,818	(7,182)
Town clerk's office	235,000	235,000	286,869	51,869
Town Woods Park reimbursement	30,000	30,000	35,477	5,477
Transfer Station	105,000	105,000	140,612	35,612
Zoning board of appeals	2,500	2,500	1,880	(620)
Zoning commission	5,000	5,000	5,308	308
Total charges for services	890,110	890,110	1,044,529	154,419
Intergovernmental:				
Education equalization grant	237,221	237,221	239,884	2,663
Emergency management	120,000	120,000	15,985	(104,015)
Grants for Municipal Projects	1,888	1,888	1,888	-
LOCIP	49,159	49,159	107,246	58,087
Miscellaneous state grants	10,000	10,000	14,601	4,601
PILOT - colleges	33,136	33,136	33,136	-
PILOT - federal property	1,000	1,000	992	(8)
PILOT - state property	9,966	9,966	9,966	-
State police DWI	14,600	14,600	-	(14,600)
DEEP-WPCA Improvement Study	-	-	9,161	9,161
DOT-Sound View Sidewalk Improvement	400,000	400,000	-	(400,000)
DOT-Mile Creek Road Bridge Improvement	427,400	427,400	239,602	(187,798)
Town aid road	229,307	229,307	228,861	(446)
Disability tax exempt	-	-	170	170
Veterans' tax exempt	3,500	3,500	4,123	623
Total intergovernmental	1,537,177	1,537,177	905,615	(631,562)
Investment income:				
Interest on investments	120,000	120,000	258,623	138,623
Total revenues	38,027,887	38,027,887	37,862,491	(165,396)
Other financing sources:				
Appropriation of fund balance	800,000	1,153,870	-	(1,153,870)
Proceeds from sale of capital assets	1,000	1,000	293	(707)
Cancellation of prior year encumbrances	30,000	30,000	103,379	73,379
Transfers in:				
Sound View Improvement Fund	-	-	72,059	72,059
Dog Fund	15,000	15,000	15,000	-
Bus barn fund	38,400	38,400	38,400	-
Total other financing sources	884,400	1,238,270	229,131	(1,009,139)
Total revenues and other financing sources	\$ 38,912,287	\$ 39,266,157	\$ 38,091,622	\$ (1,174,535)

**TOWN OF OLD LYME, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
General government:				
Selectmen's office	\$ 287,053	\$ 287,053	\$ 262,169	\$ 24,884
Town clerk	126,616	126,616	123,542	3,074
Tax collector	110,247	110,247	101,233	9,014
Treasurer	179,602	179,602	178,012	1,590
Registrar	54,136	54,136	50,316	3,820
Information technology	87,505	87,505	77,906	9,599
Probate court	6,000	6,000	5,792	208
Assessor	136,454	136,454	133,686	2,768
Building department	130,926	130,926	128,346	2,580
Health department	94,789	94,789	92,448	2,341
Town hall	171,500	161,877	133,742	28,135
Insurance	880,000	773,200	773,074	126
Special deductions	428,000	462,223	462,223	-
Total general government	<u>2,692,828</u>	<u>2,610,628</u>	<u>2,522,489</u>	<u>88,139</u>
Boards and commissions:				
Harbor management commission	1,250	2,750	2,385	365
Economic development commission	44,160	44,160	32,767	11,393
Ethics commission	25	25	-	25
Water management authority	93,412	93,412	91,604	1,808
Board of finance	10,425	10,425	9,031	1,394
Flood and erosion control board	540	540	252	288
Historic district commission	4,700	4,700	4,359	341
Tree commission	13,950	13,950	9,480	4,470
Parks and Recreation commission	1,522	1,522	1,051	471
Board of assessment appeals	1,528	1,528	1,034	494
Rogers Lake authority	72,721	72,721	67,101	5,620
Land use	262,927	262,927	202,776	60,151
Sound View	14,460	14,460	9,875	4,585
Conservation commission	3,273	3,273	255	3,018
Open space	19,716	19,716	19,593	123
Total boards and commissions	<u>544,609</u>	<u>546,109</u>	<u>451,563</u>	<u>94,546</u>
Public works:				
Public works expenditures	<u>932,958</u>	<u>932,958</u>	<u>737,429</u>	<u>195,529</u>
Parks and recreation:				
Parks and recreation	252,034	261,234	261,222	12
Town Woods Park	152,710	143,510	122,459	21,051
Fireworks/Memorial day	22,500	22,500	20,229	2,271
Total parks and recreation	<u>427,244</u>	<u>427,244</u>	<u>403,910</u>	<u>23,334</u>
Other public safety:				
Animal control	63,949	63,949	58,058	5,891
Emergency management	18,900	101,100	100,972	128
Valley shore communications	150,000	150,000	149,229	771
Ambulance	163,182	163,182	142,384	20,798
Total other public safety	<u>396,031</u>	<u>478,231</u>	<u>450,643</u>	<u>27,588</u>

(Continued on next page)

**TOWN OF OLD LYME, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Social services:				
Social service	\$ 19,864	\$ 19,864	\$ 18,802	\$ 1,062
Lyme's youth services	93,000	93,000	93,000	-
Total social services	<u>112,864</u>	<u>112,864</u>	<u>111,802</u>	<u>1,062</u>
Fire services:				
Old Lyme fire department	180,134	195,254	173,769	21,485
Fire protection	33,600	33,600	31,824	1,776
Fire marshal	74,324	74,324	70,208	4,116
Firemen's incentive plan	86,000	82,500	77,350	5,150
Total fire services	<u>374,058</u>	<u>385,678</u>	<u>353,151</u>	<u>32,527</u>
Police services:				
Resident state police	222,500	198,500	198,184	316
Municipal police	679,870	707,370	707,157	213
Total police services	<u>902,370</u>	<u>905,870</u>	<u>905,341</u>	<u>529</u>
Health services:				
Social services agencies	6,042	6,042	6,042	-
VNA	74,050	74,050	74,050	-
Total health services	<u>80,092</u>	<u>80,092</u>	<u>80,092</u>	<u>-</u>
Senior citizens' activities:				
Estuary transit district	16,000	16,000	16,000	-
Estuary services	40,700	40,700	40,700	-
Senior center	121,835	121,835	106,103	15,732
Total senior citizens' activities	<u>178,535</u>	<u>178,535</u>	<u>162,803</u>	<u>15,732</u>
Other nonprofits	<u>372,000</u>	<u>380,750</u>	<u>380,750</u>	<u>-</u>
Sanitation:				
Municipal refuse collection	814,000	814,000	788,167	25,833
Recycling	41,800	14,300	10,295	4,005
Household hazardous waste	19,000	19,000	17,733	1,267
Transfer station	232,269	259,769	259,585	184
Total sanitation	<u>1,107,069</u>	<u>1,107,069</u>	<u>1,075,780</u>	<u>31,289</u>

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**TOWN OF OLD LYME, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Chartered beach associations	\$ 71,700	\$ 71,700	\$ 71,700	\$ -
Total chartered beach associations				
Regional School District No. 18	<u>27,556,679</u>	<u>27,556,679</u>	<u>27,556,679</u>	<u>-</u>
Debt service:				
Redemption of debt	315,000	315,000	315,000	-
Interest on debt	<u>38,000</u>	<u>38,000</u>	<u>37,036</u>	<u>964</u>
Total debt service	<u>353,000</u>	<u>353,000</u>	<u>352,036</u>	<u>964</u>
Capital outlay:				
General government	146,350	146,350	88,884	57,466
Public works	5,000	5,000	4,999	1
Public safety	386,600	386,600	247,942	138,658
Public works roads and projects	<u>1,252,300</u>	<u>1,580,800</u>	<u>1,578,883</u>	<u>1,917</u>
Total capital outlay	<u>1,790,250</u>	<u>2,118,750</u>	<u>1,920,708</u>	<u>198,042</u>
Total expenditures	<u>37,892,287</u>	<u>38,246,157</u>	<u>37,536,876</u>	<u>709,281</u>
Other financing uses:				
Transfers out:				
Firefighters' equipment	125,000	125,000	125,000	-
Capital nonrecurring - revaluation	20,000	20,000	20,000	-
Town building improvement	5,000	5,000	5,000	-
Road improvement fund	630,000	630,000	630,000	-
Public Works capital fund	40,000	40,000	40,000	-
Sanitation & Recycling	10,000	10,000	10,000	-
Info Tech	115,000	115,000	115,000	-
Land acquisition	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Total other financing uses	<u>1,020,000</u>	<u>1,020,000</u>	<u>1,020,000</u>	<u>-</u>
Total Expenditures and Other Financing Uses	\$ <u>38,912,287</u>	\$ <u>39,266,157</u>	\$ <u>38,556,876</u>	\$ <u>709,281</u>

**TOWN OF OLD LYME, CONNECTICUT
REPORT OF PROPERTY TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2020**

Grand List Year	Uncollected Taxes July 1, 2019	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections				Uncollected Taxes June 30, 2020
			Additions	Deductions			Taxes	Interest	Lien Fees	Total	
Suspense	\$ -	\$	\$ 2,966	\$	\$	\$ 2,966	\$ 2,966	\$ 3,548	\$ -	\$ 6,514	\$ -
2003						-	-			-	-
2004						-	-			-	-
2005						-	-			-	-
2006						-	-			-	-
2007						-	-			-	-
2008						-	-			-	-
2009						-	-			-	-
2010	186					186	-			-	186
2011	169					169	-			-	169
2012	83					83	83			83	-
2013	3,595					3,595	1,882	123	24	2,029	1,713
2014	24,733					24,733	11,951	3,256	72	15,279	12,782
2015	78,066			70	(18,189)	59,807	33,409	10,131	120	43,660	26,398
2016	179,284		1			179,285	66,865	26,625	528	94,018	112,420
2017	397,034		1,582	24,638		373,978	152,863	36,548	1,052	190,463	221,115
Total Prior Years	683,150	-	4,549	24,708	(18,189)	644,802	270,019	80,231	1,796	352,046	374,783
2018	-	35,717,527	30,109	162,720	(372)	35,585,288	35,180,081	83,198	176	35,263,455	405,207
Total	\$ 683,150	\$ 35,717,527	\$ 34,658	\$ 187,428	\$ (18,561)	\$ 36,230,090	\$ 35,450,100	\$ 163,429	\$ 1,972	\$ 35,615,501	\$ 779,990

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

TOWN OF OLD LYME, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020

	Special Revenue Funds										Total
	Social Workers' Fund	Miscellaneous Fund	Dog Fund	Private Duty Fund	Harbor Management Fund	Town Woods Park Fund	Public Building Improvement Fund	Senior Center Board Fund	Bus Barn Fund	Sanitation & Recycling Fund	
ASSETS											
Cash	\$ 60,845	\$	\$ 34,119	\$ 65,184	\$ 27,148	\$ 13,818	\$ 26,718	\$ 107,320	\$ 817	\$	\$ 335,969
Receivables:											
Other		4,830		38,635							43,465
Due from other funds		106,244					1,377			12,000	119,621
Total Assets	<u>\$ 60,845</u>	<u>\$ 111,074</u>	<u>\$ 34,119</u>	<u>\$ 103,819</u>	<u>\$ 27,148</u>	<u>\$ 13,818</u>	<u>\$ 28,095</u>	<u>\$ 107,320</u>	<u>\$ 817</u>	<u>\$ 12,000</u>	<u>\$ 499,055</u>
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable	\$ 2,006	\$	\$ 971	\$ 48,873	\$ 277	\$	\$	\$ 613	\$ 2,321	\$	\$ 55,061
Due to other funds	669	111,074									111,743
Unearned revenue											
Total liabilities	<u>2,675</u>	<u>111,074</u>	<u>971</u>	<u>48,873</u>	<u>277</u>	<u>-</u>	<u>-</u>	<u>613</u>	<u>2,321</u>	<u>-</u>	<u>166,804</u>
Fund balances:											
Assigned	58,170		33,148	54,946	26,871	13,818	28,095	106,707		12,000	333,755
Unassigned									(1,504)		(1,504)
Total fund balances	<u>58,170</u>	<u>-</u>	<u>33,148</u>	<u>54,946</u>	<u>26,871</u>	<u>13,818</u>	<u>28,095</u>	<u>106,707</u>	<u>(1,504)</u>	<u>12,000</u>	<u>332,251</u>
Total Liabilities and Fund Balances	<u>\$ 60,845</u>	<u>\$ 111,074</u>	<u>\$ 34,119</u>	<u>\$ 103,819</u>	<u>\$ 27,148</u>	<u>\$ 13,818</u>	<u>\$ 28,095</u>	<u>\$ 107,320</u>	<u>\$ 817</u>	<u>\$ 12,000</u>	<u>\$ 499,055</u>

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TOWN OF OLD LYME, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2020

	Capital Project Funds											Total Nonmajor Governmental Funds
	Capital Nonrecurring	Town Building Improvement	Land Acquisition	Firefighters' Equipment	Hains Park Bathrooms	Sound View Bike Path- Improvement	Road Improvement	Public Works Capital	IT	Library Improvement	Total	
ASSETS												
Cash	\$ 123,598	\$ 79,196	\$ 269,620	\$ 327,773	\$	\$	\$ 533,936	\$ 122,477	\$ 20,702	\$	\$ 1,477,302	\$ 1,813,271
Receivables:												
Other				80,300	31,675				2,749	183,213	-	43,465
Due from other funds											297,937	417,558
Total Assets	\$ 123,598	\$ 79,196	\$ 269,620	\$ 408,073	\$ 31,675	\$ -	\$ 533,936	\$ 122,477	\$ 23,451	\$ 183,213	\$ 1,775,239	\$ 2,274,294
LIABILITIES AND FUND BALANCES												
Liabilities:												
Accounts payable												
Due to other funds	\$ 9,880	\$ 26,665	\$ 1,082	\$	\$	\$	\$ 77,100	\$	\$		114,727	\$ 169,788
Unearned revenue												111,743
Total liabilities	9,880	26,665	1,082	-	-	-	77,100	-	-	-	114,727	281,531
Fund balances:												
Committed	113,718	52,531	268,538	408,073	31,675		456,836	122,477	23,451	183,213	\$ 1,660,512	1,660,512
Assigned												333,755
Unassigned												(1,504)
Total fund balances	113,718	52,531	268,538	408,073	31,675	-	456,836	122,477	23,451	183,213	1,660,512	1,992,763
Total Liabilities and Fund Balances	\$ 123,598	\$ 79,196	\$ 269,620	\$ 408,073	\$ 31,675	\$ -	\$ 533,936	\$ 122,477	\$ 23,451	\$ 183,213	\$ 1,775,239	\$ 2,274,294

**TOWN OF OLD LYME, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds										Total
	Social Workers' Fund	Miscellaneous Fund	Dog Fund	Private Duty Fund	Harbor Management Fund	Town Woods Park Fund	Public Building Improvement Fund	Senior Center Board Fund	Bus Barn Fund	Sanitation & Recycling Fund	
Revenues:											
Charges for services	\$	\$ 8,544	\$ 3,624	\$ 92,779	\$ 1,745	\$	\$ 4,134	\$ 13,951	\$ 60,000	\$	\$ 184,777
Intergovernmental		6,595									6,595
Investment income	537		290	92	235	115		1,033	203		2,505
Contributions	7,926	1,396	100				206				9,628
Other revenue		13,356									13,356
Total revenues	<u>8,463</u>	<u>29,891</u>	<u>4,014</u>	<u>92,871</u>	<u>1,980</u>	<u>115</u>	<u>4,340</u>	<u>14,984</u>	<u>60,203</u>	<u>-</u>	<u>216,861</u>
Expenditures:											
Current:											
General government		12,814							873		13,687
Parks and recreation		430									430
Other public safety		3,539	393		3,471						7,403
Fire services		7,347									7,347
Police services				85,266							85,266
Health services	12,944	1,095									14,039
Senior citizens		4,666						32,104			36,770
Total expenditures	<u>12,944</u>	<u>29,891</u>	<u>393</u>	<u>85,266</u>	<u>3,471</u>	<u>-</u>	<u>-</u>	<u>32,104</u>	<u>873</u>	<u>-</u>	<u>164,942</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(4,481)</u>	<u>-</u>	<u>3,621</u>	<u>7,605</u>	<u>(1,491)</u>	<u>115</u>	<u>4,340</u>	<u>(17,120)</u>	<u>59,330</u>	<u>-</u>	<u>51,919</u>
Other Financing Sources (Uses):											
Transfers in										10,000	10,000
Transfers out			(15,000)						(60,000)		(75,000)
Net Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60,000)</u>	<u>10,000</u>	<u>(65,000)</u>
Net Change in Fund Balances	<u>(4,481)</u>	<u>-</u>	<u>(11,379)</u>	<u>7,605</u>	<u>(1,491)</u>	<u>115</u>	<u>4,340</u>	<u>(17,120)</u>	<u>(670)</u>	<u>10,000</u>	<u>(13,081)</u>
Fund Balances - July 1, 2019	<u>62,651</u>	<u>-</u>	<u>44,527</u>	<u>47,341</u>	<u>28,362</u>	<u>13,703</u>	<u>23,755</u>	<u>123,827</u>	<u>(834)</u>	<u>2,000</u>	<u>345,332</u>
Fund Balances - June 30, 2020	<u>\$ 58,170</u>	<u>\$ -</u>	<u>\$ 33,148</u>	<u>\$ 54,946</u>	<u>\$ 26,871</u>	<u>\$ 13,818</u>	<u>\$ 28,095</u>	<u>\$ 106,707</u>	<u>\$ (1,504)</u>	<u>\$ 12,000</u>	<u>\$ 332,251</u>

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TOWN OF OLD LYME, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

	Capital Project Funds											Total Nonmajor Governmental Funds
	Capital Nonrecurring	Town Building Improvement	Land Acquisition	Firefighters' Equipment	Hains Park Bathrooms	Sound View Bike Path- Improvement	Road Improvement	Public Works Capital	IT	Library Improvement	Total	
Revenues:												
Charges for services	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	-	\$ 184,777
Intergovernmental											-	6,595
Investment income	709	627	4,719	3,553			895	205	38	9,467	20,213	22,718
Contributions											-	9,628
Other revenue									6,750		6,750	20,106
Total revenues	<u>709</u>	<u>627</u>	<u>4,719</u>	<u>3,553</u>	<u>-</u>	<u>-</u>	<u>895</u>	<u>205</u>	<u>6,788</u>	<u>9,467</u>	<u>26,963</u>	<u>243,824</u>
Expenditures:												
Current:											-	
General government	64,471	12,901							98,337	1,576,254	1,751,963	1,765,650
Public works							377,100	37,728			414,828	414,828
Parks and recreation			614,304			1,816					616,120	616,550
Other public safety											-	7,403
Fire services				602,878							602,878	610,225
Police services											-	85,266
Health services											-	14,039
Senior citizens		13,764									13,764	50,534
Total expenditures	<u>64,471</u>	<u>26,665</u>	<u>614,304</u>	<u>602,878</u>	<u>-</u>	<u>1,816</u>	<u>377,100</u>	<u>37,728</u>	<u>98,337</u>	<u>1,576,254</u>	<u>3,399,553</u>	<u>3,564,495</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(63,762)</u>	<u>(26,038)</u>	<u>(609,585)</u>	<u>(599,325)</u>	<u>-</u>	<u>(1,816)</u>	<u>(376,205)</u>	<u>(37,523)</u>	<u>(91,549)</u>	<u>(1,566,787)</u>	<u>(3,372,590)</u>	<u>(3,320,671)</u>
Other Financing Sources (Uses):												
Transfers in	41,600	5,000	75,000	125,000			630,000	160,000	115,000		1,151,600	1,161,600
Proceeds from sale of equipment				80,300							80,300	80,300
Proceeds from notes payable										1,250,000	1,250,000	1,250,000
Transfers out						(72,059)					(72,059)	(147,059)
Net Other Financing Sources (Uses)	<u>41,600</u>	<u>5,000</u>	<u>75,000</u>	<u>205,300</u>	<u>-</u>	<u>(72,059)</u>	<u>630,000</u>	<u>160,000</u>	<u>115,000</u>	<u>1,250,000</u>	<u>2,409,841</u>	<u>2,344,841</u>
Net Change in Fund Balances	<u>(22,162)</u>	<u>(21,038)</u>	<u>(534,585)</u>	<u>(394,025)</u>	<u>-</u>	<u>(73,875)</u>	<u>253,795</u>	<u>122,477</u>	<u>23,451</u>	<u>(316,787)</u>	<u>(962,749)</u>	<u>(975,830)</u>
Fund Balances - July 1, 2019	<u>135,880</u>	<u>73,569</u>	<u>803,123</u>	<u>802,098</u>	<u>31,675</u>	<u>73,875</u>	<u>203,041</u>	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>2,623,261</u>	<u>2,968,593</u>
Fund Balances - June 30, 2020	\$ <u>113,718</u>	\$ <u>52,531</u>	\$ <u>268,538</u>	\$ <u>408,073</u>	\$ <u>31,675</u>	\$ <u>-</u>	\$ <u>456,836</u>	\$ <u>122,477</u>	\$ <u>23,451</u>	\$ <u>183,213</u>	\$ <u>1,660,512</u>	\$ <u>1,992,763</u>

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town in a trustee capacity for individuals, private organizations or other governments.

Agency Funds

Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

**TOWN OF OLD LYME, CONNECTICUT
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSET AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
Asset				
Cash:				
Performance bonds	\$ <u>329,850</u>	\$ <u>2,746</u>	\$ <u>13,810</u>	\$ <u>318,786</u>
Liabilities				
Accounts payable:				
Performance bonds	\$ 310,279	\$ 2,582	\$ 13,810	\$ 299,051
Due to other funds:				
Performance bonds	<u>19,571</u>	<u>164</u>	<u> </u>	<u>19,735</u>
Total Liabilities	\$ <u>329,850</u>	\$ <u>2,746</u>	\$ <u>13,810</u>	\$ <u>318,786</u>

Trend Information

TABLE 1

TOWN OF OLD LYME, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN YEARS
(Unaudited)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net investment in capital assets	\$ 21,705,131	\$ 19,854,187	\$ 19,607,377	\$ 19,157,888	\$ 16,803,929	\$ 15,825,169	\$ 15,512,237	\$ 14,663,770	\$ 13,302,576	\$ 12,172,355
Restricted for:										
Capital projects	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>12,863,272</u>	<u>14,420,731</u>	<u>12,737,475</u>	<u>11,709,604</u>	<u>10,799,781</u>	<u>9,167,351</u>	<u>8,024,680</u>	<u>7,070,073</u>	<u>6,699,214</u>	<u>5,806,440</u>
Total Net Position	<u>\$ 34,568,403</u>	<u>\$ 34,274,918</u>	<u>\$ 32,344,852</u>	<u>\$ 30,867,492</u>	<u>\$ 27,603,710</u>	<u>\$ 24,992,520</u>	<u>\$ 23,536,917</u>	<u>\$ 21,733,843</u>	<u>\$ 20,001,790</u>	<u>\$ 17,978,795</u>

TABLE 2

TOWN OF OLD LYME, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN YEARS
(Unaudited)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses:										
General government	\$ 4,614,532	\$ 3,191,913	\$ 2,770,249	\$ 2,747,576	\$ 2,639,326	\$ 2,870,319	\$ 2,828,319	\$ 2,390,703	\$ 2,708,122	\$ 2,426,942
Public works	1,345,193	1,317,452	1,696,348	1,242,170	1,295,885	1,324,016	1,306,797	1,345,789	1,275,043	1,238,387
Parks and recreation	527,133	504,181	427,120	464,329	1,930,981	491,930	494,022	382,947	427,992	386,002
Other public safety	452,117	440,272	373,015	397,308	351,505	403,834	330,743	658,678	488,654	351,199
Social services	111,802	107,983	103,930	110,570	105,457	93,486	90,972	83,896	84,466	83,955
Fire services	560,305	641,510	561,976	640,059	430,894	464,308	510,386	453,464	761,987	698,564
Police services	1,288,332	1,238,522	1,140,264	961,451	998,934	1,153,081	1,152,650	1,104,710	886,192	781,859
Health services	94,131	106,951	162,631	153,063	150,364	150,831	149,989	156,327	156,946	150,025
Senior citizens	288,948	233,385	223,561	198,121	189,321	218,980	189,045	108,339	71,189	67,520
Sanitation	1,072,049	1,053,639	1,038,310	957,297	1,089,305	1,014,480	1,087,838	1,399,954	818,219	1,076,571
Education	27,556,679	26,343,259	26,535,202	25,565,976	25,014,080	24,649,113	24,314,383	24,293,158	23,285,508	22,632,353
Interest expense	48,419	31,233	35,906	40,516	78,485	84,037	92,090	138,124	110,426	107,192
Total expenses	<u>37,959,640</u>	<u>35,210,300</u>	<u>35,068,512</u>	<u>33,478,436</u>	<u>34,274,537</u>	<u>32,918,415</u>	<u>32,547,234</u>	<u>32,516,089</u>	<u>31,074,744</u>	<u>30,000,569</u>
Program revenues:										
Charges for services:										
General government	656,401	532,332	237,367	483,380	526,326	488,866	543,511	515,669	467,346	414,045
Public works	4,134	3,753	3,124	4,329	4,508	4,239	4,728	7,888	6,357	8,190
Parks and recreation	208,081	217,808	190,558	219,104	236,599	198,812	207,337	215,018	252,141	208,841
Other public safety	11,176	11,971	262,818	12,013	14,597	19,337	18,376	17,987	9,369	15,589
Fire services	60	480	45,183	380	650	360	400	380	420	850
Police services	98,789	54,663	57,288	43,409	51,975	89,059	49,359	70,117	145,922	73,473
Health services	-	-	8,219	5,632	15,397	10,688	14,904	15,425	13,230	10,432
Senior citizens	46,769	82,037	17,297	55,897	48,707	48,905	54,155	13,668	7,159	7,287
Sanitation	201,624	186,736	164,074	112,942	148,907	193,509	165,702	223,304	351,026	238,107
Education	2,272	10,464	28,784	66,044	68,384	65,647	64,571	65,054	64,461	63,755
Operating grants and contributions	281,253	399,565	331,070	960,280	2,766,825	749,675	963,519	1,029,382	1,154,206	860,837
Capital grants and contributions	468,463	307,814	254,080	957,764	394,259	279,550	793,642	795,262	248,927	185,441
Total program revenues	<u>1,979,022</u>	<u>1,807,623</u>	<u>1,599,862</u>	<u>2,921,174</u>	<u>4,277,134</u>	<u>2,148,647</u>	<u>2,880,204</u>	<u>2,969,154</u>	<u>2,720,564</u>	<u>2,086,847</u>
Net expenses:										
Governmental activities	<u>(35,980,618)</u>	<u>(33,402,677)</u>	<u>(33,468,650)</u>	<u>(30,557,262)</u>	<u>(29,997,403)</u>	<u>(30,769,768)</u>	<u>(29,667,030)</u>	<u>(29,546,935)</u>	<u>(28,354,180)</u>	<u>(27,913,722)</u>
General revenues:										
Property taxes	35,754,220	34,942,146	34,572,309	33,587,370	32,462,970	31,962,357	31,275,151	31,072,048	30,203,776	29,739,653
Grants and contributions not restricted to specific programs	172,122	54,141	167,645	56,958	199,033	225,785	167,440	180,486	142,982	178,588
Investment income	281,341	296,320	186,628	59,925	32,392	14,805	12,223	14,604	15,956	27,619
Gain on sale of capital assets	46,314	379	-	-	3,800	-	-	-	-	-
Miscellaneous	20,106	39,757	19,428	-	15,742	22,424	15,290	11,850	14,461	38,205
Total general revenues	<u>36,274,103</u>	<u>35,332,743</u>	<u>34,946,010</u>	<u>33,704,253</u>	<u>32,713,937</u>	<u>32,225,371</u>	<u>31,470,104</u>	<u>31,278,988</u>	<u>30,377,175</u>	<u>29,984,065</u>
Change in net position	<u>\$ 293,485</u>	<u>\$ 1,930,066</u>	<u>\$ 1,477,360</u>	<u>\$ 3,146,991</u>	<u>\$ 2,716,534</u>	<u>\$ 1,455,603</u>	<u>\$ 1,803,074</u>	<u>\$ 1,732,053</u>	<u>\$ 2,022,995</u>	<u>\$ 2,070,343</u>

TABLE 3

**TOWN OF OLD LYME, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
FOR THE YEAR ENDED JUNE 30, 2020**

Total tax collections (including interest and lien fees): \$ 35,615,501

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>	<u>Total</u>
Debt limitation:						
2 1/4 times base	\$ 80,134,877	\$ -	\$ -	\$ -	\$ -	\$ 80,134,877
4 1/2 times base	-	160,269,755	-	-	-	160,269,755
3 3/4 times base	-	-	133,558,129	-	-	133,558,129
3 1/4 times base	-	-	-	115,750,378	-	115,750,378
3 times base	-	-	-	-	106,846,503	106,846,503
Total debt limitation	<u>80,134,877</u>	<u>160,269,755</u>	<u>133,558,129</u>	<u>115,750,378</u>	<u>106,846,503</u>	<u>596,559,642</u>
Indebtedness:						
Bonds payable	2,750,000	-	-	-	-	2,750,000
Town's share of Regional School District No. 18 debt	-	17,096,660	-	-	-	17,096,660
Total indebtedness	<u>2,750,000</u>	<u>17,096,660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,846,660</u>
Debt limitation in excess of indebtedness	<u>\$ 77,384,877</u>	<u>\$ 143,173,095</u>	<u>\$ 133,558,129</u>	<u>\$ 115,750,378</u>	<u>\$ 106,846,503</u>	<u>\$ 576,712,982</u>

Note: In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 249,308,507