

**TOWN OF OLD LYME**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2023**



CPAs | CONSULTANTS | WEALTH ADVISORS

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**TOWN OF OLD LYME  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2023**

**INTRODUCTORY SECTION**

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

**FINANCIAL SECTION**

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

**BASIC FINANCIAL STATEMENTS**

**EXHIBITS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

<b>STATEMENT OF NET POSITION</b>	<b>A</b>	<b>14</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>B</b>	<b>15</b>

**FUND FINANCIAL STATEMENTS**

**GOVERNMENTAL FUNDS**

<b>BALANCE SHEET</b>	<b>C</b>	<b>16</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES</b>	<b>D</b>	<b>18</b>

**GENERAL FUND**

<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL</b>	<b>E</b>	<b>20</b>
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<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>21</b>
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**TOWN OF OLD LYME  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2023**

**SUPPLEMENTARY INFORMATION**

**GENERAL FUND**

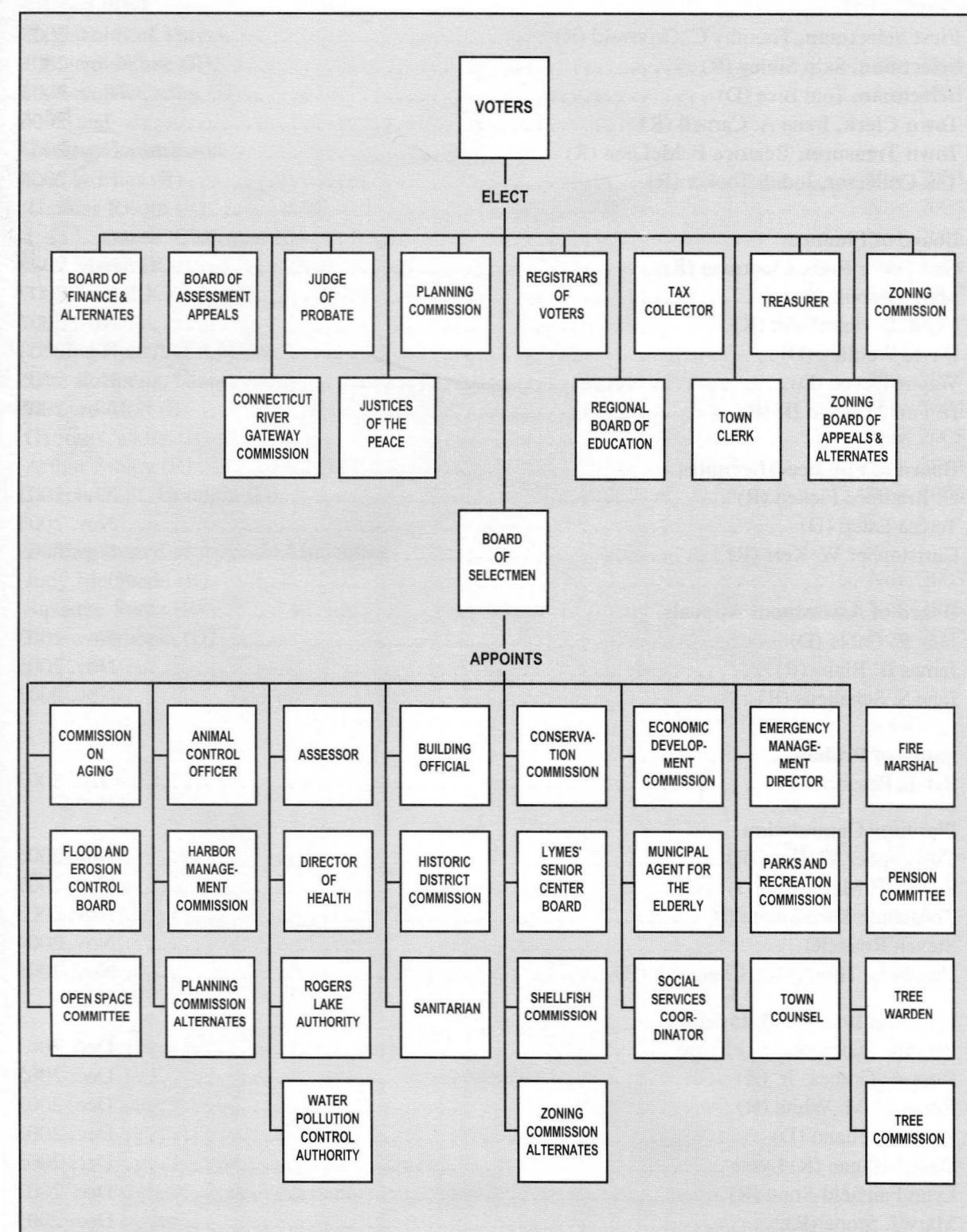
	<b>SCHEDULES</b>
<b>SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES – BUDGET AND ACTUAL</b>	<b>1</b> <b>40</b>
<b>SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES – BUDGET AND ACTUAL</b>	<b>2</b> <b>42</b>
<b>REPORT OF PROPERTY TAX COLLECTOR</b>	<b>3</b> <b>45</b>
<b>NONMAJOR GOVERNMENTAL FUNDS</b>	
<b>COMBINING BALANCE SHEET</b>	<b>4</b> <b>47</b>
<b>COMBINING STATEMENT OF REVENUES,     EXPENDITURES, AND CHANGES IN FUND BALANCES</b>	<b>5</b> <b>49</b>

**TREND INFORMATION**

	<b>TABLES</b>
<b>NET POSITION BY COMPONENT</b>	<b>1</b> <b>52</b>
<b>CHANGES IN NET POSITION</b>	<b>2</b> <b>53</b>
<b>SCHEDULE OF DEBT LIMITATION</b>	<b>3</b> <b>54</b>

## **INTRODUCTORY SECTION**

**TOWN OF OLD LYME, CONNECTICUT  
ORGANIZATIONAL CHART**



## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Board of Finance  
Town of Old Lyme, Connecticut

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Old Lyme, Connecticut, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Old Lyme, Connecticut's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Old Lyme, Connecticut, as of June 30, 2023 and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

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

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

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

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

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

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

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

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

***Required Supplementary Information***

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

***Supplementary Information***

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

***Other Information***

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

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

Board of Finance  
Town of Old Lyme, Connecticut

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2024 on our consideration of the Town of Old Lyme, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Old Lyme, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Old Lyme, Connecticut's internal control over financial reporting and compliance.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
April 26, 2024

**TOWN OF OLD LYME  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

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, 2023.

**Financial Highlights**

- The assets of the Town exceeded its liabilities at the close of the 2023 fiscal year by \$41,642,920. Of this amount, \$17,782,663 (*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 \$2,079,863. The most significant reasons for the increase were due to increased operating grants in the current year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$17,819,040, an increase of \$2,187,217 in comparison with the prior year. The most significant reasons for the increase were property taxes collected as well as revenue increases in charges for services within the Town Clerk's office and the Building Department.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$12,925,106 or 30.3% of total budgetary general fund expenditures and transfers out.
- The Town's total long-term debt decreased by \$429,482 or 19.2% due mostly to annual scheduled debt service payments.

**Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town of Old Lyme's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

**TOWN OF OLD LYME  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

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

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town are reported in governmental funds.

### **Governmental Funds**

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

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

The Town reports governmental funds separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances except for the General Fund and Miscellaneous Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation under the caption nonmajor governmental funds. Individual fund data for each of these nonmajor governmental funds is provided on Schedules 4 and 5.

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

### **Notes to Financial Statements**

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

### **Other Information**

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

**TOWN OF OLD LYME**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2023**

**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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$41,642,920 at the close of the most recent fiscal year.

By far the largest portion of the Town's net position (57.30%) reflects its investment in capital assets (e.g., land, works of art, construction in progress, buildings and improvements, land improvements, machinery, vehicles and equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Summary Statement of Net Position**

	<u>2023</u>	<u>2022</u>
Current and Other Assets	\$ 20,528,586	\$ 20,872,998
Capital Assets (Net)	<u>25,311,870</u>	<u>25,582,480</u>
 Total Assets	 45,840,456	 46,455,478
 Deferred Outflows of Resources	 8,387	 12,581
 Current Liabilities	 2,508,940	 2,660,218
Long-Term Liabilities	<u>1,359,785</u>	<u>1,726,000</u>
 Total Liabilities	 3,868,725	 4,386,218
 Deferred Inflows of Resources	 <u>337,198</u>	 <u>2,518,784</u>
 Net Investment in Capital Assets	 23,860,257	 23,710,061
Unrestricted	<u>17,782,663</u>	<u>15,852,996</u>
 Total Net Position	 <u>\$ 41,642,920</u>	 <u>\$ 39,563,057</u>

**TOWN OF OLD LYME**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2023**

**Governmental Activities**

The Town's net position increased by \$2,079,863.

**Statement of Changes in Net Position**

	<u>2023</u>	<u>2022</u>
<b>Revenues:</b>		
Program Revenues:		
Charges for Services	\$ 1,534,424	\$ 1,440,665
Operating Grants and Contributions	2,183,203	740,383
Capital Grants and Contributions	301,348	381,977
General Revenues:		
Property Taxes	37,414,421	36,355,764
Grants and Contributions Not Restricted to Specific Programs	64,047	119,818
Investment Income (Loss)	348,419	28,508
Gain on Sale of Capital Assets	1,500	3,848
Capital Lease Proceeds	-	-
Miscellaneous	10,026	27,079
Total Revenues	<u>41,857,388</u>	<u>39,098,042</u>
<b>Expenses:</b>		
General Government	5,605,697	4,000,029
Public Works	2,022,997	1,096,466
Parks and Recreation	606,464	539,813
Other Public Safety	444,716	480,848
Social Services	508,358	113,875
Fire Services	677,418	539,444
Police Services	1,046,434	1,092,541
Health Services	8,445	86,676
Senior Citizens	36,298	237,449
Sanitation	1,267,480	1,131,442
Education	27,521,402	27,006,352
Interest Expense	31,816	38,761
Total Expenses	<u>39,777,525</u>	<u>36,363,696</u>
Change in Net Position	2,079,863	2,734,346
Net Position - July 1	<u>39,563,057</u>	<u>36,828,711</u>
Net Position - June 30	<u>\$ 41,642,920</u>	<u>\$ 39,563,057</u>

**TOWN OF OLD LYME  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

The key elements of this increase are as follows:

- Property tax revenue increased \$994,083 (2.8%) from the prior year due to a slight increase in the Grand List Net Assessment for FY 2023.
- Operating grant revenue increased \$1,442,820 (194.9%) from the prior year due to the receipt of American Rescue Plan Act federal funding in FY 2023.

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

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

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

**Governmental Funds**

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$17,819,040, an increase of \$2,187,217 in comparison with the prior year. Of this total amount, 72.5% (\$12,925,106) constitutes an unassigned fund balance which is available for spending at the Town's discretion. The remainder of the fund balance is classified as follows: Non-spendable \$50,340, Committed \$4,343,047, and Assigned \$500,547.

The general fund is the operating fund of the Town. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$12,925,106 while total fund balance reached \$13,475,993. 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 32.4% of total budgetary general fund expenditures and transfers out, while total fund balance represents 33.8% of that same amount.

The fund balance of the Town's general fund increased by \$573,103 during the current fiscal year.

The increase was due to the following:

- Property taxes/interest and liens collected exceeded the budgeted amount by \$576,243.
- Charges for services exceeded budgetary estimates by \$308,680 mostly due to Town Clerk fees of \$29,237 in excess of budgetary estimates and Building Department fees of \$271,398 in excess of budgetary estimates while.
- Intergovernmental revenue decreased by (\$50,542) due to Emergency Management Grant allocation (\$120,000), offset by a \$82,336 increase due to the Municipality Revenue Sharing Grant.

**TOWN OF OLD LYME  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

- Investment income exceeded budgetary estimates by \$203,445 due to investments and interest rates steadily increasing throughout the year.
- Overall, General Fund expenditures come in \$777,821 below budget estimates. Town department budget estimates exceeded actual amount expended most notably as follows:
  - General Government – \$110,550 due to savings in Insurance (\$40,672), IT (\$13,452) Town Hall operations (\$4,102), Building Dept (\$7,461) and Special Deductions (\$32,777).
  - Boards and Commission – \$158,175 due to Land Use (\$27,551) reduced need for legal/engineering services, Rogers Lake (\$27,357) Weed Treatment & Launch attendant, Sound View (\$3,372) due to Community Services/Events, Tree Commission (\$4,565) reduce cost for Tree Warden, and WPCA (\$84,700) due to project schedule.
  - Other Public Safety – \$63,653 due to PT staffing constraints in Ambulance (\$21,062).
  - Police Services – \$174,782 related to savings in Resident state police contracted services (\$32,359) and staffing shortage for Municipal Police (\$142,423).
  - Capital – \$190,012 due to Swan Brook Outlet Repair (\$50,200) Various Public Safety Projects (\$95,204) and Various General Government Projects (\$44,608) that were not undertaken by the end of the fiscal year.
- These positive variances were offset by the appropriation of fund balance totaling \$600,000.

### **General Fund Budgetary Highlights**

The original budget and the final amended budget was \$39,000. The significant increases in appropriations were as follows:

- Capital – Senior Center Expansion-Architect \$ 19,500
- Capital – Halls Road Improvements Fund \$ 19,500

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

#### **Capital Assets**

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 \$150,196 or 1% as total decrease of depreciation expense. Major capital asset events during the current fiscal year included the following:

Additions:

- Town Hall – HVAC Project/Upgrade \$ 42,818
- HPE ProLiant Server DL180 \$ 6,950
- Construction In Progress-SV Sidewalks, Ferry Road Sidewalk \$ 331,576

Deletions:

- Hains Park Pavilion \$ 5,776
- Police – 2010 Dodge Charger \$ 20,484
- Police – 2012 Dodge Charger \$ 25,150

**TOWN OF OLD LYME**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2023**

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

	<u>2023</u>	<u>2022</u>
Land	\$ 4,236,471	\$ 4,236,471
Works of Art	291,000	291,000
Construction in Progress	737,735	411,935
Buildings and Improvements	6,068,087	6,129,512
Land Improvements	1,212,296	1,242,090
Machinery, Vehicles, and Equipment	3,592,578	3,930,166
Infrastructure	<u>9,173,703</u>	<u>9,341,306</u>
 Total	 <u>\$ 25,311,870</u>	 <u>\$ 25,582,480</u>

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

**Long-Term Debt**

At the end of the current fiscal year, the Town had bonded debt outstanding of \$1,460,000. All debt is backed by the full faith and credit of the Town.

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

	<u>2023</u>	<u>2022</u>
General Obligation Bonds	<u>\$ 1,460,000</u>	<u>\$ 1,885,000</u>

The Town's total bonded debt decreased by \$425,000 during the current fiscal year due to scheduled debt payments.

In addition, the Town is responsible for 82.2% of debt service for Regional School District No. 18, which totals \$11,347,710 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 \$257,882,765 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 2023 was 3.5%. This compares favorably with the Norwich/New London labor market area's unemployment rate of 4.5% and the State of Connecticut's rate of 3.7% for the same period.

**TOWN OF OLD LYME  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

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

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

Lower Mill Pond Repair  
Ferry Road sidewalks  
Fire Dept – Cross Lane Floor Drain

New projects include the following:

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

ARPA funded projects:

OLFD – Off Road UTV w/ Trailer  
Town Clerk – Historical Document Preservation  
Lyme Academy for Fine Arts  
OL Arts District  
Community Health Center  
Phobe Griffin Noyes Library

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

OLFD-Cross Lane Electrical Service Upgrade  
Town Hall – Exterior Door Replace  
Harbor Management – Buttonball Road – Permitting and Dock  
Emergency Management-Public Communication Improvement Project

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, 2023.

All of these factors were considered during the preparation of the Town's budget for the 2023/2024 fiscal year.

**Requests for Information**

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

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF OLD LYME**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	Governmental Activities
<b>ASSETS</b>	
Cash	\$ 8,650,513
Investments	11,032,942
Receivables:	
Property Taxes, Net	522,471
Intergovernmental	29,590
Other	112,379
Leases	130,351
Prepaid Amounts	50,340
Capital Assets:	
Assets Not Being Depreciated	5,265,206
Assets Being Depreciated, Net	20,046,664
Total Assets	<u>45,840,456</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Charge on Refunding	8,387
<b>LIABILITIES</b>	
Accounts Payable	438,539
Accrued Liabilities	358,978
Performance Bonds	304,915
Unearned Revenue	948,086
Accrued Interest Payable	8,422
Bonds and Related Liabilities	420,000
Landfill Postclosure Costs	14,000
Compensated Absences	16,000
Noncurrent Liabilities:	
Bonds and Related Liabilities	1,040,000
Landfill Postclosure Costs	252,000
Compensated Absences	67,785
Total Liabilities	<u>3,868,725</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Advanced Property Tax Collections	195,530
Leases	141,668
Total Deferred Inflows of Resources	<u>337,198</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	23,860,257
Unrestricted	<u>17,782,663</u>
Total Net Position	<u>\$ 41,642,920</u>

See accompanying Notes to Financial Statements.

**TOWN OF OLD LYME**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>GOVERNMENTAL ACTIVITIES</b>					
General Government	\$ 5,605,697	\$ 991,048	\$ 1,605,129	\$ -	\$ (3,009,520)
Public Works	2,022,997	155,587	-	281,348	(1,586,062)
Parks and Recreation	606,464	127,192	3,836	-	(475,436)
Other Public Safety	444,716	30,316	3,406	-	(410,994)
Social Services	508,358	-	-	20,000	(488,358)
Fire Services	677,418	8,470	-	-	(668,948)
Police Services	1,046,434	108,777	-	-	(937,657)
Health Services	8,445	-	8,977	-	532
Senior Citizens	36,298	113,034	1,700	-	78,436
Sanitation	1,267,480	-	-	-	(1,267,480)
Education	27,521,402	-	560,155	-	(26,961,247)
Interest Expense	31,816	-	-	-	(31,816)
Total Governmental Activities	<u>\$ 39,777,525</u>	<u>\$ 1,534,424</u>	<u>\$ 2,183,203</u>	<u>\$ 301,348</u>	<u>(35,758,550)</u>
<b>GENERAL REVENUES</b>					
Property Taxes					37,414,421
Grants and Contributions Not Restricted to Specific Programs					64,047
Investment Income					348,419
Gain of Sale of Capital Assets					1,500
Miscellaneous					10,026
Total General Revenues					<u>37,838,413</u>
<b>CHANGE IN NET POSITION</b>					
Net Position - Beginning of Year					2,079,863
<b>NET POSITION - END OF YEAR</b>					<u>\$ 41,642,920</u>

See accompanying Notes to Financial Statements.

**TOWN OF OLD LYME**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

<b>ASSETS</b>	<b>General</b>	<b>Miscellaneous Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
Cash	\$ 3,588,287	\$ 855,109	\$ 4,207,117	\$ 8,650,513
Investments	11,032,942	-	-	11,032,942
Receivables:				
Property Taxes	522,471	-	-	522,471
Intergovernmental	29,590	-	-	29,590
Other	82,189	-	30,190	112,379
Leases	101,662	-	28,689	130,351
Due from Other Funds	6,275	-	-	6,275
Prepaid Amounts	50,340	-	-	50,340
<b>Total Assets</b>	<b>\$ 15,413,756</b>	<b>\$ 855,109</b>	<b>\$ 4,265,996</b>	<b>\$ 20,534,861</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 428,354	\$ 9,660	\$ 525	\$ 438,539
Accrued Liabilities	358,978	-	-	358,978
Due to Other Funds	-	1,475	4,800	6,275
Performance Bonds	304,915	-	-	304,915
Unearned Revenue	230,396	717,690	-	948,086
<b>Total Liabilities</b>	<b>1,322,643</b>	<b>728,825</b>	<b>5,325</b>	<b>2,056,793</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	321,830	-	-	321,830
Advanced Property Tax Collections	195,530	-	-	195,530
Leases	97,760	-	43,908	141,668
<b>Total Deferred Inflows of Resources</b>	<b>615,120</b>	<b>-</b>	<b>43,908</b>	<b>659,028</b>
<b>FUND BALANCES</b>				
Nonspendable	50,340	-	-	50,340
Committed	-	126,284	4,216,763	4,343,047
Assigned	500,547	-	-	500,547
Unassigned	12,925,106	-	-	12,925,106
<b>Total Fund Balances</b>	<b>13,475,993</b>	<b>126,284</b>	<b>4,216,763</b>	<b>17,819,040</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 15,413,756</b>	<b>\$ 855,109</b>	<b>\$ 4,265,996</b>	<b>\$ 20,534,861</b>

(Continued on next page)

**TOWN OF OLD LYME  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2023**

**RECONCILIATION TO THE STATEMENT OF NET POSITION**

Total Fund Balances - Governmental Funds (Exhibit C, Page 1)	\$ 17,819,040
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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:

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

Capital Assets, Net of Accumulated Depreciation	25,311,870
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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	321,830
Deferred Charge on Refunding	8,387

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

Bonds Payable	(1,460,000)
Landfill Postclosure Costs	(266,000)
Accrued Interest Payable	(8,422)
Compensated Absences	<u>(83,785)</u>

Net Position of Governmental Activities as Reported in the Statement of Net Position (Exhibit A)	\$ 41,642,920
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**TOWN OF OLD LYME**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	General	Miscellaneous Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 37,678,561	\$ -	\$ -	\$ 37,678,561
Charges for Services	1,343,706	14,535	176,184	1,534,425
Intergovernmental	985,818	1,464,650	25,106	2,475,574
Investment Income	233,445	37,665	77,309	348,419
Contributions	64,041	-	5,977	70,018
Other Revenue	-	5,569	7,460	13,029
Total Revenues	<u>40,305,571</u>	<u>1,522,419</u>	<u>292,036</u>	<u>42,120,026</u>
<b>EXPENDITURES</b>				
Current:				
General Government	2,902,454	1,472,938	98,194	4,473,586
Public Works	898,563	36,842	-	935,405
Parks and Recreation	516,972	4,094	15,572	536,638
Other Public Safety	422,954	6,189	-	429,143
Social Services	378,508	-	-	378,508
Fire Services	512,601	1,356	-	513,957
Health Services	873,797	-	8,445	882,242
Police Services	-	-	133,456	133,456
Senior Citizens	-	-	36,298	36,298
Sanitation	1,235,160	-	32,320	1,267,480
Education	27,521,402	-	-	27,521,402
Boards and Commissions	397,913	-	-	397,913
Other Non-Profits	423,000	-	-	423,000
Chartered Associations	71,700	-	-	71,700
Capital Outlay	567,335	-	911,517	1,478,852
Debt Service	454,729	-	-	454,729
Total Expenditures	<u>37,177,088</u>	<u>1,521,419</u>	<u>1,235,802</u>	<u>39,934,309</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>3,128,483</b>	<b>1,000</b>	<b>(943,766)</b>	<b>2,185,717</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	2,556,880	2,556,880
Transfers Out	(2,556,880)	-	-	(2,556,880)
Proceeds from Sale of Capital Assets	1,500	-	-	1,500
Total Other Financing Sources (Uses)	<u>(2,555,380)</u>	<u>-</u>	<u>2,556,880</u>	<u>1,500</u>
<b>NET CHANGE IN FUND BALANCES</b>	<b>573,103</b>	<b>1,000</b>	<b>1,613,114</b>	<b>2,187,217</b>
Fund Balances - Beginning of Year	<u>12,902,890</u>	<u>125,284</u>	<u>2,603,649</u>	<u>15,631,823</u>
<b>FUND BALANCES - END OF YEAR</b>	<b><u>\$ 13,475,993</u></b>	<b><u>\$ 126,284</u></b>	<b><u>\$ 4,216,763</u></b>	<b><u>\$ 17,819,040</u></b>

See accompanying Notes to Financial Statements.

**TOWN OF OLD LYME**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

Net Change in Fund Balances - Total Governmental Funds (Exhibit D) \$ 2,187,217

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period:

Capital Outlay	381,344
Depreciation Expense	(641,615)
<b>Total</b>	<b>(260,271)</b>

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

(10,339)

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 and Interest Receivable - Accrual Basis Change	(264,140)
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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	425,000
<b>Total</b>	<b>420,806</b>

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

Compensated Absences	(9,518)
Landfill Closure and Postclosure	14,000
Accrued Interest Payable	2,108
<b>Total</b>	<b>6,590</b>

Change in Net Position of Governmental Activities (Exhibit B) \$ 2,079,863

**TOWN OF OLD LYME**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**JUNE 30, 2023**

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	
<b>REVENUES</b>				
Property Taxes	\$ 37,145,714	\$ 37,145,714	\$ 37,721,957	\$ 576,243
Charges for Services	1,030,784	1,030,784	1,339,464	308,680
Intergovernmental	1,056,313	1,056,313	1,005,771	(50,542)
Investment Income	30,000	30,000	233,445	203,445
Total Revenues	39,262,811	39,262,811	40,300,637	1,037,826
<b>EXPENDITURES</b>				
Current:				
General Government	3,085,289	3,030,004	2,919,454	110,550
Boards and Commissions	540,304	542,454	384,279	158,175
Public Works	905,077	905,077	898,563	6,514
Parks and Recreation	497,655	517,625	516,972	653
Other Public Safety	480,835	489,075	425,422	63,653
Social Services	120,829	120,829	120,204	625
Fire Services	453,167	478,092	420,011	58,081
Police Services	1,054,279	1,054,279	879,497	174,782
Health Services	79,210	79,210	79,210	-
Senior Citizens' Activities	181,172	181,172	179,094	2,078
Other Associations	433,000	433,000	433,000	-
Sanitation	1,247,784	1,247,784	1,235,160	12,624
Chartered Associations	71,700	71,700	71,700	-
Regional School District No. 18	27,521,402	27,521,402	27,521,402	-
Debt Service:				
Redemption of Debt	425,000	425,000	425,000	-
Interest on Debt	29,803	29,803	29,729	74
Capital Outlay	1,186,925	1,206,425	1,016,413	190,012
Total Expenditures	38,313,431	38,332,931	37,555,110	777,821
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	949,380	929,880	2,745,527	1,815,647
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriation of Fund Balance	600,000	639,000	-	(639,000)
Proceeds from Sale of Capital Assets	1,000	1,000	1,500	500
Cancellation of Prior Year Encumbrances	10,000	10,000	267,765	257,765
Transfers In	-	-	-	-
Transfers Out	(1,560,380)	(1,579,880)	(1,579,880)	-
Net Other Financing Sources (Uses)	(949,380)	(929,880)	(1,310,615)	(380,735)
<b>NET CHANGE IN FUND BALANCE</b>	\$ -	\$ -	1,434,912	\$ 1,434,912
Fund Balance - Beginning Balance			11,670,406	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 13,105,318</u>	

See accompanying Notes to Financial Statements.

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**History, Organization, and Reporting Entity**

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

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

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

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

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

Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal year, with the exception of grant revenues which are considered available if they are collected within 180 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

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

The Town reports the following major governmental funds:

**General Fund**

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

**Miscellaneous Fund**

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

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

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

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**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, 2023, 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.

**TOWN OF OLD LYME, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

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

**Prepaid Items**

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

**Capital Assets**

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

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

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

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

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

**Leases**

**Lessor**

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

**TOWN OF OLD LYME, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

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

**Leases (Continued)**

**Lessor (Continued)**

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

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

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

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

**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.

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

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

**Deferred Outflows/Inflows of Resources**

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

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

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

**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.

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

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

**Fund Equity and Net Position (Continued)**

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.

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**D. 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, deferred outflows, liabilities, and deferred inflows including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Accordingly, actual results could differ from those estimates.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgets and Budgetary Accounting**

Budget Policies

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

- The Town legally adopts an annual budget for the General Fund. Formal budgetary integration is employed by the Board of Finance as a management control device during the year for the General Fund.
- The Town is not required to adopt budgets for Special Revenue Funds. Capital Project Funds employ a project length budget, which is approved by the annual Town Meeting.
- 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.

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

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

**Budget Policies (Continued)**

- 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 \$39,000 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, 2023**

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

**B. Budget – GAAP Reconciliation**

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

	Revenues	Expenditures	Fund Balance
Balance, Budgetary Basis, Exhibit E - June 30, 2023	<u>\$ 40,569,902</u>	<u>\$ 39,134,990</u>	<u>\$ 13,105,318</u>
Effect of Lease Accounting under GAAP	4,934	-	-
Cancellation of Prior Year Encumbrances	(267,765)	-	(267,765)
Transfer Out from Carryover	-	977,000	-
Encumbrances Outstanding at June 30, 2022 Liquidated During the Fiscal Year	-	260,418	-
Encumbrances Outstanding at June 30, 2023 Charged to Budgetary Expenditures During the Fiscal Year	-	(638,440)	638,440
Balance, GAAP Basis, Exhibit D - June 30, 2023	<u>\$ 40,307,071</u>	<u>\$ 39,733,968</u>	<u>\$ 13,475,993</u>

**NOTE 3 DETAILED NOTES**

**A. Cash and Investments**

**Deposits – Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. At year end, \$16,208,373 of the Town's bank balance of \$19,816,018 (including certificates of deposit and money market accounts classified as investments) was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 14,537,536
Uninsured and Collateral Held by the Pledging Bank's	
Trust Department, Not in the Town's Name	1,670,837
Total Amount Subject to Custodial Risk	<u>\$ 16,208,373</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, 2023**

**NOTE 3 DETAILED NOTES (CONTINUED)**

**A. Cash and Investments (Continued)**

**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	\$ 7,993,833	\$ 7,993,833	\$ -	\$ -
Certificates of Deposit	3,039,109	3,039,109	-	-
Total	<u>\$ 11,032,942</u>	<u>\$ 11,032,942</u>	<u>\$ -</u>	<u>\$ -</u>

**Interest Rate Risk**

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

**Credit Risk**

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

**Custodial Credit Risk**

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

**B. Receivables**

Accounts receivable as of June 30, 2023, for the Town's individual major funds and nonmajor, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Nonmajor Governmental Funds		Total
		Governmental Funds	Total	
Accounts Receivable:				
Taxes	\$ 626,471	\$ -	\$ 626,471	
Intergovernmental	29,590	-	29,590	
Other	82,189	30,190	112,379	
Lease Receivable	101,662	28,689	130,351	
Less: Allowance for Uncollectible	(104,000)	-	(104,000)	
Net Total Receivables	<u>\$ 735,912</u>	<u>\$ 58,879</u>	<u>\$ 794,791</u>	

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 DETAILED NOTES (CONTINUED)**

**B. Receivables (Continued)**

**Leases Receivable**

The Town, acting as lessor, leases the school bus barn a cell tower under long-term, noncancelable lease agreements. The leases expire on June 30, 2025. During the year ended June 30, 2023, the Town recognized \$61,374 and \$6,426 in lease revenue and interest revenue, respectively, pursuant to these contracts.

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

<u>Year Ending June 30,</u>	<b>Governmental Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 63,874	\$ 3,926	\$ 67,800
2025	66,477	1,323	67,800
<b>Total Minimum Lease Payments</b>	<b>\$ 130,351</b>	<b>\$ 5,249</b>	<b>\$ 135,600</b>

**C. Capital Assets**

Capital asset activity for the fiscal year was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 4,236,471	\$ -	\$ -	\$ 4,236,471
Works of Art	291,000	-	-	291,000
Construction in Progress	411,935	331,576	5,776	737,735
Total Capital Assets Not Being Depreciated	4,939,406	331,576	5,776	5,265,206
Capital Assets Being Depreciated:				
Buildings and Improvements	7,519,707	42,818	-	7,562,525
Land Improvements	1,800,170	-	-	1,800,170
Machinery, Vehicles, and Equipment	7,956,325	6,950	45,634	7,917,641
Infrastructure	10,577,654	-	-	10,577,654
Total Capital Assets Being Depreciated	27,853,856	49,768	45,634	27,857,990
Less: Accumulated Depreciation for:				
Buildings and Improvements	1,390,195	104,243	-	1,494,438
Land Improvements	558,080	29,794	-	587,874
Machinery, Vehicles, and Equipment	4,026,159	339,975	41,071	4,325,063
Infrastructure	1,236,348	167,603	-	1,403,951
Total Accumulated Depreciation	7,210,782	641,615	41,071	7,811,326
Total Capital Assets Being Depreciated, Net	20,643,074	(591,847)	4,563	20,046,664
Governmental Activities Capital Assets, Net	<b>\$ 25,582,480</b>	<b>\$ (260,271)</b>	<b>\$ 10,339</b>	<b>\$ 25,311,870</b>

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 DETAILED NOTES (CONTINUED)**

**C. Capital Assets (Continued)**

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

Governmental Activities:		
General Government	\$ 227,286	
Public Safety	121,610	
Senior Citizens	8,240	
Other Public Works	4,823	
Parks and Recreation	83,517	
Fire Services	156,958	
Police Services	39,181	
Total Depreciation Expense - Governmental Activities	<u><u>\$ 641,615</u></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.

**D. Interfund Accounts**

**Interfund Payables and Receivables**

A summary of interfund balances is as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 6,275	\$ -
Miscellaneous Fund	-	1,475
Nonmajor Governmental Funds	-	4,800
Total	<u><u>\$ 6,275</u></u>	<u><u>\$ 6,275</u></u>

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

Receivable Fund	Payable Fund	Amount
Nonmajor Governmental Funds	General Fund	<u><u>\$ 2,556,880</u></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, 2023**

**NOTE 3 DETAILED NOTES (CONTINUED)**

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

**Summary of Changes**

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable:					
Bonds - Refunding	\$ 885,000	\$ -	\$ 300,000	\$ 585,000	\$ 295,000
Bonds - Library	1,000,000	-	125,000	875,000	125,000
Total Bonds Payable	<u>1,885,000</u>	<u>-</u>	<u>425,000</u>	<u>1,460,000</u>	<u>420,000</u>
Other Liabilities:					
Compensated Absences	74,267	136,483	126,965	83,785	16,000
Landfill Postclosure Costs	280,000	-	14,000	266,000	14,000
Total Other Liabilities	<u>354,267</u>	<u>136,483</u>	<u>140,965</u>	<u>349,785</u>	<u>30,000</u>
 Governmental Activities					
Capital Assets, Net	<u>\$ 2,239,267</u>	<u>\$ 136,483</u>	<u>\$ 565,965</u>	<u>\$ 1,809,785</u>	<u>\$ 450,000</u>
 Bonds Payable:					
Original Amount		Date of Issuance	Date of Maturity	Interest Rate	Balance June 30, 2023
Bonds - Refunding	\$ 2,765,000	6/30/2016	9/30/2048	1.44%	\$ 585,000
Bonds - Library	1,250,000	8/26/2019	3/27/2042	2.05%	875,000
Total Bonds Payable	<u>\$ 4,015,000</u>				<u>\$ 1,460,000</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 \$13,805,000. The Town of Old Lyme's share will be approximately 82.2%, which totaled \$11,347,710 are general obligations of the District and its member towns.

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

The annual requirements to amortize bonds payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 420,000	\$ 22,957	\$ 442,957
2025	415,000	16,182	431,182
2026	125,000	11,531	136,531
2027	125,000	8,969	133,969
2028	125,000	6,407	131,407
2029	125,000	3,844	128,844
2030	125,000	1,282	126,282
<b>Total</b>	<b><u>\$ 1,460,000</u></b>	<b><u>\$ 71,172</u></b>	<b><u>\$ 1,531,172</u></b>

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 DETAILED NOTES (CONTINUED)**

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

Landfill Closure and Postclosure Care Costs

State and federal laws and regulations require that the Town place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The Town closed and covered its landfill. Monitoring costs and estimated repairs and maintenance for the next 19 years at \$14,000 per year are \$266,000. The postclosure care amounts are estimates, which are subject to changes due to inflation, technology or applicable landfill laws and regulations.

Authorized/Unissued Bonds

There are no authorized/unissued bonds.

Statutory Debt Limitations

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

Category	Debt Limit	Net Indebtedness	Balance
General Purpose	\$ 82,890,889	\$ 1,460,000	\$ 81,430,889
Schools	165,781,778	11,347,710	154,434,068
Sewers	138,151,481	-	138,151,481
Urban Renewal	119,731,284	-	119,731,284
Pension Deficit	110,521,185	-	110,521,185

The overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$257,882,765.

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, 2023**

**NOTE 3 DETAILED NOTES (CONTINUED)**

**F. Fund Balance Classifications**

Fund balances are composed of the following:

	General Fund	Miscellaneous Fund	Nonmajor Governmental Funds	Total
Fund Balances:				
Nonspendable:				
Prepays Expenditures	\$ 50,340	\$ -	\$ -	\$ 50,340
Committed to:				
Town Capital Projects	- -	126,284	4,216,763	4,343,047
Assigned to:				
Capital Outlay	500,547	- -	- -	500,547
Unassigned	12,925,106	- -	- -	12,925,106
Total Fund Balances	<u>\$ 13,475,993</u>	<u>\$ 126,284</u>	<u>\$ 4,216,763</u>	<u>\$ 17,819,040</u>

Fund balance amounts classified as assigned under the general fund represent encumbrances outstanding at June 30, 2023.

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

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

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

**B. Commitments and Litigation**

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

**TOWN OF OLD LYME, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

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

The Town has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based upon prior experience, Town management believes such disallowances, if any, will not be material.

**C. Pension Plans**

Defined Contribution Town of Old Lyme Pension Plan

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

The Town and the District's payroll of eligible individuals covered by the plan was \$6,700,043. Employee contributions totaled \$101,724, or 1.5%, of covered payroll, and the Town and District recognized pension expense of \$536,003 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 \$85,828.

## **SUPPLEMENTARY INFORMATION**

## **GENERAL FUND**

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

**TOWN OF OLD LYME**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Property Taxes:</b>				
Property Taxes	\$ 36,965,714	\$ 36,965,714	\$ 37,489,097	\$ 523,383
Interest and Lien Fees	180,000	180,000	189,464	9,464
Telephone Access Line Grant	-	-	43,396	43,396
<b>Total Property Taxes</b>	<b>37,145,714</b>	<b>37,145,714</b>	<b>37,721,957</b>	<b>576,243</b>
<b>Charges for Services:</b>				
Ambulance Reimbursement	7,000	7,000	12,462	5,462
Assessor	1,000	1,000	340	(660)
Beach Stickers and Permits	35,000	35,000	50,783	15,783
Building Department	170,000	170,000	441,398	271,398
Cell Phone Tower Lease	51,600	51,600	87,863	36,263
Fire Marshal	400	400	485	85
Historic District Commission	100	100	660	560
Inland Wetlands	-	-	885	885
Insurance Reimbursement	2,000	2,000	-	(2,000)
Land Use Fees	11,000	11,000	7,963	(3,037)
Land Use Reimbursements	4,000	4,000	-	(4,000)
Legal Fees Reimbursement	-	-	3,176	3,176
Miscellaneous	15,000	15,000	16,727	1,727
Parking Fines	12,000	12,000	13,092	1,092
Parking	90,000	90,000	64,593	(25,407)
Parks and Recreation Department	45,000	45,000	76,409	31,409
Planning Commission	-	-	505	505
Recycling	1,000	1,000	561	(439)
Registrar Reimbursement	2,000	2,000	11,590	9,590
Rogers Lake Authority Reimbursement	32,783	32,783	20,401	(12,382)
School Crossing Guard	8,500	8,500	11,100	2,600
Selectmen's Office	11,000	11,000	6,852	(4,148)
Senior Center Reimbursement	103,825	103,825	77,281	(26,544)
Sound View	100	100	310	210
Town Clerk's Office	270,000	270,000	299,237	29,237
Town Woods Park Reimbursement	27,476	27,476	24,807	(2,669)
Transfer Station	130,000	130,000	155,026	25,026
Zoning Board of Appeals	-	-	3,110	3,110
Zoning Commission	-	-	(48,152)	(48,152)
<b>Total Charges for Services</b>	<b>1,030,784</b>	<b>1,030,784</b>	<b>1,339,464</b>	<b>308,680</b>

**TOWN OF OLD LYME  
GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

	<b>Budgeted Amounts</b>			<b>Variance Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Intergovernmental:</b>				
Education Equalization Grant	\$ 560,155	\$ 560,155	\$ 560,155	\$ -
Emergency Management	120,000	120,000	-	(120,000)
Grants for Municipal Projects	1,888	1,888	1,888	-
LOCIP	48,800	48,800	49,256	456
Miscellaneous State Grants	10,000	10,000	3,710	(6,290)
PILOT - Federal Property	1,000	1,000	-	(1,000)
PILOT - State Property	60,600	60,600	60,692	92
Municipal Revenue Sharing	-	-	82,336	82,336
Telephone Access Line Grant	22,000	22,000	14,175	(7,825)
Town Aid Road	228,200	228,200	230,204	2,004
Disability Tax Exempt	170	170	253	83
Veterans' Tax Exempt	3,500	3,500	3,102	(398)
<b>Total Intergovernmental</b>	<b>1,056,313</b>	<b>1,056,313</b>	<b>1,005,771</b>	<b>(50,542)</b>
<b>Investment Income:</b>				
Interest on Investments	30,000	30,000	233,445	203,445
<b>Total Revenues</b>	<b>39,262,811</b>	<b>39,262,811</b>	<b>40,300,637</b>	<b>1,037,826</b>
<b>OTHER FINANCING SOURCES</b>				
Appropriation of Fund Balance	600,000	639,000	-	(639,000)
Proceeds from Sale of Capital Assets	1,000	1,000	1,500	500
Cancellation of Prior Year Encumbrances	10,000	10,000	267,765	257,765
<b>Total Other Financing Sources</b>	<b>611,000</b>	<b>650,000</b>	<b>269,265</b>	<b>(380,735)</b>
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 39,873,811</b>	<b>\$ 39,912,811</b>	<b>\$ 40,569,902</b>	<b>\$ 657,091</b>

**TOWN OF OLD LYME**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	
General Government:				
Selectmen's Office	\$ 328,495	\$ 339,540	\$ 339,538	\$ 2
Town Clerk	141,497	141,497	136,853	4,644
Tax Collector	119,316	126,191	126,190	1
Treasurer	222,933	239,273	239,271	2
Registrar	83,340	90,500	90,495	5
Information Technology	122,530	122,530	109,078	13,452
Probate Court	6,225	6,225	6,199	26
Assessor	153,550	154,325	154,323	2
Building Department	143,666	143,666	136,205	7,461
Health Department	100,977	100,977	93,573	7,404
Town Hall	189,260	189,260	185,158	4,102
Insurance	999,000	901,520	860,848	40,672
Special Deductions	474,500	474,500	441,723	32,777
Total General Government	3,085,289	3,030,004	2,919,454	110,550
Boards and Commissions:				
Harbor Management Commission	2,938	3,318	3,317	1
Affordable Housing Commission	3,760	3,760	2,572	1,188
Economic Development Commission	4,136	4,136	3,433	703
Ethics Commission	2,994	2,994	0	2,994
Water Management Authority	88,422	88,422	3,722	84,700
Board of Finance	11,801	13,571	13,570	1
Flood and Erosion Control Board	570	570	147	423
Historic District Commission	8,500	8,500	8,334	166
Tree Commission	14,175	14,175	9,610	4,565
Parks and Recreation Commission	2,048	2,048	1,233	815
Board of Assessment Appeals	1,659	1,659	249	1,410
Rogers Lake Authority	78,566	78,566	51,209	27,357
Land use	276,744	276,744	249,193	27,551
Sound View	18,715	18,715	15,343	3,372
Conservation Commission	2,012	2,012	969	1,043
Open Space	23,264	23,264	21,378	1,886
Total Boards and Commissions	540,304	542,454	384,279	158,175
Public Works:				
Public Works Expenditures	905,077	905,077	898,563	6,514
Parks and Recreation:				
Parks and Recreation	328,045	340,865	340,862	3
Town Woods Park	144,610	151,760	151,759	1
Fireworks/Memorial Day	25,000	25,000	24,351	649
Total Parks and Recreation	497,655	517,625	516,972	653
Other Public Safety:				
Animal Control	78,632	86,872	86,870	2
Emergency Management	75,291	75,291	32,744	42,547
Valley Shore Communications	158,000	158,000	157,958	42
Ambulance	168,912	168,912	147,850	21,062
Total Other Public Safety	480,835	489,075	425,422	63,653

**TOWN OF OLD LYME**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	
<b>Social Services:</b>				
Social Service	\$ 21,829	\$ 21,829	\$ 21,204	\$ 625
Lyme's Youth Services	99,000	99,000	99,000	-
<b>Total Social Services</b>	<b>120,829</b>	<b>120,829</b>	<b>120,204</b>	<b>625</b>
<b>Fire Services:</b>				
Old Lyme Fire Department	210,774	230,674	230,670	4
Fire Protection	44,000	45,125	45,120	5
Fire Marshal	83,393	87,293	87,290	3
Firemen's Incentive Plan	115,000	115,000	56,931	58,069
<b>Total Fire Services</b>	<b>453,167</b>	<b>478,092</b>	<b>420,011</b>	<b>58,081</b>
<b>Police Services:</b>				
Resident State Police	220,000	220,000	187,641	32,359
Municipal Police	834,279	834,279	691,856	142,423
<b>Total Police Services</b>	<b>1,054,279</b>	<b>1,054,279</b>	<b>879,497</b>	<b>174,782</b>
<b>Health Services:</b>				
Social Services Agencies	7,210	7,210	7,210	-
VNA	72,000	72,000	72,000	-
<b>Total Health Services</b>	<b>79,210</b>	<b>79,210</b>	<b>79,210</b>	<b>-</b>
<b>Senior Citizens' Activities:</b>				
Estuary Transit District	16,700	16,700	16,695	5
Estuary Services	24,000	24,000	23,765	235
Senior Center	140,472	140,472	138,634	1,838
<b>Total Senior Citizens' Activities</b>	<b>181,172</b>	<b>181,172</b>	<b>179,094</b>	<b>2,078</b>
<b>Other Nonprofits</b>	<b>433,000</b>	<b>433,000</b>	<b>433,000</b>	<b>-</b>
<b>Sanitation:</b>				
Municipal Refuse Collection	933,218	909,898	901,196	8,702
Recycling	25,700	30,420	30,415	5
Household Hazardous Waste	17,500	17,500	13,593	3,907
Transfer Station	271,366	289,966	289,956	10
<b>Total Sanitation</b>	<b>1,247,784</b>	<b>1,247,784</b>	<b>1,235,160</b>	<b>12,624</b>

**TOWN OF OLD LYME  
GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	
Chartered Beach Associations	\$ 71,700	\$ 71,700	\$ 71,700	\$ -
Total Chartered Beach Associations	71,700	71,700	71,700	-
Regional School District No. 18	27,521,402	27,521,402	27,521,402	-
Debt Service:				
Redemption of Debt	425,000	425,000	425,000	-
Interest on Debt	29,803	29,803	29,729	74
Total Debt Service	454,803	454,803	454,729	74
Capital Outlay:				
General Government	402,500	422,000	377,392	44,608
Public Works	11,500	11,500	11,500	-
Public Safety	302,725	302,725	207,521	95,204
Public Works Roads and Projects	470,200	470,200	420,000	50,200
Total Capital Outlay	1,186,925	1,206,425	1,016,413	190,012
Total Expenditures	38,313,431	38,332,931	37,555,110	777,821
<b>OTHER FINANCING USES</b>				
Transfers Out:				
Firefighters' Equipment	150,000	150,000	150,000	-
Bus Barn	2,000	2,000	2,000	-
Capital Nonrecurring - Revaluation	35,000	35,000	35,000	-
Town Building Improvement	45,000	45,000	45,000	-
Police Private Duty	15,000	15,000	15,000	-
Road Improvement Fund	800,000	800,000	800,000	-
P&R Capital Fund	152,500	152,500	152,500	-
Public Works Capital Fund	162,000	162,000	162,000	-
Sanitation and Recycling	1,000	1,000	1,000	-
Info Tech	122,880	122,880	122,880	-
Halls Road Improvement Fund	-	19,500	19,500	-
Open Space	75,000	75,000	75,000	-
Total Other Financing Uses	1,560,380	1,579,880	1,579,880	-
Total Expenditures and Other Financing Uses	\$ 39,873,811	\$ 39,912,811	\$ 39,134,990	\$ 777,821

**TOWN OF OLD LYME**  
**REPORT OF PROPERTY TAX COLLECTOR**  
**YEAR ENDED JUNE 30, 2023**

Grand List Year	Uncollected Taxes July 1, 2022	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections				Uncollected Taxes June 30, 2023
			Additions	Deductions			Taxes	Interest	Lien Fees	Total	
Suspense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005	-	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	9	-	(9)	-	-	-	-	(9)
2010	186	-	-	-	-	186	-	-	-	-	186
2011	169	-	-	-	-	169	-	-	-	-	169
2012	-	-	-	-	-	-	-	-	-	-	-
2013	325	-	-	-	-	325	-	-	-	-	325
2014	-	-	-	20	-	(20)	-	-	-	-	(20)
2015	-	-	-	18	-	(18)	-	-	-	-	(18)
2016	3,707	-	-	34	-	3,673	3,607	323	24	3,954	66
2017	37,585	-	131	131	(79)	37,506	14,152	6,574	96	20,822	23,354
2018	79,371	-	504	1,001	-	78,874	25,653	15,705	216	41,574	53,221
2019	130,749	-	598	19,404	-	111,943	35,893	22,713	288	58,894	76,050
2020	304,062	-	10,667	177,462	-	137,267	8,704	34,212	1,008	43,924	128,563
<b>Total Prior Years</b>	<b>556,154</b>	<b>-</b>	<b>11,900</b>	<b>198,079</b>	<b>(79)</b>	<b>369,896</b>	<b>88,009</b>	<b>79,527</b>	<b>1,632</b>	<b>169,168</b>	<b>281,887</b>
<b>2021</b>	<b>-</b>	<b>37,456,914</b>	<b>55,085</b>	<b>132,517</b>	<b>-</b>	<b>37,379,482</b>	<b>37,034,898</b>	<b>97,287</b>	<b>-</b>	<b>37,132,185</b>	<b>344,584</b>
<b>Total</b>	<b>\$ 556,154</b>	<b>\$ 37,456,914</b>	<b>\$ 66,985</b>	<b>\$ 330,596</b>	<b>\$ (79)</b>	<b>\$ 37,749,378</b>	<b>\$ 37,122,907</b>	<b>\$ 176,814</b>	<b>\$ 1,632</b>	<b>\$ 37,301,353</b>	<b>\$ 626,471</b>

## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

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

### **Capital Projects Funds**

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

**TOWN OF OLD LYME**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2023**

	Special Revenue										Total
	Social Workers' Fund	Dog Fund	Private Duty Fund	Harbor Management Fund	Town Woods Park Fund	Public Building Improvement Fund	Senior Center Board Fund	Bus Barn Fund	WPCA Cost Sharing Fund	Sanitation and Recycling Fund	
<b>ASSETS</b>											
Cash	\$ 81,173	\$ 42,367	\$ 3,407	\$ 24,376	\$ 14,092	\$ 60,861	\$ 127,226	\$ 16,750	\$ 4,468	\$ 7,452	\$ 382,172
Receivables:											
Other											
Leases	-	-	30,190	-	-	-	-	-	-	-	30,190
	-	-	-	-	-	-	-	28,689	-	-	28,689
<b>Total Assets</b>	<b>\$ 81,173</b>	<b>\$ 42,367</b>	<b>\$ 33,597</b>	<b>\$ 24,376</b>	<b>\$ 14,092</b>	<b>\$ 60,861</b>	<b>\$ 127,226</b>	<b>\$ 45,439</b>	<b>\$ 4,468</b>	<b>\$ 7,452</b>	<b>\$ 441,051</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>											
Liabilities:											
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 525	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 525
Due to Other Funds	-	-	-	4,800	-	-	-	-	-	-	4,800
	-	-	-	4,800	525	-	-	-	-	-	5,325
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,800</b>	<b>525</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,325</b>
Deferred Inflows:											
Leases	-	-	-	-	-	-	-	-	43,908	-	43,908
Fund Balances:											
Committed	81,173	42,367	28,797	23,851	14,092	60,861	127,226	1,531	4,468	7,452	391,818
	81,173	42,367	28,797	23,851	14,092	60,861	127,226	1,531	4,468	7,452	391,818
<b>Total Fund Balances</b>	<b>81,173</b>	<b>42,367</b>	<b>28,797</b>	<b>23,851</b>	<b>14,092</b>	<b>60,861</b>	<b>127,226</b>	<b>1,531</b>	<b>4,468</b>	<b>7,452</b>	<b>391,818</b>
<b>Total Liabilities, Deferred Inflow of Resources, and Fund Balances</b>											
	<b>\$ 81,173</b>	<b>\$ 42,367</b>	<b>\$ 33,597</b>	<b>\$ 24,376</b>	<b>\$ 14,092</b>	<b>\$ 60,861</b>	<b>\$ 127,226</b>	<b>\$ 45,439</b>	<b>\$ 4,468</b>	<b>\$ 7,452</b>	<b>\$ 441,051</b>

**TOWN OF OLD LYME**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**JUNE 30, 2023**

	Capital Project Funds										Total Nonmajor Governmental Funds
	Capital Nonrecurring	Town Building Improvement	Land Acquisition	Firefighters' Equipment	Parks & Recreation Capital	Road Improvement	Public Works Capital	IT	Halls Road Improvement	Total	
<b>ASSETS</b>											
Cash	\$ 246,625	\$ 94,263	\$ 497,976	\$ 744,331	\$ 408,300	\$ 589,935	\$ 1,144,360	\$ 74,139	\$ 25,016	\$ 3,824,945	\$ 4,207,117
Receivables:											
Other	-	-	-	-	-	-	-	-	-	-	30,190
Leases	-	-	-	-	-	-	-	-	-	-	28,689
<b>Total Assets</b>	<b>\$ 246,625</b>	<b>\$ 94,263</b>	<b>\$ 497,976</b>	<b>\$ 744,331</b>	<b>\$ 408,300</b>	<b>\$ 589,935</b>	<b>\$ 1,144,360</b>	<b>\$ 74,139</b>	<b>\$ 25,016</b>	<b>\$ 3,824,945</b>	<b>\$ 4,265,996</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>											
Liabilities:											
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 525
Due to Other Funds	-	-	-	-	-	-	-	-	-	-	4,800
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,325</b>
Deferred Inflows:											
Leases	-	-	-	-	-	-	-	-	-	-	43,908
Fund Balances:											
Committed	246,625	94,263	497,976	744,331	408,300	589,935	1,144,360	74,139	25,016	3,824,945	4,216,763
<b>Total Fund Balances</b>	<b>246,625</b>	<b>94,263</b>	<b>497,976</b>	<b>744,331</b>	<b>408,300</b>	<b>589,935</b>	<b>1,144,360</b>	<b>74,139</b>	<b>25,016</b>	<b>3,824,945</b>	<b>4,216,763</b>
<b>Total Liabilities, Deferred Inflow of Resources, and Fund Balances</b>	<b>\$ 246,625</b>	<b>\$ 94,263</b>	<b>\$ 497,976</b>	<b>\$ 744,331</b>	<b>\$ 408,300</b>	<b>\$ 589,935</b>	<b>\$ 1,144,360</b>	<b>\$ 74,139</b>	<b>\$ 25,016</b>	<b>\$ 3,824,945</b>	<b>\$ 4,265,996</b>

**TOWN OF OLD LYME**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**YEAR ENDED JUNE 30, 2023**

	Special Revenue										Total
	Social Workers' Fund	Dog Fund	Private Duty Fund	Harbor Management Fund	Town Woods Park Fund	Public Building Improvement Fund	Senior Center Board Fund	Bus Barn Fund	WPCA Cost Sharing Fund	Sanitation and Recycling Fund	
<b>REVENUES</b>											
Charges for Services	\$ -	\$ 6,306	\$ 108,777	\$ 448	\$ -	\$ 3,823	\$ 35,753	\$ 21,077	\$ -	\$ -	\$ 176,184
Intergovernmental	20,000	906	-	-	-	-	1,700	-	-	-	22,606
Investment Income	1,302	756	5,157	8,921	253	698	2,353	1,660	-	45	21,145
Contributions	5,977	-	-	-	-	-	-	-	-	-	5,977
Other Revenue	3,000	-	-	-	-	-	-	-	4,460	-	7,460
Total Revenues	<b>30,279</b>	<b>7,968</b>	<b>113,934</b>	<b>9,369</b>	<b>253</b>	<b>4,521</b>	<b>39,806</b>	<b>22,737</b>	<b>-</b>	<b>4,505</b>	<b>233,372</b>
<b>EXPENDITURES</b>											
Current:											
General Government	-	-	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	4,872	-	10,700	-	-	-	-	-	-	15,572
Police Services	-	-	133,456	-	-	-	-	-	-	-	133,456
Health Services	8,445	-	-	-	-	-	-	-	-	-	8,445
Senior Citizens	-	-	-	-	-	-	36,298	-	-	-	36,298
Sanitation	-	-	-	-	-	-	-	-	-	32,320	32,320
Capital Outlay	-	-	-	-	-	11,000	-	-	-	-	11,000
Total Expenditures	<b>8,445</b>	<b>4,872</b>	<b>133,456</b>	<b>10,700</b>	<b>-</b>	<b>11,000</b>	<b>36,298</b>	<b>-</b>	<b>-</b>	<b>32,320</b>	<b>237,091</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>21,834</b>	<b>3,096</b>	<b>(19,522)</b>	<b>(1,331)</b>	<b>253</b>	<b>(6,479)</b>	<b>3,508</b>	<b>22,737</b>	<b>-</b>	<b>(27,815)</b>	<b>(3,719)</b>
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers In	-	-	15,000	-	-	30,000	-	2,000	-	1,000	48,000
Transfers Out	-	-	-	-	-	-	-	-	-	-	-
Net Other Financing Sources (Uses)	-	-	15,000	-	-	30,000	-	2,000	-	1,000	48,000
<b>EXCESS (DEFICIENCY)</b>	<b>21,834</b>	<b>3,096</b>	<b>(4,522)</b>	<b>(1,331)</b>	<b>253</b>	<b>23,521</b>	<b>3,508</b>	<b>24,737</b>	<b>-</b>	<b>(26,815)</b>	<b>44,281</b>
Fund Balance - Beginning of Year	<b>59,339</b>	<b>39,271</b>	<b>33,319</b>	<b>25,182</b>	<b>13,839</b>	<b>37,340</b>	<b>123,718</b>	<b>(23,206)</b>	<b>4,468</b>	<b>34,267</b>	<b>347,537</b>
<b>FUND BALANCE -END OF YEAR</b>	<b>\$ 81,173</b>	<b>\$ 42,367</b>	<b>\$ 28,797</b>	<b>\$ 23,851</b>	<b>\$ 14,092</b>	<b>\$ 60,861</b>	<b>\$ 127,226</b>	<b>\$ 1,531</b>	<b>\$ 4,468</b>	<b>\$ 7,452</b>	<b>\$ 391,818</b>

**TOWN OF OLD LYME**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

	Capital Project Funds										Total Nonmajor Governmental Funds
	Capital Nonrecurring	Town Building Improvement	Land Acquisition	Firefighters' Equipment	Parks & Recreation Capital	Road Improvement	Public Works Capital	IT	Halls Road Improvement	Total	
<b>REVENUES</b>											
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 176,184
Intergovernmental	-	-	2,500	-	-	-	-	-	-	2,500	25,106
Investment Income	4,165	1,417	8,416	12,365	6,237	16,548	4,881	2,135	-	56,164	77,309
Contributions	-	-	-	-	-	-	-	-	-	-	5,977
Other Revenue	-	-	-	-	-	-	-	-	-	-	7,460
<b>Total Revenues</b>	<b>4,165</b>	<b>1,417</b>	<b>10,916</b>	<b>12,365</b>	<b>6,237</b>	<b>16,548</b>	<b>4,881</b>	<b>2,135</b>	<b>-</b>	<b>58,664</b>	<b>292,036</b>
<b>EXPENDITURES</b>											
Current:											
General Government	-	-	-	-	-	-	-	98,194	-	98,194	98,194
Parks and Recreation	-	-	-	-	-	-	-	-	-	-	15,572
Police Services	-	-	-	-	-	-	-	-	-	-	133,456
Health Services	-	-	-	-	-	-	-	-	-	-	8,445
Senior Citizens	-	-	-	-	-	-	-	-	-	-	36,298
Sanitation	-	-	-	-	-	-	-	-	-	-	32,320
Capital Outlay	-	6,007	-	26,706	541	698,114	135,765	-	33,384	900,517	911,517
<b>Total Expenditures</b>	<b>-</b>	<b>6,007</b>	<b>-</b>	<b>26,706</b>	<b>541</b>	<b>698,114</b>	<b>135,765</b>	<b>98,194</b>	<b>33,384</b>	<b>998,711</b>	<b>1,235,802</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>4,165</b>	<b>(4,590)</b>	<b>10,916</b>	<b>(14,341)</b>	<b>5,696</b>	<b>(681,566)</b>	<b>(130,884)</b>	<b>(96,059)</b>	<b>(33,384)</b>	<b>(940,047)</b>	<b>(943,766)</b>
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers In	35,000	45,000	75,000	150,000	152,500	800,000	1,109,000	122,880	19,500	2,508,880	2,556,880
Transfers Out	-	-	-	-	-	-	-	-	-	-	-
<b>Net Other Financing Sources (Uses)</b>	<b>35,000</b>	<b>45,000</b>	<b>75,000</b>	<b>150,000</b>	<b>152,500</b>	<b>800,000</b>	<b>1,109,000</b>	<b>122,880</b>	<b>19,500</b>	<b>2,508,880</b>	<b>2,556,880</b>
<b>EXCESS (DEFICIENCY)</b>	<b>39,165</b>	<b>40,410</b>	<b>85,916</b>	<b>135,659</b>	<b>158,196</b>	<b>118,434</b>	<b>978,116</b>	<b>26,821</b>	<b>(13,884)</b>	<b>1,568,833</b>	<b>1,613,114</b>
Fund Balance - Beginning of Year	207,460	53,853	412,060	608,672	250,104	471,501	166,244	47,318	38,900	2,256,112	2,603,649
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 246,625</b>	<b>\$ 94,263</b>	<b>\$ 497,976</b>	<b>\$ 744,331</b>	<b>\$ 408,300</b>	<b>\$ 589,935</b>	<b>\$ 1,144,360</b>	<b>\$ 74,139</b>	<b>\$ 25,016</b>	<b>\$ 3,824,945</b>	<b>\$ 4,216,763</b>

## **TREND INFORMATION**

TABLE 1

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
Net Investment in Capital Assets	\$ 23,860,257	\$ 23,710,061	\$ 22,098,049	\$ 21,705,131	\$ 19,854,187	\$ 19,607,377	\$ 19,157,888	\$ 16,803,929	\$ 15,825,169	\$ 15,512,237
Restricted for:										
Capital Projects	-	-	1,042,878	-	-	-	-	-	-	-
Unrestricted	17,782,663	15,852,996	13,687,784	12,863,272	14,420,731	12,737,475	11,709,604	10,799,781	9,167,351	8,024,680
Total Governmental Activities	<u>\$ 41,642,920</u>	<u>\$ 39,563,057</u>	<u>\$ 36,828,711</u>	<u>\$ 34,568,403</u>	<u>\$ 34,274,918</u>	<u>\$ 32,344,852</u>	<u>\$ 30,867,492</u>	<u>\$ 27,603,710</u>	<u>\$ 24,992,520</u>	<u>\$ 23,536,917</u>
Net Position										

TABLE 2

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>EXPENSES</b>										
Governmental Activities:										
General Government	\$ 5,605,697	\$ 4,000,029	\$ 3,961,641	\$ 4,614,532	\$ 3,191,913	\$ 2,770,249	\$ 2,747,576	\$ 2,639,326	\$ 2,870,319	\$ 2,828,319
Public Works	2,022,997	1,096,466	1,280,724	1,345,193	1,317,452	1,696,348	1,242,170	1,295,885	1,324,016	1,306,797
Parks and Recreation	606,464	539,813	455,805	527,133	504,181	427,120	464,329	1,930,981	491,930	494,022
Other Public Safety	444,716	480,848	537,716	452,117	440,272	373,015	397,308	351,505	403,834	330,743
Social Services	508,358	113,875	113,306	111,802	107,983	103,930	110,570	105,457	93,486	90,972
Fire Services	677,418	539,444	625,777	560,305	641,510	561,976	640,059	430,894	464,308	510,386
Police Services	1,046,434	1,092,541	1,141,530	1,288,332	1,238,522	1,140,264	961,451	998,934	1,153,081	1,152,650
Health Services	8,445	86,676	83,406	94,131	106,951	162,631	153,063	150,364	150,831	149,989
Land Acquisition	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-
Senior Citizens	36,298	237,449	198,724	288,948	233,385	223,561	198,121	189,321	218,980	189,045
Sanitation	1,267,480	1,131,442	1,104,211	1,072,049	1,053,639	1,038,310	957,297	1,089,305	1,014,480	1,087,838
Education	27,521,402	27,006,352	27,556,679	27,556,679	26,343,259	26,535,202	25,565,976	25,014,080	24,649,113	24,314,383
Interest Expense	31,816	38,761	45,781	48,419	31,233	35,906	40,516	78,485	84,037	92,090
Total Governmental Activities Expenses	<b>39,777,525</b>	<b>36,363,696</b>	<b>37,105,300</b>	<b>37,959,640</b>	<b>35,210,300</b>	<b>35,068,512</b>	<b>33,478,436</b>	<b>34,274,537</b>	<b>32,918,415</b>	<b>32,547,234</b>
<b>PROGRAM REVENUES</b>										
Governmental Activities:										
Charges for Services:										
General Government	991,048	891,732	946,309	656,401	532,332	237,367	483,380	526,326	488,866	543,511
Public Works	155,587	4,329	4,869	4,134	3,753	3,124	4,329	4,508	4,239	4,728
Parks and Recreation	127,192	207,446	179,855	208,081	217,808	190,558	219,104	236,599	198,812	207,337
Other Public Safety	30,316	18,573	14,221	11,176	11,971	262,818	12,013	14,597	19,337	18,376
Fire Services	8,470	480	240	60	480	45,183	380	650	360	400
Police Services	108,777	92,221	156,143	98,789	54,663	57,288	43,409	51,975	89,059	49,359
Health Services	-	-	8,977	-	-	8,219	5,632	15,397	10,688	14,904
Senior Citizens	113,034	63,576	59,221	46,769	82,037	17,297	55,897	48,707	48,905	54,155
Sanitation	-	153,676	191,812	201,624	186,736	164,074	112,942	148,907	193,509	165,702
Education	-	8,632	15,684	2,272	10,464	28,784	66,044	68,384	65,647	64,571
Operating Grants and Contributions	2,183,203	740,383	716,616	281,253	399,565	331,070	960,280	2,766,825	749,675	963,519
Capital Grants and Contributions	301,348	381,977	603,938	468,463	307,814	254,080	957,764	394,259	279,550	793,642
Total Governmental Activities Program Revenues	<b>4,018,975</b>	<b>2,563,025</b>	<b>2,897,885</b>	<b>1,979,022</b>	<b>1,807,623</b>	<b>1,599,862</b>	<b>2,921,174</b>	<b>4,277,134</b>	<b>2,148,647</b>	<b>2,880,204</b>
<b>NET REVENUE (EXPENSE)</b>	<b>(35,758,550)</b>	<b>(33,800,671)</b>	<b>(34,207,415)</b>	<b>(35,980,618)</b>	<b>(33,402,677)</b>	<b>(33,468,650)</b>	<b>(30,557,262)</b>	<b>(29,997,403)</b>	<b>(30,769,768)</b>	<b>(29,667,030)</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET EXPENSES</b>										
Governmental Activities:										
Property Taxes	37,414,421	36,355,764	36,124,170	35,754,220	34,942,146	34,572,309	33,587,370	32,462,970	31,962,357	31,275,151
Grants and Contributions Not Restricted to Specific Programs	64,047	119,818	129,073	172,122	54,141	167,645	56,958	199,033	225,785	167,440
Investment Income	348,419	28,508	35,228	281,341	296,320	186,628	59,925	32,392	14,805	12,223
Gain on Sale of Capital Assets	1,500	3,848	-	46,314	379	-	-	3,800	-	-
Miscellaneous	10,026	27,079	78,155	20,106	39,757	19,428	-	15,742	22,424	15,290
Total Governmental Activities	<b>37,838,413</b>	<b>36,535,017</b>	<b>36,366,626</b>	<b>36,274,103</b>	<b>35,332,743</b>	<b>34,946,010</b>	<b>33,704,253</b>	<b>32,713,937</b>	<b>32,225,371</b>	<b>31,470,104</b>
<b>CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<b>\$ 2,079,863</b>	<b>\$ 2,734,346</b>	<b>\$ 2,159,211</b>	<b>\$ 293,485</b>	<b>\$ 1,930,066</b>	<b>\$ 1,477,360</b>	<b>\$ 3,146,991</b>	<b>\$ 2,716,534</b>	<b>\$ 1,455,603</b>	<b>\$ 1,803,074</b>

TABLE 3

**TOWN OF OLD LYME**  
**SCHEDULE OF DEBT LIMITATION**  
**YEAR ENDED JUNE 30, 2023**

Total Tax Collections (Including Interest  
 and Lien Fees) \$ 36,840,395

	General Purpose	Schools	Sewers	Urban Renewal	Pension Funding	Total
<b>Debt Limitation:</b>						
2 1/4 Times Base	\$ 82,890,889	\$ -	\$ -	\$ -	\$ -	\$ 82,890,889
4 1/2 Times Base	-	165,781,778	-	-	-	165,781,778
3 3/4 Times Base	-	-	138,151,481	-	-	138,151,481
3 1/4 Times Base	-	-	-	119,731,284	-	119,731,284
3 Times Base	-	-	-	-	110,521,185	110,521,185
<b>Total Debt Limitation</b>	<b>82,890,889</b>	<b>165,781,778</b>	<b>138,151,481</b>	<b>119,731,284</b>	<b>110,521,185</b>	<b>617,076,616</b>
<b>Debt, as Defined by Statute:</b>						
Bonds Payable	1,460,000	-	-	-	-	1,460,000
Notes Payable	-	-	-	-	-	-
Town's Share of Regional School	-	-	-	-	-	-
District No. 18 Debt	-	11,347,710	-	-	-	11,347,710
<b>Total Indebtedness</b>	<b>1,460,000</b>	<b>11,347,710</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,807,710</b>
<b>Debt Limitation in Excess of Indebtedness</b>	<b>\$ 81,430,889</b>	<b>\$ 154,434,068</b>	<b>\$ 138,151,481</b>	<b>\$ 119,731,284</b>	<b>\$ 110,521,185</b>	<b>\$ 604,268,906</b>

Note: In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 257,882,765



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