

**TOWN OF OLD LYME**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2022**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAAconnect.com](https://CLAAconnect.com)

**TOWN OF OLD LYME  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2022**

**INTRODUCTORY SECTION**

<b>ORGANIZATIONAL CHART</b>	<b>I</b>
-----------------------------	----------

**FINANCIAL SECTION**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>5</b>

**BASIC FINANCIAL STATEMENTS**

**EXHIBITS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

<b>STATEMENT OF NET POSITION</b>	<b>A</b>	<b>14</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>B</b>	<b>16</b>

**FUND FINANCIAL STATEMENTS**

**GOVERNMENTAL FUNDS**

<b>BALANCE SHEET</b>	<b>C</b>	<b>17</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES</b>	<b>D</b>	<b>19</b>

**GENERAL FUND**

<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL</b>	<b>E</b>	<b>21</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>		<b>22</b>

**SUPPLEMENTARY INFORMATION**

**GENERAL FUND**

**SCHEDULES**

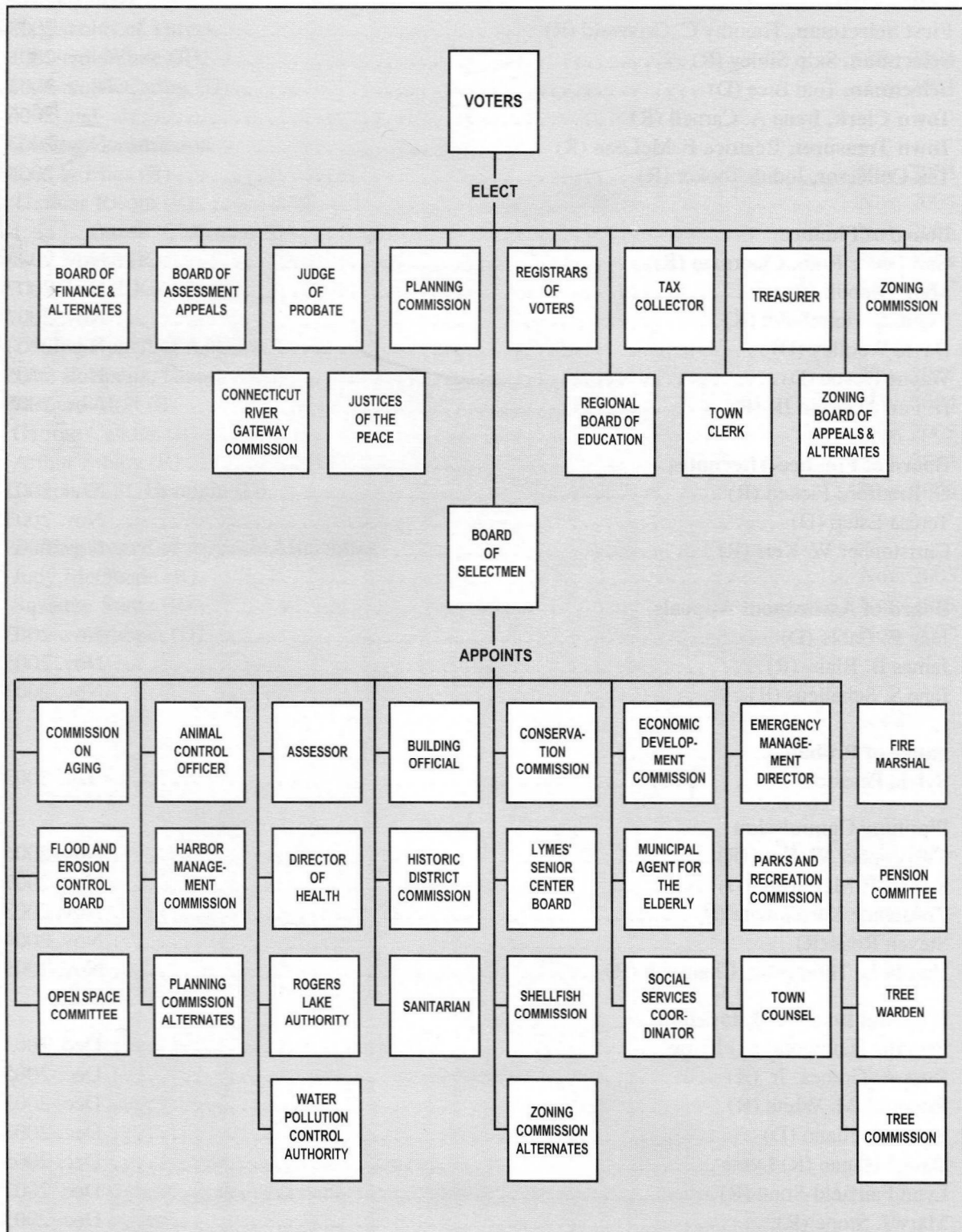
<b>SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES – BUDGET AND ACTUAL</b>	<b>1</b>	<b>43</b>
---	----------	-----------

**TOWN OF OLD LYME  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2022**

<b>SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES – BUDGET AND ACTUAL</b>	<b>2</b>	<b>45</b>
<b>REPORT OF PROPERTY TAX COLLECTOR</b>	<b>3</b>	<b>48</b>
<b>NONMAJOR GOVERNMENTAL FUNDS</b>		
<b>COMBINING BALANCE SHEET</b>	<b>4</b>	<b>50</b>
<b>COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES</b>	<b>5</b>	<b>52</b>
 <b>TREND INFORMATION</b>		
	<b>TABLES</b>	
<b>NET POSITION BY COMPONENT</b>	<b>1</b>	<b>55</b>
<b>CHANGES IN NET POSITION</b>	<b>2</b>	<b>56</b>
<b>SCHEDULE OF DEBT LIMITATION</b>	<b>3</b>	<b>57</b>

## **INTRODUCTORY SECTION**

# TOWN OF OLD LYME, CONNECTICUT ORGANIZATIONAL CHART



## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Board of Finance  
Town of Old Lyme, Connecticut

### Report on the Audit of the Financial Statements

#### ***Opinions***

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, 2022, 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.

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, 2022 and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

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

Management is responsible for the preparation and fair presentation of 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.

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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



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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Old Lyme, Connecticut's basic financial statements. The general fund schedule of revenues and other financing sources, general fund schedule of expenditures and other financing uses, report of property tax collector and the combining nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the general fund schedule of revenues and other financing sources, general fund schedule of expenditures and other financing uses, report of property tax collector and the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

Board of Finance  
Town of Old Lyme, Connecticut

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2022 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
December 28, 2022

**TOWN OF OLD LYME  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2022**

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, 2022.

**Financial Highlights**

- The assets of the Town exceeded its liabilities at the close of the 2021 fiscal year by \$39,563,057. Of this amount, \$15,852,996 (*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 \$2,734,346. The most significant reasons for the increase were capital purchases in excess of depreciation expense incurred during the year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$15,631,823, an increase of \$1,344,023 in comparison with the prior year. The most significant reasons for the increase were property taxes collected as well as revenue increases in charges for services within the Town Clerk's office and the Building Department.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$11,504,723, or 30.3% of total budgetary general fund expenditures and transfers out.
- The Town's total long-term debt decreased by \$454,989 or 16.9% due mostly to annual scheduled debt service payments.

**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).

**TOWN OF OLD LYME**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2022**

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 are reported in governmental 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 except for the General Fund and Miscellaneous Fund, which are considered to be major funds. 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.

**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.

**TOWN OF OLD LYME  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2022**

**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 \$39,563,057 at the close of the most recent fiscal year.

By far the largest portion of the Town's net position (59.9%) 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.

**Summary Statement of Net Position**

	<u>2022</u>	<u>2021</u>
Current and Other Assets	\$ 20,872,998	\$ 21,401,078
Capital Assets (Net)	<u>25,582,480</u>	<u>24,396,274</u>
Total Assets	46,455,478	45,797,352
Deferred Outflows of Resources	12,581	16,775
Current Liabilities	2,660,218	2,681,913
Long-Term Liabilities	<u>1,726,000</u>	<u>2,221,000</u>
Total Liabilities	4,386,218	4,902,913
Deferred Inflows of Resources	<u>2,518,784</u>	<u>4,082,503</u>
Net Investment in Capital Assets	23,710,061	22,098,049
Restricted for Other Purposes	-	1,042,878
Unrestricted	<u>15,852,996</u>	<u>13,687,784</u>
Total Net Position	<u><u>\$ 39,563,057</u></u>	<u><u>\$ 36,828,711</u></u>

**TOWN OF OLD LYME**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2022**

**Governmental Activities**

The Town's net position increased by \$2,734,346.

**Statement of Changes in Net Position**

	<u>2022</u>	<u>2021</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,440,665	\$ 1,568,354
Operating Grants and Contributions	740,383	716,616
Capital Grants and Contributions	381,977	603,938
General Revenues:		
Property Taxes	36,355,764	36,124,170
Grants and Contributions Not		
Restricted to Specific Programs	119,818	129,073
Investment Income (Loss)	28,508	35,228
Gain on Sale of Capital Assets	3,848	-
Miscellaneous	27,079	78,155
Total Revenues	<u>39,098,042</u>	<u>39,255,534</u>
Expenses:		
General Government	4,000,029	3,961,641
Public Works	1,096,466	1,280,724
Parks and Recreation	539,813	455,805
Other Public Safety	480,848	537,716
Social Services	113,875	113,306
Fire Services	539,444	625,777
Police Services	1,092,541	1,141,530
Health Services	86,676	83,406
Senior Citizens	237,449	198,724
Sanitation	1,131,442	1,104,211
Education	27,006,352	27,556,679
Interest Expense	38,761	45,781
Total Expenses	<u>36,363,696</u>	<u>37,105,300</u>
Change in Net Position	2,734,346	2,150,234
Net Position - July 1	<u>36,828,711</u>	<u>34,678,477</u>
Net Position - June 30	<u><u>\$ 39,563,057</u></u>	<u><u>\$ 36,828,711</u></u>

**TOWN OF OLD LYME  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2022**

The key elements of this increase are as follows:

- Property tax revenue (including interest and liens) increased \$231,594 (.6%) from the prior year due to a slight uptick in the collection rate on the current year levy.
- General government expenses decreased \$741,604 (2%) due to a reduction in billings from Regional School District #18 of \$550,327 (2%).

For the most part, other changes 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 \$15,631,823, an increase of \$1,344,023 in comparison with the prior year. 73.6% of this total amount (\$11,504,304) constitutes unassigned fund balance which is available for spending at the Town's discretion. The remainder of fund balance is classified as follows: Nonspendable \$30,494, Committed \$2,729,352, and Assigned \$1,367,673.

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 \$11,504,723 while total fund balance reached \$12,902,890. 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 30.3% of total budgetary general fund expenditures and transfers out, while total fund balance represents 34.0% of that same amount.

The fund balance of the Town's general fund increased by \$1,177,399 during the current fiscal year.

The increase was due to the following:

- Property taxes/interest and liens collected exceeded the budgeted amount by \$485,339.
- Charges for services exceeded budgetary estimates by \$429,073 mostly due to Town Clerk fees \$139,689 in excess of budgetary estimates and Building Department fees \$213,157 in excess of budgetary estimates.
- Intergovernmental revenue increase of \$393,793 due to State ECS allocation (\$132,531) and FEMA COVID reimbursements (\$223,561).
- Investment income fell short of budgetary estimates by \$35,010 as interest rates remained low throughout the year.

**TOWN OF OLD LYME  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2022**

- Overall, General Fund expenditures come in \$560,162 below budget estimates. Town department budget estimates exceeded actual amount expended most notably as follows:
  - General Government \$151,854 due to savings in Insurance (\$59,047), IT (\$14,151) Town Hall operations (\$23,917), and Special Deductions (\$22,865).
  - Boards and Commission - \$87,431 due to Land Use (\$42,386) reduced need for legal/engineering services and WPCA (\$15,072) due to project schedule
  - Other Public Safety \$54,229 due to PT staffing constraints in Ambulance (\$38,398).
  - Police Services \$51,067 related to savings in Resident state police contracted services (\$21,851) and staffing shortage for Municipal Police (\$29,216)
  - Capital \$131,721 due to Emergency Management projects totaling \$98,146 that were not undertaken by the end of the fiscal year.
- These positive variances were offset by the appropriation of fund balance totaling \$400,000.

**General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget were \$311,300. The significant increases in appropriations were as follows:

○ Transfer Out-DPW Building Heat Repair	\$ 19,000
○ IT-Consultant	\$ 12,000
○ Capital-Soundview Sidewalk/Bus Depot Project	\$ 50,000
○ Capital-New Transfer Station Building	\$ 163,000
○ Capital-Halls Road Improvement Project	\$ 45,000

**Capital Assets and Debt Administration**

**Capital Assets**

The Town's investment in capital assets for its governmental activities as of June 30, 2022 amounts to \$25,582,480 (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 \$1,186,206 or 4.9% as total additions exceeded depreciation expense. Major capital asset events during the current fiscal year included the following:

**Additions:**

• Transfer Station-New Building	\$ 164,237
• DPW-Crew Cab Truck	\$ 65,148
• DPW-F450 PU Truck	\$ 59,990
• Mile Creek Road/Center Beach Avenue Roads	\$1,405,946
• Police SUV	\$ 46,489

**Deletions:**

• DPW-Pick Up Truck	\$ 24,000
• Police-Crown Vic Cruiser	\$ 21,685
• Land at Alpha Ave and Grandview	\$ 10,885



**TOWN OF OLD LYME  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2022**

**Capital Assets  
(Net of Depreciation)**

	<u>2022</u>	<u>2021</u>
Land	\$ 4,236,471	\$ 4,247,356
Works of Art	291,000	291,000
Construction in Progress	411,935	311,406
Buildings and Improvements	6,129,512	6,067,148
Land Improvements	1,242,090	1,271,884
Machinery, Vehicles, and Equipment	3,930,166	4,112,570
Infrastructure	<u>9,341,306</u>	<u>8,094,910</u>
Total	<u>\$ 25,582,480</u>	<u>\$ 24,396,274</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 \$1,885,000. All debt is backed by the full faith and credit of the Town.

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

	<u>2022</u>	<u>2021</u>
General Obligation Bonds	<u>\$ 1,885,000</u>	<u>\$ 2,315,000</u>

The Town's total bonded debt decreased by \$430,000 during the current fiscal year due to scheduled debt payments.

In addition, the Town is responsible for 82.2% of debt service for Regional School District No. 18, which totals \$13,341,060 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 \$252,447,202, 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 2022 was 3.8%. This compares favorably with the Norwich/New London labor market area's unemployment rate of 4.4% and the State of Connecticut's rate of 4.1% for the same period. Due to the current national economic conditions as well as residual COVID 19 effects, the unemployment rates for the State, Norwich/New London area, and Old Lyme decreased by 41%, 41%, and 31%, respectively.

**TOWN OF OLD LYME  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2022**

The 22/23 Regional School District No. 18's billings to the Town of Old Lyme's increased by \$515,050 (1.9%) over the prior year due to an increase of the Town's student headcount.

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

- Sound View sidewalks
- Ferry Road sidewalks
- IT upgrades at OLPD and Transfer Station

New projects include the following:

- Senior Center Building Renovation Project
- Halls Road Improvement Project
- Grassy Hill Road Bridge Replacement
- Swan Brook Outlet Repair
- Town Hall HVAC ongoing upgrades
- Ongoing road and drainage projects that are funded through the Town budget

ARPA funded projects:

- Website Upgrade
- 25 sets of OLFD Gear
- Off Road UTV for OLFD
- Affordable Housing
- EOC Fiber Optics at Boughton Road
- WPCA-pipe under Route 156

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

- OLFD Marine Boat Electronics Upgrade
- DPW Replacement of Backhoe
- Renovation of Cross Lane Courts
- Emergency Management-Public Communication Improvement Project

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. This project continues to be in the planning phase and no funds have been spent or debt incurred as of June 30, 2022.

All of these factors were considered during the preparation of the Town's budget for the 2022/2023 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  
STATEMENT OF NET POSITION  
JUNE 30, 2022**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current Assets:	
Cash	\$ 8,687,614
Investments	11,119,952
Receivables:	
Property Taxes	379,568
Intergovernmental	168,825
Other	88,418
Leases	191,725
Prepaid Amounts	30,494
Total Current Assets	<u>20,666,596</u>
<b>NONCURRENT ASSETS</b>	
Receivables (Net):	
Property Taxes	206,402
Capital Assets (Net of Accumulated Depreciation):	
Land	4,236,471
Works of Art	291,000
Construction in Progress	411,935
Buildings and Improvements	6,129,512
Land Improvements	1,242,090
Machinery, Vehicles, and Equipment	3,930,166
Infrastructure	9,341,306
Total Capital Assets (Net of Accumulated Depreciation)	<u>25,582,480</u>
Total Noncurrent Assets	<u>25,788,882</u>
Total Assets	46,455,478
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Charge on Refunding	12,581

See accompanying Notes to Financial Statements.

**TOWN OF OLD LYME  
STATEMENT OF NET POSITION (CONTINUED)  
JUNE 30, 2022**

	<u>Governmental Activities</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	\$ 515,879
Accrued Liabilities	44,799
Performance Bonds	299,495
Unearned Revenue	1,276,249
Accrued Interest Payable	10,529
Bonds and Related Liabilities	425,000
Landfill Postclosure Costs	14,000
Compensated Absences	74,267
Total Current Liabilities	<u>2,660,218</u>
Noncurrent Liabilities:	
Bonds and Related Liabilities	1,460,000
Landfill Postclosure Costs	266,000
Total Noncurrent Liabilities	<u>1,726,000</u>
Total Liabilities	4,386,218
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Advanced Property Tax Collections	2,263,293
Leases	255,491
Total Deferred Inflows of Resources	<u>2,518,784</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	23,710,061
Unrestricted	15,852,996
Total Net Position	<u><u>\$ 39,563,057</u></u>

See accompanying Notes to Financial Statements.

**TOWN OF OLD LYME  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>GOVERNMENTAL ACTIVITIES</b>					
General Government	\$ 4,000,029	\$ 891,732	\$ 17,520	\$ -	\$ (3,090,777)
Public Works	1,096,466	4,329	-	381,977	(710,160)
Parks and Recreation	539,813	207,446	-	-	(332,367)
Other Public Safety	480,848	18,573	344,951	-	(117,324)
Social Services	113,875	-	-	-	(113,875)
Fire Services	539,444	480	-	-	(538,964)
Police Services	1,092,541	92,221	-	-	(1,000,320)
Health Services	86,676	-	7,381	-	(79,295)
Senior Citizens	237,449	63,576	-	-	(173,873)
Sanitation	1,131,442	153,676	-	-	(977,766)
Education	27,006,352	8,632	370,531	-	(26,627,189)
Interest Expense	38,761	-	-	-	(38,761)
Total Governmental Activities	<u>\$ 36,363,696</u>	<u>\$ 1,440,665</u>	<u>\$ 740,383</u>	<u>\$ 381,977</u>	(33,800,671)
<b>GENERAL REVENUES</b>					
Property Taxes					36,355,764
Grants and Contributions Not Restricted to Specific Programs					119,818
Investment Income					28,508
Gain of Sale of Capital Assets					3,848
Miscellaneous					27,079
Total General Revenues					<u>36,535,017</u>
<b>CHANGE IN NET POSITION</b>					2,734,346
Net Position - Beginning of Year					<u>36,828,711</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 39,563,057</u>

See accompanying Notes to Financial Statements.

**TOWN OF OLD LYME  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	General	Miscellaneous Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash	\$ 4,643,973	\$ 1,082,378	\$ 2,961,263	\$ 8,687,614
Investments	11,119,952	-	-	11,119,952
Receivables:				
Property Taxes	585,970	-	-	585,970
Intergovernmental	168,825	-	-	168,825
Other	39,546	32,010	16,862	88,418
Leases	149,528	-	42,197	191,725
Due from Other Funds	397,888	67,415	50,843	516,146
Prepaid Amounts	30,494	-	-	30,494
Total Assets	<u>\$ 17,136,176</u>	<u>\$ 1,181,803</u>	<u>\$ 3,071,165</u>	<u>\$ 21,389,144</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 511,235	\$ -	\$ 4,644	\$ 515,879
Accrued Liabilities	44,798	-	-	44,798
Due to Other Funds	118,258	-	397,888	516,146
Performance Bonds	299,495	-	-	299,495
Unearned Revenue	219,730	1,056,519	-	1,276,249
Total Liabilities	1,193,516	1,056,519	402,532	2,652,567
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	585,970	-	-	585,970
Advanced Property Tax Collections	2,263,293	-	-	2,263,293
Leases	190,507	-	64,984	255,491
Total Deferred Inflows of Resources	3,039,770	-	64,984	3,104,754
<b>FUND BALANCES</b>				
Nonspendable	30,494	-	-	30,494
Committed	-	125,284	2,604,068	2,729,352
Assigned	1,367,673	-	-	1,367,673
Unassigned	11,504,723	-	(419)	11,504,304
Total Fund Balances	<u>12,902,890</u>	<u>125,284</u>	<u>2,603,649</u>	<u>15,631,823</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 17,136,176</u>	<u>\$ 1,181,803</u>	<u>\$ 3,071,165</u>	<u>\$ 21,389,144</u>

See accompanying Notes to Financial Statements.

**TOWN OF OLD LYME  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2022**

**RECONCILIATION TO THE STATEMENT OF NET POSITION**

Total Fund Balances - Governmental Funds (Exhibit C, Page 1)	\$	15,631,823
--	----	------------

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:

Capital assets used in governmental activities are not financial resources and, therefore, are not recorded in the funds:

Capital Assets, Net of Accumulated Depreciation		25,582,479
---	--	------------

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

Property Tax Receivable - Accrual Basis Change		585,970
Deferred Charge on Refunding		12,581

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

Bonds Payable		(1,885,000)
Landfill Postclosure Costs		(280,000)
Accrued Interest Payable		(10,529)
Compensated Absences		(74,267)

Net Position of Governmental Activities as Reported in the Statement of Net Position (Exhibit A)	\$	<u>39,563,057</u>
--	----	-------------------



**TOWN OF OLD LYME**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2022**

	General	Miscellaneous Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 36,604,570	\$ -	\$ -	\$ 36,604,570
Charges for Services	1,288,311	18,817	133,537	1,440,665
Intergovernmental	1,089,387	15,471	-	1,104,858
Investment Income	23,798	-	4,710	28,508
Contributions	-	1,249	136,071	137,320
Other Revenue	-	2,406	5,598	8,004
Total Revenues	39,006,066	37,943	279,916	39,323,925
<b>EXPENDITURES</b>				
Current:				
General Government	2,737,700	15,074	53,522	2,806,296
Boards and Commissions	391,514	-	5,497	397,011
Public Works	900,813	46,185	1,533,776	2,480,774
Parks and Recreation	411,370	6,076	18,372	435,818
Other Public Safety	428,862	6,459	13,939	449,260
Social Services	113,875	-	-	113,875
Fire Services	323,964	2,471	13,000	339,435
Police Services	921,576	-	76,912	998,488
Health Services	78,150	-	8,526	86,676
Senior Citizens	160,786	3,040	31,911	195,737
Other Associations	413,000	-	-	413,000
Sanitation	1,200,440	-	3,002	1,203,442
Chartered Associations	71,700	-	-	71,700
Education	27,006,352	-	-	27,006,352
Capital Outlay	553,719	-	-	553,719
Debt Service	466,695	-	-	466,695
Total Expenditures	36,180,516	79,305	1,758,457	38,018,278
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	2,825,550	(41,362)	(1,478,541)	1,305,647
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	30,649	-	1,705,771	1,736,420
Transfers Out	(1,694,000)	-	(42,420)	(1,736,420)
Insurance Proceeds	-	19,075	-	19,075
Proceeds from Sale of Capital Assets	15,200	-	4,101	19,301
Total Other Financing Sources (Uses)	(1,648,151)	19,075	1,667,452	38,376
<b>NET CHANGE IN FUND BALANCES</b>	1,177,399	(22,287)	188,911	1,344,023
Fund Balances - Beginning of Year	11,725,491	147,571	2,414,738	14,287,800
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 12,902,890</u>	<u>\$ 125,284</u>	<u>\$ 2,603,649</u>	<u>\$ 15,631,823</u>

See accompanying Notes to Financial Statements.

**TOWN OF OLD LYME  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

Net Change in Fund Balances - Total Governmental Funds (Exhibit D) \$ 1,344,023

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

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	1,861,663
Depreciation Expense	(660,004)
Total	1,201,659

The net effect of various miscellaneous transactions involving capital assets (i. e., sales, trade-ins and donations) is to increase net position. In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold. (15,453)

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	(239,464)
Change in Property Tax Interest and Lien Revenue	(52,342)
Change in Allowance for Doubtful Accounts	43,000
Total	(248,806)

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	430,000
Total	425,806

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	(47,011)
Landfill Closure and Postclosure	72,000
Accrued Interest Payable	2,128
Total	27,117

Change in Net Position of Governmental Activities (Exhibit B) \$ 2,734,346

**TOWN OF OLD LYME  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES</b>				
Property Taxes	\$ 36,119,231	\$ 36,119,231	\$ 36,604,570	\$ 485,339
Charges for Services	907,025	907,025	1,336,098	429,073
Intergovernmental	695,594	695,594	1,089,387	393,793
Investment Income	52,000	52,000	16,990	(35,010)
Total Revenues	37,773,850	37,773,850	39,047,045	1,273,195
<b>EXPENDITURES</b>				
Current:				
General Government	2,875,054	2,893,054	2,741,200	151,854
Boards and Commissions	501,307	503,307	415,876	87,431
Public Works	886,480	886,480	870,963	15,517
Parks and Recreation	454,827	454,827	409,870	44,957
Other Public Safety	485,291	487,691	433,462	54,229
Social Services	117,517	117,517	113,875	3,642
Fire Services	420,997	421,297	412,914	8,383
Police Services	980,543	972,643	921,576	51,067
Health Services	78,150	78,150	78,150	-
Senior Citizens' Activities	169,613	169,613	160,786	8,827
Other Associations	413,000	413,000	413,000	-
Sanitation	1,197,719	1,202,919	1,200,440	2,479
Chartered Associations	71,700	71,700	71,700	-
Regional School District No. 18	27,006,352	27,006,352	27,006,352	-
Debt Service:				
Redemption of Debt	430,000	430,000	430,000	-
Interest on Debt	36,750	36,750	36,695	55
Capital Outlay	460,150	687,450	555,729	131,721
Total Expenditures	36,585,450	36,832,750	36,272,588	560,162
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	1,188,400	941,100	2,774,457	1,833,357
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriation of Fund Balance	400,000	606,700	-	(606,700)
Proceeds from Sale of Capital Assets	1,000	1,000	15,200	14,200
Cancellation of Prior Year Encumbrances	10,000	10,000	34,449	24,449
Transfers In	30,600	30,600	30,649	49
Transfers Out	(1,630,000)	(1,694,000)	(1,694,000)	-
Net Other Financing Sources (Uses)	(1,188,400)	(1,045,700)	(1,613,702)	(568,002)
<b>NET CHANGE IN FUND BALANCE</b>	\$ -	\$ (104,600)	1,160,755	\$ 1,265,355
Fund Balance - Beginning Balance			10,509,651	
<b>FUND BALANCE - END OF YEAR</b>			\$ 11,670,406	

See accompanying Notes to Financial Statements.

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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.

**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.

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. 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, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Measurement Focus, Basis of Accounting and Financial Statement Presentation  
(Continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal year, with the exception of grant revenues which are considered available if they are collected within 180 days of the end of the current fiscal year. 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 funds:

**General 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.

**Miscellaneous Fund**

The Miscellaneous Fund accounts for various activity of the Town, including those activities related to the American Rescue Plan Act federal grant program. The major source of revenues are state and federal assistance.

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.

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Adoption of New Accounting Standards**

GASB Statement No. 87, Leases

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

**D. 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.

**TOWN OF OLD LYME, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Receivables and Payables (Continued)

**Property Taxes and Other Receivables (Continued)**

In the fund financial statements, all property taxes receivable at June 30, 2022, have been recorded as unavailable revenue, since they are not considered to be available to finance expenditures of the current year.

Leases

**Lessor**

The Town of Old Lyme is a lessor for a noncancellable lease of a building. The Town of Old Lyme recognizes a lease receivable and a deferred inflow of resources in the applicable governmental activities in the government-wide and in the governmental fund financial statements.

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

Key estimates and judgments include how the Town of Old Lyme determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Town of Old Lyme uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Town of Old Lyme monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Receivables and Payables (Continued)

**Property Taxes and Other Receivables (Continued)**

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 acquisition 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.

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

Buildings	30 to 75 Years
Building Improvements	50 Years
Land Improvements	15 to 75 Years
Vehicles	10 to 25 Years
Machinery and Equipment	10 to 25 Years
Roads	75 Years
Bridges	100 Years



**TOWN OF OLD LYME, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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.

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 and leases receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

For governmental funds, the Town also 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 two sources: property taxes (including advanced collections, if any) and leases receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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.

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Fund Equity and Net Position (Continued)

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.

**E. 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.

**NOTE 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 Town is not required to adopt budgets for Special Revenue Funds. 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, 2022**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

**A. Budgets and Budgetary Accounting (Continued)**

Budget Policies (Continued)

- 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 \$247,300 from fund balance.

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

**A. Budgets and Budgetary Accounting**

Budget Policies (Continued)

- 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.

**B. Budget – GAAP Reconciliation**

A reconciliation of expenditures and fund balance between the accounting treatment required by accounting principles generally accepted in the United States of America (GAAP) (Exhibit D), and budgetary requirements (Exhibit E), is as follows:

	Revenues	Expenditures	Fund Balance
Balance, Budgetary Basis, Exhibit E - June 30, 2022	\$ 39,047,045	\$ 36,272,588	\$ 11,670,406
Effect of lease accounting under GAAP	(40,979)		(40,979)
Encumbrances Outstanding at June 30, 2021 Liquidated During the Fiscal Year	-	231,373	-
Encumbrances Outstanding at June 30, 2021 and 2022	-	-	950,018
Encumbrances Outstanding at June 30, 2022 Charged to Budgetary Expenditures During the Fiscal Year	-	(323,445)	323,445
Balance, GAAP Basis, Exhibit D - June 30, 2022	<u>\$ 39,006,066</u>	<u>\$ 36,180,516</u>	<u>\$ 12,902,890</u>

**C. Deficit Fund Balance**

The Bus Barn Fund had a deficit fund balance at year-end of \$23,206. The deficit will be eliminated by transfer in from General Fund and future charges for services.

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 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, \$17,876,734 of the Town's bank balance of \$18,626,734 (including certificates of deposit and money market accounts classified as investments) was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 2,771,261
Uninsured and Collateral Held by the Pledging Bank's Trust department, Not in the Town's Name	15,726,728
Total Amount Subject to Custodial Risk	<u>\$ 18,497,989</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.

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	\$ 8,080,843	\$ 8,080,843	\$ -	\$ -
Certificates of Deposit	3,039,109	3,039,109	-	-
Total	<u>\$ 11,119,952</u>	<u>\$ 11,119,952</u>	<u>\$ -</u>	<u>\$ -</u>

**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.

**TOWN OF OLD LYME, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 3 DETAILED NOTES (CONTINUED)**

**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	\$ 272,515	\$ 107,053	\$ 379,568
Long-Term Portion	\$ 283,639	\$ 26,763	\$ 310,402
Less: Allowance for Uncollectible	(83,000)	(21,000)	(104,000)
Net Long-Term Portion	\$ 200,639	\$ 5,763	\$ 206,402

Leases Receivable

The Town, acting as lessor, leases the school bus barn a cell tower under long-term, noncancelable lease agreements. The leases expire on June 30, 2025. During the year ended June 30, 2022, the Town recognized \$28,709 and \$9,860 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Total future minimum lease payments to be received under the lease agreement are as follows:

Year Ending June 30,	Governmental Activities		Total
	Principal	Interest	
2023	\$ 61,374	\$ 6,426	\$ 67,800
2024	63,874	3,926	67,800
2025	66,477	1,323	67,800
Total Minimum Lease Payments	\$ 191,725	\$ 11,675	\$ 203,400

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 3 DETAILED NOTES (CONTINUED)**

**C. Capital Assets**

Capital asset activity for the fiscal year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 4,247,356	\$ -	\$ 10,885	\$ 4,236,471
Works of Art	291,000	-	-	291,000
Construction in Progress	311,406	100,529	-	411,935
Total Capital Assets Not Being Depreciated	4,849,762	100,529	10,885	4,939,406
Capital Assets Being Depreciated:				
Buildings and Improvements	7,355,470	164,237	-	7,519,707
Land Improvements	1,800,170	-	-	1,800,170
Machinery, Vehicles, and Equipment	7,811,059	190,951	45,685	7,956,325
Infrastructure	9,171,708	1,405,946	-	10,577,654
Total Capital Assets Being Depreciated	26,138,407	1,761,134	45,685	27,853,856
Less: Accumulated Depreciation for:				
Buildings and Improvements	1,288,322	101,873	-	1,390,195
Land Improvements	528,286	29,794	-	558,080
Machinery, Vehicles, and Equipment	3,698,489	368,787	41,117	4,026,159
Infrastructure	1,076,798	159,550	-	1,236,348
Total Accumulated Depreciation	6,591,895	660,004	41,117	7,210,782
Total Capital Assets Being Depreciated, Net	19,546,512	1,101,130	4,568	20,643,074
Governmental Activities Capital Assets, Net	<u>\$ 24,396,274</u>	<u>\$ 1,201,659</u>	<u>\$ 15,453</u>	<u>\$ 25,582,480</u>

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

Governmental Activities:	
General Government	\$ 228,513
Public Works	133,779
Parks and Recreation	66,995
Other Public Safety	3,271
Fire Services	166,912
Police Services	49,730
Senior Citizens	10,804
Total Depreciation Expense - Governmental Activities	<u>\$ 660,004</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, 2022**

**NOTE 3 DETAILED NOTES (CONTINUED)**

**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	\$ 1,413	\$ -
Misc Revenue	N/A	-	67,415
Dog Fund	N/A	-	5,564
Police Private Duty	N/A	205,099	-
Harbor Mgt	N/A	4,275	-
Public Building Improve	N/A	-	1,431
Sanitation and Recycling	N/A	-	480
Senior Center Board	N/A	16,364	-
Bus Barn	N/A	4,588	-
Halls Road Improvement	N/A	-	38,900
Town Building Improvements	N/A	4,553	-
IT	N/A	17,004	-
Road Improvement	N/A	144,592	-
WPCA Cost Sharing	N/A	-	4,468
Total General Fund		397,888	118,258
Miscellaneous Fund	General Fund	67,415	-
Nonmajor Funds:			
Special Revenue Funds:			
Social Workers Fund	General Fund	-	1,413
Dog Fund	General Fund	5,564	-
Police Private Duty	General Fund	-	205,099
Harbor Mgt	General Fund	-	4,275
Public Building Improve	General Fund	1,431	-
Sanitation and Recycling	General Fund	480	-
WPCA Cost Sharing	General Fund	4,468	-
Senior Ctr Board	General Fund	-	16,364
Bus Barn	General Fund	-	4,588
Capital Project Funds:			
Halls Road Improvement	General Fund	38,900	-
Town Building improvement	General Fund	-	4,553
IT	General Fund	-	17,004
Road Improvement	General Fund	-	144,592
Total Nonmajor Funds		50,843	397,888
Grand Total		\$ 516,146	\$ 516,146

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 3 DETAILED NOTES (CONTINUED)**

**D. Interfund Accounts (Continued)**

Interfund Transfers (Continued)

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

	Corresponding Fund	Transfers In	Transfer Out
Major Fund:			
General Fund:			
Bus Barn	N/A	\$ 30,649	\$ 1,000
Land Acquisition	N/A	-	75,000
Capital Nonrecurring	N/A	-	35,000
Town Building Improvement	N/A	-	24,000
Road Improvement	N/A	-	1,000,000
Firefighters Equipment	N/A	-	100,000
IT	N/A	-	63,000
P&R Capital	N/A	-	247,000
Halls Road Improvement	N/A	-	45,000
PW Capital	N/A	-	103,000
Sanitation and Recycling	N/A	-	1,000
Total General Fund		30,649	1,694,000
Nonmajor Funds:			
Special Revenue Funds:			
Bus Barn	General Fund	1,000	30,649
Bus Barn	Revaluation Fund	-	11,771
Sanitation and Recycling	General Fund	1,000	-
Capital Project Funds:			
Capital Nonrecurring	Bus Barn	11,771	-
Capital Nonrecurring	General Fund	35,000	-
Halls Road Improvement	General Fund	45,000	-
IT	General Fund	63,000	-
P&R Capital	General Fund	247,000	-
Town Building Improvement	General Fund	24,000	-
Land Acquisition	General Fund	75,000	-
Firefighters Equipment	General Fund	100,000	-
Road Improvement	General Fund	1,000,000	-
PW Capital	General Fund	103,000	-
Total Nonmajor Funds		1,705,771	42,420
Grand Total		\$ 1,736,420	\$ 1,736,420

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, 2022**

**NOTE 3 DETAILED NOTES (CONTINUED)**

**E. Changes in Long-Term Obligations**

Summary of Changes

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Bonds - Refunding	\$ 1,190,000	\$ -	\$ 305,000	\$ 885,000	\$ 300,000
Bonds - Library	1,125,000	-	125,000	1,000,000	125,000
Total Bonds Payable	2,315,000	-	430,000	1,885,000	425,000
Other Liabilities:					
Compensated Absences	27,256	134,116	87,105	74,267	74,267
Landfill Postclosure Costs	352,000	-	72,000	280,000	14,000
Total Other Liabilities	379,256	134,116	159,105	354,267	88,267
Governmental Activities Capital Assets, Net	<u>\$ 2,694,256</u>	<u>\$ 134,116</u>	<u>\$ 589,105</u>	<u>\$ 2,239,267</u>	<u>\$ 513,267</u>
	Original Amount	Date of Issuance	Date of Maturity	Interest Rate	Balance June 30, 2022
Bonds Payable:					
Bonds - Refunding	\$ 2,765,000	6/30/2016	9/30/2048	1.44%	\$ 885,000
Bonds - Library	1,250,000	8/26/2019	3/27/2042	2.05%	1,000,000
Total Bonds Payable	<u>\$ 4,015,000</u>				<u>\$ 1,885,000</u>

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 \$16,230,000. The Town of Old Lyme's share will be approximately 82.2%, which totaled \$13,341,060 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:

Year Ending June 30,	Principal	Interest	Total
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	<u>\$ 1,885,000</u>	<u>\$ 100,975</u>	<u>\$ 1,985,975</u>

**TOWN OF OLD LYME, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 3 DETAILED NOTES (CONTINUED)**

**E. Changes in Long-Term Obligations (Continued)**

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 21 years at \$14,000 per year are \$280,000. The postclosure care amounts are estimates, which are subject to changes due to inflation, technology or applicable landfill laws and regulations.

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:

Category	Debt Limit	Net Indebtedness	Balance
General Purpose	\$ 81,143,744	\$ 1,885,000	\$ 79,258,744
Schools	162,287,487	13,341,060	148,946,427
Sewers	135,239,573	-	135,239,573
Urban Renewal	117,207,630	-	117,207,630
Pension Deficit	108,191,658	-	108,191,658

The overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$252,447,202.

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, 2022**

**NOTE 3 DETAILED NOTES (CONTINUED)**

**F. Fund Balance Classifications**

Fund balances are composed of the following:

	General Fund	Miscellaneous Fund	Nonmajor Governmental Funds	Total
Fund Balances:				
Nonspendable:				
Prepays Expenditures	\$ 30,494	\$ -	\$ -	\$ 30,494
Committed to:				
Town Capital Projects	-	125,284	2,604,068	2,729,352
Assigned to:				
Capital Outlay	1,367,673	-	-	1,367,673
Unassigned	11,504,723	-	(419)	11,504,304
Total Fund Balances	<u>\$ 12,902,890</u>	<u>\$ 125,284</u>	<u>\$ 2,603,649</u>	<u>\$ 15,631,823</u>

Fund balance amounts classified as assigned under the general fund represent encumbrances outstanding at June 30, 2022.

**NOTE 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.

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Commitments and Litigation (Continued)**

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 \$6,738,100. Employee contributions totaled \$117,275, or 1.7%, of covered payroll, and the Town and District recognized pension expense of \$539,048, 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 \$91,800.

## **SUPPLEMENTARY INFORMATION**

## **GENERAL FUND**

The general fund is the principal operating 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  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Property Taxes:				
Property Taxes	\$ 35,911,631	\$ 35,911,631	\$ 36,271,205	\$ 359,574
Interest and Lien Fees	180,000	180,000	310,910	130,910
Telephone Access Line Grant	27,600	27,600	22,455	(5,145)
Total Property Taxes	36,119,231	36,119,231	36,604,570	485,339
Charges for Services:				
Ambulance Reimbursement	7,000	7,000	11,020	4,020
Assessor	1,000	1,000	621	(379)
Beach Stickers and Permits	35,000	35,000	48,945	13,945
Building Department	150,000	150,000	363,157	213,157
Cell Phone Tower Lease	45,600	45,600	51,146	5,546
Fire Marshal	400	400	480	80
Historic District Commission	10	10	425	415
Insurance Reimbursement	2,000	2,000	5,172	3,172
Land use fees	11,000	11,000	24,956	13,956
Land Use Reimbursements	4,000	4,000	-	(4,000)
Legal Fees Reimbursement	-	-	346	346
Miscellaneous	15,000	15,000	13,155	(1,845)
Parking Fines	10,000	10,000	15,415	5,415
Parking	90,000	90,000	88,673	(1,327)
Parks and Recreation Department	45,000	45,000	34,818	(10,182)
Recycling	1,000	1,000	652	(348)
Registrar Reimbursement	1,000	1,000	2,593	1,593
Rogers Lake Authority Reimbursement	28,160	28,160	29,146	986
School Crossing Guard	8,500	8,500	6,039	(2,461)
Selectmen's Office	11,000	11,000	16,867	5,867
Senior Center Reimbursement	35,530	35,530	43,957	8,427
Sound View	-	-	792	792
Town Clerk's Office	250,000	250,000	389,689	139,689
Town Woods Park Reimbursement	30,825	30,825	35,010	4,185
Transfer Station	125,000	125,000	153,024	28,024
Total Charges for Services	907,025	907,025	1,336,098	429,073

**TOWN OF OLD LYME  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	
Intergovernmental:				
Education Equalization Grant	\$ 238,000	\$ 238,000	\$ 370,531	\$ 132,531
Emergency Management	120,000	120,000	343,561	223,561
Grants for Municipal Projects	1,888	1,888	1,888	-
LOCIP	49,000	49,000	-	(49,000)
Miscellaneous State Grants	10,000	10,000	21,024	11,024
PILOT - Federal Property	1,000	1,000	925	(75)
PILOT - State Property	43,036	43,036	65,490	22,454
DOT-Sound View Improvement	-	-	289	289
DOT-Sound View Sidewalk Improvement	-	-	53,413	53,413
Town Aid Road	228,500	228,500	228,275	(225)
Disability Tax Exempt	170	170	170	-
Veterans' Tax Exempt	4,000	4,000	3,821	(179)
Total Intergovernmental	695,594	695,594	1,089,387	393,793
Investment Income:				
Interest on Investments	52,000	52,000	16,990	(35,010)
Total Revenues	37,773,850	37,773,850	39,047,045	1,273,195
<b>OTHER FINANCING SOURCES</b>				
Appropriation of Fund Balance	400,000	400,000	-	(400,000)
Proceeds from Sale of Capital Assets	1,000	1,000	15,200	14,200
Cancellation of Prior Year Encumbrances	10,000	10,000	34,449	24,449
Transfers in:				
Bus Barn Fund	30,600	30,600	30,649	49
Total Other Financing Sources	441,600	441,600	80,298	(361,302)
Total Revenues and Other Financing Sources	<u>\$ 38,215,450</u>	<u>\$ 38,215,450</u>	<u>\$ 39,127,343</u>	<u>\$ 911,893</u>

**TOWN OF OLD LYME  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
General Government:				
Selectmen's Office	\$ 314,201	\$ 379,301	\$ 379,217	\$ 84
Town Clerk	138,422	138,422	133,433	4,989
Tax Collector	114,119	114,119	111,436	2,683
Treasurer	213,550	213,550	211,446	2,104
Registrar	66,173	66,173	58,187	7,986
Information Technology	99,040	111,040	96,889	14,151
Probate Court	6,000	6,000	5,962	38
Assessor	146,612	150,712	150,694	18
Building Department	138,620	138,620	134,932	3,688
Health Department	98,567	98,567	88,283	10,284
Town Hall	167,750	167,750	143,833	23,917
Insurance	918,000	854,800	795,753	59,047
Special Deductions	454,000	454,000	431,135	22,865
Total General Government	2,875,054	2,893,054	2,741,200	151,854
Boards and Commissions:				
Harbor Management Commission	2,680	2,680	2,451	229
Affordable Housing Commission	4,940	4,940	-	4,940
Economic Development Commission	3,020	3,020	2,134	886
Ethics Commission	4,390	4,390	611	3,779
Water Management Authority	88,948	88,948	73,875	15,073
Board of Finance	11,295	12,195	12,128	67
Flood and Erosion Control Board	570	570	234	336
Historic District Commission	6,000	10,100	10,068	32
Tree Commission	13,975	13,975	11,703	2,272
Parks and Recreation Commission	2,048	2,948	2,860	88
Board of Assessment Appeals	1,552	1,552	278	1,274
Rogers Lake Authority	56,321	56,321	48,267	8,054
Land use	265,567	261,667	219,281	42,386
Sound View	18,225	18,225	12,255	5,970
Conservation Commission	2,012	2,012	594	1,418
Open Space	19,764	19,764	19,137	627
Total Boards and Commissions	501,307	503,307	415,876	87,431
Public Works:				
Public Works Expenditures	886,480	886,480	870,963	15,517
Parks and Recreation:				
Parks and Recreation	305,197	281,897	237,019	44,878
Town Woods Park	149,610	170,710	170,633	77
Fireworks/Memorial Day	20	2,220	2,218	2
Total Parks and Recreation	454,827	454,827	409,870	44,957
Other Public Safety:				
Animal Control	68,546	70,946	70,914	32
Emergency Management	94,900	94,900	79,140	15,760
Valley Shore Communications	152,700	152,700	152,661	39
Ambulance	169,145	169,145	130,747	38,398
Total Other Public Safety	485,291	487,691	433,462	54,229

**TOWN OF OLD LYME  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	
Social Services:				
Social Service	\$ 21,517	\$ 21,517	\$ 17,875	\$ 3,642
Lyme's Youth Services	96,000	96,000	96,000	-
Total Social Services	117,517	117,517	113,875	3,642
Fire Services:				
Old Lyme Fire Department	206,994	206,994	202,411	4,583
Fire Protection	38,000	38,300	38,289	11
Fire Marshal	76,003	76,003	72,305	3,698
Firemen's Incentive Plan	100,000	100,000	99,909	91
Total Fire Services	420,997	421,297	412,914	8,383
Police Services:				
Resident State Police	220,000	217,300	195,449	21,851
Municipal Police	760,543	755,343	726,127	29,216
Total Police Services	980,543	972,643	921,576	51,067
Health Services:				
Social Services Agencies	6,150	6,150	6,150	-
VNA	72,000	72,000	72,000	-
Total Health Services	78,150	78,150	78,150	-
Senior Citizens' Activities:				
Estuary Transit District	16,365	16,365	16,365	-
Estuary Services	25,000	25,000	24,919	81
Senior Center	128,248	128,248	119,502	8,746
Total Senior Citizens' Activities	169,613	169,613	160,786	8,827
Other Nonprofits	413,000	413,000	413,000	-
Sanitation:				
Municipal Refuse Collection	898,168	874,768	874,275	493
Recycling	29,310	12,310	10,428	1,882
Household Hazardous Waste	18,000	33,400	33,324	76
Transfer Station	252,241	282,441	282,413	28
Total Sanitation	1,197,719	1,202,919	1,200,440	2,479

**TOWN OF OLD LYME  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Chartered Beach Associations	\$ 71,700	\$ 71,700	\$ 71,700	\$ -
Total Chartered Beach Associations	71,700	71,700	71,700	-
Regional School District No. 18	27,006,352	27,006,352	27,006,352	-
Debt Service:				
Redemption of Debt	430,000	430,000	430,000	-
Interest on Debt	36,750	36,750	36,695	55
Total Debt Service	466,750	466,750	466,695	55
Capital Outlay:				
General Government	156,200	156,200	139,519	16,681
Public Works	15,000	15,000	14,950	50
Public Safety	268,950	283,250	169,473	113,777
Public Works Roads and Projects	20,000	233,000	231,787	1,213
Total Capital Outlay	460,150	687,450	555,729	131,721
Total Expenditures	36,585,450	36,832,750	36,272,588	560,162
<b>OTHER FINANCING USES</b>				
Transfers Out:				
Firefighters' Equipment	100,000	100,000	100,000	-
Bus Barn	1,000	1,000	1,000	-
Capital Nonrecurring - Revaluation	35,000	35,000	35,000	-
Town Building Improvement	5,000	24,000	24,000	-
Halls Road Improvement	-	45,000	45,000	-
Road Improvement Fund	1,000,000	1,000,000	1,000,000	-
P&R Capital Fund	247,000	247,000	247,000	-
Public Works Capital Fund	103,000	103,000	103,000	-
Sanitation and Recycling	1,000	1,000	1,000	-
Info Tech	63,000	63,000	63,000	-
Land Acquisition	75,000	75,000	75,000	-
Total Other Financing Uses	1,630,000	1,694,000	1,694,000	-
Total Expenditures and Other Financing Uses	\$ 38,215,450	\$ 38,526,750	\$ 37,966,588	\$ 560,162

**TOWN OF OLD LYME  
REPORT OF PROPERTY TAX COLLECTOR  
YEAR ENDED JUNE 30, 2022**

Grand List Year	Uncollected Taxes July 1, 2021	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections				Uncollected Taxes June 30, 2022
			Additions	Deductions			Taxes	Interest	Lien Fees	Total	
Suspense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	-	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-	-
2010	186	-	-	-	-	186	-	-	-	-	186
2011	169	-	-	-	-	169	-	-	-	-	169
2012	18	-	-	-	-	18	18	-	-	18	-
2013	1,713	-	-	-	-	1,713	1,388	1,707	24	3,119	325
2014	10,874	-	-	-	-	10,874	10,874	9,713	72	20,659	-
2015	15,258	-	-	-	-	15,258	15,258	14,014	72	29,344	-
2016	54,266	-	-	-	-	54,266	50,559	31,538	149	82,246	3,707
2017	134,981	-	1,993	1,013	(22,045)	113,916	76,331	44,801	288	121,420	37,585
2018	191,714	-	3,045	2,578	(215)	191,966	112,595	45,881	504	158,980	79,371
2019	386,439	-	2,032	33,494	(111)	354,866	224,117	51,096	1,368	276,581	130,749
Total Prior Years	795,618	-	7,070	37,085	(22,371)	743,232	491,140	198,750	2,477	692,367	252,092
2020	-	36,475,770	35,244	168,013	(594)	36,342,407	36,038,345	109,371	312	36,148,028	304,062
Total	<u>\$ 795,618</u>	<u>\$ 36,475,770</u>	<u>\$ 42,314</u>	<u>\$ 205,098</u>	<u>\$ (22,965)</u>	<u>\$ 37,085,639</u>	<u>\$ 36,529,485</u>	<u>\$ 308,121</u>	<u>\$ 2,789</u>	<u>\$ 36,840,395</u>	<u>\$ 556,154</u>

## **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  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2022**

	Special Revenue										
	Social Workers' Fund	Dog Fund	Private Duty Fund	Harbor Management Fund	Town Woods Park Fund	Public Building Improvement Fund	Senior Center Board Fund	Bus Barn Fund	WPCA Cost Sharing Fund	Sanitation and Recycling Fund	Total
ASSETS											
Cash	\$ 60,752	\$ 38,351	\$ 221,556	\$ 29,457	\$ 13,839	\$ 35,909	\$ 140,082	\$ 4,169	\$ -	\$ 33,787	\$ 577,902
Receivables:											
Other	-	-	16,862	-	-	-	-	-	-	-	16,862
Leases	-	-	-	-	-	-	-	42,197	-	-	42,197
Due from Other Funds	-	5,564	-	-	-	1,431	-	-	4,468	480	11,943
Total Assets	\$ 60,752	\$ 43,915	\$ 238,418	\$ 29,457	\$ 13,839	\$ 37,340	\$ 140,082	\$ 46,366	\$ 4,468	\$ 34,267	\$ 648,904
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES											
Liabilities:											
Accounts Payable	\$ -	\$ 4,644	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,644
Due to Other Funds	1,413	-	205,099	4,275	-	-	16,364	4,588	-	-	231,739
Total Liabilities	1,413	4,644	205,099	4,275	-	-	16,364	4,588	-	-	236,383
Deferred Inflows:											
Leases	-	-	-	-	-	-	-	64,984	-	-	64,984
Fund Balances:											
Committed	59,339	39,271	33,319	25,182	13,839	37,340	123,718	(22,787)	4,468	34,267	347,956
Unassigned	-	-	-	-	-	-	-	(419)	-	-	(419)
Total Fund Balances	59,339	39,271	33,319	25,182	13,839	37,340	123,718	(23,206)	4,468	34,267	347,537
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 60,752	\$ 43,915	\$ 238,418	\$ 29,457	\$ 13,839	\$ 37,340	\$ 140,082	\$ 46,366	\$ 4,468	\$ 34,267	\$ 648,904



**TOWN OF OLD LYME  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2022**

	Capital Project Funds											Total Nonmajor Governmental Funds
ASSETS	Capital Nonrecurring	Town Building Improvement	Land Acquisition	Firefighters' Equipment	Hains Park Bathrooms	Parks & Recreation Capital	Road Improvement	Public Works Capital	IT	Halls Road Improvement	Total	
Cash	\$ 207,460	\$ 58,406	\$ 412,060	\$ 608,672	\$ -	\$ 250,104	\$ 616,093	\$ 166,244	\$ 64,322	\$ -	\$ 2,383,361	\$ 2,961,263
Receivables:												
Other	-	-	-	-	-	-	-	-	-	-	-	16,862
Leases	-	-	-	-	-	-	-	-	-	-	-	42,197
Due from Other Funds	-	-	-	-	-	-	-	-	-	38,900	38,900	50,843
Total Assets	<u>\$ 207,460</u>	<u>\$ 58,406</u>	<u>\$ 412,060</u>	<u>\$ 608,672</u>	<u>\$ -</u>	<u>\$ 250,104</u>	<u>\$ 616,093</u>	<u>\$ 166,244</u>	<u>\$ 64,322</u>	<u>\$ 38,900</u>	<u>\$ 2,422,261</u>	<u>\$ 3,071,165</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES												
Liabilities:												
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,644
Due to Other Funds	-	4,553	-	-	-	-	144,592	-	17,004	-	166,149	397,888
Total Liabilities	<u>-</u>	<u>4,553</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>144,592</u>	<u>-</u>	<u>17,004</u>	<u>-</u>	<u>166,149</u>	<u>402,532</u>
Deferred Inflows:												
Leases	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,984</u>
Fund Balances:												
Committed	207,460	53,853	412,060	608,672	-	250,104	471,501	166,244	47,318	38,900	2,256,112	2,604,068
Unassigned	-	-	-	-	-	-	-	-	-	-	-	(419)
Total Fund Balances	<u>207,460</u>	<u>53,853</u>	<u>412,060</u>	<u>608,672</u>	<u>-</u>	<u>250,104</u>	<u>471,501</u>	<u>166,244</u>	<u>47,318</u>	<u>38,900</u>	<u>2,256,112</u>	<u>2,603,649</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	<u>\$ 207,460</u>	<u>\$ 58,406</u>	<u>\$ 412,060</u>	<u>\$ 608,672</u>	<u>\$ -</u>	<u>\$ 250,104</u>	<u>\$ 616,093</u>	<u>\$ 166,244</u>	<u>\$ 64,322</u>	<u>\$ 38,900</u>	<u>\$ 2,422,261</u>	<u>\$ 3,071,165</u>

**TOWN OF OLD LYME  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2022**

	Special Revenue										
	Social Workers' Fund	Dog Fund	Private Duty Fund	Harbor Management Fund	Town Woods Park Fund	Public Building Improvement Fund	Senior Center Board Fund	Bus Barn Fund	WPCA Cost Sharing Fund	Sanitation and Recycling and Fund	Total
REVENUES											
Charges for Services	\$ -	\$ 7,553	\$ 76,806	\$ 7,667	\$ -	\$ 4,329	\$ 19,619	\$ 17,563	\$ -	\$ -	\$ 133,537
Investment Income	52	33	177	22	12	29	95	2,154	-	7	2,581
Contributions	7,381	1,390	-	800	-	-	26,500	-	-	-	36,071
Other Revenue	-	-	-	-	-	-	-	-	-	4,780	4,780
Total Revenues	7,433	8,976	76,983	8,489	12	4,358	46,214	19,717	-	4,787	176,969
EXPENDITURES											
Current:											
General Government	-	-	-	-	-	-	-	1,330	-	-	1,330
Boards and Commissions	-	-	-	-	-	-	-	-	5,497	-	5,497
Public Works	-	-	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-	-	-
Other Public Safety	-	4,644	-	9,295	-	-	-	-	-	-	13,939
Fire Services	-	-	-	-	-	-	-	-	-	-	-
Police Services	-	-	76,912	-	-	-	-	-	-	-	76,912
Health Services	8,526	-	-	-	-	-	-	-	-	-	8,526
Senior Citizens	-	-	-	-	-	-	31,911	-	-	-	31,911
Sanitation	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	8,526	4,644	76,912	9,295	-	-	31,911	1,330	5,497	-	138,115
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,093)	4,332	71	(806)	12	4,358	14,303	18,387	(5,497)	4,787	38,854
OTHER FINANCING SOURCES (USES)											
Transfers In	-	-	-	-	-	-	-	1,000	-	1,000	2,000
Transfers Out	-	-	-	-	-	-	-	(42,420)	-	-	(42,420)
Proceeds from sale of equipment	-	-	-	-	-	-	-	-	-	-	-
Net Other Financing Sources (Uses)	-	-	-	-	-	-	-	(41,420)	-	1,000	(40,420)
EXCESS (DEFICIENCY)	(1,093)	4,332	71	(806)	12	4,358	14,303	(23,033)	(5,497)	5,787	(1,566)
Fund Balance - Beginning of Year	60,432	34,939	33,248	25,988	13,827	32,982	109,415	(173)	9,965	28,480	349,103
FUND BALANCE -END OF YEAR	\$ 59,339	\$ 39,271	\$ 33,319	\$ 25,182	\$ 13,839	\$ 37,340	\$ 123,718	\$ (23,206)	\$ 4,468	\$ 34,267	\$ 347,537

**TOWN OF OLD LYME  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

	Capital Project Funds										Total Nonmajor Governmental Funds	
	Capital Nonrecurring	Town Building Improvement	Land Acquisition	Firefighters' Equipment	Hains Park Bathrooms	Parks & Recreation Capital	Road Improvement	Public Works Capital	IT	Halls Road Improvement	Total	
REVENUES												
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,537
Investment Income	126	57	349	372	-	164	859	155	47	-	2,129	4,710
Contributions	-	-	-	-	-	-	100,000	-	-	-	100,000	136,071
Other Revenue	-	-	818	-	-	-	-	-	-	-	818	5,598
Total Revenues	126	57	1,167	372	-	164	100,859	155	47	-	102,947	279,916
EXPENDITURES												
Current:												
General Government	-	4,553	-	-	-	-	-	-	41,539	6,100	52,192	53,522
Boards and Commissions	-	-	-	-	-	-	-	-	-	-	-	5,497
Public Works	-	18,998	-	-	-	-	1,411,200	103,578	-	-	1,533,776	1,533,776
Parks and Recreation	-	-	7,206	-	-	11,166	-	-	-	-	18,372	18,372
Other Public Safety	-	-	-	-	-	-	-	-	-	-	-	13,939
Fire Services	-	13,000	-	-	-	-	-	-	-	-	13,000	13,000
Police Services	-	-	-	-	-	-	-	-	-	-	-	76,912
Health Services	-	-	-	-	-	-	-	-	-	-	-	8,526
Senior Citizens	-	-	-	-	-	-	-	-	-	-	-	31,911
Sanitation	-	3,002	-	-	-	-	-	-	-	-	3,002	3,002
Total Expenditures	-	39,553	7,206	-	-	11,166	1,411,200	103,578	41,539	6,100	1,620,342	1,758,457
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	126	(39,496)	(6,039)	372	-	(11,002)	(1,310,341)	(103,423)	(41,492)	(6,100)	(1,517,395)	(1,478,541)
OTHER FINANCING SOURCES (USES)												
Transfers In	46,771	24,000	75,000	100,000	-	247,000	1,000,000	103,000	63,000	45,000	1,703,771	1,705,771
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	(42,420)
Proceeds from sale of equipment	-	-	-	-	-	-	-	4,101	-	-	4,101	4,101
Net Other Financing Sources (Uses)	46,771	24,000	75,000	100,000	-	247,000	1,000,000	107,101	63,000	45,000	1,707,872	1,667,452
EXCESS (DEFICIENCY)	46,897	(15,496)	68,961	100,372	-	235,998	(310,341)	3,678	21,508	38,900	190,477	188,911
Fund Balance - Beginning of Year	160,563	69,349	343,099	508,300	-	14,106	781,842	162,566	25,810	-	2,065,635	2,414,738
FUND BALANCE - END OF YEAR	\$ 207,460	\$ 53,853	\$ 412,060	\$ 608,672	\$ -	\$ 250,104	\$ 471,501	\$ 166,244	\$ 47,318	\$ 38,900	\$ 2,256,112	\$ 2,603,649

## **TREND INFORMATION**

TABLE 1

**TOWN OF OLD LYME  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities:										
Net Investment in Capital Assets	\$ 23,710,061	\$ 22,098,049	\$ 21,705,131	\$ 19,854,187	\$ 19,607,377	\$ 19,157,888	\$ 16,803,929	\$ 15,825,169	\$ 15,512,237	\$ 14,663,770
Restricted for:										
Capital Projects	-	1,042,878	-	-	-	-	-	-	-	-
Unrestricted	15,852,996	13,687,784	12,863,272	14,420,731	12,737,475	11,709,604	10,799,781	9,167,351	8,024,680	7,070,073
Total Governmental Activities										
Net Position	<u>\$ 39,563,057</u>	<u>\$ 36,828,711</u>	<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>

TABLE 2

**TOWN OF OLD LYME  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>EXPENSES</b>										
Governmental Activities:										
General Government	\$ 4,000,029	\$ 3,961,641	\$ 4,614,532	\$ 3,191,913	\$ 2,770,249	\$ 2,747,576	\$ 2,639,326	\$ 2,870,319	\$ 2,828,319	\$ 2,390,703
Public Works	1,096,466	1,280,724	1,345,193	1,317,452	1,696,348	1,242,170	1,295,885	1,324,016	1,306,797	1,345,789
Parks and Recreation	539,813	455,805	527,133	504,181	427,120	464,329	1,930,981	491,930	494,022	382,947
Other Public Safety	480,848	537,716	452,117	440,272	373,015	397,308	351,505	403,834	330,743	658,678
Social Services	113,875	113,306	111,802	107,983	103,930	110,570	105,457	93,486	90,972	83,896
Fire Services	539,444	625,777	560,305	641,510	561,976	640,059	430,894	464,308	510,386	453,464
Police Services	1,092,541	1,141,530	1,288,332	1,238,522	1,140,264	961,451	998,934	1,153,081	1,152,650	1,104,710
Health Services	86,676	83,406	94,131	106,951	162,631	153,063	150,364	150,831	149,989	156,327
Land Acquisition	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-
Senior Citizens	237,449	198,724	288,948	233,385	223,561	198,121	189,321	218,980	189,045	108,339
Sanitation	1,131,442	1,104,211	1,072,049	1,053,639	1,038,310	957,297	1,089,305	1,014,480	1,087,838	1,399,954
Education	27,006,352	27,556,679	27,556,679	26,343,259	26,535,202	25,565,976	25,014,080	24,649,113	24,314,383	24,293,158
Interest Expense	38,761	45,781	48,419	31,233	35,906	40,516	78,485	84,037	92,090	138,124
Total Governmental Activities Expenses	36,363,696	37,105,300	37,959,640	35,210,300	35,068,512	33,478,436	34,274,537	32,918,415	32,547,234	32,516,089
<b>PROGRAM REVENUES</b>										
Governmental Activities:										
Charges for Services:										
General Government	891,732	946,309	656,401	532,332	237,367	483,380	526,326	488,866	543,511	515,669
Public Works	4,329	4,869	4,134	3,753	3,124	4,329	4,508	4,239	4,728	7,888
Parks and Recreation	207,446	179,855	208,081	217,808	190,558	219,104	236,599	198,812	207,337	215,018
Other Public Safety	18,573	14,221	11,176	11,971	262,818	12,013	14,597	19,337	18,376	17,987
Fire Services	480	240	60	480	45,183	380	650	360	400	380
Police Services	92,221	156,143	98,789	54,663	57,288	43,409	51,975	89,059	49,359	70,117
Health Services	-	-	-	-	8,219	5,632	15,397	10,688	14,904	15,425
Senior Citizens	63,576	59,221	46,769	82,037	17,297	55,897	48,707	48,905	54,155	13,668
Sanitation	153,676	191,812	201,624	186,736	164,074	112,942	148,907	193,509	165,702	223,304
Education	8,632	15,684	2,272	10,464	28,784	66,044	68,384	65,647	64,571	65,054
Operating Grants and Contributions	740,383	716,616	281,253	399,565	331,070	960,280	2,766,825	749,675	963,519	1,029,382
Capital Grants and Contributions	381,977	603,938	468,463	307,814	254,080	957,764	394,259	279,550	793,642	795,262
Total Governmental Activities										
Program Revenues	2,563,025	2,888,908	1,979,022	1,807,623	1,599,862	2,921,174	4,277,134	2,148,647	2,880,204	2,969,154
<b>NET REVENUE (EXPENSE)</b>	(33,800,671)	(34,216,392)	(35,980,618)	(33,402,677)	(33,468,650)	(30,557,262)	(29,997,403)	(30,769,768)	(29,667,030)	(29,546,935)
<b>GENERAL REVENUES AAND OTHER CHANGES IN NET EXPENSES</b>										
Governmental Activities:										
Property Taxes	36,355,764	36,124,170	35,754,220	34,942,146	34,572,309	33,587,370	32,462,970	31,962,357	31,275,151	31,072,048
Grants and Contributions Not Restricted to Specific Programs	119,818	129,073	172,122	54,141	167,645	56,958	199,033	225,785	167,440	180,486
Investment Income	28,508	35,228	281,341	296,320	186,628	59,925	32,392	14,805	12,223	14,604
Gain on Sale of Capital Assets	3,848	-	46,314	379	-	-	3,800	-	-	-
Miscellaneous	27,079	78,155	20,106	39,757	19,428	-	15,742	22,424	15,290	11,850
Total Governmental Activities	36,535,017	36,366,626	36,274,103	35,332,743	34,946,010	33,704,253	32,713,937	32,225,371	31,470,104	31,278,988
<b>CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES</b>	\$ 2,734,346	\$ 2,150,234	\$ 293,485	\$ 1,930,066	\$ 1,477,360	\$ 3,146,991	\$ 2,716,534	\$ 1,455,603	\$ 1,803,074	\$ 1,732,053

TABLE 3

**TOWN OF OLD LYME  
SCHEDULE OF DEBT LIMITATION  
YEAR ENDED JUNE 30, 2022**

Total Tax Collections (Including Interest  
and Lien Fees)

\$ 36,063,886

	General Purpose	Schools	Sewers	Urban Renewal	Pension Funding	Total
Debt Limitation:						
2 1/4 Times Base	\$ 81,143,744	\$ -	\$ -	\$ -	\$ -	\$ 81,143,744
4 1/2 Times Base	-	162,287,487	-	-	-	162,287,487
3 3/4 Times Base	-	-	135,239,573	-	-	135,239,573
3 1/4 Times Base	-	-	-	117,207,630	-	117,207,630
3 Times Base	-	-	-	-	108,191,658	108,191,658
Total Debt Limitation	<u>81,143,744</u>	<u>162,287,487</u>	<u>135,239,573</u>	<u>117,207,630</u>	<u>108,191,658</u>	<u>604,070,091</u>
Debt, as Defined by Statute:						
Bonds Payable	1,885,000	-	-	-	-	1,885,000
Notes Payable	-	-	-	-	-	-
Town's Share of Regional School	-	-	-	-	-	-
District No. 18 Debt	-	13,341,060	-	-	-	13,341,060
Total Indebtedness	<u>1,885,000</u>	<u>13,341,060</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,226,060</u>
Debt Limitation in Excess of Indebtedness	<u>\$ 79,258,744</u>	<u>\$ 148,946,427</u>	<u>\$ 135,239,573</u>	<u>\$ 117,207,630</u>	<u>\$ 108,191,658</u>	<u>\$ 588,844,031</u>

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

\$ 252,447,202