

**TOWN OF OLD LYME, CONNECTICUT**  
**ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2021**



WEALTH ADVISORY | OUTSOURCING  
AUDIT, TAX, AND CONSULTING

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**TOWN OF OLD LYME, CONNECTICUT**  
**TABLE OF CONTENTS**  
**JUNE 30, 2021**

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**Introductory Section**

---

|                      |   |
|----------------------|---|
| Organizational Chart | i |
|----------------------|---|

**Financial Section**

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|                                      |      |
|--------------------------------------|------|
| Independent Auditors' Report         | 1-3  |
| Management's Discussion and Analysis | 4-11 |

**Basic Financial Statements**

| <b>Exhibit</b> |   | <b>Page</b> |
|----------------|---|-------------|
|                | Government-Wide Financial Statements:   |             |
| A              | Statement of Net Position   | 12-13       |
| B              | Statement of Activities   | 14          |
|                | Fund Financial Statements:  |             |
| C              | Balance Sheet   | 15-16       |
| D              | Statement of Revenues, Expenditures and Changes in Fund Balances -<br>Governmental Funds              | 17-18       |
| E              | Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and<br>Actual - General Fund | 19          |
|                | Notes to Financial Statements   | 20-36       |

**Supplemental Schedules**

|   |  |       |
|---|--|-------|
|   | General Fund:  |       |
| 1 | Schedule of Revenues and Other Financing Sources - Budget and Actual       | 37    |
| 2 | Schedule of Expenditures and Other Financing Uses - Budget and Actual      | 38-40 |
| 3 | Report of Property Tax Collector   | 41    |
|   | Nonmajor Governmental Funds:   |       |
| 4 | Combining Balance Sheet  | 42-43 |
| 5 | Combining Statement of Revenues, Expenditures and Changes in Fund Balances | 44-45 |

**Trend Information**

---

**Table**

---

|   |                             |    |
|---|-----------------------------|----|
| 1 | Net Position by Component   | 46 |
| 2 | Changes in Net Position     | 47 |
| 3 | Schedule of Debt Limitation | 48 |

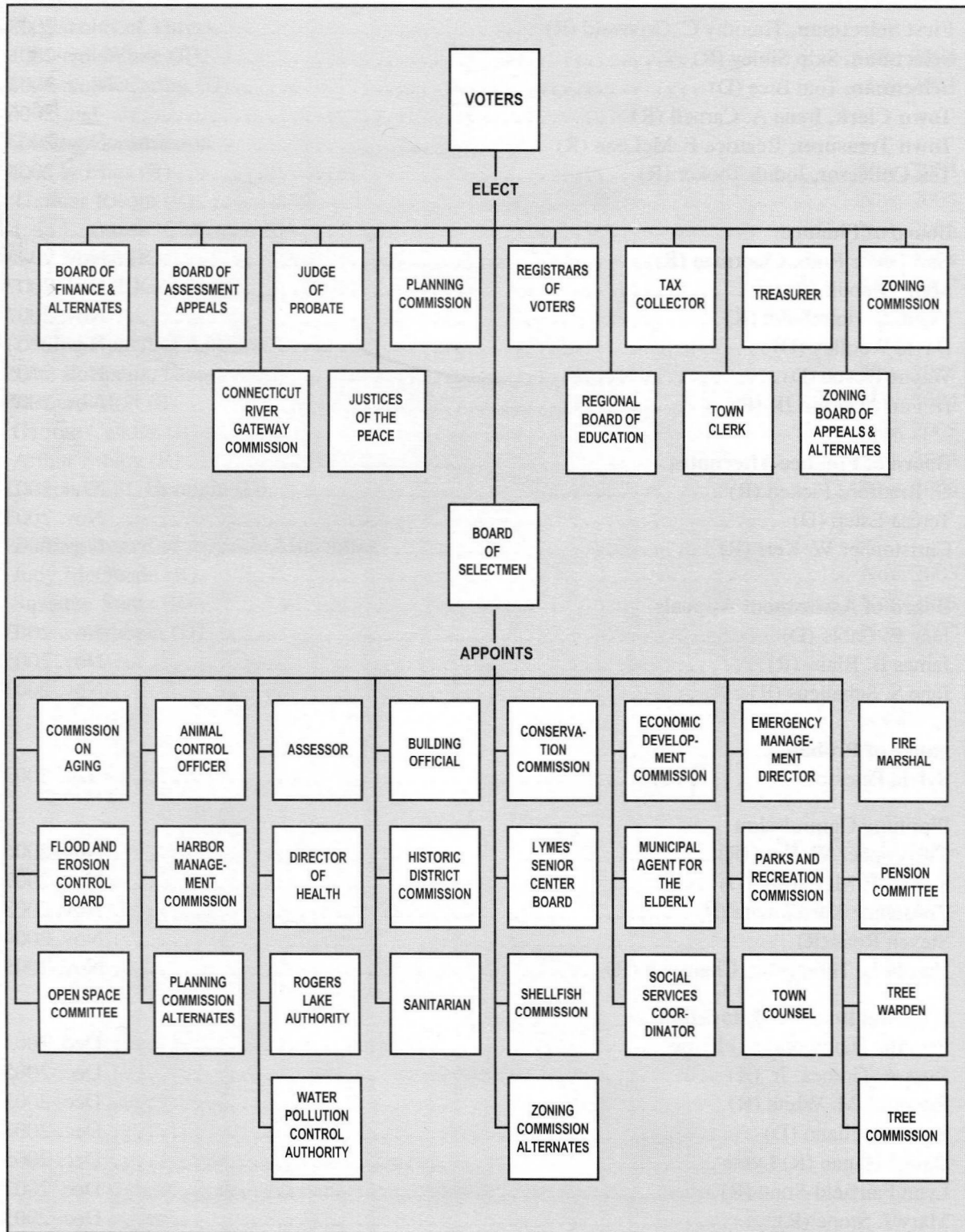
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## **Introductory Section**

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# TOWN OF OLD LYME, CONNECTICUT

## ORGANIZATION CHART



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## **Financial Section**

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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.

A handwritten signature in cursive script that reads "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><u>2021</u></b>   | <b><u>2020</u></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>          |
| Revenues:  |   |                      |
| 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>    |
| Expenses:  |   |                      |
| 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)**

|                                   | <u>2021</u>              | <u>2020</u>              |
|-----------------------------------|--------------------------|--------------------------|
| 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                    | <u>8,094,910</u>         | <u>6,766,811</u>         |
| <br>Total                         | <br><u>\$ 24,396,274</u> | <br><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**

|                          | <u>2020</u>         | <u>2019</u>         |
|--------------------------|---------------------|---------------------|
| 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> |
| Total assets                                      | <u>45,797,352</u> |
| Deferred Outflows of Resources:                   |                   |
| Deferred charge on refunding                      | <u>16,775</u>     |

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                 |    | <u>4,902,913</u>         |
| Deferred Inflows of Resources:    |    |                          |
| Advanced property tax collections |    | <u>4,082,503</u>         |
| Net Position:                     |    |                          |
| Net investment in capital assets  |    | 22,098,049               |
| Restricted                        |    | 1,042,878                |
| Unrestricted                      |    | <u>13,687,784</u>        |
| Total Net Position                | \$ | <u><u>36,828,711</u></u> |

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**

| Functions/Programs   | Expenses             | Program Revenues     |                                    |                                  | Net Expenses and Changes in Net Position |
|--|----------------------|----------------------|------------------------------------|----------------------------------|--|
|  |                      | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Total Governmental Activities            |
| Governmental activities:                                     |                      |                      |                                    |                                  |  |
| General government   | \$ 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)                                 |
| Total  | <u>\$ 37,105,300</u> | <u>\$ 1,568,354</u>  | <u>\$ 716,616</u>                  | <u>\$ 603,938</u>                | <u>(34,216,392)</u>                      |
| General revenues:  |                      |                      |                                    |                                  |  |
| Property taxes   |                      |                      |                                    |                                  | 36,124,170                               |
| Grants and contributions not restricted to specific programs |                      |                      |                                    |                                  | 129,073                                  |
| Investment income  |                      |                      |                                    |                                  | 35,228                                   |
| Miscellaneous  |                      |                      |                                    |                                  | 78,155                                   |
| Total general revenues                                       |                      |                      |                                    |                                  | <u>36,366,626</u>                        |
| Change in net position                                       |                      |                      |                                    |                                  | 2,150,234                                |
| Net position - July 1, 2020 (restated)                       |                      |                      |                                    |                                  | <u>34,678,477</u>                        |
| Net position - June 30, 2021                                 |                      |                      |                                    |                                  | <u>\$ 36,828,711</u>                     |

The accompanying notes are an integral part of the financial statements

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

|   | <u>General</u>       | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|----------------------|---|---|
| <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                                 |
| Total Assets  | <u>\$ 19,021,314</u> | <u>\$ 2,719,619</u>                     | <u>\$ 21,740,933</u>                    |
| <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                               |
| Total liabilities   | <u>2,378,544</u>     | <u>157,310</u>                          | <u>2,535,854</u>                        |
| 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                                   | <u>4,917,279</u>     | <u>-</u>                                | <u>4,917,279</u>                        |
| 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   | <u>11,725,491</u>    | <u>2,562,309</u>                        | <u>14,287,800</u>                       |
| Total Liabilities, Deferred Inflows of Resources and<br>Fund Balances | <u>\$ 19,021,314</u> | <u>\$ 2,719,619</u>                     | <u>\$ 21,740,933</u>                    |

(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><u>36,828,711</u></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**

|  | <u>General</u>       | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|----------------------|---|---|
| Revenues:  |                      |   |   |
| 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                                  |
| Total revenues                                       | <u>38,723,071</u>    | <u>441,333</u>                          | <u>39,164,404</u>                       |
| Expenditures:  |                      |   |   |
| Current:   |                      |   |   |
| 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                                 |
| Total expenditures                                   | <u>37,699,925</u>    | <u>1,039,347</u>                        | <u>38,739,272</u>                       |
| Excess (Deficiency) of Revenues over<br>Expenditures | <u>1,023,146</u>     | <u>(598,014)</u>                        | <u>425,132</u>                          |
| Other financing sources (uses):                      |                      |   |   |
| 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                                     |
| Net Other Financing Sources (Uses)                   | <u>(998,752)</u>     | <u>1,057,486</u>                        | <u>58,734</u>                           |
| Net Change in Fund Balances                          | 24,394               | 459,472                                 | 483,866                                 |
| Fund Balances - July 1, 2020 (restated)              | <u>11,701,097</u>    | <u>2,102,837</u>                        | <u>13,803,934</u>                       |
| Fund Balances - June 30, 2021                        | <u>\$ 11,725,491</u> | <u>\$ 2,562,309</u>                     | <u>\$ 14,287,800</u>                    |

(Continued on next page)

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

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 | <u>(638,811)</u> |
| Total                | <u>1,226,066</u> |

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

|  |                |
|--|----------------|
| Change in property tax receivable - accrual basis change | 15,628         |
| Change in property tax interest and lien revenue         | 21,968         |
| Change in allowance for doubtful accounts                | <u>(5,000)</u> |
| Total  | <u>32,596</u>  |

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

|                                    |                |
|------------------------------------|----------------|
| Debt issued or incurred:           |                |
| Deferred charge on refunding bonds | (4,194)        |
| Principal repayments:              |                |
| General obligation bonds           | <u>435,000</u> |
| Total                              | <u>430,806</u> |

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

|                                  |                |
|----------------------------------|----------------|
| Compensated absences             | (27,257)       |
| Landfill closure and postclosure | 16,000         |
| Accrued interest payable         | <u>2,111</u>   |
| Total                            | <u>(9,146)</u> |

Change in Net Position of Governmental Activities (Exhibit B) \$ 2,150,234



**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**

|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>        | <u>Variance<br/>With<br/>Final Budget</u> |
|--|----------------------------|-------------------------|----------------------|---|
| 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                      | 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  |
| Capital outlay                                       | 1,404,000                  | 1,446,000               | 1,361,241            | 84,759                                    |
| 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<br>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  | (1,023,500)                | (1,040,500)             | (1,040,500)          | -   |
| 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>             | <u>823,896</u>       | <u>\$ 823,896</u>                         |
| Fund Balance - July 1, 2020                          |                            |                         | <u>9,685,755</u>     |   |
| Fund Balance - June 30, 2021                         |                            |                         | <u>\$ 10,509,651</u> |   |

The accompanying notes are an integral part of the financial statements

## **History, Organization and Reporting Entity**

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

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

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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.

## **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:

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

### **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.

## **Fund Equity and Net Position**

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

### **Net Investment in Capital Assets**

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

### **Restricted Net Position**

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

### **Unrestricted Net Position**

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

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

### **Nonspendable**

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

### **Restricted**

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

### **Committed**

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

### **Assigned**

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

### **Unassigned**

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

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

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

### **Estimates**

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

## **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**

---

- 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<br/>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**

**Investments**

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

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

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

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

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

**B. Receivables**

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

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

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

**C. Capital Assets**

Capital asset activity for the fiscal year was as follows:

|   | <u>Beginning<br/>Balance</u> | <u>Increases</u>    | <u>Decreases</u>    | <u>Ending<br/>Balance</u> |
|---|------------------------------|---------------------|---------------------|---------------------------|
| Capital assets not being depreciated:       |                              |                     |                     |                           |
| 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>          |
| Capital assets being depreciated:           |                              |                     |                     |                           |
| 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>         |
| Less accumulated depreciation for:          |                              |                     |                     |                           |
| 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:

|                          |                   |
|--------------------------|-------------------|
| Governmental activities: |                   |
| 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:

|                            | <u>Corresponding<br/>Fund</u> | <u>Due from</u>   | <u>Due to</u>     |
|----------------------------|-------------------------------|-------------------|-------------------|
| Major fund:                |                               |                   |                   |
| General fund:              |                               |                   |                   |
| Social Workers Fund        | N/A                           | \$ 1,307          | \$                |
| Misc Revenue               | N/A                           |                   | 143,943           |
| Dog Fund                   | N/A                           |                   | 3,588             |
| 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>    |
| Nonmajor funds:            |                               |                   |                   |
| 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                  |                   |                   |
| Land Acquisition           | General fund                  |                   | 634               |
| 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                |                               | <u>\$ 339,855</u> | <u>\$ 339,855</u> |

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

**Interfund Transfers**

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

|                           | <u>Corresponding<br/>Fund</u> | <u>Transfers<br/>In</u> | <u>Transfer<br/>Out</u> |
|---------------------------|-------------------------------|-------------------------|-------------------------|
| Major fund:               |                               |                         |                         |
| General fund:             |                               |                         |                         |
| Dog Fund                  | N/A                           | \$                      | \$                      |
| Bus Barn                  | N/A                           | 30,649                  | 4,500                   |
| 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<br/>Balance</b> | <b>Increases</b>            | <b>Decreases</b>            | <b>Ending<br/>Balance</b> | <b>Due Within<br/>One Year</b>   |
|---|------------------------------|-----------------------------|-----------------------------|---------------------------|----------------------------------|
| Bonds Payable:                              |                              |                             |                             |                           |                                  |
| 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>                   |
| Other liabilities:                          |                              |                             |                             |                           |                                  |
| 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>Original<br/>Amount</b>   | <b>Date of<br/>Issuance</b> | <b>Date of<br/>Maturity</b> | <b>Interest<br/>Rate</b>  | <b>Balance<br/>June 30, 2021</b> |
| Bonds Payable:                              |                              |                             |                             |                           |                                  |
| 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:

| <u>Fiscal Year Ended June 30</u> | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>        |
|----------------------------------|---------------------|-------------------|---------------------|
| 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                             | <u>125,000</u>      | <u>1,282</u>      | <u>126,282</u>      |
| Total                            | \$ <u>2,315,000</u> | \$ <u>137,697</u> | \$ <u>2,452,697</u> |

**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:

| <u>Category</u> | <u>Debt Limit</u> | <u>Net Indebtedness</u> | <u>Balance</u> |
|-----------------|-------------------|-------------------------|----------------|
| 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:

|                         | <u>General<br/>Fund</u>  | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total</u>             |
|-------------------------|--------------------------|--|--------------------------|
| 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>         |
| <br>Total Fund Balances | <br><u>\$ 11,725,491</u> | <br><u>\$ 2,562,309</u>                    | <br><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<br/>Activities</u></b> | <b><u>Non Major<br/>Governmental Funds</u></b> |
|---|---|--|
| Net position/fund balance as previously<br>reported at June 30, 2020                    | \$ 34,568,403                             | \$ 1,992,763                                   |
| Revenue received in the prior year that was<br>recorded as unearned revenue incorrectly | <u>110,074</u>                            | <u>110,074</u>                                 |
| Net position/fund balance as restated<br>at July1, 2020                                 | \$ <u><u>34,678,477</u></u>               | \$ <u><u>2,102,837</u></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<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b>        | <b>Variance<br/>With<br/>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**

|                                 | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b>    | <b>Variance<br/>With<br/>Final Budget</b> |
|---------------------------------|----------------------------|-------------------------|------------------|---|
| 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<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b> | <b>Variance<br/>With<br/>Final Budget</b> |
|-----------------------------------|----------------------------|-------------------------|---------------|---|
| Social services:                  |                            |                         |               |   |
| Social service                    | \$ 20,675                  | \$ 20,675               | \$ 17,306     | \$ 3,369                                  |
| Lyme's youth services             | 96,000                     | 96,000                  | 96,000        | -   |
| Total social services             | 116,675                    | 116,675                 | 113,306       | 3,369                                     |
| Fire services:                    |                            |                         |               |   |
| 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               | 391,127                    | 404,627                 | 380,330       | 24,297                                    |
| Police services:                  |                            |                         |               |   |
| Resident state police             | 230,000                    | 230,000                 | 181,006       | 48,994                                    |
| Municipal police                  | 713,011                    | 755,011                 | 753,518       | 1,493                                     |
| Total police services             | 943,011                    | 985,011                 | 934,524       | 50,487                                    |
| Health services:                  |                            |                         |               |   |
| Social services agencies          | 6,542                      | 6,542                   | 5,758         | 784                                       |
| VNA                               | 72,000                     | 72,000                  | 72,000        | -   |
| Total health services             | 78,542                     | 78,542                  | 77,758        | 784                                       |
| Senior citizens' activities:      |                            |                         |               |   |
| 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 | 176,135                    | 176,135                 | 161,346       | 14,789                                    |
| Other nonprofits                  | 383,000                    | 383,000                 | 382,000       | 1,000                                     |
| Sanitation:                       |                            |                         |               |   |
| 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                  | 1,136,574                  | 1,153,374               | 1,117,425     | 35,949                                    |

(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**

|   | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>        | <u>Variance<br/>With<br/>Final Budget</u> |
|---|----------------------------|-------------------------|----------------------|---|
| Chartered beach associations                | \$ 71,700                  | \$ 71,700               | \$ 71,700            | \$ -                                      |
| Total chartered beach associations          |                            |                         |                      |   |
| Regional School District No. 18             | <u>27,556,679</u>          | <u>27,556,679</u>       | <u>27,556,679</u>    | <u>-</u>                                  |
| Debt service:                               |                            |                         |                      |   |
| Redemption of debt                          | 435,000                    | 435,000                 | 435,000              | -   |
| Interest on debt                            | <u>43,750</u>              | <u>43,750</u>           | <u>43,698</u>        | <u>52</u>                                 |
| Total debt service                          | <u>478,750</u>             | <u>478,750</u>          | <u>478,698</u>       | <u>52</u>                                 |
| 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             | <u>956,000</u>             | <u>956,000</u>          | <u>953,110</u>       | <u>2,890</u>                              |
| Total 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>                            |
| 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                            | <u>75,000</u>              | <u>75,000</u>           | <u>75,000</u>        | <u>-</u>                                  |
| Total other financing uses                  | <u>1,023,500</u>           | <u>1,040,500</u>        | <u>1,040,500</u>     | <u>-</u>                                  |
| Total Expenditures and Other Financing Uses | <u>\$ 38,805,674</u>       | <u>\$ 39,012,374</u>    | <u>\$ 38,317,846</u> | <u>\$ 694,528</u>                         |



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

| Grand<br>List<br>Year | Uncollected<br>Taxes<br>July 1, 2020 | Current<br>Year<br>Levy | Lawful Corrections |            | Transfers<br>to<br>Suspense | Adjusted<br>Taxes<br>Collectible | Collections   |            |              |               | Uncollected<br>Taxes<br>June 30, 2021 |
|-----------------------|--------------------------------------|-------------------------|--------------------|------------|-----------------------------|----------------------------------|---------------|------------|--------------|---------------|---------------------------------------|
|                       |                                      |                         | Additions          | Deductions |                             |                                  | Taxes         | Interest   | Lien<br>Fees | Total         |                                       |
| Suspense              | \$ -                                 | \$                      | \$ 2,022           | \$         | \$                          | \$ 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<br>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

|                                      | Special Revenue Funds      |                       |                  |                         |                              |                               |   |                                   |                     |                              |                                   | Total             |
|--------------------------------------|----------------------------|-----------------------|------------------|-------------------------|------------------------------|-------------------------------|---|-----------------------------------|---------------------|------------------------------|-----------------------------------|-------------------|
|                                      | Social<br>Workers'<br>Fund | Miscellaneous<br>Fund | Dog<br>Fund      | Private<br>Duty<br>Fund | Harbor<br>Management<br>Fund | Town<br>Woods<br>Park<br>Fund | Public<br>Building<br>Improvement<br>Fund | Senior<br>Center<br>Board<br>Fund | Bus<br>Barn<br>Fund | WPCA Cost<br>Sharing<br>Fund | Sanitation<br>& Recycling<br>Fund |                   |
| <b>ASSETS</b>                        |                            |                       |                  |                         |                              |                               |   |                                   |                     |                              |                                   |                   |
| Cash                                 | \$ 61,739                  | \$                    | \$ 35,894        | \$ 137,023              | \$ 26,420                    | \$ 13,827                     | \$ 30,570                                 | \$ 110,016                        | \$ 3,084            | \$                           | \$                                | \$ 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           |
| Total Assets                         | <u>\$ 61,739</u>           | <u>\$ 148,871</u>     | <u>\$ 39,482</u> | <u>\$ 162,419</u>       | <u>\$ 26,420</u>             | <u>\$ 13,827</u>              | <u>\$ 32,982</u>                          | <u>\$ 110,016</u>                 | <u>\$ 3,084</u>     | <u>\$ 9,965</u>              | <u>\$ 28,480</u>                  | <u>\$ 637,285</u> |
| <b>LIABILITIES AND FUND BALANCES</b> |                            |                       |                  |                         |                              |                               |   |                                   |                     |                              |                                   |                   |
| Liabilities:                         |                            |                       |                  |                         |                              |                               |   |                                   |                     |                              |                                   |                   |
| Accounts payable                     | \$                         | \$                    | \$ 4,543         | \$                      | \$                           | \$                            | -   | \$                                | \$                  | \$                           | \$                                | \$ 4,543          |
| Due to other funds                   | 1,307                      |                       |                  | 129,171                 | 432                          |                               | -   | 601                               | 3,257               |                              |                                   | 134,768           |
| Unearned revenue                     |                            | 1,300                 |                  |                         |                              |                               |   |                                   |                     |                              |                                   | 1,300             |
| Total liabilities                    | <u>1,307</u>               | <u>1,300</u>          | <u>4,543</u>     | <u>129,171</u>          | <u>432</u>                   | <u>-</u>                      | <u>-</u>                                  | <u>601</u>                        | <u>3,257</u>        | <u>-</u>                     | <u>-</u>                          | <u>140,611</u>    |
| 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                            | 436,586           |
| Unassigned                           | -                          | -                     | -                | -                       | -                            | -                             | -   | -                                 | (173)               |                              |                                   | (173)             |
| Total fund balances                  | <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>    |
| Total Liabilities and Fund Balances  | <u>\$ 61,739</u>           | <u>\$ 148,871</u>     | <u>\$ 39,482</u> | <u>\$ 162,419</u>       | <u>\$ 26,420</u>             | <u>\$ 13,827</u>              | <u>\$ 32,982</u>                          | <u>\$ 110,016</u>                 | <u>\$ 3,084</u>     | <u>\$ 9,965</u>              | <u>\$ 28,480</u>                  | <u>\$ 637,285</u> |

(Continued on next page)

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

|                                     | Capital Project Funds   |                              |                     |                            |                         |                                  |                     |                         |                  |                        |                     | Total<br>Nonmajor<br>Governmental<br>Funds |
|-------------------------------------|-------------------------|------------------------------|---------------------|----------------------------|-------------------------|----------------------------------|---------------------|-------------------------|------------------|------------------------|---------------------|--|
|                                     | Capital<br>Nonrecurring | Town Building<br>Improvement | Land<br>Acquisition | Firefighters'<br>Equipment | Hains Park<br>Bathrooms | Parks &<br>Recreation<br>Capital | Road<br>Improvement | Public Works<br>Capital | IT               | Library<br>Improvement | Total               |  |
| ASSETS                              |                         |                              |                     |                            |                         |                                  |                     |                         |                  |                        |                     |  |
| 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                        | <u>\$ 160,563</u>       | <u>\$ 84,248</u>             | <u>\$ 343,733</u>   | <u>\$ 508,300</u>          | <u>\$ -</u>             | <u>\$ 14,106</u>                 | <u>\$ 781,842</u>   | <u>\$ 162,566</u>       | <u>\$ 26,976</u> | <u>\$ -</u>            | <u>\$ 2,082,334</u> | <u>\$ 2,719,619</u>                        |
| LIABILITIES AND FUND BALANCES       |                         |                              |                     |                            |                         |                                  |                     |                         |                  |                        |                     |  |
| Liabilities:                        |                         |                              |                     |                            |                         |                                  |                     |                         |                  |                        |                     |  |
| Accounts payable                    |                         |                              |                     |                            |                         |                                  |                     |                         |                  |                        |                     | 4,543                                      |
| Due to other funds                  | \$ -                    | \$ 14,899                    | \$ 634              | \$ -                       | \$ -                    | \$ -                             | \$ -                | \$ -                    | \$ 1,166         | \$ -                   | 16,699              | 151,467                                    |
| Unearned revenue                    |                         |                              |                     |                            |                         |                                  |                     |                         |                  |                        |                     | 1,300                                      |
| Total liabilities                   | <u>-</u>                | <u>14,899</u>                | <u>634</u>          | <u>-</u>                   | <u>-</u>                | <u>-</u>                         | <u>-</u>            | <u>-</u>                | <u>1,166</u>     | <u>-</u>               | <u>16,699</u>       | <u>157,310</u>                             |
| 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                 | <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>                           |
| Total Liabilities and Fund Balances | <u>\$ 160,563</u>       | <u>\$ 84,248</u>             | <u>\$ 343,733</u>   | <u>\$ 508,300</u>          | <u>\$ -</u>             | <u>\$ 14,106</u>                 | <u>\$ 781,842</u>   | <u>\$ 162,566</u>       | <u>\$ 26,976</u> | <u>\$ -</u>            | <u>\$ 2,082,334</u> | <u>\$ 2,719,619</u>                        |

**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<br>Workers'<br>Fund | Miscellaneous<br>Fund | Dog<br>Fund      | Private<br>Duty<br>Fund | Harbor<br>Management<br>Fund | Town<br>Woods<br>Park<br>Fund | Public<br>Building<br>Improvement<br>Fund | Senior<br>Center<br>Board<br>Fund | Bus<br>Barn<br>Fund | WPCA Cost<br>Sharing<br>Fund | Sanitation<br>& Recycling<br>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                 |                  |                         |                              |                               |   |                                   | -                   | 16,520                       |                                   | 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                 |                              |                               |   |                                   |                     |                              |                                   | 153,992           |
| Health services                                   | 5,648                      |                       |                  |                         |                              |                               |   | 13,463                            |                     |                              |                                   | 5,648             |
| Senior citizens                                   |                            | 1,674                 |                  |                         |                              |                               |   |                                   |                     |                              |                                   | 15,137            |
| Total expenditures                                | <u>5,648</u>               | <u>48,530</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                                      |                            |                       |                  |                         |                              |                               |   |                                   | 4,500               |                              | 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                       | 2,262                      | 37,497                | 1,791            | (21,698)                | (883)                        | 9                             | 4,887                                     | 2,708                             | 1,331               | 9,965                        | 16,480                            | 54,349            |
| Fund Balances - July 1, 2020 (restated)           | 58,170                     | 110,074               | 33,148           | 54,946                  | 26,871                       | 13,818                        | 28,095                                    | 106,707                           | (1,504)             | -                            | 12,000                            | 442,325           |
| 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> |

(Continued on next page)

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<br>Nonmajor<br>Governmental<br>Funds |
|--|-------------------------|------------------------------|---------------------|----------------------------|-------------------------|----------------------------------|---------------------|-------------------------|-----------|------------------------|--------------|--|
|  | Capital<br>Nonrecurring | Town Building<br>Improvement | Land<br>Acquisition | Firefighters'<br>Equipment | Hains Park<br>Bathrooms | Parks &<br>Recreation<br>Capital | Road<br>Improvement | Public Works<br>Capital | IT        | Library<br>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                                       | 74                      | 52                           | 195                 | 227                        | -                       | 6                                | 175,356             | 89                      | 16        | -                      | 176,015      | 441,333                                    |
| Expenditures:  |                         |                              |                     |                            |                         |                                  |                     |                         |           |                        |              |  |
| Current:   |                         |                              |                     |                            |                         |                                  |                     |                         |           |                        |              |  |
| General government                                   |                         | 3,235                        |                     |                            |                         |                                  |                     |                         | 24,657    | 176,246                | 204,138      | 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       | 14,899                                     |
| Total expenditures                                   | -                       | 18,134                       | 634                 | -                          | 27,743                  | -                                | 550,350             | -                       | 24,657    | 176,246                | 797,764      | 1,039,347                                  |
| Excess (Deficiency) of Revenues over<br>Expenditures | 74                      | (18,082)                     | (439)               | 227                        | (27,743)                | 6                                | (374,994)           | 89                      | (24,641)  | (176,246)              | (621,749)    | (598,014)                                  |
| 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)                 |                                  |                     |                         |           | (6,967)                | (10,899)     | (53,319)                                   |
| Insurance proceeds                                   |                         |                              |                     |                            |                         |                                  |                     |                         |           |                        | -            | 58,534                                     |
| Net Other Financing Sources (Uses)                   | 46,771                  | 34,900                       | 75,000              | 100,000                    | (3,932)                 | 14,100                           | 700,000             | 40,000                  | 27,000    | (6,967)                | 1,026,872    | 1,057,486                                  |
| Net Change in Fund Balances                          | 46,845                  | 16,818                       | 74,561              | 100,227                    | (31,675)                | 14,106                           | 325,006             | 40,089                  | 2,359     | (183,213)              | 405,123      | 459,472                                    |
| Fund Balances - July 1, 2020 (restated)              | 113,718                 | 52,531                       | 268,538             | 408,073                    | 31,675                  | -                                | 456,836             | 122,477                 | 23,451    | 183,213                | 1,660,512    | 2,102,837                                  |
| Fund Balances - June 30, 2021                        | \$ 160,563              | \$ 69,349                    | \$ 343,099          | \$ 508,300                 | \$ -                    | \$ 14,106                        | \$ 781,842          | \$ 162,566              | \$ 25,810 | \$ -                   | \$ 2,065,635 | \$ 2,562,309                               |

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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> |



**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         |
| Expenses:  |              |              |              |              |              |              |              |              |              |              |
| 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      |
| Total expenses   | 37,105,300   | 37,959,640   | 35,210,300   | 35,068,512   | 33,478,436   | 34,274,537   | 32,918,415   | 32,547,234   | 32,516,089   | 31,074,744   |
| Program revenues:  |              |              |              |              |              |              |              |              |              |              |
| 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      |
| Total program revenues                                       | 2,888,908    | 1,979,022    | 1,807,623    | 1,599,862    | 2,921,174    | 4,277,134    | 2,148,647    | 2,880,204    | 2,969,154    | 2,720,564    |
| Net expenses:  |              |              |              |              |              |              |              |              |              |              |
| 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) |
| General revenues:  |              |              |              |              |              |              |              |              |              |              |
| 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       |
| Total general revenues                                       | 36,366,626   | 36,274,103   | 35,332,743   | 34,946,010   | 33,704,253   | 32,713,937   | 32,225,371   | 31,470,104   | 31,278,988   | 30,377,175   |
| Change in net position                                       | \$ 2,150,234 | \$ 293,485   | \$ 1,930,066 | \$ 1,477,360 | \$ 3,146,991 | \$ 2,716,534 | \$ 1,455,603 | \$ 1,803,074 | \$ 1,732,053 | \$ 2,022,995 |

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

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

|   | <u>General<br/>Purpose</u> | <u>Schools</u>        | <u>Sewers</u>         | <u>Urban<br/>Renewal</u> | <u>Pension<br/>Deficit</u> | <u>Total</u>          |
|---|----------------------------|-----------------------|-----------------------|--------------------------|----------------------------|-----------------------|
| Debt limitation:  |                            |                       |                       |                          |                            |                       |
| 2 1/4 times base  | \$ 80,134,877              | \$ -                  | \$ -                  | \$ -                     | \$ -                       | \$ 80,134,877         |
| 4 1/2 times base  | -                          | 160,269,755           | -                     | -                        | -                          | 160,269,755           |
| 3 3/4 times base  | -                          | -                     | 133,558,129           | -                        | -                          | 133,558,129           |
| 3 1/4 times base  | -                          | -                     | -                     | 115,750,378              | -                          | 115,750,378           |
| 3 times base  | -                          | -                     | -                     | -                        | 106,846,503                | 106,846,503           |
| Total debt limitation                                   | <u>80,134,877</u>          | <u>160,269,755</u>    | <u>133,558,129</u>    | <u>115,750,378</u>       | <u>106,846,503</u>         | <u>596,559,642</u>    |
| Indebtedness:   |                            |                       |                       |                          |                            |                       |
| Bonds payable   | 2,315,000                  | -                     | -                     | -                        | -                          | 2,315,000             |
| Town's share of Regional School<br>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<br>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

