

**TOWN OF OLD LYME, CONNECTICUT**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2021**



WEALTH ADVISORY | OUTSOURCING  
AUDIT, TAX, AND CONSULTING

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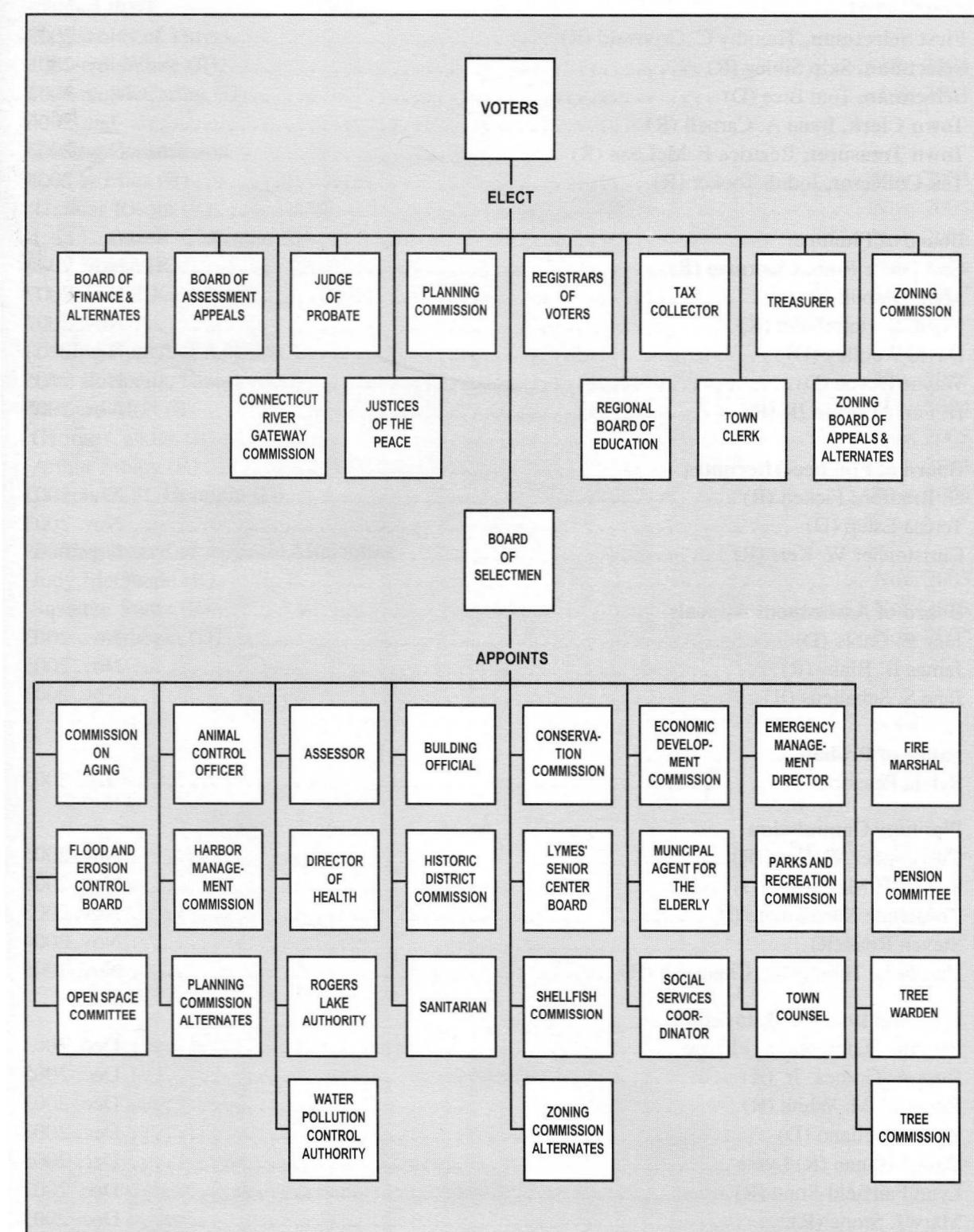
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## **Introductory Section**

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# TOWN OF OLD LYME, CONNECTICUT

## ORGANIZATION CHART



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## **Financial Section**

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

## **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Old Lyme, Connecticut, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Old Lyme, Connecticut's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Old Lyme, Connecticut, as of June 30, 2021 and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of a Matter***

#### *Correction of an Error*

As discussed in Note 5 to the financial statements, certain errors were identified in the prior year financial statements during the current year. Accordingly, amount has been restated in the 2021 financial statements now presented, and adjustments have been made to net position and fund balance as of June 30, 2020, to correct these errors. Our opinion is not modified with respect to that matter.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Other Information*

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 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.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
February 23, 2022

**Town of Old Lyme, Connecticut  
Management's Discussion and Analysis  
For the Year Ended June 30, 2021**

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, 2021.

**Financial Highlights**

- The assets of the Town exceeded its liabilities at the close of the 2021 fiscal year by \$36,828,711. Of this amount, \$13,687,784 (*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 \$2,150,234. 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 \$14,287,800, an increase of \$483,866 in comparison with the prior year. The most significant reasons for the increase were 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 \$9,432,825, or 24.6% of total budgetary general fund expenditures and transfers out.
- The Town's total long-term debt decreased by (\$423,744) or (13.6%) 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).

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

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

## **Notes to Financial Statements**

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

## **Other Information**

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

## **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a Town's financial position. In the case of the Town, assets exceeded liabilities by \$36,828,711 at the close of the most recent fiscal year.

By far the largest portion of the Town's net position (60.0%) 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.

<b><u>Summary Statement of Net Position</u></b>		
	<b>2021</b>	<b>2020</b>
Current and other assets	\$ 21,401,078	\$ 15,628,074
Capital assets (net)	<u>24,396,274</u>	<u>23,184,162</u>
 Total assets	<u>45,797,352</u>	<u>38,812,236</u>
 Deferred outflows of resources	<u>16,775</u>	<u>20,969</u>
 Current liabilities	2,681,913	1,494,600
Long-term liabilities	<u>2,221,000</u>	<u>2,667,000</u>
 Total liabilities	<u>4,902,913</u>	<u>4,161,600</u>
 Deferred inflows of resources	<u>4,082,503</u>	<u>103,202</u>
 Net investment in capital assets	22,098,049	21,705,131
Restricted for other purposes	1,042,878	-
Unrestricted	<u>13,687,784</u>	<u>12,863,272</u>
 Total net position	<u>\$ 36,828,711</u>	<u>\$ 34,568,403</u>

## Governmental Activities

The Town's net position increased by \$2,150,234.

<b>Statement of Changes in Net Position</b>			
	<b>2021</b>	<b>2020</b>	
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 1,568,354	\$ 1,229,306	
Operating grants and contributions	716,616	281,253	
Capital grants and contributions	603,938	468,463	
General revenues:			
Property taxes	36,124,170	35,754,220	
Grants and contributions not restricted to specific programs	129,073	172,122	
Investment income (loss)	35,228	281,341	
Gain on sale of capital assets	-	46,314	
Miscellaneous	78,155	20,106	
Total revenues	<u>39,255,534</u>	<u>38,253,125</u>	
<b>Expenses:</b>			
General government	3,961,641	4,614,532	
Public works	1,280,724	1,345,193	
Parks and recreation	455,805	527,133	
Other public safety	537,716	452,117	
Social services	113,306	111,802	
Fire services	625,777	560,305	
Police services	1,141,530	1,288,332	
Health services	83,406	94,131	
Senior citizens	198,724	288,948	
Sanitation	1,104,211	1,072,049	
Education	27,556,679	27,556,679	
Interest expense	45,781	48,419	
Total expenses	<u>37,105,300</u>	<u>37,959,640</u>	
Change in net position	2,150,234	293,485	
Net position - July 1	<u>34,678,477</u>	<u>34,274,918</u>	
Net Position - June 30	<u>\$ 36,828,711</u>	<u>\$ 34,568,403</u>	

The key elements of this increase are as follows:

- Property tax revenue (including interest and liens) increased \$369,950 (1.0%) from the prior year due to a slight uptick in the collection rate on the current year levy.
- Charges for services increased by \$39,048 (27.6%) during the year. This increase is due mostly to the increase in town clerk fees and building department fees.
- Operating grants and contributions increased by \$435,356 (155%) due to DOT project grants received.
- General government expenses decreased \$652,891 (14.1%) due to a reduction in contributions made in the prior year to the Old Lyme Phoebe Griffin Noyes Library for renovation project.

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

### **Financial Analysis of the Town's Funds**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town continues to accumulate funds for known future capital expenditures.

#### **Governmental Funds**

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a Town's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$14,287,800, an increase of \$483,866 in comparison with the prior year. 66.0% of this total amount \$9,432,652 constitutes unassigned fund balance which is available for spending at the Town's discretion. The remainder of fund balance is classified as follows: Nonspendable \$982,617, Restricted \$60,261, Committed \$2,502,221, and Assigned \$1,310,049.

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 \$9,432,825, while total fund balance reached \$11,725,491. 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 24.6% of total budgetary general fund expenditures and transfers out, while total fund balance represents 30.6% of that same amount.

The fund balance of the Town's general fund increased by \$24,394 during the current fiscal year.

The increase was due to the following:

- Property taxes/interest and liens collected exceeded the budgeted amount by \$268,117
- Charges for services exceeded budgetary estimates by \$440,306 mostly due to Town Clerk fees \$247,345 in excess of budgetary estimates and Building Department fees \$197,126 in excess of budgetary estimates.
- Investment income fell short of budgetary estimates by (\$151,023) as interest rates remained low throughout the year.
- Cancellation of encumbrances exceeded budgetary estimates by \$366,923

- Overall, General Fund expenditures come in \$694,528 below budget estimates. Town department budget estimates exceeded actual amount expended most notably as follows:
  - General Government \$232,972 due to savings in Insurance (\$114,470), Town Hall operations (\$39,998), and Selectman's office (\$26,265).
  - Boards and Commission - \$99,274 due to Land Use (\$44,119) reduced need for engineering services.
  - Public Works \$46,937 due to weather related need of fuel/salt/sand (\$75,000) and not filling an open position (\$62,000).
  - Police Services \$50,487 related to Resident state police expenditures.
  - Capital \$84,759 due to public safety projects totaling \$72,011 were not undertaken by the end of the fiscal year.
- These positive variances were offset by the appropriation of fund balance totaling \$800,000.

### **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget were \$206,700. The significant increases in appropriations were as follows:

- Emergency Management \$ 92,000
- Municipal Police \$ 42,000
- Capital Outlay – General government \$ 42,000

### **Capital Assets and Debt Administration**

#### **Capital Assets**

The Town's investment in capital assets for its governmental activities as of June 30, 2021 amounts to \$24,396,274 (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 \$1,212,112 or 5.2% as total additions exceeded depreciation expense. Major capital asset events during the current fiscal year included the following:

Additions:

- DPW Truck Washdown \$ 112,455
- Hain's Park Restroom Facility \$ 211,250
- Mile Creek Road Bridge Replacement \$ 917,826
- Boggy Hole Road/Old Lyme Estates Roads \$ 550,350
- Police SUVs (3) \$ 136,670

Deletions:

- DPW Mason Dump Truck \$ 47,321
- Police vehicles \$ 25,976

**Capital Assets  
(Net of Depreciation)**

	<b>2021</b>	<b>2020</b>
Land	\$ 4,247,356	\$ 4,247,356
Works of art	291,000	291,000
Construction in progress	311,406	436,193
Buildings and improvements	6,067,148	5,777,544
Land improvements	1,271,884	1,301,678
Machinery, vehicles and equipment	4,112,570	4,363,580
Infrastructure	8,094,910	6,766,811
 Total	 \$ <u>24,396,274</u>	 \$ <u>23,184,162</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 \$2,315,000. All debt is backed by the full faith and credit of the Town.

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

	<b>2020</b>	<b>2019</b>
General obligation bonds	\$ <u>2,315,000</u>	\$ <u>2,750,000</u>

The Town's total bonded debt decreased by \$435,000 during the current fiscal year due to scheduled debt payments.

In addition, the Town is responsible for 81.8% of debt service for Regional School District No. 18, which totals \$15,251,610 at year end.

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

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

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

The unemployment rate for the Town of Old Lyme as of June 2021 was 5.5%. This compares favorably with the Norwich/New London labor market area's unemployment rate of 7.5% and the State of Connecticut's rate of 6.8% for the same period. Due to the current national economic conditions (COVID 19), the unemployment rates for the State, Norwich/New London area, and Old Lyme decreased by 33.4%, 43.6%, and 38.2%, respectively.

Although the initial estimate of Town of Old Lyme's portion of the Regional School District No. 18 operating budget showed an increase, the District's refunding of debt reduced billings from the prior year.

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

Sound View sidewalks

New projects include the following:

- OLFD Cross Lane Station drain repair
- Ferry Road sidewalks
- Hain's Park playground replacement
- IT upgrades at OLPD and Transfer Station
- Town Hall HVAC upgrades
- Ongoing road and drainage projects that are funded through the Town budget.

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

1 police SUV

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, 2021.

All of these factors were considered during the preparation of the Town's budget for the 2021/2022 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.

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**Basic Financial  
Statements**

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**TOWN OF OLD LYME, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**GOVERNMENTAL ACTIVITIES**  
**JUNE 30, 2021**

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**Assets:**

**Current Assets:**

Cash	\$ 7,678,936
Investments	11,833,884
Receivables:	
Property taxes	464,835
Intergovernmental	7,535
Other	63,330
Prepaid amounts	<u>982,617</u>
Total current assets	<u>21,031,137</u>

**Noncurrent Assets:**

Receivables (net):	
Property taxes	<u>369,941</u>

**Capital Assets (Net of Accumulated Depreciation):**

Land	4,247,356
Works of art	291,000
Construction in progress	311,406
Buildings and improvements	6,067,148
Land improvements	1,271,884
Machinery, vehicles and equipment	4,112,570
Infrastructure	<u>8,094,910</u>
Total capital assets (net of depreciation)	<u>24,396,274</u>

Total noncurrent assets	<u>24,766,215</u>
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Total assets	<u>45,797,352</u>
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**Deferred Outflows of Resources:**

Deferred charge on refunding	<u>16,775</u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF OLD LYME, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**GOVERNMENTAL ACTIVITIES (CONTINUED)**  
**JUNE 30, 2021**

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**Liabilities:**

**Current liabilities:**

Accounts payable	\$ 534,619
Accrued liabilities	31,512
Performance bonds	299,238
Unearned revenue	1,330,630
Accrued interest payable	12,657
Bonds and related liabilities	430,000
Compensated absences	27,257
Landfill postclosure costs	16,000
Total current liabilities	<u>2,681,913</u>

**Noncurrent liabilities:**

Bonds and related liabilities	1,885,000
Landfill postclosure costs	336,000
Total noncurrent liabilities	<u>2,221,000</u>

Total liabilities 4,902,913

**Deferred Inflows of Resources:**

Advanced property tax collections	<u>4,082,503</u>
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**Net Position:**

Net investment in capital assets	22,098,049
Restricted	1,042,878
Unrestricted	<u>13,687,784</u>

Total Net Position \$ 36,828,711

The accompanying notes are an integral part of the financial statements

**TOWN OF OLD LYME, CONNECTICUT**  
**STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

<b>Functions/Programs</b>	<b>Program Revenues</b>				<b>Net Expenses and Changes in Net Position</b>	
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Total Governmental Activities</b>	
Governmental activities:						
General government	\$ 3,961,641	\$ 946,309	\$ 306,824	\$ -	\$ (2,708,508)	
Public works	1,280,724	4,869	-	603,938	(671,917)	
Parks and recreation	455,805	179,855	-	-	(275,950)	
Other public safety	537,716	14,221	159,655	-	(363,840)	
Social services	113,306	-	-	-	(113,306)	
Fire services	625,777	240	-	-	(625,537)	
Police services	1,141,530	156,143	3,680	-	(981,707)	
Health services	83,406	-	7,872	-	(75,534)	
Senior citizens	198,724	59,221	-	-	(139,503)	
Sanitation	1,104,211	191,812	-	-	(912,399)	
Education	27,556,679	15,684	238,585	-	(27,302,410)	
Interest expense	45,781	-	-	-	(45,781)	
<b>Total</b>	<b>\$ 37,105,300</b>	<b>\$ 1,568,354</b>	<b>\$ 716,616</b>	<b>\$ 603,938</b>	<b>(34,216,392)</b>	
General revenues:						
Property taxes					36,124,170	
Grants and contributions not restricted to specific programs					129,073	
Investment income					35,228	
Miscellaneous					78,155	
<b>Total general revenues</b>					<b>36,366,626</b>	
Change in net position					2,150,234	
Net position - July 1, 2020 (restated)					<b>34,678,477</b>	
Net position - June 30, 2021					<b>\$ 36,828,711</b>	

The accompanying notes are an integral part of the financial statements

**TOWN OF OLD LYME, CONNECTICUT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	<b>General</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash	\$ 5,178,029	\$ 2,500,907	\$ 7,678,936
Investments	11,833,884	-	11,833,884
Receivables:			
Property taxes	834,776	-	834,776
Intergovernmental	7,535	-	7,535
Other	33,006	30,324	63,330
Due from other funds	151,467	188,388	339,855
Prepaid amounts	982,617	-	982,617
<b>Total Assets</b>	<b>\$ 19,021,314</b>	<b>\$ 2,719,619</b>	<b>\$ 21,740,933</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 530,076	\$ 4,543	\$ 534,619
Accrued liabilities	31,512	-	31,512
Due to other funds	188,388	151,467	339,855
Performance Bonds	299,238	-	299,238
Unearned revenue	1,329,330	1,300	1,330,630
<b>Total liabilities</b>	<b>2,378,544</b>	<b>157,310</b>	<b>2,535,854</b>
Deferred Inflows of Resources:			
Unavailable revenue - property taxes	834,776	-	834,776
Advanced property tax collections	4,082,503	-	4,082,503
Total deferred inflows of resources	4,917,279	-	4,917,279
Fund Balances:			
Nonspendable	982,617	-	982,617
Restricted	-	60,261	60,261
Committed	-	2,502,221	2,502,221
Assigned	1,310,049	-	1,310,049
Unassigned	9,432,825	(173)	9,432,652
Total fund balances	11,725,491	2,562,309	14,287,800
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 19,021,314</b>	<b>\$ 2,719,619</b>	<b>\$ 21,740,933</b>

(Continued on next page)

**TOWN OF OLD LYME, CONNECTICUT**  
**RECONCILIATION OF FUND BALANCE**  
**TO NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**JUNE 30, 2021**

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

Total fund balance (Exhibit C, Page 1)	\$ 14,287,800
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Capital assets, net of accumulated depreciation	24,396,274
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	834,776
Deferred charge on refunding	16,775
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(2,315,000)
Landfill postclosure costs	(352,000)
Compensated absences	(27,257)
Accrued interest payable	<u>(12,657)</u>
Net Position of Governmental Activities	\$ <u>36,828,711</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF OLD LYME, CONNECTICUT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>General</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>			
Property taxes	\$ 36,091,574	\$ -	\$ 36,091,574
Charges for services	1,348,307	220,047	1,568,354
Intergovernmental	1,249,213	14,123	1,263,336
Investment income	33,977	1,251	35,228
Contributions	-	186,291	186,291
Other revenue	-	19,621	19,621
<b>Total revenues</b>	<b>38,723,071</b>	<b>441,333</b>	<b>39,164,404</b>
<b>Expenditures:</b>			
<b>Current:</b>			
General government	2,537,606	234,210	2,771,816
Boards and commissions	442,983	6,555	449,538
Public works	830,482	550,350	1,380,832
Parks and recreation	383,168	28,377	411,545
Other public safety	460,709	10,526	471,235
Social services	113,306	-	113,306
Fire services	381,055	19,653	400,708
Police services	934,524	153,992	1,088,516
Health services	77,758	5,648	83,406
Senior citizens	161,346	15,137	176,483
Other associations	382,000	-	382,000
Sanitation	1,117,425	14,899	1,132,324
Chartered associations	71,700	-	71,700
Education	27,556,679	-	27,556,679
Capital outlay	1,770,486	-	1,770,486
Debt service	478,698	-	478,698
<b>Total expenditures</b>	<b>37,699,925</b>	<b>1,039,347</b>	<b>38,739,272</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>1,023,146</b>	<b>(598,014)</b>	<b>425,132</b>
<b>Other financing sources (uses):</b>			
Transfers in	41,548	1,052,271	1,093,819
Transfers out	(1,040,500)	(53,319)	(1,093,819)
Insurance proceeds		58,534	58,534
Proceeds from sale of capital assets	200		200
<b>Net Other Financing Sources (Uses)</b>	<b>(998,752)</b>	<b>1,057,486</b>	<b>58,734</b>
<b>Net Change in Fund Balances</b>	<b>24,394</b>	<b>459,472</b>	<b>483,866</b>
<b>Fund Balances - July 1, 2020 (restated)</b>	<b>11,701,097</b>	<b>2,102,837</b>	<b>13,803,934</b>
<b>Fund Balances - June 30, 2021</b>	<b>\$ 11,725,491</b>	<b>\$ 2,562,309</b>	<b>\$ 14,287,800</b>

(Continued on next page)

**TOWN OF OLD LYME, CONNECTICUT**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

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

Net change in fund balances - total governmental funds (Exhibit D)	\$ 483,866
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay	1,864,877
Depreciation expense	(638,811)
<b>Total</b>	<b>1,226,066</b>

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	15,628
Change in property tax interest and lien revenue	21,968
Change in allowance for doubtful accounts	(5,000)
<b>Total</b>	<b>32,596</b>

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)
Principle repayments:	
General obligation bonds	435,000
<b>Total</b>	<b>430,806</b>

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	(27,257)
Landfill closure and postclosure	16,000
Accrued interest payable	2,111

<b>Total</b>	<b>(9,146)</b>
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Change in Net Position of Governmental Activities (Exhibit B)	\$ 2,150,234
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## TOWN OF OLD LYME, CONNECTICUT

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

## GENERAL FUND

## FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Property taxes	\$ 35,823,457	\$ 35,823,457	\$ 36,091,574	\$ 268,117
Charges for services	908,001	908,001	1,348,307	440,306
Intergovernmental	1,040,416	1,040,416	1,249,213	208,797
Investment income	185,000	185,000	33,977	(151,023)
Total revenues	<u>37,956,874</u>	<u>37,956,874</u>	<u>38,723,071</u>	<u>766,197</u>
Expenditures:				
Current:				
General government	2,754,580	2,764,980	2,532,008	232,972
Boards and commissions	482,446	497,896	398,622	99,274
Public works	934,719	892,269	845,332	46,937
Parks and recreation	468,434	468,434	405,668	62,766
Other public safety	405,802	497,802	460,709	37,093
Social services	116,675	116,675	113,306	3,369
Fire services	391,127	404,627	380,330	24,297
Police services	943,011	985,011	934,524	50,487
Health services	78,542	78,542	77,758	784
Senior citizens' activities	176,135	176,135	161,346	14,789
Other associations	383,000	383,000	382,000	1,000
Sanitation	1,136,574	1,153,374	1,117,425	35,949
Chartered associations	71,700	71,700	71,700	-
Regional School District No. 18	<u>27,556,679</u>	<u>27,556,679</u>	<u>27,556,679</u>	<u>-</u>
Debt service:				
Redemption of debt	435,000	435,000	435,000	-
Interest on debt	43,750	43,750	43,698	52
Capital outlay	<u>1,404,000</u>	<u>1,446,000</u>	<u>1,361,241</u>	<u>84,759</u>
Total expenditures	<u>37,782,174</u>	<u>37,971,874</u>	<u>37,277,346</u>	<u>694,528</u>
Excess (Deficiency) of Revenues over Expenditures	<u>174,700</u>	<u>(15,000)</u>	<u>1,445,725</u>	<u>1,460,725</u>
Other financing sources (uses):				
Appropriation of fund balance	800,000	1,006,700	-	(1,006,700)
Proceeds from sale of capital assets	1,000	1,000	200	(800)
Cancellation of prior year encumbrances	10,000	10,000	376,923	366,923
Transfers in	37,800	37,800	41,548	3,748
Transfers out	<u>(1,023,500)</u>	<u>(1,040,500)</u>	<u>(1,040,500)</u>	<u>-</u>
Net Other Financing Sources (Uses)	<u>(174,700)</u>	<u>15,000</u>	<u>(621,829)</u>	<u>(636,829)</u>
Net Change in Fund Balance	\$ <u>_____</u> -	\$ <u>_____</u> -	\$ 823,896	\$ <u>_____</u> <u>823,896</u>
Fund Balance - July 1, 2020				<u>9,685,755</u>
Fund Balance - June 30, 2021			\$ <u>_____</u>	<u>10,509,651</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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**History, Organization and Reporting Entity**

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Government-Wide and Fund Financial Statements**

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

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

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, 2021**

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Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

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

The Town reports the following major governmental fund:

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

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

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

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

**Deposits and Investments**

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

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

Investments for the Town are reported at fair value.

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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**Receivables and Payables**

**Interfunds**

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

**Property Taxes and Other Receivables**

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

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

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

**Prepaid Items**

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

**Capital Assets**

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

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

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

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

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

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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**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).

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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**Unassigned**

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

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

The Town will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Estimates**

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

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgets and Budgetary Accounting**

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

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

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

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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- 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 \$183,300 from fund balance.

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

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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**B. Budget - GAAP Reconciliation**

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

	<u>Expenditures</u>	<u>Fund Balance</u>
Balance, budgetary basis, Exhibit E - June 30, 2021	\$ 37,277,346	\$ 10,509,651
Encumbrances outstanding at June 30, 2020 liquidated during the fiscal year	1,464,571	
Encumbrances outstanding at June 30, 2020 and 2021		173,848
Encumbrances outstanding at June 30, 2021 charged to budgetary expenditures during the fiscal year	<u>(1,041,992)</u>	<u>1,041,992</u>
Balance, GAAP basis, Exhibit D - June 30, 2021	<u>\$ 37,699,925</u>	<u>\$ 11,725,491</u>

**C. Deficit Fund Balance**

The Bus Barn Fund had a deficit fund balance at year-end of \$173. The deficit will be eliminated by transfer in from General Fund and future charges for services.

**3. DETAILED NOTES**

**A. Cash and Investments**

**Deposits - Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. At year end, \$18,294,866 of the Town's bank balance of \$19,363,852 (including certificates of deposit and money market accounts classified as investments) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 16,358,481
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,936,385</u>
Total Amount Subject to Custodial Risk	<u>\$ 18,294,866</u>

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

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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**Investments**

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

<b>Investment Type</b>	<b>Fair Value</b>	<b>Investment Maturities (Years)</b>		
		<b>Less Than 1</b>	<b>1 - 10</b>	<b>More than 10</b>
Bank money market accounts	\$ 8,796,439	\$ 8,796,439	\$	\$
Certificates of deposit	<u>3,037,445</u>	<u>3,037,445</u>		
<b>Total</b>	<b>\$ 11,833,884</b>	<b>\$ 11,833,884</b>	<b>\$ -</b>	<b>\$ -</b>

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

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

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

**B. Receivables**

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

	<b>Property Taxes</b>		
	<b>Interest and</b>		
	<b>Taxes</b>	<b>Lien Fees</b>	<b>Total</b>
Current portion	\$ <u>338,309</u>	\$ <u>126,526</u>	\$ <u>464,835</u>
Long-term portion	\$ <u>457,309</u>	\$ <u>59,632</u>	\$ <u>516,941</u>
Less allowance for uncollectible	<u>(119,000)</u>	<u>(28,000)</u>	<u>(147,000)</u>
Net Long-Term Portion	\$ <u>338,309</u>	\$ <u>31,632</u>	\$ <u>369,941</u>

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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**C. Capital Assets**

Capital asset activity for the fiscal year was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Capital assets not being depreciated:</b>				
Land	\$ 4,247,356	\$	\$	\$ 4,247,356
Works of art	291,000			291,000
Construction in progress	436,193	1,116,744	1,241,531	311,406
Total capital assets not being depreciated	<u>4,974,549</u>	<u>1,116,744</u>	<u>1,241,531</u>	<u>4,849,762</u>
<b>Capital assets being depreciated:</b>				
Buildings and improvements	6,970,652	384,818		7,355,470
Land improvements	1,800,170			1,800,170
Machinery, vehicles and equipment	7,747,684	136,670	73,295	7,811,059
Infrastructure	7,703,532	1,468,176		9,171,708
Total capital assets being depreciated	<u>24,222,038</u>	<u>1,989,664</u>	<u>73,295</u>	<u>26,138,407</u>
<b>Less accumulated depreciation for:</b>				
Buildings and improvements	1,193,108	95,214		1,288,322
Land improvements	498,492	29,794		528,286
Machinery, vehicles and equipment	3,384,104	373,726	59,341	3,698,489
Infrastructure	936,721	140,077		1,076,798
Total accumulated depreciation	<u>6,012,425</u>	<u>638,811</u>	<u>59,341</u>	<u>6,591,895</u>
Total capital assets being depreciated, net	<u>18,209,613</u>	<u>1,350,853</u>	<u>13,954</u>	<u>19,546,512</u>
Governmental Activities Capital Assets, Net	\$ <u>23,184,162</u>	\$ <u>2,467,597</u>	\$ <u>1,255,485</u>	\$ <u>24,396,274</u>

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

<b>Governmental activities:</b>				
General government		\$ 226,184		
Public works		123,371		
Parks and recreation		63,510		
Other public safety		3,271		
Fire services		167,803		
Police services		44,372		
Senior citizens		<u>10,300</u>		
Total		\$ <u>638,811</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, 2021**

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**D. Interfund Accounts**

**Interfund Payables and Receivables**

A summary of interfund balances is as follows:

	<b>Corresponding Fund</b>	<b>Due from</b>	<b>Due to</b>
<b>Major fund:</b>			
General fund:			
Social Workers Fund	N/A	\$ 1,307	\$ 143,943
Misc Revenue	N/A		3,588
Dog Fund	N/A		
Police Private Duty	N/A	129,171	
Harbor Mgt	N/A	432	
Public Building Improve	N/A		2,412
Sanitation and Recycling	N/A		28,480
Senior Center Board	N/A	601	
Bus Barn	N/A	3,257	
Capital Nonrecurring	N/A		
Fire Fighting Equipment	N/A		
Hains Park Restroom	N/A		
Town Building Improvements	N/A	14,899	
Sound View Improv	N/A	634	
Land Acquisition	N/A		
IT	N/A	1,166	
Library Improvement	N/A		
Road Improvement	N/A		
WPCA cost sharing	N/A		9,965
Total general fund		<u>151,467</u>	<u>188,388</u>
<b>Nonmajor funds:</b>			
Special revenue funds:			
Social Workers Fund	General fund		1,307
Misc Revenue	General fund	143,943	
Dog Fund	General fund	3,588	
Police Private Duty	General fund		129,171
Harbor Mgt	General fund		432
Public Building Improve	General fund	2,412	
Sanitation and Recycling	General fund	28,480	
WPCA Cost sharing	General fund	9,965	
Senior Ctr Board	General fund		601
Bus Barn	General fund		3,257
Capital project funds:			
Capital Nonrecurring	General fund		634
Land Acquisition	General fund		
Hains Park Restroom	General fund		
Town Building improvement	General fund		14,899
IT	General fund		1,166
Fire Fighters Equipment	General fund		
Sound View Improv	General fund		
Library Improvements	General fund		
Road Improvement	General fund		
Total nonmajor funds		<u>188,388</u>	<u>151,467</u>
Grand total	\$ 339,855	\$ 339,855	

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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**Interfund Transfers**

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

	<b>Corresponding Fund</b>	<b>Transfers In</b>	<b>Transfer Out</b>
<b>Major fund:</b>			
General fund:			
Dog Fund	N/A	\$ 30,649	\$ 4,500
Bus Barn	N/A		
Sound View Improvement	N/A		
Land Acquisition	N/A		75,000
Capital Nonrecurring	N/A		35,000
Town Building Improvement	N/A		34,900
Road Improvement	N/A		700,000
Firefighters equipment	N/A		100,000
IT	N/A		27,000
P&R capital	N/A		14,100
Library	N/A	6,967	
Hain's Park Restroom	N/A	3,932	
PW Capital	N/A		40,000
Sanitation and Recycling	N/A		10,000
 Total general fund		<u>41,548</u>	<u>1,040,500</u>
 Nonmajor funds:			
Special revenue funds:			
Bus Barn	General Fund	4,500	30,649
Bus Barn	Revaluation Fund		11,771
Dog Fund	General Fund		
Sanitation and Recycling	General Fund	10,000	
 Capital project funds:			
Capital Nonrecurring	Bus Barn	11,771	
Capital Nonrecurring	General fund	35,000	
Hains Park Restroom	General fund		3,932
IT	General fund	27,000	
P&R Capital	General fund	14,100	
Library	General fund		6,967
Town Building Improvement	General fund	34,900	
Land Acquisition	General Fund	75,000	
Firefighters Equipment	General Fund	100,000	
Road Improvement	General Fund	700,000	
PW Capital	General Fund	40,000	
 Total nonmajor funds		<u>1,052,271</u>	<u>53,319</u>
 Grand total		<u>\$ 1,093,819</u>	<u>\$ 1,093,819</u>

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

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

**Summary of Changes**

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

<b>Long-Term Debt</b>	<b>Beginning Balance</b>			<b>Ending Balance</b>		<b>Due Within One Year</b>
		<b>Increases</b>	<b>Decreases</b>			
<b>Bonds Payable:</b>						
Bonds - refunding	\$ 1,500,000	\$	\$ 310,000	\$ 1,190,000	\$	305,000
Bonds - Library	1,250,000		125,000	1,125,000		125,000
Total bonds payable	<u>2,750,000</u>	<u>-</u>	<u>435,000</u>	<u>2,315,000</u>		<u>430,000</u>
<b>Other liabilities:</b>						
Compensated absences	-	140,479	113,223	27,256		27,256
Landfill postclosure costs	368,000		16,000	352,000		16,000
Total other liabilities	<u>368,000</u>	<u>140,479</u>	<u>129,223</u>	<u>379,256</u>		<u>43,256</u>
Governmental Activities Capital Assets, Net	\$ <u>3,118,000</u>	\$ <u>140,479</u>	\$ <u>564,223</u>	\$ <u>2,694,256</u>	\$ <u>473,256</u>	
<b>Bonds Payable:</b>						
	<b>Original Amount</b>	<b>Date of Issuance</b>	<b>Date of Maturity</b>	<b>Interest Rate</b>		<b>Balance June 30, 2021</b>
Bonds - refunding	\$ 2,765,000	6/30/2016	9/30/2048	1.44%	\$	1,190,000
Bonds - Library	1,250,000	8/26/2019	3/27/2042	2.05%		1,125,000
Total bonds payable	<u>\$ 4,015,000</u>				\$	<u>2,315,000</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 \$18,645,000. The Town of Old Lyme's share will be approximately 81.8%, which totaled \$15,251,610. These are general obligations of the District and its member towns.

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

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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The annual requirements to amortize bonds payable are as follows:

<b>Fiscal Year Ended June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 430,000	\$ 36,722	\$ 466,722
2023	425,000	29,803	454,803
2024	420,000	22,957	442,957
2025	415,000	16,182	431,182
2026	125,000	11,531	136,531
2027	125,000	8,969	133,969
2028	125,000	6,407	131,407
2029	125,000	3,844	128,844
2030	125,000	1,282	126,282
 Total	 \$ 2,315,000	 \$ 137,697	 \$ 2,452,697

**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 22 years at \$16,000 per year are \$352,000. 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:

<b>Category</b>	<b>Debt Limit</b>	<b>Net Indebtedness</b>	<b>Balance</b>
General purpose	\$ 80,134,877	\$ 2,315,000	\$ 77,819,877
Schools	160,269,755	15,251,610	145,018,145
Sewers	133,558,129	-	133,558,129
Urban renewal	115,750,378	-	115,750,378
Pension deficit	106,846,503	-	106,846,503

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

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

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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**F. Fund Balance Classifications**

Fund balances are composed of the following:

	<b>General Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
Fund balances:			
Nonspendable for:			
Prepays expenditures	\$ 982,617	\$	982,617
Restricted for:			
Town capital projects	-	60,261	60,261
Committed for:			
Town capital projects	-	2,502,221	2,502,221
Assigned for:			
Capital outlay	1,310,049	-	1,310,049
Unassigned	<u>9,432,825</u>	<u>(173)</u>	<u>9,432,652</u>
Total Fund Balances	\$ <u>11,725,491</u>	\$ <u>2,562,309</u>	\$ <u>14,287,800</u>

Fund balance amounts classified as assigned under the general fund represent encumbrances outstanding at June 30, 2021.

**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, 2021**

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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 \$6,080,975. Employee contributions totaled \$106,380, or 1.8%, of covered payroll, and the Town and District recognized pension expense of \$486,478, 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 \$88,960.

**Coronavirus (COVID-19)**

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

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

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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**5. RESTATEMENT**

The Town received contribution and insurance reimbursement revenue in prior year and had been deferring the recognition of that revenue incorrectly. Beginning fund balance has been restated to reflect the effect of those revenues that should have been recognized in a previous year.

	<b><u>Governmental Activities</u></b>	<b><u>Non Major Governmental Funds</u></b>
Net position/fund balance as previously reported at June 30, 2020	\$ 34,568,403	\$ 1,992,763
Revenue received in the prior year that was recorded as unearned revenue incorrectly	<u>110,074</u>	<u>110,074</u>
Net position/fund balance as restated at July 1, 2020	<u>\$ 34,678,477</u>	<u>\$ 2,102,837</u>

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## **Supplemental Schedules**

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## **General Fund**

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

**TOWN OF OLD LYME, CONNECTICUT**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
Property taxes:				
Property taxes	\$ 35,598,457	\$ 35,598,457	\$ 35,877,765	\$ 279,308
Interest and lien fees	200,000	200,000	186,158	(13,842)
Telephone access line grant	25,000	25,000	27,651	2,651
Total property taxes	<u>35,823,457</u>	<u>35,823,457</u>	<u>36,091,574</u>	<u>268,117</u>
Charges for services:				
Ambulance reimbursement	7,000	7,000	6,639	(361)
Assessor	1,000	1,000	441	(559)
Beach stickers and permits	35,000	35,000	56,630	21,630
Building department	150,000	150,000	347,126	197,126
Cell phone tower lease	40,440	40,440	44,265	3,825
Fire marshal	400	400	240	(160)
Historic District commission	-	-	375	375
Inland/wetlands	2,500	2,500	4,720	2,220
Insurance reimbursement	1,200	1,200	4,265	3,065
Land use reimbursements	10,000	10,000	1,040	(8,960)
Miscellaneous	15,010	15,010	4,360	(10,650)
Other reimbursements	2,000	2,000	-	(2,000)
Parking fines	10,000	10,000	23,905	13,905
Parking	90,000	90,000	92,359	2,359
Parks and recreation department	45,000	45,000	-	(45,000)
Planning commission	1,000	1,000	3,360	2,360
Recycling	1,000	1,000	1,657	657
Registrar reimbursement	2,000	2,000	2,552	552
Rogers Lake Authority reimbursement	28,148	28,148	10,491	(17,657)
School crossing guard	8,200	8,200	6,652	(1,548)
Selectmen's office	11,000	11,000	14,006	3,006
Senior center reimbursement	50,280	50,280	45,618	(4,662)
Town clerk's office	240,000	240,000	487,345	247,345
Town Woods Park reimbursement	34,323	34,323	30,866	(3,457)
Transfer Station	115,000	115,000	147,655	32,655
Zoning board of appeals	2,500	2,500	9,355	6,855
Zoning commission	5,000	5,000	2,385	(2,615)
Total charges for services	<u>908,001</u>	<u>908,001</u>	<u>1,348,307</u>	<u>440,306</u>
Intergovernmental:				
Education equalization grant	230,000	230,000	238,585	8,585
Emergency management	120,000	120,000	159,555	39,555
Grants for Municipal Projects	1,888	1,888	1,888	-
LOCIP	49,000	49,000	48,833	(167)
Miscellaneous state grants	10,000	10,000	27,462	17,462
PILOT - colleges	33,000	33,000	33,136	136
PILOT - federal property	1,000	1,000	933	(67)
PILOT - state property	9,000	9,000	9,966	966
State police DWI	7,508	7,508	3,680	(3,828)
DOT-Mile Creek Road Bridge Improvement	-	-	291,882	291,882
DOT-Grassy Hill Road Bridge Improvement	345,850	345,850	-	(345,850)
DOT-Sound View Sidewalk Improvement	-	-	200,342	200,342
Town aid road	229,000	229,000	228,596	(404)
Disability tax exempt	170	170	179	9
Veterans' tax exempt	4,000	4,000	4,176	176
Total intergovernmental	<u>1,040,416</u>	<u>1,040,416</u>	<u>1,249,213</u>	<u>208,797</u>
Investment income:				
Interest on investments	<u>185,000</u>	<u>185,000</u>	<u>33,977</u>	<u>(151,023)</u>
Total revenues	<u>37,956,874</u>	<u>37,956,874</u>	<u>38,723,071</u>	<u>766,197</u>
Other financing sources:				
Appropriation of fund balance	800,000	800,000	-	(800,000)
Proceeds from sale of capital assets	1,000	1,000	200	(800)
Cancellation of prior year encumbrances	10,000	10,000	376,923	366,923
Transfers in:				
Library Renovation	-	-	6,967	6,967
Hains Park Restroom	-	-	3,932	3,932
Bus barn fund	37,800	37,800	30,649	(7,151)
Total other financing sources	<u>848,800</u>	<u>848,800</u>	<u>418,671</u>	<u>(430,129)</u>
Total revenues and other financing sources	<u>\$ 38,805,674</u>	<u>\$ 38,805,674</u>	<u>\$ 39,141,742</u>	<u>\$ 336,068</u>

**TOWN OF OLD LYME, CONNECTICUT**

**GENERAL FUND**

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -**

**BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual	Variance With Final Budget
General government:				
Selectmen's office	\$ 291,383	\$ 291,383	\$ 265,118	\$ 26,265
Town clerk	133,020	133,020	127,633	5,387
Tax collector	110,719	110,719	101,555	9,164
Treasurer	186,638	188,638	188,570	68
Registrar	55,636	64,036	63,946	90
Information technology	88,931	88,931	79,340	9,591
Probate court	6,300	6,300	6,236	64
Assessor	141,859	141,859	141,771	88
Building department	134,844	134,844	130,334	4,510
Health department	98,250	98,250	92,935	5,315
Town hall	173,000	173,000	133,002	39,998
Insurance	902,000	902,000	787,530	114,470
Special deductions	432,000	432,000	414,038	17,962
Total general government	<u>2,754,580</u>	<u>2,764,980</u>	<u>2,532,008</u>	<u>232,972</u>
Boards and commissions:				
Harbor management commission	1,270	1,270	800	470
Economic development commission	2,510	13,010	10,500	2,510
Ethics commission	25	25	-	25
Water management authority	90,412	90,412	75,181	15,231
Board of finance	10,925	10,945	10,942	3
Flood and erosion control board	540	540	-	540
Historic district commission	4,700	8,250	8,248	2
Tree commission	13,950	13,950	9,917	4,033
Parks and Recreation commission	1,522	2,902	2,887	15
Board of assessment appeals	1,552	1,552	776	776
Rogers Lake authority	56,296	56,296	36,525	19,771
Land use	262,475	262,475	218,356	44,119
Sound View	14,610	14,610	5,851	8,759
Conservation commission	1,943	1,943	748	1,195
Open space	19,716	19,716	17,891	1,825
Total boards and commissions	<u>482,446</u>	<u>497,896</u>	<u>398,622</u>	<u>99,274</u>
Public works:				
Public works expenditures	<u>934,719</u>	<u>892,269</u>	<u>845,332</u>	<u>46,937</u>
Parks and recreation:				
Parks and recreation	295,024	295,024	238,778	56,246
Town Woods Park	148,410	148,410	141,890	6,520
Fireworks/Memorial day	25,000	25,000	25,000	-
Total parks and recreation	<u>468,434</u>	<u>468,434</u>	<u>405,668</u>	<u>62,766</u>
Other public safety:				
Animal control	67,440	67,440	65,860	1,580
Emergency management	19,700	111,700	106,773	4,927
Valley shore communications	152,700	152,700	152,661	39
Ambulance	165,962	165,962	135,415	30,547
Total other public safety	<u>405,802</u>	<u>497,802</u>	<u>460,709</u>	<u>37,093</u>

(Continued on next page)

**TOWN OF OLD LYME, CONNECTICUT**

**GENERAL FUND**

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -**

**BUDGET AND ACTUAL (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Social services:</b>				
Social service	\$ 20,675	\$ 20,675	\$ 17,306	\$ 3,369
Lyme's youth services	96,000	96,000	96,000	-
Total social services	<u>116,675</u>	<u>116,675</u>	<u>113,306</u>	<u>3,369</u>
<b>Fire services:</b>				
Old Lyme fire department	191,124	191,124	177,892	13,232
Fire protection	38,000	38,000	33,556	4,444
Fire marshal	76,003	76,003	69,422	6,581
Firemen's incentive plan	86,000	99,500	99,460	40
Total fire services	<u>391,127</u>	<u>404,627</u>	<u>380,330</u>	<u>24,297</u>
<b>Police services:</b>				
Resident state police	230,000	230,000	181,006	48,994
Municipal police	713,011	755,011	753,518	1,493
Total police services	<u>943,011</u>	<u>985,011</u>	<u>934,524</u>	<u>50,487</u>
<b>Health services:</b>				
Social services agencies	6,542	6,542	5,758	784
VNA	72,000	72,000	72,000	-
Total health services	<u>78,542</u>	<u>78,542</u>	<u>77,758</u>	<u>784</u>
<b>Senior citizens' activities:</b>				
Estuary transit district	16,045	16,045	16,045	-
Estuary services	36,000	36,000	36,000	-
Senior center	124,090	124,090	109,301	14,789
Total senior citizens' activities	<u>176,135</u>	<u>176,135</u>	<u>161,346</u>	<u>14,789</u>
<b>Other nonprofits</b>	<u>383,000</u>	<u>383,000</u>	<u>382,000</u>	<u>1,000</u>
<b>Sanitation:</b>				
Municipal refuse collection	836,300	836,300	831,009	5,291
Recycling	41,800	41,800	11,212	30,588
Household hazardous waste	19,000	19,000	18,957	43
Transfer station	239,474	256,274	256,247	27
Total sanitation	<u>1,136,574</u>	<u>1,153,374</u>	<u>1,117,425</u>	<u>35,949</u>

(Continued on next page)

**TOWN OF OLD LYME, CONNECTICUT**

**GENERAL FUND**

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -**

**BUDGET AND ACTUAL (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
Chartered beach associations	\$ 71,700	\$ 71,700	\$ 71,700	\$ -
Total chartered beach associations				
Regional School District No. 18	27,556,679	27,556,679	27,556,679	-
Debt service:				
Redemption of debt	435,000	435,000	435,000	-
Interest on debt	43,750	43,750	43,698	52
Total debt service	478,750	478,750	478,698	52
Capital outlay:				
General government	139,400	181,400	172,357	9,043
Public works	5,000	5,000	4,185	815
Public safety	303,600	303,600	231,589	72,011
Public works roads and projects	956,000	956,000	953,110	2,890
Total capital outlay	1,404,000	1,446,000	1,361,241	84,759
Total expenditures	37,782,174	37,971,874	37,277,346	694,528
Other financing uses:				
Transfers out:				
Firefighters' equipment	100,000	100,000	100,000	-
Bus Barn	4,500	4,500	4,500	-
Capital nonrecurring - revaluation	35,000	35,000	35,000	-
Town building improvement	5,000	5,000	5,000	-
Town building improvement	29,900	29,900	29,900	-
Road improvement fund	700,000	700,000	700,000	-
P&R Capital fund	14,100	14,100	14,100	-
Public Works capital fund	40,000	40,000	40,000	-
Sanitation and Recycling	10,000	10,000	10,000	-
Info Tech	10,000	27,000	27,000	-
Land acquisition	75,000	75,000	75,000	-
Total other financing uses	1,023,500	1,040,500	1,040,500	-
Total Expenditures and Other Financing Uses	\$ 38,805,674	\$ 39,012,374	\$ 38,317,846	\$ 694,528

**TOWN OF OLD LYME, CONNECTICUT**  
**REPORT OF PROPERTY TAX COLLECTOR**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Grand List Year	Uncollected Taxes July 1, 2020	Current Year Levy	Lawful Corrections			Transfers to Suspense	Adjusted Taxes Collectible	Collections				Uncollected Taxes June 30, 2021
			Additions	Deductions	Taxes			Interest	Lien Fees	Total		
Suspense	\$ -	\$ -	\$ 2,022	\$ -	\$ -	\$ -	\$ 2,022	\$ 1,898	\$ -	\$ 3,920	\$ -	\$ -
2004												
2005												
2006												
2007												
2008												
2009												
2010	186					186						186
2011	169					169						169
2012		18				18						18
2013	1,713					1,713						1,713
2014	12,782					12,782	1,908	589	24	2,521		10,874
2015	26,398					26,398	11,140	4,729	48	15,917		15,258
2016	112,420		550	(24,446)		87,424	33,158	19,167	235	52,560		54,266
2017	221,115		86	869		220,332	85,351	35,055	480	120,886		134,981
2018	405,207		979	2,577	(119)	403,490	211,776	50,792	1,344	263,912		191,714
Total Prior Years	779,990	-	3,105	3,996	(24,565)	754,534	345,355	112,230	2,131	459,716		409,179
2019	-	36,058,805	25,137	164,650	(480)	35,918,812	35,532,373	71,653	144	35,604,170		386,439
Total	\$ 779,990	\$ 36,058,805	\$ 28,242	\$ 168,646	\$ (25,045)	\$ 36,673,346	\$ 35,877,728	\$ 183,883	\$ 2,275	\$ 36,063,886	\$ 795,618	

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## **Nonmajor Governmental Funds**

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### **Special Revenue Funds**

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

### **Capital Projects Funds**

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

**TOWN OF OLD LYME, CONNECTICUT**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2021**

<b>Special Revenue Funds</b>												
	<b>Social Workers' Fund</b>	<b>Miscellaneous Fund</b>	<b>Dog Fund</b>	<b>Private Duty Fund</b>	<b>Harbor Management Fund</b>	<b>Town Woods Park Fund</b>	<b>Public Building Improvement Fund</b>	<b>Senior Center Board Fund</b>	<b>Bus Barn Fund</b>	<b>WPCA Cost Sharing Fund</b>	<b>Sanitation &amp; Recycling Fund</b>	<b>Total</b>
<b>ASSETS</b>												
Cash	\$ 61,739	\$ 35,894	\$ 137,023	\$ 26,420	\$ 13,827	\$ 30,570	\$ 110,016	\$ 3,084	\$ 9,965	\$ 28,480	\$ 418,573	
Receivables:												
Other	4,928		25,396								30,324	
Due from other funds	143,943	3,588				2,412			9,965	28,480	188,388	
<b>Total Assets</b>	<b>\$ 61,739</b>	<b>\$ 148,871</b>	<b>\$ 39,482</b>	<b>\$ 162,419</b>	<b>\$ 26,420</b>	<b>\$ 13,827</b>	<b>\$ 32,982</b>	<b>\$ 110,016</b>	<b>\$ 3,084</b>	<b>\$ 9,965</b>	<b>\$ 28,480</b>	<b>\$ 637,285</b>
<b>LIABILITIES AND FUND BALANCES</b>												
Liabilities:												
Accounts payable	\$ 1,307	\$ 4,543	\$ 129,171	\$ 432	\$ -	\$ -	\$ 601	\$ 3,257	\$ -	\$ -	\$ 4,543	
Due to other funds		1,300									134,768	
Unearned revenue											1,300	
<b>Total liabilities</b>	<b>1,307</b>	<b>1,300</b>	<b>4,543</b>	<b>129,171</b>	<b>432</b>	<b>-</b>	<b>601</b>	<b>3,257</b>	<b>-</b>	<b>-</b>	<b>140,611</b>	
Fund balances:												
Restricted		60,261									60,261	
Committed	60,432	87,310	34,939	33,248	25,988	13,827	32,982	109,415		9,965	28,480	
Unassigned	-	-	-	-	-	-	-	-	(173)		(173)	
<b>Total fund balances</b>	<b>60,432</b>	<b>147,571</b>	<b>34,939</b>	<b>33,248</b>	<b>25,988</b>	<b>13,827</b>	<b>32,982</b>	<b>109,415</b>	<b>(173)</b>	<b>9,965</b>	<b>28,480</b>	
<b>Total Liabilities and Fund Balances</b>	<b>\$ 61,739</b>	<b>\$ 148,871</b>	<b>\$ 39,482</b>	<b>\$ 162,419</b>	<b>\$ 26,420</b>	<b>\$ 13,827</b>	<b>\$ 32,982</b>	<b>\$ 110,016</b>	<b>\$ 3,084</b>	<b>\$ 9,965</b>	<b>\$ 28,480</b>	<b>\$ 637,285</b>

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TOWN OF OLD LYME, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2021

	Capital Project Funds										Total Nonmajor Government Funds
	Capital Nonrecurring	Town Building Improvement	Land Acquisition	Firefighters' Equipment	Hains Park Bathrooms	Parks & Recreation Capital	Road Improvement	Public Works Capital	IT	Library Improvement	
<b>ASSETS</b>											
Cash	\$ 160,563	\$ 84,248	\$ 343,733	\$ 508,300	\$	\$ 14,106	\$ 781,842	\$ 162,566	\$ 26,976	\$	\$ 2,082,334 \$ 2,500,907
Receivables:											
Other											- 30,324
Due from other funds											- 188,388
Total Assets	\$ 160,563	\$ 84,248	\$ 343,733	\$ 508,300	\$ -	\$ 14,106	\$ 781,842	\$ 162,566	\$ 26,976	\$ -	\$ 2,082,334 \$ 2,719,619
<b>LIABILITIES AND FUND BALANCES</b>											
Liabilities:											
Accounts payable											4,543
Due to other funds	\$	\$ 14,899	\$ 634	\$	\$	\$	\$	\$ 1,166	\$	\$ 16,699	\$ 151,467
Unearned revenue											1,300
Total liabilities	\$ -	\$ 14,899	\$ 634	\$ -	\$ -	\$ -	\$ -	\$ 1,166	\$ -	\$ 16,699	\$ 157,310
Fund balances:											
Restricted											60,261
Committed	160,563	69,349	343,099	508,300	-	14,106	781,842	162,566	25,810	- \$ 2,065,635	2,502,221
Unassigned	-	-	-	-	-	-	-	-	-	-	(173)
Total fund balances	160,563	69,349	343,099	508,300	-	14,106	781,842	162,566	25,810	-	2,065,635 \$ 2,562,309
Total Liabilities and Fund Balances	\$ 160,563	\$ 84,248	\$ 343,733	\$ 508,300	\$ -	\$ 14,106	\$ 781,842	\$ 162,566	\$ 26,976	\$ -	\$ 2,082,334 \$ 2,719,619

**TOWN OF OLD LYME, CONNECTICUT**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Special Revenue Funds												
	Social Workers' Fund	Miscellaneous Fund	Dog Fund	Private Duty Fund	Harbor Management Fund	Town Woods Park Fund	Public Building Improvement Fund	Senior Center Board Fund	Bus Barn Fund	WPCA Cost Sharing Fund	Sanitation & Recycling Fund	Total
Revenues:												
Charges for services	\$	\$	9,450	\$ 7,582	\$ 132,238	\$ 3,325	\$ 4,869	\$ 13,603	\$ 42,500	\$ 6,480	\$ 220,047	
Intergovernmental			11,623					2,500			14,123	
Investment income	38		22	56	17	9	18	68	8		236	
Contributions	7,872	3,319	100								11,291	
Other revenue		3,101									19,621	
Total revenues	<u>7,910</u>	<u>27,493</u>	<u>7,704</u>	<u>132,294</u>	<u>3,342</u>	<u>9</u>	<u>4,887</u>	<u>16,171</u>	<u>42,508</u>	<u>16,520</u>	<u>6,480</u>	<u>265,318</u>
Expenditures:												
Current:												
General government		26,815							3,257		30,072	
Boards and commissions										6,555		6,555
Public works												-
Parks and recreation												-
Other public safety		388	5,913			4,225						10,526
Fire services		19,653										19,653
Police services												153,992
Health services	5,648					153,992						5,648
Senior citizens												15,137
Total expenditures	<u>5,648</u>	<u>1,674</u>	<u>5,913</u>	<u>153,992</u>	<u>4,225</u>	<u>-</u>	<u>-</u>	<u>13,463</u>	<u>3,257</u>	<u>6,555</u>	<u>-</u>	<u>241,583</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,262</u>	<u>(21,037)</u>	<u>1,791</u>	<u>(21,698)</u>	<u>(883)</u>	<u>9</u>	<u>4,887</u>	<u>2,708</u>	<u>39,251</u>	<u>9,965</u>	<u>6,480</u>	<u>23,735</u>
Other Financing Sources (Uses):												
Transfers in											10,000	14,500
Transfers out											(42,420)	(42,420)
Insurance proceeds		58,534										58,534
Net Other Financing Sources (Uses)	<u>-</u>	<u>58,534</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37,920)</u>	<u>-</u>	<u>10,000</u>	<u>30,614</u>
Net Change in Fund Balances	<u>2,262</u>	<u>37,497</u>	<u>1,791</u>	<u>(21,698)</u>	<u>(883)</u>	<u>9</u>	<u>4,887</u>	<u>2,708</u>	<u>1,331</u>	<u>9,965</u>	<u>16,480</u>	<u>54,349</u>
Fund Balances - July 1, 2020 (restated)	<u>58,170</u>	<u>110,074</u>	<u>33,148</u>	<u>54,946</u>	<u>26,871</u>	<u>13,818</u>	<u>28,095</u>	<u>106,707</u>	<u>(1,504)</u>	<u>-</u>	<u>12,000</u>	<u>442,325</u>
Fund Balances - June 30, 2021	<u>\$ 60,432</u>	<u>\$ 147,571</u>	<u>\$ 34,939</u>	<u>\$ 33,248</u>	<u>\$ 25,988</u>	<u>\$ 13,827</u>	<u>\$ 32,982</u>	<u>\$ 109,415</u>	<u>\$ (173)</u>	<u>\$ 9,965</u>	<u>\$ 28,480</u>	<u>\$ 496,674</u>

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TOWN OF OLD LYME, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

	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	Library Improvement	Total	
Revenues:												
Charges for services	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 220,047
Intergovernmental												- 14,123
Investment income	74	52	195	227		6	356	89	16			1,015 1,251
Contributions							175,000					175,000 186,291
Other revenue												- 19,621
Total revenues	<u>74</u>	<u>52</u>	<u>195</u>	<u>227</u>	<u>-</u>	<u>6</u>	<u>175,356</u>	<u>89</u>	<u>16</u>	<u>-</u>	<u>176,015</u>	<u>441,333</u>
Expenditures:												
Current:												
General government			3,235									234,210
Boards and commissions												- 6,555
Public works							550,350					550,350 550,350
Parks and recreation			634		27,743							28,377 28,377
Other public safety												- 10,526
Fire services												- 19,653
Police services												- 153,992
Health services												- 5,648
Senior citizens												- 15,137
Sanitation												14,899 14,899
Total expenditures	<u>-</u>	<u>14,899</u>	<u>18,134</u>	<u>634</u>	<u>-</u>	<u>27,743</u>	<u>-</u>	<u>550,350</u>	<u>-</u>	<u>24,657</u>	<u>176,246</u>	<u>797,764</u> <u>1,039,347</u>
Excess (Deficiency) of Revenues over Expenditures	<u>74</u>	<u>(18,082)</u>	<u>(439)</u>	<u>227</u>	<u>(27,743)</u>	<u>6</u>	<u>(374,994)</u>	<u>89</u>	<u>(24,641)</u>	<u>(176,246)</u>	<u>(621,749)</u>	<u>(598,014)</u>
Other Financing Sources (Uses):												
Transfers in	46,771	34,900	75,000	100,000		14,100	700,000	40,000	27,000		1,037,771	1,052,271
Transfers out					(3,932)						(10,899)	(53,319)
Insurance proceeds											-	58,534
Net Other Financing Sources (Uses)	<u>46,771</u>	<u>34,900</u>	<u>75,000</u>	<u>100,000</u>	<u>(3,932)</u>	<u>14,100</u>	<u>700,000</u>	<u>40,000</u>	<u>27,000</u>	<u>(6,967)</u>	<u>1,026,872</u>	<u>1,057,486</u>
Net Change in Fund Balances	<u>46,845</u>	<u>16,818</u>	<u>74,561</u>	<u>100,227</u>	<u>(31,675)</u>	<u>14,106</u>	<u>325,006</u>	<u>40,089</u>	<u>2,359</u>	<u>(183,213)</u>	<u>405,123</u>	<u>459,472</u>
Fund Balances - July 1, 2020 (restated)	<u>113,718</u>	<u>52,531</u>	<u>268,538</u>	<u>408,073</u>	<u>31,675</u>	<u>-</u>	<u>456,836</u>	<u>122,477</u>	<u>23,451</u>	<u>183,213</u>	<u>1,660,512</u>	<u>2,102,837</u>
Fund Balances - June 30, 2021	<u>\$ 160,563</u>	<u>\$ 69,349</u>	<u>\$ 343,099</u>	<u>\$ 508,300</u>	<u>\$ -</u>	<u>\$ 14,106</u>	<u>\$ 781,842</u>	<u>\$ 162,566</u>	<u>\$ 25,810</u>	<u>\$ -</u>	<u>\$ 2,065,635</u>	<u>\$ 2,562,309</u>

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## **Trend Information**

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TABLE 1

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net investment in capital assets	\$ 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	\$ 13,302,576
Restricted for:										
Capital projects	1,042,878	-	-	-	-	-	-	-	-	-
Unrestricted	<u>13,687,784</u>	<u>12,863,272</u>	<u>14,420,731</u>	<u>12,737,475</u>	<u>11,709,604</u>	<u>10,799,781</u>	<u>9,167,351</u>	<u>8,024,680</u>	<u>7,070,073</u>	<u>6,699,214</u>
Total Net Position	<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>	<u>\$ 20,001,790</u>

TABLE 2

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Expenses:</b>										
General government	\$ 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	\$ 2,708,122
Public works	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	1,275,043
Parks and recreation	455,805	527,133	504,181	427,120	464,329	1,930,981	491,930	494,022	382,947	427,992
Other public safety	537,716	452,117	440,272	373,015	397,308	351,505	403,834	330,743	658,678	488,654
Social services	113,306	111,802	107,983	103,930	110,570	105,457	93,486	90,972	83,896	84,466
Fire services	625,777	560,305	641,510	561,976	640,059	430,894	464,308	510,386	453,464	761,987
Police services	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	886,192
Health services	83,406	94,131	106,951	162,631	153,063	150,364	150,831	149,989	156,327	156,946
Senior citizens	198,724	288,948	233,385	223,561	198,121	189,321	218,980	189,045	108,339	71,189
Sanitation	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	818,219
Education	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	23,285,508
Interest expense	45,781	48,419	31,233	35,906	40,516	78,485	84,037	92,090	138,124	110,426
<b>Total expenses</b>	<b>37,105,300</b>	<b>37,959,640</b>	<b>35,210,300</b>	<b>35,068,512</b>	<b>33,478,436</b>	<b>34,274,537</b>	<b>32,918,415</b>	<b>32,547,234</b>	<b>32,516,089</b>	<b>31,074,744</b>
<b>Program revenues:</b>										
Charges for services:										
General government	946,309	656,401	532,332	237,367	483,380	526,326	488,866	543,511	515,669	467,346
Public works	4,869	4,134	3,753	3,124	4,329	4,508	4,239	4,728	7,888	6,357
Parks and recreation	179,855	208,081	217,808	190,558	219,104	236,599	198,812	207,337	215,018	252,141
Other public safety	14,221	11,176	11,971	262,818	12,013	14,597	19,337	18,376	17,987	9,369
Fire services	240	60	480	45,183	380	650	360	400	380	420
Police services	156,143	98,789	54,663	57,288	43,409	51,975	89,059	49,359	70,117	145,922
Health services	-	-	-	8,219	5,632	15,397	10,688	14,904	15,425	13,230
Senior citizens	59,221	46,769	82,037	17,297	55,897	48,707	48,905	54,155	13,668	7,159
Sanitation	191,812	201,624	186,736	164,074	112,942	148,907	193,509	165,702	223,304	351,026
Education	15,684	2,272	10,464	28,784	66,044	68,384	65,647	64,571	65,054	64,461
Operating grants and contributions	716,616	281,253	399,565	331,070	960,280	2,766,825	749,675	963,519	1,029,382	1,154,206
Capital grants and contributions	603,938	468,463	307,814	254,080	957,764	394,259	279,550	793,642	795,262	248,927
<b>Total program revenues</b>	<b>2,888,908</b>	<b>1,979,022</b>	<b>1,807,623</b>	<b>1,599,862</b>	<b>2,921,174</b>	<b>4,277,134</b>	<b>2,148,647</b>	<b>2,880,204</b>	<b>2,969,154</b>	<b>2,720,564</b>
<b>Net expenses:</b>										
Governmental activities	(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)	(28,354,180)
<b>General revenues:</b>										
Property taxes	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	30,203,776
Grants and contributions not restricted to specific programs	129,073	172,122	54,141	167,645	56,958	199,033	225,785	167,440	180,486	142,982
Investment income	35,228	281,341	296,320	186,628	59,925	32,392	14,805	12,223	14,604	15,956
Gain on sale of capital assets	-	46,314	379	-	-	3,800	-	-	-	-
Miscellaneous	78,155	20,106	39,757	19,428	-	15,742	22,424	15,290	11,850	14,461
<b>Total general revenues</b>	<b>36,366,626</b>	<b>36,274,103</b>	<b>35,332,743</b>	<b>34,946,010</b>	<b>33,704,253</b>	<b>32,713,937</b>	<b>32,225,371</b>	<b>31,470,104</b>	<b>31,278,988</b>	<b>30,377,175</b>
<b>Change in net position</b>	<b>\$ 2,150,234</b>	<b>\$ 293,485</b>	<b>\$ 1,930,066</b>	<b>\$ 1,477,360</b>	<b>\$ 3,146,991</b>	<b>\$ 2,716,534</b>	<b>\$ 1,455,603</b>	<b>\$ 1,803,074</b>	<b>\$ 1,732,053</b>	<b>\$ 2,022,995</b>

TABLE 3

**TOWN OF OLD LYME, CONNECTICUT**  
**SCHEDULE OF DEBT LIMITATION**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Total tax collections (including interest and lien fees):							\$ <u>35,615,501</u>
	<b>General Purpose</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Pension Deficit</b>	<b>Total</b>	
Debt limitation:							
2 1/4 times base	\$ 80,134,877	\$ -	\$ -	\$ -	\$ -	\$ 80,134,877	
4 1/2 times base	-	160,269,755	-	-	-	160,269,755	
3 3/4 times base	-	-	133,558,129	-	-	133,558,129	
3 1/4 times base	-	-	-	115,750,378	-	115,750,378	
3 times base	-	-	-	-	106,846,503	106,846,503	
Total debt limitation	<u>80,134,877</u>	<u>160,269,755</u>	<u>133,558,129</u>	<u>115,750,378</u>	<u>106,846,503</u>	<u>596,559,642</u>	
Indebtedness:							
Bonds payable	2,315,000	-	-	-	-	2,315,000	
Town's share of Regional School District No. 18 debt	-	15,251,610	-	-	-	15,251,610	
Total indebtedness	<u>2,315,000</u>	<u>15,251,610</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,566,610</u>	
Debt limitation in excess of indebtedness	\$ <u>77,819,877</u>	\$ <u>145,018,145</u>	\$ <u>133,558,129</u>	\$ <u>115,750,378</u>	\$ <u>106,846,503</u>	\$ <u>578,993,032</u>	

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

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