

TOWN OF OLD SAYBROOK, CONNECTICUT

FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023**

TOWN OF OLD SAYBROOK, CONNECTICUT
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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of Old Saybrook, 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 Saybrook, Connecticut, (the Town) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town'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 Saybrook, Connecticut, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof 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 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town 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'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.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards 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'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'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 on pages 4 through 14 and the information on pages 65 through 78 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying combining and individual fund financial statements and schedules 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules 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 financial statements. The other information comprises trend data 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2024, on our consideration of the Town'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'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's internal control over financial reporting and compliance.



Certified Public Accountants
Glastonbury, Connecticut
January 5, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF OLD SAYBROOK, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

As management of the Town of Old Saybrook, Connecticut, (the Town) we offer 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 Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$81,701,723 (net position). Of this amount, \$2,621,274 represents the Town's unrestricted net position.
- The Town's total net position increased by \$4,793,637 during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$21,789,487, an increase of \$3,159,836 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$8,532,943 or 17.0% of the Town's original General Fund budgetary expenditure appropriations for fiscal year 2024. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 2.0 months of General Fund budgetary expenditures.
- The Town's long-term debt, consisting of general obligation bonds and financed purchase arrangements, decreased by \$2,890,266 or 11.9%.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town'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, deferred outflows of resources, and liabilities, with net position as the residual of these elements. 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.

The government-wide financial statements display information about the Town's governmental activities, which include general government, public safety, public works, culture and recreation, health and welfare, and education. The Town does not have any business-type activities. The government-wide financial statements include only the Town itself because there are no legally separate organizations for which the Town is financially accountable.

The government-wide financial statements can be found on pages 15 and 16 of this report.

TOWN OF OLD SAYBROOK, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town'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 maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Projects Fund, the Capital Nonrecurring Fund, and the Economic Development Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 17 through 20 of this report.

Proprietary Funds

The town maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses internal service funds to report activities that provide supplies and services for the Town's other programs and activities. Because these services benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 21 through 23 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to the Town's own programs. The accounting used for fiduciary funds is much like that used for government-wide financial statements.

The basic fiduciary fund financial statements can be found on pages 24 and 25 of this report.

TOWN OF OLD SAYBROOK, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 through 64 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information other than this management's discussion and analysis that can be found on pages 65 through 78 of this report. Combining and individual fund financial statements and schedules can be found on pages 79 through 95 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

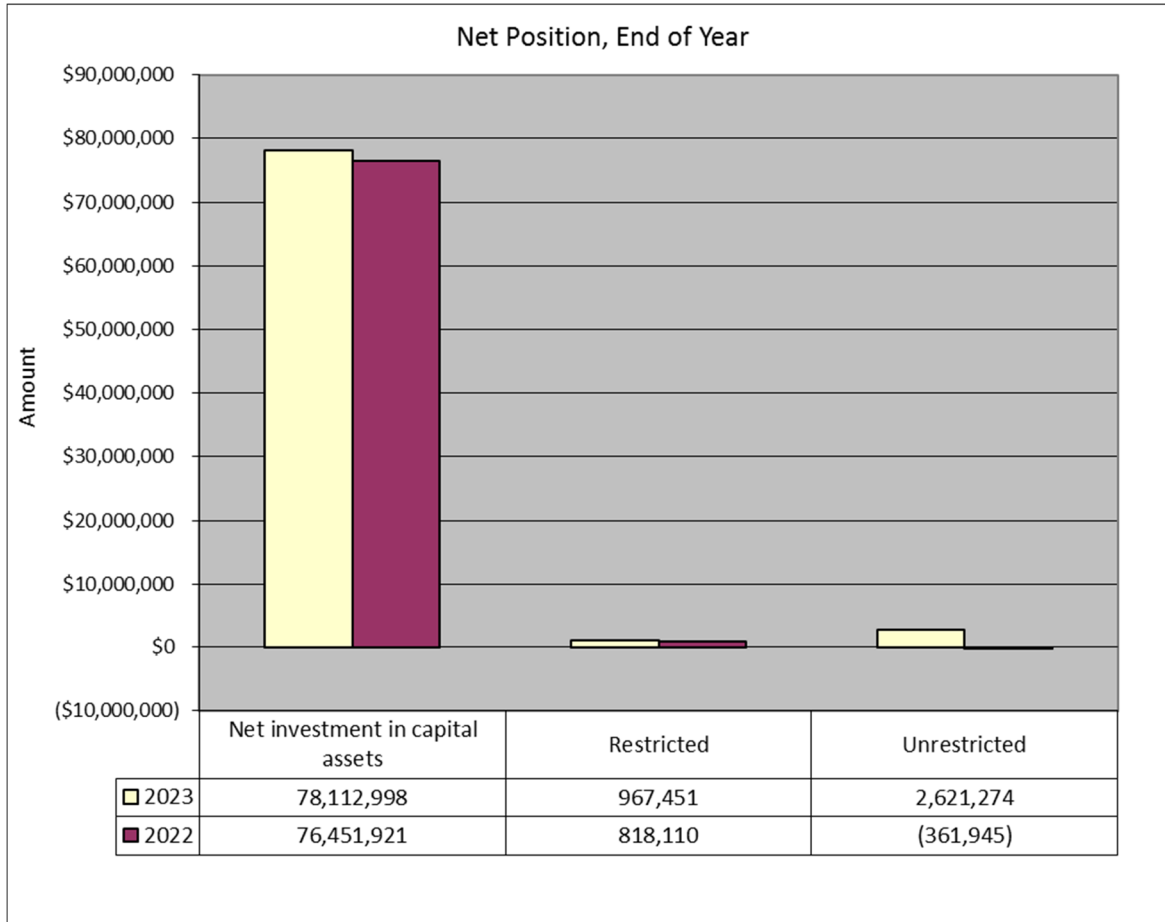
Over time, net position may serve as one measure of a government's financial position. Net position of the Town totaled \$81,701,723 as of June 30, 2023 and \$76,908,086 as of June 30, 2022 and are summarized as follows.

	<u>2023</u>	<u>2022</u>	<u>\$ Variance</u>	<u>% Variance</u>
Current and other assets	\$ 36,359,788	\$ 30,734,093	\$ 5,625,695	18.3%
Capital assets, net	101,027,094	102,266,120	(1,239,026)	-1.2%
Total assets	<u>137,386,882</u>	<u>133,000,213</u>	<u>4,386,669</u>	17.1%
Deferred outflows of resources	<u>7,848,907</u>	<u>11,230,165</u>	<u>(3,381,258)</u>	-30.1%
Current liabilities	6,722,617	5,086,458	1,636,159	32.2%
Long-term liabilities	40,231,453	44,968,093	(4,736,640)	-10.5%
Total liabilities	<u>46,954,070</u>	<u>50,054,551</u>	<u>(3,100,481)</u>	21.6%
Deferred inflows of resources	<u>16,579,996</u>	<u>17,267,741</u>	<u>(687,745)</u>	-4.0%
Net position:				
Net investment in capital assets	78,112,998	76,451,921	1,661,077	2.2%
Restricted	967,451	818,110	149,341	18.3%
Unrestricted	2,621,274	(361,945)	2,983,219	-824.2%
Total net position	<u>\$ 81,701,723</u>	<u>\$ 76,908,086</u>	<u>\$ 4,793,637</u>	-803.8%

TOWN OF OLD SAYBROOK, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)



The majority of the Town's total net position reflects its investment in capital assets, 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.

Approximately 1.2% of the Town's net position is subject to external restrictions on how they may be used and are therefore presented as restricted net position.

The remainder of the Town's net position represents an unrestricted net position of \$2,621,274.

Overall, net position increased by \$4,793,637 in comparison with the prior year.

TOWN OF OLD SAYBROOK, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position

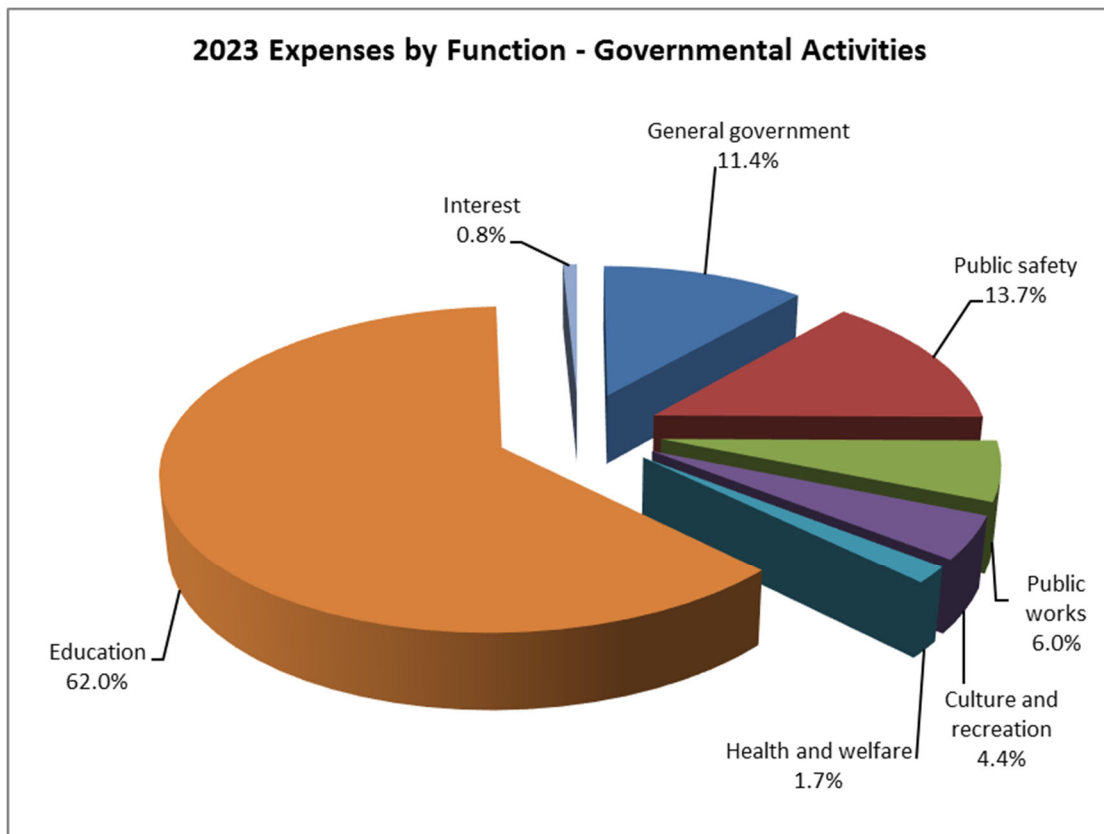
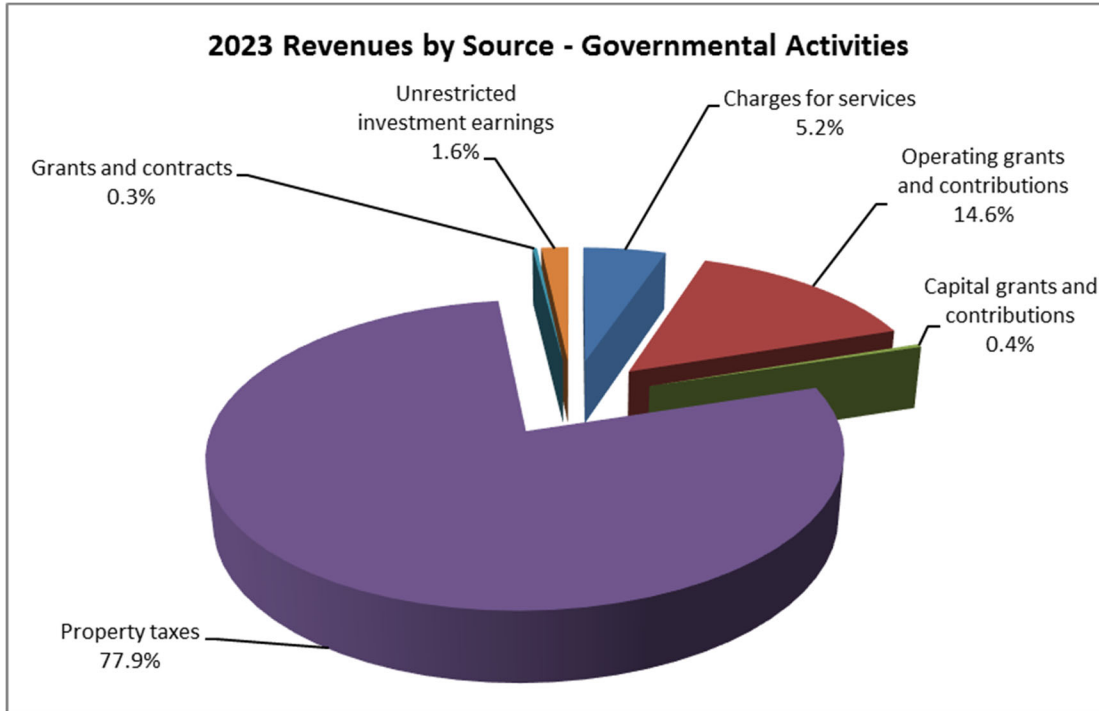
Changes in net position for the years ended June 30, 2023 and 2022 are as follows.

	<u>2023</u>	<u>2022</u>	<u>\$ Variance</u>	<u>% Variance</u>
Program revenues:				
Charges for services	\$ 3,183,091	\$ 3,062,943	\$ 120,148	3.9%
Operating grants and contributions	8,978,396	7,125,124	1,853,272	26.0%
Capital grants and contributions	218,880	385,097	(166,217)	-43.2%
General revenues:				
Property taxes	47,776,813	46,487,282	1,289,531	2.8%
Grants and contracts	170,182	64,747	105,435	162.8%
Unrestricted investment earnings	1,041,334	2,000	1,039,334	51966.7%
Total revenues	<u>61,368,696</u>	<u>57,127,193</u>	<u>4,241,503</u>	7.4%
Program expenses:				
General government	6,468,210	5,598,490	869,720	15.5%
Public safety	7,757,921	7,105,337	652,584	9.2%
Public works	3,416,887	3,420,397	(3,510)	-0.1%
Culture and recreation	2,477,349	2,106,112	371,237	17.6%
Health and welfare	949,094	910,189	38,905	4.3%
Education	35,056,846	30,522,938	4,533,908	14.9%
Interest	448,752	483,113	(34,361)	-7.1%
Total expenses	<u>56,575,059</u>	<u>50,146,576</u>	<u>6,428,483</u>	12.8%
Change in net position	<u>\$ 4,793,637</u>	<u>\$ 6,980,617</u>	<u>\$ (2,186,980)</u>	-5.4%

TOWN OF OLD SAYBROOK, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Changes in Net Position *(Continued)*



TOWN OF OLD SAYBROOK, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Governmental Activities

Governmental activities increased the Town's net position by \$4,793,637. Revenues generated by the Town increased by \$4,241,503 or 7.4% and expenses increased by \$6,428,483 or 12.8%, when compared to the prior year.

The Town's revenues and expenses were directly impacted by the amount of pension and OPEB expenses recognized in connection with the Town's participation in the Connecticut State Teachers' Retirement System, which increased by \$2,687,048. This had a direct impact on the decrease in operating grants and education expenses reported by the Town for the current fiscal year. In addition, the Town recognized significant increases in property tax revenues and investment earnings.

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.

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 the 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 \$21,789,487, an increase of \$3,159,836 in comparison with the prior year. Approximately 95.6%, or \$20,822,036, of this total amount is unrestricted (committed, assigned or unassigned) and is available for spending at the Town's discretion.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,532,943, while total fund balance was \$9,055,100. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total budgetary expenditures. Unassigned fund balance represents 17.0% of the Town's original General Fund budgetary expenditure appropriations for fiscal year 2024. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 2.0 months of General Fund budgetary expenditures.

The fund balance of the Town's General Fund increased by \$259,463 during the current fiscal year.

Proprietary Fund

The internal service fund's net position decreased by \$6,886 this year. The fund maintains a positive net position of \$91,268 as of June 30, 2023.

Capital Projects Fund

The Capital Projects Fund has a fund balance of \$4,751,427 as of June 30, 2023, an increase in the fund balance of \$1,681,967 from the prior year. Current year capital outlays of \$1,247,122 were offset by assessments collected on the sewer avoidance program, grant and other related revenues and net transfers in.

TOWN OF OLD SAYBROOK, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS *(Continued)*

Capital Nonrecurring Fund

The Capital Nonrecurring Fund has a fund balance of \$5,195,096 June 30, 2023, an increase in the fund balance of \$1,119,917 from the prior year.

Economic Development Fund

The Economic Development Fund has a fund balance of \$161,806 as of June 30, 2023, an increase in the fund balance of \$82,474 from the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town's original budget did not contemplate the use of fund balance to balance revenues and expenditures. The Town authorized an additional appropriation from fund balance in the amount \$30,000. The actual net change in the fund balance of the General Fund on a budgetary basis was an increase of \$317,401. Expenditures were \$791,947 lower than budgeted while revenues were \$2,838,966 higher than budgeted. The Town subsequently authorized to transfer a portion of this budgetary surplus in the amount of \$3,278,526 to the other funds for the purpose of funding capital projects and to offset fluctuations in debt service in future years.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities as of June 30, 2023 totaled \$101,027,094 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, construction in progress, buildings and building improvements, right-to-use leased assets, machinery and equipment, and infrastructure. The Town's investment in capital assets decreased by \$1,239,026 over the prior year.

Major capital asset events during the current fiscal year included the following:

- air conditioning improvements at the Town's educational facilities in the amount of \$812 thousand,
- high school lighting project in the amount of \$339 thousand,
- installation of a new camera system in the amount of \$101 thousand,
- lease of copiers for the school district in the amount of \$443 thousand,
- purchase of a mower in the amount of \$142 thousand,
- construction of a gazebo in the amount of \$130 thousand, and
- road and sidewalk improvements in the amount of \$637 thousand.

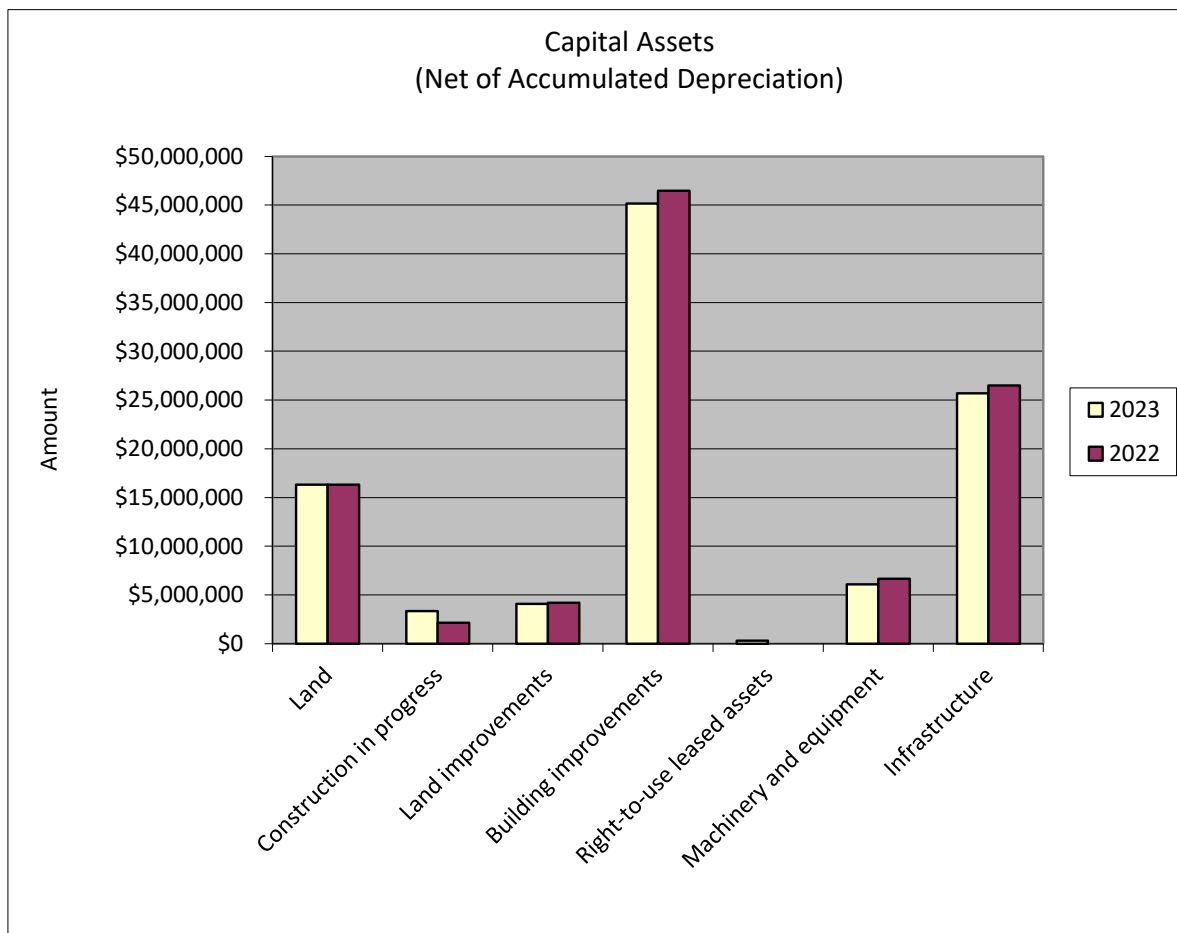
TOWN OF OLD SAYBROOK, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

The following table is a two-year comparison of the investment in capital assets, net of accumulated depreciation:

	2023	2022	\$ Variance	% Variance
Land	\$ 16,323,231	\$ 16,323,231	\$ -	0.0%
Construction in progress	3,340,734	2,144,845	1,195,889	55.8%
Land improvements	4,077,269	4,204,768	(127,499)	-3.0%
Building improvements	45,165,793	46,451,107	(1,285,314)	-2.8%
Right-to-use leased assets	318,796	-	318,796	-
Machinery and equipment	6,110,802	6,650,581	(539,779)	-8.1%
Infrastructure	25,690,469	26,491,588	(801,119)	-3.0%
Totals	<u>\$ 101,027,094</u>	<u>\$ 102,266,120</u>	<u>\$ (1,239,026)</u>	-1.2%



Additional information on the Town's capital assets can be found in Note 4 of this report.

TOWN OF OLD SAYBROOK, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Long-term Debt

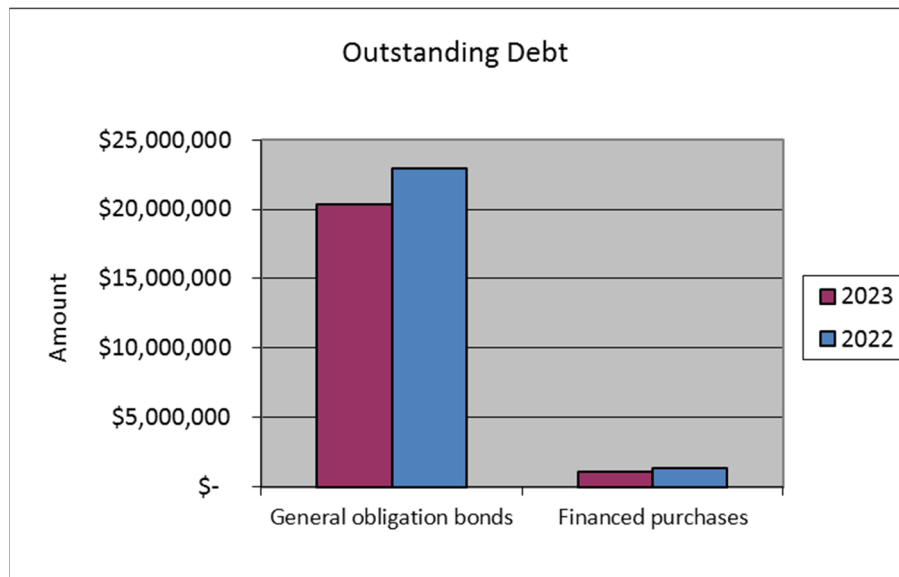
At the end of the current fiscal year, the Town had total statutory debt outstanding of \$20,315,000, which is backed by the full faith and credit of the government. The Town's statutory debt decreased by \$2,625,000 or 11.4% during the current fiscal year due to scheduled principal repayments. The Town's long-term debt under financed purchase arrangements decreased by \$265,266 during the current fiscal year also due to scheduled principal repayments.

The Town's capital plan is established to control the level of capital expenditures and debt service expenditures in order to maintain a level amount of debt service expenditures and to avoid any sharp increase in property tax rates. Debt levels are managed to ensure that debt service requirements of new debt reasonable coincide with the normal amortization of existing debt service expenditures.

State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is significantly in excess of the Town's outstanding general obligation debt.

The following tables are a two-year comparison of long-term debt:

	2023	2022	\$ Variance	% Variance
General obligation bonds	\$ 20,315,000	\$ 22,940,000	\$ (2,625,000)	-11.4%
Financed purchases	1,085,378	1,350,644	(265,266)	-19.6%
Totals	<u>\$ 21,400,378</u>	<u>\$ 24,290,644</u>	<u>\$ (2,890,266)</u>	-11.9%



Additional information on the Town's long-term debt can be found in Note 7 of this report.

TOWN OF OLD SAYBROOK, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Concluded)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

A summary of key economic factors affecting the Town are as follows:

- Significant estimates affecting next year's budget that are subject to change in the near term consist of the following:
 - For purposes of calculating property tax revenues for fiscal year 2024, the assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on behalf of certain taxpayers.
 - Intergovernmental grants were based on estimates from the State.
 - It is unknown how changes in market interest rates will impact real estate activity and related revenues collected by the Town Clerk and the amount of conveyance taxes and interest income.

All of these factors were considered in preparing the Town's budget for fiscal year 2024. The Town's fiscal year 2024 General Fund budget contemplates expenditures of \$50,276,744.

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 Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Department, Town of Old Saybrook, 302 Main Street, Old Saybrook, Connecticut 06475.

BASIC FINANCIAL STATEMENTS

TOWN OF OLD SAYBROOK, CONNECTICUT

STATEMENT OF NET POSITION

AS OF JUNE 30, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 21,708,458
Investments	10,802,063
Receivables:	
Property taxes	629,744
Interest on property taxes	239,464
Assessments	1,742,885
Grants and contracts	76,173
Other	112,905
Other assets	13,902
Restricted cash and cash equivalents	1,034,194
Noncurrent assets:	
Capital assets:	
Non-depreciable	19,663,965
Depreciable, net	81,363,129
Total assets	<u>137,386,882</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on refundings	295,752
Pension related	5,794,248
OPEB related	1,758,907
Total deferred outflows of resources	<u>7,848,907</u>
LIABILITIES	
Accounts payable	1,623,483
Accrued liabilities:	
Accrued interest	287,517
Other	549,414
Unearned revenue	3,058,481
Deposits payable	1,203,722
Noncurrent liabilities:	
Due within one year	3,283,780
Due in more than one year	36,947,673
Total liabilities	<u>46,954,070</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	6,999,956
OPEB related	4,148,200
Advance tax collections	5,431,840
Total deferred inflows of resources	<u>16,579,996</u>
NET POSITION	
Net investment in capital assets	78,112,998
Restricted for:	
Endowments:	
Nonexpendable	5,000
Expendable	1,059
Grant programs	216,354
Scholarships	130,015
Student activities	453,217
Other purposes	161,806
Unrestricted	2,621,274
Total net position	<u>\$ 81,701,723</u>

The accompanying notes are an integral part of these financial statements .

TOWN OF OLD SAYBROOK, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental activities:					
General government	\$ 6,468,210	\$ 914,088	\$ 109,000	\$ -	\$ (5,445,122)
Public safety	7,757,921	857,566	77,217	-	(6,823,138)
Public works	3,416,887	220,982	597,412	218,880	(2,379,613)
Culture and recreation	2,477,349	602,343	43,720	-	(1,831,286)
Health and welfare	949,094	114,304	408,841	-	(425,949)
Education	35,056,846	473,808	7,742,206	-	(26,840,832)
Interest expense	448,752	-	-	-	(448,752)
Total governmental activities	<u>\$ 56,575,059</u>	<u>\$ 3,183,091</u>	<u>\$ 8,978,396</u>	<u>\$ 218,880</u>	<u>(44,194,692)</u>
General revenues:					
	Property taxes, levied for general purposes				47,776,813
	Grants and contributions not restricted to specific programs				170,182
	Unrestricted investment earnings				<u>1,041,334</u>
	Total general revenues				<u>48,988,329</u>
		Change in net position			4,793,637
		Net position - beginning			<u>76,908,086</u>
		Net position - ending			<u>\$ 81,701,723</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF OLD SAYBROOK, CONNECTICUT
BALANCE SHEET -
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2023

	General Fund	Capital Projects Fund	Capital Nonrecurring Fund	Economic Development Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 6,326,373	\$ 6,079,922	\$ 5,207,313	\$ 1,152,546	\$ 2,832,861	\$ 21,599,015
Restricted cash and cash equivalents	1,034,194	-	-	-	-	1,034,194
Investments	10,047,835	-	-	641,037	113,191	10,802,063
Receivables:						
Property taxes	629,744	-	-	-	-	629,744
Interest on property taxes	239,464	-	-	-	-	239,464
Assessments	-	1,742,885	-	-	-	1,742,885
Grants and contracts	-	-	-	-	76,173	76,173
Other	36,776	-	-	-	76,129	112,905
Due from other funds	39,423	-	-	-	-	39,423
Total assets	<u>\$ 18,353,809</u>	<u>\$ 7,822,807</u>	<u>\$ 5,207,313</u>	<u>\$ 1,793,583</u>	<u>\$ 3,098,354</u>	<u>\$ 36,275,866</u>
LIABILITIES						
Accounts payable	\$ 1,286,418	\$ 267,034	\$ 12,217	\$ 2,123	\$ 44,647	\$ 1,612,439
Accrued liabilities	507,521	-	-	-	41,893	549,414
Deposits payable	1,203,722	-	-	-	-	1,203,722
Due to other funds	-	-	-	-	18,390	18,390
Unearned revenue	-	1,061,461	-	1,629,654	367,366	3,058,481
Total liabilities	<u>2,997,661</u>	<u>1,328,495</u>	<u>12,217</u>	<u>1,631,777</u>	<u>472,296</u>	<u>6,442,446</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes and interest	869,208	-	-	-	-	869,208
Unavailable revenue - assessments	-	1,742,885	-	-	-	1,742,885
Advance tax collections	5,431,840	-	-	-	-	5,431,840
Total deferred inflows of resources	<u>6,301,048</u>	<u>1,742,885</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,043,933</u>
FUND BALANCES						
Nonspendable	-	-	-	-	5,000	5,000
Restricted	-	-	-	161,806	800,645	962,451
Committed	522,157	4,751,427	5,195,096	-	1,820,413	12,289,093
Unassigned	8,532,943	-	-	-	-	8,532,943
Total fund balances	<u>9,055,100</u>	<u>4,751,427</u>	<u>5,195,096</u>	<u>161,806</u>	<u>2,626,058</u>	<u>21,789,487</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,353,809</u>	<u>\$ 7,822,807</u>	<u>\$ 5,207,313</u>	<u>\$ 1,793,583</u>	<u>\$ 3,098,354</u>	<u>\$ 36,275,866</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF OLD SAYBROOK, CONNECTICUT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2023

Total fund balance for governmental funds	\$	21,789,487
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Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:

Land	\$	16,323,231	
Construction in progress		3,340,734	
Land improvements		6,771,570	
Building improvements		78,290,583	
Right-to-use assets		442,645	
Machinery and equipment		15,072,716	
Infrastructure		47,978,046	
Less: accumulated depreciation and amortization		<u>(67,192,431)</u>	
Total capital assets, net			101,027,094

Some of the Town's taxes and assessments will be collected after year end, but are not available soon enough to pay for the current period's expenditures, and, therefore, are reported as deferred inflows of resources in the governmental funds.		2,612,093
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Deferred outflows and inflows of resources resulting from changes in the components of the net pension and total OPEB liabilities are reported in the statement of net position.		(3,595,001)
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Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Those liabilities consist of:

Accrued interest		(287,517)	
Long-term debt:			
Bonds, net		(21,808,187)	
Deferred charges on refunding		295,752	
Other long-term liabilities:			
Financed purchases		(1,085,378)	
Leases		(316,283)	
Compensated absences		(759,933)	
Heart and hypertension		(240,000)	
Net pension liabilities		(7,749,821)	
Total OPEB liability		<u>(8,271,851)</u>	
Total long-term liabilities			(40,223,218)

An internal service fund is used by the Town to charge the cost of risk management activities to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities statement of net position.

		<u>91,268</u>
Net position of governmental activities	\$	<u><u>81,701,723</u></u>

TOWN OF OLD SAYBROOK, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Capital Projects Fund	Capital Nonrecurring Fund	Economic Development Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 48,158,883	\$ -	\$ -	\$ -	\$ -	\$ 48,158,883
Intergovernmental	4,979,088	218,880	-	241,063	2,085,424	7,524,455
Charges for services	1,534,776	390,546	-	-	1,586,870	3,512,192
Contributions	-	21,625	-	18,950	215,035	255,610
Investment income	899,080	-	91,622	38,749	11,883	1,041,334
Other	-	235,282	-	-	119,571	354,853
Total revenues	55,571,827	866,333	91,622	298,762	4,018,783	60,847,327
EXPENDITURES						
Current:						
General government	4,533,957	-	77,809	275,417	73,031	4,960,214
Public safety	6,177,665	-	-	-	730,279	6,907,944
Public works	3,374,895	-	-	-	-	3,374,895
Culture and recreation	1,918,186	-	-	-	255,797	2,173,983
Health and welfare	312,461	-	-	-	633,151	945,612
Education	31,445,577	-	-	-	2,738,219	34,183,796
Capital outlays	467,645	1,247,122	21,729	-	3,247	1,739,743
Debt service:						
Principal payments	2,841,166	-	165,801	-	8,545	3,015,512
Interest and fiscal charges	787,525	-	15,959	-	4,280	807,764
Total expenditures	51,859,077	1,247,122	281,298	275,417	4,446,549	58,109,463
Excess (deficiency) of revenues over expenditures	3,712,750	(380,789)	(189,676)	23,345	(427,766)	2,737,864
OTHER FINANCING SOURCES (USES)						
Leases (as lessee)	442,645	-	-	-	-	442,645
Transfers in	425,798	2,291,469	1,773,203	59,129	562,075	5,111,674
Transfers out	(4,321,730)	(228,713)	(463,610)	-	(118,294)	(5,132,347)
Total other financing sources (uses)	(3,453,287)	2,062,756	1,309,593	59,129	443,781	421,972
Net change in fund balances	259,463	1,681,967	1,119,917	82,474	16,015	3,159,836
Fund balances - beginning	8,795,637	3,069,460	4,075,179	79,332	2,610,043	18,629,651
Fund balances - ending	\$ 9,055,100	\$ 4,751,427	\$ 5,195,096	\$ 161,806	\$ 2,626,058	\$ 21,789,487

The accompanying notes are an integral part of these financial statements.

TOWN OF OLD SAYBROOK, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds	\$	3,159,836
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Total change in net position reported for governmental activities in the statement of activities is different because:

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. The amount by which depreciation and amortization expense exceeded capital outlays in the current period is as follows:

Expenditures for capital assets	\$ 2,819,807	
Depreciation and amortization expense	(4,044,384)	
Net adjustment		(1,224,577)

The statement of activities reports losses arising from the disposal of existing capital assets. Conversely, governmental funds do not report any gain or loss on disposal of capital assets. This amount represents the loss on disposal of capital assets.

(14,449)

Deferred outflows and inflows of resources resulting from changes in the components of the net pension liability and total OPEB liability are amortized as a component of pension and OPEB expense in the statement of activities.

(1,185,161)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term obligations is as follows:

Debt issued or incurred:		
Leases	(442,645)	
Principal repayments:		
Bonds	2,625,000	
Financed purchases	265,266	
Leases	126,362	
Net adjustment		2,573,983

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The net effect of such items is as follows:

Accrued interest	32,832	
Amortization of deferred charges on refunding	(72,787)	
Amortization of bond premium	398,907	
Compensated absences	25,981	
Heart and hypertension	35,000	
Net pension liabilities	831,322	
Total OPEB liability	871,447	
		2,122,702

Certain revenues reported in the statement of activities do not provide current financial resources and therefore are reported as deferred inflows of resources in the governmental funds. This amount represents the change in unavailable revenues

(631,811)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service fund is reported within the governmental activities.

(6,886)

Change in net position of governmental activities	\$	4,793,637
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TOWN OF OLD SAYBROOK, CONNECTICUT

STATEMENTS OF NET POSITION -

PROPRIETARY FUNDS

AS OF JUNE 30, 2023

	Governmental Activities
	Internal Service Funds
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 109,443
Other	13,902
Total current assets	<u>123,345</u>
LIABILITIES	
Current liabilities:	
Accounts payable	11,044
Due to other funds	21,033
Total current liabilities	<u>32,077</u>
NET POSITION	
Unrestricted	91,268
Total net position	<u><u>\$ 91,268</u></u>

The accompanying notes are an integral part of these financial statements.

TOWN OF OLD SAYBROOK, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Governmental Activities Internal Service Funds
OPERATING REVNEUES	
Charges for services	\$ 149,784
Total operating revenues	<u>149,784</u>
OPERATING EXPENSES	
Cost of services	177,343
Total operating expenses	<u>177,343</u>
Operating loss before transfers	(27,559)
TRANSFERS:	
Transfers in	22,000
Transfers out	(1,327)
Total tansfers	<u>20,673</u>
Change in net position	(6,886)
Net position - beginning	<u>98,154</u>
Net position - ending	<u><u>\$ 91,268</u></u>

The accompanying notes are an integral part of these financial statements.

TOWN OF OLD SAYBROOK, CONNECTICUT

STATEMENT OF CASH FLOWS -

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	Governmental Activities
	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received for charges for services	\$ 149,784
Cash payments for cost of services	(173,895)
Net cash used in operating activities	<u>(24,111)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Interfund activity	<u>30,556</u>
Net increase in cash and cash equivalents	6,445
Cash and cash equivalents, beginning of year	102,998
Cash and cash equivalents, end of year	<u><u>\$ 109,443</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	\$ (27,559)
Changes in assets and liabilities:	
Accounts payable	(1,591)
Prepaid expenses	5,039
Net cash used in operating activities	<u><u>\$ (24,111)</u></u>

The accompanying notes are an integral part of these financial statements.

TOWN OF OLD SAYBROOK, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
AS OF JUNE 30, 2023

	Pension Trust Funds	Private Purpose Trust Fund - Scholarship Fund
ASSETS		
Cash and cash equivalents	\$ 1,616,505	\$ 3,145
Investments:		
Corporate bonds	8,235,857	-
U.S. Treasury securities	676,044	-
Equity securities	15,196,436	-
Exchange traded funds	1,823,845	24,365
Mutual funds	133,261	334,943
Receivables	75	-
Total assets	<u>27,682,023</u>	<u>362,453</u>
LIABILITIES		
Payables	-	-
Total liabilities	<u>-</u>	<u>-</u>
NET POSITION		
Restricted for pension benefits and other purposes	<u>\$ 27,682,023</u>	<u>\$ 362,453</u>

The accompanying notes are an integral part of these financial statements .

TOWN OF OLD SAYBROOK, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Pension Trust Funds	Private Purpose Trust Fund - Scholarship Fund
ADDITIONS		
Contributions:		
Employer	\$ 1,018,725	\$ -
Plan members	268,648	-
Total contributions	<u>1,287,373</u>	<u>-</u>
Investment earnings:		
Net change in the fair value of investments	1,988,260	3,256
Interest and dividends	747,995	23,437
Total investment earnings	<u>2,736,255</u>	<u>26,693</u>
Less: investment fee expense	199,627	2,712
Net change in investments	<u>2,536,628</u>	<u>23,981</u>
Total additions	<u>3,824,001</u>	<u>23,981</u>
DEDUCTIONS		
Benefit payments	2,014,779	-
Awards expense	-	8,000
Administrative expenses	38,362	-
Total deductions	<u>2,053,141</u>	<u>8,000</u>
Change in net position	1,770,860	15,981
Net position - beginning	<u>25,911,163</u>	<u>346,472</u>
Net position - ending	<u>\$ 27,682,023</u>	<u>\$ 362,453</u>

The accompanying notes are an integral part of these financial statements .

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Town of Old Saybrook, Connecticut, (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Town's significant accounting policies are described below.

Financial Reporting Entity

The Town was incorporated in 1854. The Town covers 18.3 square miles and is located in Middlesex County. The Town operates under a Town Meeting/Board of Selectman/Board of Finance form of government and provides a full range of services including public safety (police and fire), public works, sanitation, parks and recreation, health and social services, planning and zoning, and education.

The legislative power of the Town is with the Board of Selectman and Town Meeting. The Board of Selectman may enact, amend or repeal ordinance and resolutions. The Board of Finance is responsible for financial and taxation matters as prescribed by Connecticut General Statutes and is responsible for presenting fiscal operating budgets for Town Meeting approval.

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the government. These criteria have been considered and have resulted in the inclusion of the following fiduciary component units as detailed below.

Fiduciary Component Units - The Town has established two single-employer defined benefit pension plans to provide retirement benefits to employees and their beneficiaries. The Town performs the duties of a governing board for the pension plans and makes contributions to the plans. The financial statements of the fiduciary component units are reported as Pension Trust Funds in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component units.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. The statements are intended to distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The Town has no business-type activities.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Government-wide and Fund Financial Statements *(Continued)*

Government-wide Financial Statements *(Continued)*

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. The Town reports the following major governmental funds:

General Fund - This fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those not accounted for and reported in another fund.

Capital Projects Fund - This capital projects fund is used to account for the revenues and expenditures associated with the Town's various multi-year capital projects funded primarily by debt issuances.

Capital Nonrecurring Fund - This fund accounts for the financial revenues to be used for major capital asset construction and/or purchases funded substantially by grants and General Fund appropriations.

Economic Development Fund - This fund accounts for grant and contribution revenues restricted for specific purposes.

In addition, the Town reports the following proprietary and fiduciary fund types:

Internal Service Fund - This fund accounts for activities that provide goods or services to other funds, departments, or agencies of the Town on a cost-reimbursement basis.

Pension Trust Funds - These funds are used to account for resources held in trust for the members and beneficiaries of the Town's defined benefit pension plans. The Town utilizes these funds to account for activities of the Town Pension Trust Fund and the Fire Company #1 Pension Trust Fund.

Private Purpose Trust Fund - This fund type is used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments. As the designated trustee or agent, the Town utilizes the assets of the private purpose trust funds in capacity stipulated in the related trust agreement.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide, proprietary, and fiduciary fund 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 revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, claims and judgments, and postemployment benefits are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the Town the right-to-use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is either received or available to be received during the period or within the availability period for this revenue source (within 60 days of yearend). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is either received or available to be received during the period or within the availability period for this revenue source (within 60 days of yearend). All other revenue items are considered to be measurable and available only when the cash is received.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service funds are charges to departments for services. Operating expenses for the internal service funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance

Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, the Town's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are reported at cost or amortized cost. Investments in certain external investment pools that meet specific criteria for measuring its investments at amortized cost are reported at amortized cost. All other investments in external investment pools and investments with maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

Endowments

The Town has received certain endowments. The amounts are reflected in net position as restricted for trust purposes in the government-wide financial statements and fiduciary fund financial statements. Investment income (including appreciation) is approved for expenditure by applicable oversight board. The Town allocates investment income of donor-restricted endowments in accordance with donor restrictions and Connecticut law, which has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Under UPMIFA, investment income earned on donor-restricted endowment funds is considered to be unrestricted in the absence of explicit donor restrictions. Further, in the absence of explicit donor restrictions regarding investment appreciation, such appreciation is treated the same as the related investment income. Investment losses that reduce the value of endowment investments below the original principal amount serve to reduce restricted net position or unrestricted net position, depending on the applicable donor's stipulations regarding the treatment of investment income and appreciation.

Restricted Cash and Cash Equivalents

The restricted cash and cash equivalents are for performance bonds. Performance bonds are restricted until the monies are returned to the vendor after satisfactory completion of the contract or the Town calls the bond for nonperformance.

Property Taxes

Property taxes are assessed as of October 1 and are levied on the following July 1. Real estate and personal property taxes are due in two installments, July 1 and the following January 1. Motor vehicle and personal property taxes are billed in July and are due in one installment, July 1. Supplemental motor vehicle taxes are due in full January 1. Taxes become delinquent thirty days after the installment is due and liens are filed on delinquent real estate taxes within one year. Interest is charged on delinquent amounts at a statutory rate of 1.5% per month. The Town has not established an allowance for doubtful accounts as of June 30, 2023.

In the fund financial statements, all property taxes receivable which have not been collected within 60 days of June 30 have been recorded as deferred inflows of resources, since they are not considered to be available to finance expenditures of the current fiscal year. Taxes collected during the 60-day period have been recorded as revenue.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, and sidewalks), 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 vehicles, machinery and equipment, \$20,000 for improvements and \$75,000 for infrastructure and an estimated useful life greater than one year.

As the Town constructs or acquires capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. Other tangible and intangible property and equipment are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50-100
Building improvements	20-100
Land improvements	20-100
Machinery and equipment	5-20
Vehicles	5-8
Infrastructure	30
Intangible assets	30-50

Unearned Revenue

This liability represents resources that have been received but not yet earned.

Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources represent an acquisition or composition of net assets that applies to a future period(s) and so will not be recognized as an inflow or outflow of resources until that time.

Deferred outflows of resources consists of deferred charges on refundings and deferred charges on pension expenses. Deferred charges on refunding are reported in the government-wide statement of net position. This amount is being amortized to interest expense using the effective-interest method over the life of the related bonds. Deferred charges on pension and OPEB expenses are also reported in the government-wide statement of net position. These amounts are amortized as a component of pension or OPEB expense on a systematic and rational basis.

Deferred inflows of resources consists of revenue that is considered unavailable under the modified accrual basis of accounting and deferred charges on pension and OPEB expenses. Unavailable revenue is reported in the governmental funds balance sheet and is recognized as an inflow of resources in the period that the amounts become available. Deferred charges on pension and OPEB expenses are reported in the government-wide statement of net position and are amortized as a component of pension and OPEB expenses on a systematic and rational basis.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Long-term Obligations

Long-term Debt

The applicable accounting standards define debt as a liability that arises from a contractual obligation to pay cash, or other assets that may be used in lieu of cash, in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. For disclosure purposes, debt does not include accounts payable or leases, except for contracts reported as financed purchase of the underlying assets.

In the government-wide financial statements, long-term debt is reported as liabilities in the statement of net position. Premiums and discounts on long-term debt are deferred and amortized over the life of the related debt using the effective interest rate method and the debt is reported net of any unamortized premium or discount. In the governmental fund financial statements, premiums and discounts are recognized in the current period.

In the governmental fund financial statements, debt premiums and discounts are recognized 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.

Leases (as Lessee)

The Town recognizes a lease liability and an intangible right-to-use leased asset for noncancellable leases in the government-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of \$20,000 or more.

Compensated Absences and Employee Retirement Obligations

Employees accumulate by a prescribed formula for absence due to vacation and sickness based upon the various union contracts and the Town's personnel policies. The eligibility for sick pay in some instances does vest. The General Fund is the primary source to liquidate compensated absences. Expenses to be paid in the future periods are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only for amounts expected to be paid with available resources; for example, as a result of employee resignations and retirements.

Net Position and Fund Balances

The statement of net position presents the Town's assets, deferred outflows and inflows of resources, and liabilities, with net position as the residual of these elements. Net position reported in three categories:

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of capital assets.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Net Position and Fund Balances *(Continued)*

Restricted net position - This component of net position consists of amounts whose use is restricted either through external restrictions imposed by creditors, grantors, contributors, and the like, or through restrictions imposed by law through constitutional provisions or enabling legislation. None of the Town's restricted net position is restricted through enabling legislation.

Unrestricted net position - This component of net position is the net amount of assets, liabilities, and deferred outflows and inflows of resources which do not meet the definition of the preceding two categories.

The Town's governmental funds report the following fund balance categories:

Nonspendable - Amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be maintained intact.

Restricted - Constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments, or imposed by law through enabling legislation.

Committed - Amounts can be only used for specific purposes pursuant to constraints imposed by formal action of the Town and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action.

Assigned - Amounts are constrained by the government's intent to be used for specific purposes, but are not restricted or committed. Amounts may be constrained to be used for a specific purpose by a governing board or body or official that has been delegated authority to assign amounts by the Town Charter.

Unassigned - Residual classification for the General Fund or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Board of Finance has provided otherwise in its commitment or assigned actions.

Donor-restricted endowments - The Town has received certain endowments for the perpetual care of the Upper Cemetery. The amounts are reflected in net position as restricted for perpetual care. Investment income is approved for expenditure by the board of the benefiting activity. There was \$1,059 of appreciation available for appropriation at June 30, 2023.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Interfund Activity

During the course of operations the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Use of Estimates

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

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits – Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town's policy provides for uninsured demand and time deposits with banks and savings and loan institutions to be collateralized as prescribed in the Connecticut general statutes, as described below. In addition, in order to anticipate market changes and provide for a level of security for all funds, all public deposits shall be held in qualified public depositories. As of June 30, 2023, \$13,926,286 of the Town's bank balance of \$14,714,544 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 12,533,657
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	1,392,629
	<u>\$ 13,926,286</u>

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)*

Cash Deposits – Custodial Credit Risk *(Continued)*

All of the Town's deposits were in qualified public institutions as defined by Connecticut general statutes. Under these statutes, any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

A reconciliation of the Town's cash and cash equivalents as of June 30, 2023 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents (includes restricted)	\$ 22,742,652
Statement of fiduciary net position:	
Cash and cash equivalents	<u>1,619,650</u>
	24,362,302
Less: cash equivalents considered investments for disclosure purposes	<u>(10,408,557)</u>
	<u><u>\$ 13,953,745</u></u>

Investments

A reconciliation of the Town's investments as of June 30, 2023 is as follows:

Government-wide statement of net position:	
Investments	\$ 10,802,063
Statement of fiduciary net position:	
Investments	<u>26,424,751</u>
	37,226,814
Add: cash equivalents considered investments for disclosure purposes	<u>10,408,557</u>
	<u><u>\$ 47,635,371</u></u>

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)*

Investments *(Continued)*

As of June 30, 2023, the Town's investments consisted of the following:

Investment type	Valuation Basis	Value	Investment Maturities (In Years)		
			Less Than 1	1 to 5	6 to 10
Debt Securities:					
Governmental Activities:					
Money market mutual funds	Amortized cost	\$ 680,494	\$ 680,494	\$ -	\$ -
Short-term Investment Fund	Amortized cost	8,360,732	8,360,732	-	-
U.S. Treasury securities	Amortized cost	10,688,872	10,688,872	-	-
Fiduciary Funds:					
Money market mutual funds	Amortized cost	1,367,331	1,367,331	-	-
U.S. Treasury securities	Fair value	676,044	-	440,514	235,530
Corporate bonds	Fair value	8,235,857	918,489	5,620,240	1,697,128
		<u>\$ 30,009,330</u>	<u>\$ 22,015,918</u>	<u>\$ 6,060,754</u>	<u>\$ 1,932,658</u>
Other investments:					
Governmental Activities:					
Mutual funds	Fair value	113,191			
Fiduciary Funds:					
Mutual funds	Fair value	468,204			
Exchange traded funds	Fair value	1,848,210			
Equity securities	Fair value	15,196,436			
		<u>\$ 47,635,371</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 further limit its investment choices beyond those already limited by Connecticut state statutes. Connecticut state statutes permit no Town to invest in: (1) obligations of the United States, including its instrumentalities and agencies; (2) in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating services; (3) in shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money markets and mutual funds (with constant or fluctuating net assets values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase fully collateralized by such obligations; (4) or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service. Other provisions if the statutes cover specific municipal funds with particular investment authority.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)*

Investments *(Continued)*

Credit Risk *(Continued)*

The provisions of the statutes regarding the investment of municipal pension funds does not specify permitted investments. Therefore, the investments of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable pension plan. The Town's investments in debt securities, whose ratings are required to be disclosed, were rated by Standard & Poor's as follows at June 30, 2023:

Investment type	AAA	AA	A	BBB	BB	B	Unrated
<i>Governmental Activities</i>							
Money market mutual funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 680,494
Short-term Investment Fund	8,360,732	-	-	-	-	-	-
<i>Fiduciary Funds:</i>							
Money market mutual funds	-	-	-	-	-	-	1,367,331
Corporate bonds	-	197,010	1,811,694	4,430,791	1,457,787	338,575	-

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. The Town's investments in mutual funds are not evidenced by securities and are therefore not exposed to custodial credit risk.

Concentrations of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from concentration of credit risk disclosures. The Town's investment policy generally restricts investments in any one issuer that is in excess of 5.0%. In addition, the Town's policy defines other limitations in an effort to avoid incurring unreasonable inherent risk of over-concentration in specific instruments, individual issuers or maturities. As of June 30, 2023, none of the Town's investments, in any one issuer that is subject to concentration of credit risk disclosures, exceeded 5% or more of the total investments reported for the Town's governmental or fiduciary activities.

NOTE 3 - FAIR VALUE MEASUREMENTS

The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than those in Level 1; and
- Level 3: Unobservable inputs.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3 - FAIR VALUE MEASUREMENTS *(Continued)*

Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Town's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2023, by level within the fair value hierarchy are presented in the table below:

Financial Assets Measured at Fair Value	Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<i>Governmental Activities:</i>			
Mutual Funds	\$ 113,191	\$ -	\$ -
<i>Fiduciary Funds:</i>			
U.S. Treasury securities	676,044	-	-
Corporate bonds	-	8,235,857	-
Mutual funds	468,204	-	-
Exchange traded funds	1,848,210	-	-
Equity securities	15,196,436	-	-
	<u>\$ 18,302,085</u>	<u>\$ 8,235,857</u>	<u>\$ -</u>

Mutual funds, exchange traded funds and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 consisted of the following:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 16,323,231	\$ -	\$ -	\$ 16,323,231
Construction in progress	2,144,845	1,252,015	(56,126)	3,340,734
Total capital assets, not being depreciated	<u>18,468,076</u>	<u>1,252,015</u>	<u>(56,126)</u>	<u>19,663,965</u>
Capital assets, being depreciated:				
Land improvements	6,618,137	153,433	-	6,771,570
Buildings and improvements	78,283,932	6,651	-	78,290,583
Right-to-use assets	-	442,645	-	442,645
Machinery and equipment	14,970,408	327,716	(225,408)	15,072,716
Infrastructure	47,284,573	637,347	56,126	47,978,046
Total capital assets, being depreciated	<u>147,157,050</u>	<u>1,567,792</u>	<u>(169,282)</u>	<u>148,555,560</u>
Less accumulated depreciation and amortization for:				
Land improvements	2,413,369	280,932	-	2,694,301
Buildings and improvements	31,832,825	1,291,965	-	33,124,790
Right-to-use assets	-	123,849	-	123,849
Machinery and equipment	8,319,827	853,046	(210,959)	8,961,914
Infrastructure	20,792,985	1,494,592	-	22,287,577
Total accumulated depreciation and amortization	<u>63,359,006</u>	<u>4,044,384</u>	<u>(210,959)</u>	<u>67,192,431</u>
Total capital assets, being depreciated, net	<u>83,798,044</u>	<u>(2,476,592)</u>	<u>41,677</u>	<u>81,363,129</u>
Governmental activities capital assets, net	<u>\$ 102,266,120</u>	<u>\$ (1,224,577)</u>	<u>\$ (14,449)</u>	<u>\$ 101,027,094</u>

Depreciation and amortization expense was charged to functions of the Town as follows:

Governmental Activities:	
General government	\$ 1,658,162
Public safety	838,107
Public works	284,294
Culture and recreation	186,759
Health and Welfare	6,276
Education	<u>1,070,786</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 4,044,384</u>

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2023 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds:		
General Fund	Internal Service Funds	\$ 21,033
	Other Governmental Funds	18,390
		<u>\$ 39,423</u>

The above balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

NOTE 6 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2023 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds:		
General Fund	Capital Projects Fund	\$ 228,118
	Capital Nonrecurring Fund	100,000
	Other Governmental Funds	97,680
		<u>425,798</u>
Capital Projects Fund	General Fund	1,948,532
	Capital Nonrecurring Fund	341,610
	Internal Service Fund	1,327
		<u>2,291,469</u>
Capital Nonrecurring Fund	General Fund	1,751,994
	Capital Projects Fund	595
	Other Governmental Funds	20,614
		<u>1,773,203</u>
Economic Development Fund	General Fund	59,129
Other Governmental Funds	General Fund	562,075
		<u>\$ 5,111,674</u>
Proprietary Funds:		
Internal Service Fund	Capital Nonrecurring Fund	<u>\$ 22,000</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them, and (2) use revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - LONG-TERM LIABILITIES

Changes in Long-term Liabilities

Changes in the Town's long-term liabilities for the year ended June 30, 2023, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Long-term debt:					
Bonds payable:					
General obligation bonds	\$ 22,940,000	\$ -	\$ (2,625,000)	\$ 20,315,000	\$ 2,675,000
Unamortized premium	1,892,094	-	(398,907)	1,493,187	-
Total bonds payable	24,832,094	-	(3,023,907)	21,808,187	2,675,000
Financed purchases	1,350,644	-	(265,266)	1,085,378	269,256
Other long-term liabilities:					
Leases	-	442,645	(126,362)	316,283	152,524
Compensated absences	785,914	6,375	(32,356)	759,933	152,000
Heart and Hypertension	275,000	-	(35,000)	240,000	35,000
Net pension liability - Town <i>(Note 9)</i>	7,101,100	-	(772,121)	6,328,979	-
Net pension liability - Fire <i>(Note 9)</i>	1,480,043	-	(59,201)	1,420,842	-
Total OPEB liability <i>(Note 10)</i>	9,143,298	-	(871,447)	8,271,851	-
	<u>\$ 44,968,093</u>	<u>\$ 449,020</u>	<u>\$ (5,185,660)</u>	<u>\$ 40,231,453</u>	<u>\$ 3,283,780</u>

The above liabilities have typically been liquidated by the General Fund and collections from taxpayers for the sewer project.

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the Town for which full faith and credit are pledged and payable from taxes levied on all taxable properties located within the Town.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - LONG-TERM LIABILITIES *(Continued)*

General Obligation Bonds *(Continued)*

General obligation bonds currently outstanding are as follows:

Purpose of Bonds	Date of Issue	Original Issue	Interest Rates	Maturity Date	Amount Outstanding
Governmental Activities					
General Purpose					
General Obligation Refunding Bonds	09/2019	\$ 2,215,000	2.0% - 5.0%	08/2034	\$ 1,640,000
General Obligation Refunding Bonds	12/2017	3,190,000	2.0% - 5.0%	08/2025	539,000
General Obligation Refunding Bonds	07/2016	7,540,000	2.0% - 4.0%	07/2033	6,295,000
General Obligation Refunding Bonds	12/2013	2,340,000	2.0% - 4.0%	07/2023	260,000
					<u>8,734,000</u>
School Bonds					
General Obligation Refunding Bonds	09/2019	1,665,000	2.0% - 5.0%	08/2034	1,025,000
General Obligation Refunding Bonds	12/2017	3,010,000	2.0% - 5.0%	08/2025	881,000
General Obligation Refunding Bonds	07/2016	2,435,000	2.0% - 4.0%	07/2033	2,395,000
					<u>4,301,000</u>
Sewer Bonds					
General Obligation Refunding Bonds	09/2019	8,685,000	2.0%-5.0%	08/2034	7,280,000
					<u>\$ 20,315,000</u>

Financed Purchases

The Town has entered into financed purchase arrangements for the purchase of capital assets. The contracts include non-appropriation clauses and provide the obligors with security interests in the underlying assets in the event of default. Ownership of the underlying assets are transferred to the Town at the end of the contract. The Town makes equal annual payments of principal and interest at an interest rates ranging from 1.1% to 2.3% through various maturity dates.

Advance Refunding

The Town has advanced refunded general obligation bonds in prior years. The net proceeds from the refundings were deposited in an irrevocable trust with an escrow agent to provide fund for the future debt service payment on the refunded bonds. The refunded bonds are considered defeased and the liability for the bonds has been removed from the government-wide statement of net position. The difference between the reacquisition prices (the amounts placed in escrow) and the net carrying amounts of the refunded bonds have resulted in deferred gains and losses on refundings. These amounts, net of accumulated amortization, have been presented as deferred charges on refundings in the government-wide financial statements and are being amortized to interest expense using the effective-interest method over the life of the new bonds. Amortization of deferred charges on refundings totaled \$72,787 for the year ended June 30, 2023.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - LONG-TERM LIABILITIES *(Continued)*

Legal Debt Limit

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the statute. Further, the statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The statute does exclude from the Town's aggregate debt calculation any debt issued (a) in anticipation of taxes; (b) for water, gas, or electricity supply, electric demand response, conservation and load management, distributed generation, renewable energy projects, cable, wire, and pipe subway construction, underground cable, wire, and pipe conduit construction, constructing and operating a municipal community antenna television system, or a combination of such projects; (c) in anticipation of public improvement benefit assessment revenue; (d) in anticipation of state or federal grant funding; (e) for water pollution control projects in order to meet the energy and environmental protection commissioner's abatement order requirements; and debt issued (f) for which funds have been placed in escrow (from the proceeds of refunding bonds, notes, or other obligations or other municipal funds) in an amount sufficient, together with investment earnings, to provide for the payment when due of the principal of and interest on such debt. The Town did not exceed this statutory debt limitation as of June 30, 2023.

Authorized and Unissued Debt

As of June 30, 2023, the Town had authorized but unissued debt totaling \$25,071,024.

Long-term Debt Service Requirements

The debt service requirements for the Town's long-term debt are as follows:

Year ending June 30:	Governmental Activities			
	Bonds Payable		Financed Purchases	
	Principal	Interest	Principal	Interest
2024	\$ 2,675,000	\$ 663,312	\$ 269,256	\$ 15,191
2025	2,100,000	559,687	199,452	11,133
2026	2,140,000	471,587	99,225	8,670
2027	1,960,000	394,212	100,620	7,275
2028	1,730,000	326,937	102,034	5,861
2029-2033	8,490,000	800,079	314,791	8,893
2034-2035	1,220,000	22,318	-	-
	<u>\$ 20,315,000</u>	<u>\$ 3,238,132</u>	<u>\$ 1,085,378</u>	<u>\$ 57,023</u>

Leases

The Town is a lessee for noncancellable leases of equipment. The terms of the leases are 5 years. The Town makes fixed monthly or annual payments with interest rates of 4.0% and 6.0%. The net book value of the right-to-use leased equipment totaled \$318,796 as of the end of June 30, 2023. The amount of the related lease liability was \$316,283 as of June 30, 2023. The future principal and interest lease payments as of June 30, 2023, are as follows:

Year ending June 30:	Principal	Interest	Total
2024	\$ 152,524	\$ 11,108	\$ 163,632
2025	135,986	4,492	140,478
2026	23,686	1,022	24,708
2027	4,087	31	4,118
	<u>\$ 316,283</u>	<u>\$ 16,653</u>	<u>\$ 332,936</u>

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - FUND BALANCE

The various components of fund balance at June 30, 2023 are as follows:

	General Fund	Capital Projects Fund	Capital Nonrecurring Fund	Economic Development Fund	Nonmajor Governmental Funds	Total
Nonspendable:						
Permanent fund principal	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
Restricted for:						
Donor restrictions	-	-	-	-	1,059	1,059
Education	-	-	-	-	216,354	216,354
Scholarships	-	-	-	-	130,015	130,015
Student activities	-	-	-	-	453,217	453,217
Other programs	-	-	-	161,806	-	161,806
Committed to:						
Dog fund	97,250	-	-	-	-	97,250
Animal control fund	2,611	-	-	-	-	2,611
Catastrophic illness fund	186,590	-	-	-	-	186,590
Retirement payout fund	89,678	-	-	-	-	89,678
Contingency fund	55,536	-	-	-	-	55,536
Town clerk exchange fund	90,492	-	-	-	-	90,492
Capital purposes	-	4,751,427	5,195,096	-	-	9,946,523
General government	-	-	-	-	114,446	114,446
Public safety	-	-	-	-	439,068	439,068
Culture and recreation	-	-	-	-	307,095	307,095
Health and welfare	-	-	-	-	333,400	333,400
Education	-	-	-	-	626,404	626,404
Unassigned	8,532,943	-	-	-	-	8,532,943
	<u>\$ 9,055,100</u>	<u>\$ 4,751,427</u>	<u>\$ 5,195,096</u>	<u>\$ 161,806</u>	<u>\$ 2,626,058</u>	<u>\$ 21,789,487</u>

NOTE 9 - PENSION PLANS

Defined Benefit Pension Plans

The Town accounts for activity relating to three defined benefit pension plans, (1) the Town of Old Saybrook Retirement Plan, (2) the Town of Old Saybrook Fire Company No. 1 Retirement Plan, and (3) the Connecticut Teachers' Retirement System. As of and for the year ended June 30, 2023, the three plans had the following balances reported in the Town's government-wide financial statements:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	On Behalf Revenues	Pension Expense
Old Saybrook Retirement Plan	\$ 6,328,979	\$ 5,243,894	\$ 6,909,878	\$ -	\$ 768,508
Old Saybrook Fire Company No. 1 Retirement Plan	1,420,842	550,354	90,078	-	253,988
Connecticut Teachers' Retirement System (proportionate share)	-	-	-	5,072,647	5,072,647
	<u>\$ 7,749,821</u>	<u>\$ 5,794,248</u>	<u>\$ 6,999,956</u>	<u>\$ 5,072,647</u>	<u>\$ 6,095,143</u>

Detailed disclosures for each plan follow.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS *(Continued)*

Single Employer Pension Plans

Plan Description

The Town administers two single employer, defined benefit pension plans (the Town of Old Saybrook Retirement Plan and the Town of Old Saybrook Fire Company #1 Retirement Plan). The Fire Company Plan covers the Town's volunteer firefighters. The Town Plan, adopted on July 1, 1967 by actions of the Board of Selectman, covers all other eligible employees. The Pension and Benefits Board makes recommendations for plan provisions which are approved by the Board of Selectman. The pension plans are included in the financial statements as pension trust funds since the assets may be used to pay benefits or refunds of any plan member or beneficiary. Separate, stand-alone reports are not issued.

Summary of Significant Accounting Policies

The Plans are accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plans are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans.

Investments - Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Short-term investments are reported at cost, which approximates fair value. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the Town, with the assistance of a valuation service. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date.

Investment policy - The pension plans' policy in regard to the allocation of invested assets is established and may be amended by the Pension and Benefits Board. It is the policy of the Town's Pension and Benefits Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

Concentrations - The Plan's investments that are explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments, are excluded from the concentration of credit risk disclosure requirements.

Rate of return - For the year ended June 30, 2023, the annual money-weighted rate of return on the Town Plan's and the Fire Plan's pension plan investments, net of pension plan investment expense, was 9.89% and 9.70%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Administrative costs - Administrative costs of the Plans are funded through investment earnings of the Plans.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS *(Continued)*

Single Employer Pension Plans *(Continued)*

Plan Membership

Membership of the Plans consisted of the following as of at the date of the latest actuarial valuations:

	Town Plan	Fire Company Plan
Active participants	80	69
Terminated vested and other inactive participants	20	18
Retirees and beneficiaries receiving benefits	93	30
	<u>193</u>	<u>117</u>

Town Plan Benefit Provisions

The plan's membership is open to substantially all Town employees with the exception of certified teachers and administrative personnel at the Board of Education. Administrative costs are financed from investment earnings.

The plan's normal retirement date of any police participant is the first day of the month coinciding with or next following the earlier of the member's 60th birthday or the attainment of 25 years of credited service. For any non-police participant, the normal retirement date shall be the first day of the month coinciding with or next following the earlier of the member's 62nd birthday and the completion of 5 years of credited service. The plan's early retirement date of any participant who is 55 years of age and has completed at least 15 years of credited service is the first day of any month on or after such date in which the participant elects to terminate employment and retire prior to his or her normal retirement date.

The retirement benefits at normal retirement:

Police participants with 25 or more years of credited service - 2% of participant's final average earnings multiplied by such participant's years of credited service. The maximum multiple for credited service is 35 years.

Police participants retiring prior to age 62 and have not completed 25 years of credited service:

- *Benefit payable prior to attainment of age 62* - 2% of participant's final average earnings multiplied by such participant's years of credited service. The maximum multiple for credited service is 35 years.
- *Benefit payable after attainment of age 62* - 1.5% of participant's final average earnings multiplied by such participant's years of credited service. The maximum multiple for credited service is 35 years.

Non-Police participants - 1.5% of participant's final average earnings multiplied by such participant's years of credited service prior to July 1, 1988 plus 2% of participant's final average earnings multiplied by such participant's years of credited service after June 30, 1988. The maximum multiple for credited service is 35 years.

Early retirement benefits are computed in accordance with the benefits under normal retirement date but shall be reduced by one-half percent (1/2%) for each month by which such participant's early retirement date precedes his or her normal retirement date.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS *(Continued)*

Single Employer Pension Plans *(Continued)*

Fire Company Plan Benefits Provisions

The plan covers substantially all active volunteers of the Old Saybrook Fire Company #1. In order to be eligible for the plan, the employee must complete one year of service. Administrative costs are financed from investment earnings.

The retirement benefits at normal retirement:

The plan's normal retirement date of members in the plan is the first day of the month coinciding with or next following the member's 65th birthday. The normal retirement benefit received annually is as follows:

- Effective July 1, 2014 - \$270 multiplied by years of credited service up to a maximum of 30 years.
- For members who retire after July 1, 2003 but prior to July 1, 2014 - \$215 multiplied by years of credited service up to a maximum of 25 years.
- For members who retire prior to July 1, 2003 - \$174 multiplied by years of credited service up to a maximum of 25 years.

The retirement benefits at early retirement:

The plan's early retirement date of any member who is 55 years of age and has completed at least 15 years of credited service is the first day of any subsequent month after election to retire by not later than his normal retirement date. Such benefit will be reduced by 6% per year for each year that early retirement date precedes normal retirement date.

Contributions

Employer - Recommended contributions to each of the plans are determined each year as part of the actuarial valuation using the entry age normal cost method. For the year ended June 30, 2023, employer contributions to the Town Plan represented approximately 13.69% of covered payroll.

Employee - Members enrolled in the Town Plan are required to contribute 5% of earnings to the plan. Members enrolled in the Fire Plan are not required to contribute to the plan.

Net Pension Liabilities

The components of the Town's net pension liability for each of its Plans as of June 30, 2023, were as follows:

	Town Plan	Fire Company Plan	Total
Total pension liability	\$ 32,251,188	\$ 3,180,656	\$ 35,431,844
Plan fiduciary net position	25,922,209	1,759,814	27,682,023
Town's net pension liability	<u>\$ 6,328,979</u>	<u>\$ 1,420,842</u>	<u>\$ 7,749,821</u>
Plan fiduciary net position as a percentage of the total pension liability	80.38%	55.33%	

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS *(Continued)*

Single Employer Pension Plans *(Continued)*

Net Pension Liabilities *(Continued)*

The components of the change in the net pension liability for both of the Town's Plans for the year ended June 30, 2023 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Town Plan			
Balance as of June 30, 2022	\$ 31,410,478	\$ 24,309,378	\$ 7,101,100
Changes for the year:			
Service cost	632,527	-	632,527
Interest	2,101,427	-	2,101,427
Effect of economic/demographic gains or losses	50,898	-	50,898
Effect of assumptions changes or inputs	(92,385)	-	(92,385)
Contributions - employer	-	838,725	(838,725)
Contributions - employee	-	268,648	(268,648)
Net investment income	-	2,385,552	(2,385,552)
Benefit payments, including refunds	(1,851,757)	(1,851,757)	-
Administrative expense	-	(28,337)	28,337
Net changes	<u>840,710</u>	<u>1,612,831</u>	<u>(772,121)</u>
Balance as of June 30, 2023	<u>\$ 32,251,188</u>	<u>\$ 25,922,209</u>	<u>\$ 6,328,979</u>
Fire Company Plan			
Balance as of June 30, 2022	\$ 3,081,828	\$ 1,601,785	\$ 1,480,043
Changes for the year:			
Service cost	62,672	-	62,672
Interest	199,178	-	199,178
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	-	-	-
Contributions - employer	-	180,000	(180,000)
Net investment income	-	151,076	(151,076)
Benefit payments, including refunds	(163,022)	(163,022)	-
Administrative expense	-	(10,025)	10,025
Net changes	<u>98,828</u>	<u>158,029</u>	<u>(59,201)</u>
Balance as of June 30, 2023	<u>\$ 3,180,656</u>	<u>\$ 1,759,814</u>	<u>\$ 1,420,842</u>

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS *(Continued)*

Single Employer Pension Plans *(Continued)*

Net Pension Liabilities *(Continued)*

Actuarial assumptions - The total pension liabilities for the Town Plan and Fire Company Plan were determined by actuarial valuations as of July 1, 2022 and July 1, 2021, respectively, using the following actuarial assumptions, applied to all periods included in the measurement:

Town Plan	
Inflation	2.75%
Salary increases	Graded salary growth with an ultimate rate of 2.75%
Investment rate of return	6.75%
Discount rate	6.75%
Fire Company Plan	
Inflation	3.00%
Investment rate of return	6.50%
Discount rate	6.50%

Mortality rates for the Town Plan were based on PUB-2010 Mortality Table, with generational projection per the MP-2021 Scale. Mortality Rates for the Fire Plan were based on PubS-2010 Mortality Table with generational projection per the MP-2019 Ultimate Table.

The long-term expected rate of returns on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in each of the plan's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation		Long-term Expected Real Rate of Return	
	Town Plan	Fire Company Plan	Town Plan	Fire Company Plan
Cash	7.0%	7.0%	3.0%	3.2%
Fixed Income	33.0%	33.0%	5.0%	5.2%
Equity	60.0%	60.0%	7.4%	3.0%

Discount rate - The discount rates used to measure the total pension liability for the Town Plan and the Fire Plan was 6.75% and 6.50%, respectively. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rates and that the Town's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS (Continued)

Single Employer Pension Plans (Continued)

Net Pension Liabilities (Continued)

Town Plan - Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on each Plan's investments were applied to all periods of projected benefit payments to determine the plan's total pension liability.

Fire Company Plan - Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on each Plan's investments were applied to all periods of projected benefit payments to determine the plan's total pension liability.

Sensitivity of the net pension liability to changes in the discount rate - The following presents the net pension liability for each Plan, calculated using the discount rate disclosed above, as well as what the Town's net pension liability would be for each of the Plans if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Town Plan - Net pension liability	\$ 10,135,252	\$ 6,328,979	\$ 3,178,876
Fire Company Plan - Net pension liability	1,807,645	1,420,842	1,093,630

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023, the Town recognized a pension expense of \$768,508 for the Town Plan and a pension expense of \$253,988 for the Fire Company Plan. At June 30, 2023, the Town reported deferred outflows and inflows of resources related to each of the Plans from the following sources:

	Town Plan		Fire Company Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 363,065	\$ 603,661	\$ 64,264	\$ 90,078
Change of assumptions	3,494,504	6,306,217	398,165	-
Net difference between projected and actual earnings on pension plan investments	1,386,325	-	87,925	-
Total	<u>\$ 5,243,894</u>	<u>\$ 6,909,878</u>	<u>\$ 550,354</u>	<u>\$ 90,078</u>
	Combined			
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferrals	
Differences between expected and actual experience	\$ 427,329	\$ 693,739	\$ (266,410)	
Change of assumptions	3,892,669	6,306,217	(2,413,548)	
Net difference between projected and actual earnings on pension plan investments	1,474,250	-	1,474,250	
Total	<u>\$ 5,794,248</u>	<u>\$ 6,999,956</u>	<u>\$ (1,205,708)</u>	

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS *(Continued)*

Single Employer Pension Plans *(Continued)*

Pension Expense and Deferred Outflows and Inflows of Resources *(Continued)*

Amounts reported as deferred outflows and inflows of resources related to the Town's plans will be recognized as an increase or (decrease) to pension expense in future years as follows:

	<u>Town Plan</u>	<u>Fire Company Plan</u>	<u>Combined</u>
Year ended June 30,			
2024	\$ 5,703	\$ 82,974	\$ 88,677
2025	(1,887,076)	71,877	(1,815,199)
2026	368,940	125,066	494,006
2027	(153,551)	31,806	(121,745)
2028	-	49,706	49,706
Thereafter	-	98,847	98,847
	<u>\$ (1,665,984)</u>	<u>\$ 460,276</u>	<u>\$ (1,205,708)</u>

Plan Financial Statements

The following presents the statement of fiduciary net position and the statement of changes in fiduciary net position for the Town and Fire Plans as of June 30, 2023:

	<u>Town Plan</u>	<u>Fire Plan</u>	<u>Combined</u>
ASSETS			
Cash and cash equivalents	\$ 1,460,281	\$ 156,224	\$ 1,616,505
Investments:			
Corporate bonds	7,814,466	421,391	8,235,857
U.S. Treasury securities	634,781	41,263	676,044
Equity securities	14,294,840	901,596	15,196,436
Mutual and exchange traded funds	1,717,766	239,340	1,957,106
Total assets	<u>25,922,209</u>	<u>1,759,814</u>	<u>27,682,023</u>
NET POSITION			
Restricted for pension benefits	<u>\$ 25,922,209</u>	<u>\$ 1,759,814</u>	<u>\$ 27,682,023</u>

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS *(Continued)*

Single Employer Pension Plans *(Continued)*

Plan Financial Statements *(Continued)*

	<u>Town Plan</u>	<u>Fire Plan</u>	<u>Combined</u>
ADDITIONS			
Contributions:			
Employer	\$ 838,725	\$ 180,000	\$ 1,018,725
Plan members	268,648	-	268,648
Total contributions	<u>1,107,373</u>	<u>180,000</u>	<u>1,287,373</u>
Investment earnings:			
Net change in fair value of investments	1,873,108	115,152	1,988,260
Interest and dividends	699,257	48,738	747,995
Total investment earnings	2,572,365	163,890	2,736,255
Less: investment fee expense	186,813	12,814	199,627
Net change in investments	<u>2,385,552</u>	<u>151,076</u>	<u>2,536,628</u>
Total additions	<u>3,492,925</u>	<u>331,076</u>	<u>3,824,001</u>
DEDUCTIONS			
Benefit payments	1,851,757	163,022	2,014,779
Administrative expenses	28,337	10,025	38,362
Total deductions	<u>1,880,094</u>	<u>173,047</u>	<u>2,053,141</u>
Change in net position	1,612,831	158,029	1,770,860
Net position - beginning	<u>24,309,378</u>	<u>1,601,785</u>	<u>25,911,163</u>
Net position - ending	<u><u>\$ 25,922,209</u></u>	<u><u>\$ 1,759,814</u></u>	<u><u>\$ 27,682,023</u></u>

Connecticut State Teachers' Retirement System

Plan Description

The Connecticut Teachers' Retirement System (TRS or the Plan) is the public pension plan offered by the State of Connecticut (the State) to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The Plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes. TRS is a multiemployer pension plan administered by the Connecticut State Teachers' Retirement Board (TRB). The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

Teachers, principals, superintendents or supervisors engaged in the service of public schools are provided with pensions through the Connecticut Teachers' Retirement System - a cost sharing multi-employer defined benefit pension plan administered by the TRB. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Benefit Provisions

The Plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Normal Retirement: Retirement benefits for the employees are calculated as 2.0% of the average annual salary times the years of credited service (maximum benefit is 75.0% of average annual salary during the 3 years of highest salary). In addition, amounts derived from the accumulation of the 6.0% contributions made prior to July 1, 1989 and voluntary contributions are payable.

Early Retirement: Employees are eligible after 25 years of credited service with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service. Benefit amounts are reduced by 6.0% per year for the first 5 years preceding normal retirement age and 4.0% per year for the next 5 years preceding normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year by which retirement precedes normal retirement date.

Minimum Benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly benefit of \$1,200 to teachers who retire under the normal retirement provisions and who have completed at least 25 years of full time Connecticut service at retirement.

Disability Retirement: Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required to be eligible for non-service related disability. Disability benefits are calculated as 2.0% per year of service times the average of the highest three years of pensionable salary, but not less than 15.0%, nor more than 50.0%. In addition, disability benefits under this Plan (without regard to cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed 75.0% of average annual salary. A plan member who leaves service and has attained 10 years of service will be entitled to 100.0% of the accrued benefit as of the date of termination of covered employment. Benefits are payable at age 60, and early retirement reductions are based on the number of years of service the member would have had if they had continued work until age 60.

Pre-Retirement Death Benefit: The plan also offers a lump-sum return of contributions with interest or surviving spouse benefit depending on length of service.

Contributions

State of Connecticut - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State are amended and certified by the TRB and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amounts to finance any unfunded accrued liability.

Employers - School District employers are not required to make contributions to the Plan, as contributions are required only from employees and the State.

Employees - Effective January 1, 2018, each teacher is required to contribute 7.0% of pensionable salary for the pension benefit.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Administrative Expenses

Administrative costs of the plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

Basis of Presentation

The components associated with pension expense and deferred outflows and inflows of resources have been determined based on fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2022. The net pension liability has been calculated using the audited amounts. TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Annual Comprehensive Financial Report can be obtained at www.ct.gov.

The accounting standards require participating employers to recognize their proportional share of the collective net pension liability, deferred outflows and inflows of resources and pension expense. Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

Allocation Methodology

The allocations for participating employers are based on the expected contribution effort for each participating employer. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to Town totaled 0.287% as of the most recent measurement date.

Collective Net Pension Liability

The following summarizes the collective net pension liability of the State for the TRS as of June 30, 2022, the measurement date, in addition to the Town's and State's proportionate shares of the collective net pension liability that is attributed to the Town:

Collective Net Pension Liability of the State for the TRS		<u>\$ 18,310,559,000</u>
	<u>Proportion</u>	<u>Proportionate Share</u>
Town's proportionate share of the Collective Net Pension Liability	0.000%	<u>\$ -</u>
State's proportionate share of the Collective Net Pension Liability attributed to the Town	0.287%	<u>\$ 52,484,000</u>

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Collective Pension Expense

The Town's expected contribution effort for allocation purposes totaled \$4,137,998 or 0.287% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2023.

The collective pension expense includes certain current period changes in the collective net pension liability, projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective pension expense attributed to the Town totaled \$5,072,647 or 0.287% of the total collective pension expense and has been recognized as an operating contribution and related education expenses in the statement of activities for the year ended June 30, 2023.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00% - 6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Administrative expenses	\$0 assumption as expenses are paid for by the General Assembly

Mortality rates were based on the PubT-2010 Healthy Retiree Table, adjusted 105% for males and 103% for females as ages 82 and above, projected generationally with MP-2019 for the period after service retirement.

Future cost-of-living increases for teachers who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3.0% and a maximum of 5.0% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6.0% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5.0% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3.0%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

Long-Term Rate of Return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Long-Term Rate of Return *(Continued)*

The current capital market assumptions and the target asset allocation as provided by the Treasurer's Office are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity Fund	20.0%	5.4%
Developed Market Intl. Stock Fund	11.0%	6.4%
Emerging Market Intl. Stock Fund	9.0%	8.6%
Core Fixed Income Fund	13.0%	0.8%
Emerging Market Debt Fund	5.0%	3.8%
High Yield Bond Fund	3.0%	3.4%
Real Estate Fund	19.0%	5.2%
Private Equity	10.0%	9.4%
Private Credit	5.0%	6.5%
Alternative Investments	3.0%	3.1%
Liquidity Fund	2.0%	-0.4%
	100%	

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The Town accounts for activity relating to two other post-employment benefits plans, (1) the Town and Board of Education Other Post-employment Benefit Plan and (2) the Connecticut Teachers' Retirement System. As of and for the year ended June 30, 2023, the two plans had the following balances reported in the Town's government-wide financial statements:

	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	On Behalf Revenues	OPEB Expense
Town of Old Saybrook Other Post-employment Benefits Program	\$ 8,271,851	\$ 1,758,907	\$ 4,148,200	\$ -	\$ 1,342
Connecticut Teachers' Retirement System (proportionate share)	-	-	-	277,059	277,059
	\$ 8,271,851	\$ 1,758,907	\$ 4,148,200	\$ 277,059	\$ 278,401

Detailed disclosures for each plan follow.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town and Board of Education Plan

Plan Descriptions

The Town, in accordance with collective bargaining agreements, is committed to providing medical benefits to certain eligible retirees, spouses and beneficiaries. The other post-employment benefit program (OPEB) covers Town, Police and Board of Education retired employees. The percentage contribution of the employees and retirees for these benefits vary and are detailed in the Town's various bargaining agreements. The Town does not issue a separate stand-alone financial statement for this program.

The Town, in accordance with collective bargaining agreements, is committed to providing medical benefits to certain eligible retirees, spouses and beneficiaries. The other post-employment benefit program (OPEB) covers Town, Police and Board of Education retired employees. The percentage contribution of the employees and retirees for these benefits vary and are detailed in the Town's various bargaining agreements. The Town does not issue a separate stand-alone financial statement for this program.

Benefits Provided and Funding Policy

The Town funding and payment of post-employment benefits are accounted for in the General Fund on a pay-as-you-go basis. The Town has not established a trust fund to irrevocably segregate assets to fund the liability associated with post-employment benefits. The Town is currently developing a funding strategy to provide for normal cost and the amortization of the accrued liability. Although a trust fund may not be established in the future to exclusively control the funding and reporting of post-employment benefits, the Town anticipates a commitment to fund normal cost and a long-term approach to the amortization of the actuarial accrued liability. The goal is to absorb, within the budgetary process, the actual cost of benefits in the determination of the costs of providing services to taxpayers.

The Town's funding strategy for post-employment obligations are based upon characteristics of benefits on 10 distinct groups of employees established within their respective collective bargaining units and/or contracts. Full-time employees of the Town or Board of Education who retire from the Town are eligible if they meet the following criteria:

Town of Old Saybrook

- Town Hall/Dispatchers/Non-Union: Age 62 with 15 years of service
- Non-Union Town Administrators: Age 62 with 15 years of service
- Highway - hired prior to July 1, 2004: Age 60 with 15 years of service;
- Highway - hired after July 1, 2004: Age 60 with 18 years of service
- Police: The earlier of the following:
 - Age 50 with 25 years of service
 - Age 60 with 20 years of service
 - Age 65

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town and Board of Education Plan *(Continued)*

Benefits Provided and Funding Policy *(Continued)*

Board of Education

- Administrators - hired prior to July 1, 2002: 12 years of service
- Administrators - hired after July 1, 2002: 15 years of service
- CILU Secretaries and Nurses: 15 years of service
- Custodians: Age 55 with 15 years of service
- Teachers: Age 57 (the eligibility for teachers is an estimate based upon the State of Connecticut's eligibility of 35 years as a teacher assuming employment begins at an estimated age of 22, a teacher becomes eligible 35 years later, or age 57)

Employees Covered by Benefit Terms

As of July 1, 2022, the valuation date, the following employees were covered by the benefit terms:

Active plan members	196
Retirees and beneficiaries receiving benefits	70
	<u>266</u>

Total OPEB Liability

The Town's total OPEB liability reported as of June 30, 2023 was \$8,271,851. The total OPEB liability has been measured and determined as of June 30, 2023 by an actuarial valuation performed as of July 1, 2022.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.65%
Inflation rate	2.60%
Medical trend rates	6.2% - 4.00% over 50+ years (pre-65)
Salary increases, including inflation	Graded by service

The discount rate was based on the Bond Buyer 20 (GO 20 Index) as of the measurement date, which represents municipal bond trends based on a portfolio of 20 general obligation bonds that mature in 20 years.

Mortality tables for Teachers and Administrator have been based on the PubT-2010 Mortality Table for Employees and Healthy Annuitants (adjusted 105% for males and 103% for females at ages 82 and above) with generational projection of future improvements per the MP-2021. Mortality tables for Police have been based on the PubS-2010 Mortality Table for Employees and Healthy Annuitants with generational projection of future improvements per the MP-2021. Mortality tables for all other employees have been based on PubG-2010 Mortality Table for Employees and Healthy Annuitants with generational projection of future improvements per the MP-2021.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town and Board of Education Plan *(Continued)*

Total OPEB Liability *(Continued)*

Assumptions regarding participation and coverage election relating to benefits provided to Teachers and Board of Education Administrators are as follows:

- 50% of current actives and pre-65 retirees are assumed either to enroll in retiree health coverage through the Connecticut State Teachers' Retirement System as age 65, or transfer to a Medicare Supplemental Plan. 95% of current actives and pre-65 retirees are assumed to be Medicare-eligible.
- 100% of current actives and pre-65 retirees under the following groupings, Police Non-Union (hires on or before December 30, 2004), Town Non-Union (hired on or before December 30, 2004), Town Support (hired on or before July 26, 2004) and Dispatchers are assumed to continue coverage beyond age 65.
- It is assumed that there is no implicit rate subsidy associated with dental benefits or with post-65 medical benefits for Medicare eligible members who are paying 100% of the premiums.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances as of June 30, 2022	\$ 9,143,298
Changes for the year:	
Service cost	111,030
Interest	318,757
Effect of economic/demographic gains or losses	(1,862,346)
Changes of assumptions	1,065,245
Benefit payments, including	
refunds of member contributions	(504,133)
Net changes	(871,447)
Balances as of June 30, 2023	<u>\$ 8,271,851</u>

Changes of assumptions and other inputs primarily reflects a change in the discount rate from 3.54% utilized in the June 30, 2022 measurement to 3.65% utilized in the June 30, 2023 measurement.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

	Discount Rates		
	1% Decrease	Current	1% Increase
Total OPEB liability	\$ 9,296,889	\$ 8,271,851	\$ 7,423,738

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town and Board of Education Plan *(Continued)*

Changes in the Total OPEB Liability *(Continued)*

Sensitivity of the Total OPEB liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Healthcare Cost Trend Rates		
	1% Decrease	Current	1% Increase
Total OPEB liability	\$ 7,531,062	\$ 8,271,851	\$ 9,166,996

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023, the Town recognized OPEB expense of \$1,342. At June 30, 2023, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferrals
Difference between expected and actual experience	\$ 73,296	2,397,776	\$ (2,324,480)
Changes of assumptions	1,685,611	1,750,424	(64,813)
	<u>\$ 1,758,907</u>	<u>\$ 4,148,200</u>	<u>\$ (2,389,293)</u>

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as a decrease in OPEB expense in future years as follows:

Year Ended June 30:	
2024	\$ (428,445)
2025	(423,356)
2026	(377,536)
2027	(377,536)
2028	(355,284)
Thereafter	(427,136)
	<u>\$ (2,389,293)</u>

Connecticut State Teachers' Retirement System

Plan Description

The Connecticut Teachers' Retirement System (TRS or the Plan) is the public pension plan offered by the State of Connecticut (the State) to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The Plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes. TRS is a multiemployer pension plan administered by the Connecticut State Teachers' Retirement Board (TRB). The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Plan Description *(Continued)*

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with benefits, including retiree health insurance, through the Connecticut Teachers' Retirement System - a cost sharing multi employer defined benefit pension plan administered by the TRB. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov.

Benefit Provisions

The Plan covers retired teachers and administrators of public schools in the State who are receiving benefits from the Plan. The Plan provides healthcare insurance benefits to eligible retirees and their spouses. Any member that is currently receiving a retirement or disability benefit through the Plan is eligible to participate in the healthcare portion of the Plan. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute. A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$440 per month towards coverage under a local school district plan.

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the Plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage. If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Contributions

State of Connecticut - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

Employers - School District employers are not required to make contributions to the Plan.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Contributions *(Continued)*

Employees/Retirees - The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers' pay for one third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

Administrative Expenses

Administrative costs of the Plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

Basis of Presentation

The components associated with the other postemployment benefits (OPEB) expense and deferred outflows and inflows of resources have been determined using the unrecognized portions of each year's experience and assumption changes as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2022. The net OPEB liability has been calculated using the audited amounts. The OPEB trust fund is included in the TRS, and the TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Annual Comprehensive Financial Report can be obtained at www.ct.gov.

The accounting standards require participating employers to recognize their proportional share of the collective net OPEB liability, deferred outflows and inflows of resources and OPEB expense. Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

Allocation Methodology

The allocations for participating employers are based on the expected contribution effort of the date of the latest biennial valuation. The employer allocations were then applied to the net OPEB liability and OPEB expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to Town totaled 0.287% as of the most recent measurement date.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Collective Net OPEB Liability

The following summarizes the collective net OPEB liability of the State for the TRS as of June 30, 2022, the measurement date, in addition to the Town's and State's proportionate shares of the collective net OPEB liability that is attributed to the Town:

Collective Net OPEB Liability of the State for the TRS		<u>\$ 1,603,585,000</u>
	<u>Proportion</u>	<u>Proportionate Share</u>
Town's proportionate share of the Collective Net OPEB Liability	0.000%	<u>\$ -</u>
State's proportionate share of the Collective Net OPEB Liability attributed to the Town	0.287%	<u>\$ 4,596,000</u>

Collective OPEB Expense

The Town's expected contribution effort for allocation purposes totaled \$58,528 or 0.287% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2023.

The collective OPEB expense includes certain current period changes in the collective net OPEB liability, projected earnings on OPEB plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective OPEB expense attributed to the Town totaled \$277,059 or 0.287% of the total collective OPEB expense and has been recognized as an operating contribution and related education expenses in the statement of activities for the year ended June 30, 2023.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Real Wage Growth	0.50%
Wage Inflation	3.00%
Salary increases	3.00% - 6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Discount rate	3.53%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates:	
Medicare	Known increases until calendar year 2024, then general trend decreasing to an ultimate rate of 4.50% by 2031

Mortality rates were based on the PubT-2010 Healthy Retiree Table, adjusted 105% for males and 103% for females at ages 82 and above, projected generationally with MP-2019 for the period after service retirement.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Long-Term Rate of Return

The long-term expected rate of return on plan assets is reviewed as part of the actuarial valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Expected 10-Year Geometric Real Rate of Return
U.S. Treasuries (Cash Equivalents)	100.0%	-0.98%

Discount Rate

The discount rate used to measure the total OPEB liability was 3.53%. The projection of cash flows used to determine the discount rate was performed in accordance with the applicable standards. The projection's basis was an actuarial valuation performed as of June 30, 2022. In addition to the actuarial methods and assumptions of the June 30, 2022 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annual at a rate of 3.00%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2027, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 11 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God for which the Town carries commercial insurance. Neither the Town nor its insurers have settled any claims, which exceed the Town's insurance coverage form amounts in the prior year.

Retrospectively Rated Policy

The commercial insurance carried for workers' compensation is a retrospectively rated policy for which the Town's contribution is based on the Town's loss experience. It is not possible to estimate the possible loss.

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 been no significant reduction of insurance coverage from amounts held in prior years.

Self-Insurance Cooperative

The Town of Old Saybrook's Board of Education (BOE) participates in the Eastern CT Healthcare Cooperative (the Cooperative) to provide medical, prescription and dental health coverage for BOE employees. The Cooperative was established in June 2013 by several eastern Connecticut entities under the provisions of Connecticut Public Act 10-174 for the purpose of providing one or more health care benefits as allowed by such act for their employees. The Cooperative is a public entity risk pool operating as a common risk management and insurance program for its members. The Cooperative is designed to be self-sustaining through actuarially determined premiums established annually to cover expected claims, administration and a margin for unexpected losses or expenses. The Cooperative reinsures for medical, dental and prescription drug claims in excess of \$1,000,000 maximum aggregate benefit. The members are subject to supplemental assessments in the event of deficiencies. A withdrawing member is responsible for any losses and expenses incurred consisting of paid claims, administrative costs, total claims losses, and the larger of the incurred but not reported claims or runout claims up to one year from withdrawal.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Litigation, Claims and Assessments

The Town, in the normal course of operations, is named as defendants in lawsuits, tax appeals, administrative proceedings and other miscellaneous claims. The outcome and eventual liability to the Town, if any, for such matters are not known at this time. The Town's management, based upon consultation with legal counsel, estimates that potential claims against the Town, not covered by insurance, resulting from such matters would not materially affect the financial position of the Town.

Federal Awards and State Financial Assistance

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

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF OLD SAYBROOK, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 46,839,698	\$ 46,839,698	\$ 48,124,754	\$ 1,285,056
Intergovernmental	463,000	463,000	777,373	314,373
Charges for services	1,000,000	1,000,000	1,418,973	418,973
Investment income	75,000	75,000	895,564	820,564
Total revenues	<u>48,377,698</u>	<u>48,377,698</u>	<u>51,216,664</u>	<u>2,838,966</u>
EXPENDITURES				
Current:				
General government	4,340,073	4,370,073	4,353,852	(16,221)
Public safety	6,459,024	6,459,024	6,170,000	(289,024)
Public works	3,641,317	3,641,317	3,374,895	(266,422)
Culture and recreation	1,900,243	1,900,243	1,918,186	17,943
Health and welfare	756,856	756,856	746,550	(10,306)
Education	27,473,341	27,473,341	27,245,423	(227,918)
Capital outlays	735,000	735,000	735,000	-
Debt service	3,071,844	3,071,844	3,071,845	1
Total expenditures	<u>48,377,698</u>	<u>48,407,698</u>	<u>47,615,751</u>	<u>(791,947)</u>
Excess (deficiency) of revenues over expenditures	-	(30,000)	3,600,913	3,630,913
OTHER FINANCING SOURCES (USES)				
Appropriation of fund balance	-	30,000	-	(30,000)
Appropriation of the current year surplus	-	3,278,526	-	(3,278,526)
Transfers out	-	(3,278,526)	(3,283,512)	(4,986)
Total other financing sources (uses)	<u>-</u>	<u>30,000</u>	<u>(3,283,512)</u>	<u>(3,313,512)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 317,401</u>	<u>\$ 317,401</u>

See accompanying notes to required supplementary information.

TOWN OF OLD SAYBROOK, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - PENSION -
TOWN PENSION PLAN (UNAUDITED)
LAST TEN FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 632,527	\$ 599,385	\$ 1,466,148	\$ 854,009	\$ 808,509	\$ 914,097	\$ 1,618,345	\$ 1,372,450	\$ 1,012,863	\$ 763,535
Interest	2,101,427	2,025,160	1,656,920	1,790,761	1,773,796	1,756,566	1,579,806	1,499,834	1,638,943	1,613,662
Effect of economic/demographic gains or losses	50,898	472,965	(1,391,047)	42,837	507,816	(1,671,676)	26,054	(551,895)	-	-
Differences between expected and actual experience	-	-	-	-	-	-	-	-	300,049	-
Effect of assumptions changes or inputs	(92,385)	839,906	(14,368,341)	11,756,337	1,497,585	(1,999,612)	(8,263,420)	5,491,460	1,989,230	720,919
Benefit payments, including refunds	(1,851,757)	(1,688,287)	(1,591,720)	(1,600,910)	(1,697,716)	(1,512,407)	(1,205,958)	(1,239,891)	(1,284,175)	(1,104,947)
Net change in total pension liability	840,710	2,249,129	(14,228,040)	12,843,034	2,889,990	(2,513,032)	(6,245,173)	6,571,958	3,656,910	1,993,169
Total pension liability - beginning	31,410,478	29,161,349	43,389,389	30,546,355	27,656,365	30,169,397	36,414,570	29,842,612	26,185,702	24,192,533
Total pension liability - ending	32,251,188	31,410,478	29,161,349	43,389,389	30,546,355	27,656,365	30,169,397	36,414,570	29,842,612	26,185,702
Plan fiduciary net position										
Contributions - employer	838,725	817,165	751,340	560,074	558,125	1,576,474	500,830	475,113	437,437	411,211
Contributions - members	268,648	294,669	310,166	314,895	328,653	344,580	365,321	343,843	351,423	335,120
Net investment income	2,385,552	(4,209,967)	6,422,505	890,946	1,483,398	1,252,278	2,112,454	(6,912)	700,595	3,113,027
Benefit payments, including refunds	(1,851,757)	(1,688,287)	(1,591,720)	(1,600,910)	(1,697,716)	(1,512,407)	(1,205,958)	(1,239,891)	(1,284,175)	(1,117,286)
Administrative expense	(28,337)	(52,652)	(26,930)	(31,506)	(36,089)	(51,962)	(6,391)	(77,632)	-	(3,840)
Net change in plan fiduciary net position	1,612,831	(4,839,072)	5,865,361	133,499	636,371	1,608,963	1,766,256	(505,479)	205,280	2,738,232
Plan fiduciary net position - beginning	24,309,378	29,148,450	23,283,089	23,149,590	22,513,219	20,904,256	19,138,000	19,643,479	19,438,199	16,699,967
Plan fiduciary net position - ending	25,922,209	24,309,378	29,148,450	23,283,089	23,149,590	22,513,219	20,904,256	19,138,000	19,643,479	19,438,199
Town's net pension liability	\$ 6,328,979	\$ 7,101,100	\$ 12,899	\$ 20,106,300	\$ 7,396,765	\$ 5,143,146	\$ 9,265,141	\$ 17,276,570	\$ 10,199,133	\$ 6,747,503
Plan fiduciary net position as a percentage of total pension liability	80.38%	77.39%	99.96%	53.66%	75.79%	81.40%	69.29%	52.56%	65.82%	74.23%
Covered payroll	\$ 6,127,886	\$ 6,462,149	\$ 6,628,087	\$ 6,746,930	\$ 6,518,727	\$ 6,391,246	\$ 5,112,538	\$ 5,040,802	\$ 4,627,012	\$ 4,542,061
Town's net pension liability as a percentage of covered payroll	103.28%	109.89%	0.19%	298.01%	113.47%	80.47%	181.22%	342.73%	220.43%	148.56%

See accompanying notes to required supplementary information.

TOWN OF OLD SAYBROOK, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - PENSION -
TOWN PENSION PLAN (UNAUDITED)
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 788,953	\$ 813,814	\$ 786,169	\$ 598,170	\$ 575,704	\$ 675,326	\$ 828,573	\$ 802,803	\$ 758,105	\$ 712,919
Contributions in relation to the actuarially determined contribution	838,725	817,165	751,340	560,074	558,125	1,576,474	500,829	475,113	437,437	411,211
Contribution deficiency (excess)	<u>\$ (49,772)</u>	<u>\$ (3,351)</u>	<u>\$ 34,829</u>	<u>\$ 38,096</u>	<u>\$ 17,579</u>	<u>\$ (901,148)</u>	<u>\$ 327,744</u>	<u>\$ 327,690</u>	<u>\$ 320,668</u>	<u>\$ 301,708</u>
Covered payroll	\$ 6,127,886	\$ 6,462,149	\$ 6,628,087	\$ 6,746,930	\$ 6,518,727	\$ 6,391,246	\$ 5,112,538	\$ 5,040,802	\$ 4,627,012	\$ 4,542,061
Contributions as a percentage of covered payroll	13.69%	12.65%	11.34%	8.30%	8.56%	24.67%	9.80%	9.43%	9.45%	9.05%
Annual money-weighted rate of return, net of investment expense	9.89%	-14.71%	28.10%	3.89%	6.81%	5.98%	11.06%	-0.11%	3.95%	16.86%

See accompanying notes to required supplementary information.

TOWN OF OLD SAYBROOK, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - PENSION -
FIRE COMPANY PENSION PLAN (UNAUDITED)
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 62,672	\$ 52,774	\$ 58,601	\$ 48,289	\$ 52,166	\$ 48,089	\$ 60,032	\$ 55,714	\$ 38,203	\$ 35,373
Interest	199,178	194,817	187,849	166,284	159,138	167,175	159,028	150,274	122,335	114,655
Effect of plan changes	-	-	-	-	-	-	-	48,629	42,912	-
Effect of economic/demographic gains or losses	-	23,412	-	(7,182)	-	(202,528)	-	172,274	-	-
Effect of assumptions changes or inputs	-	205,876	-	326,600	-	54,269	-	50,256	-	-
Benefit payments, including refunds	(163,022)	(150,503)	(135,430)	(114,702)	(109,685)	(103,057)	(100,975)	(93,840)	(71,128)	(43,132)
Net change in total pension liability	98,828	326,376	111,020	419,289	101,619	(36,052)	118,085	383,307	132,322	106,896
Total pension liability - beginning	3,081,828	2,755,452	2,644,432	2,225,143	2,123,524	2,159,576	2,041,491	1,658,184	1,525,862	1,418,966
Total pension liability - ending	3,180,656	3,081,828	2,755,452	2,644,432	2,225,143	2,123,524	2,159,576	2,041,491	1,658,184	1,525,862
Plan fiduciary net position										
Contributions - employer	180,000	180,000	183,957	183,897	183,747	173,587	161,102	127,411	117,695	74,213
Contributions - members	-	-	-	-	-	-	-	-	-	-
Net investment income	151,076	(244,636)	377,839	44,480	72,523	65,461	95,036	(311)	23,314	103,528
Benefit payments, including refunds	(163,022)	(150,503)	(135,430)	(114,702)	(109,685)	(103,057)	(100,975)	(93,840)	(71,128)	(43,132)
Administrative expense	(10,025)	(9,760)	(4,320)	(15,773)	(6,558)	(13,862)	(216)	(3,502)	-	-
Net change in plan fiduciary net position	158,029	(224,899)	422,046	97,902	140,027	122,129	154,947	29,758	69,881	134,609
Plan fiduciary net position - beginning	1,601,785	1,826,684	1,404,638	1,306,736	1,166,709	1,044,580	889,633	859,875	789,994	655,385
Plan fiduciary net position - ending	1,759,814	1,601,785	1,826,684	1,404,638	1,306,736	1,166,709	1,044,580	889,633	859,875	789,994
Town's net pension liability	\$ 1,420,842	\$ 1,480,043	\$ 928,768	\$ 1,239,794	\$ 918,407	\$ 956,815	\$ 1,114,996	\$ 1,151,858	\$ 798,309	\$ 735,868
Plan fiduciary net position as a percentage of total pension liability	55.33%	51.98%	66.29%	53.12%	58.73%	54.94%	48.37%	43.58%	51.86%	51.77%

See accompanying notes to required supplementary information.

TOWN OF OLD SAYBROOK, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - PENSION -
FIRE COMPANY PENSION PLAN (UNAUDITED)
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 175,829	\$ 171,642	\$ 160,226	\$ 169,368	\$ 153,467	\$ 173,587	\$ 161,102	\$ 127,111	\$ 117,695	\$ 74,213
Contributions in relation to the actuarially determined contribution	180,000	180,000	183,957	183,897	183,747	173,587	161,102	127,411	117,695	74,213
Contribution deficiency (excess)	<u>\$ (4,171)</u>	<u>\$ (8,358)</u>	<u>\$ (23,731)</u>	<u>\$ (14,529)</u>	<u>\$ (30,280)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (300)</u>	<u>\$ -</u>	<u>\$ -</u>
Annual money-weighted rate of return, net of investment expense	9.70%	-13.49%	26.59%	3.27%	6.15%	5.98%	11.06%	-0.11%	3.95%	16.86%

See accompanying notes to required supplementary information.

TOWN OF OLD SAYBROOK, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY -
CONNECTICUT TEACHERS' RETIREMENT SYSTEM (UNAUDITED)
LAST NINE FISCAL YEARS*
(Rounded to the Nearest Thousand)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net pension liability attributed to the Town	52,484,000	43,990,000	55,542,000	50,661,000	39,062,000	39,921,000	42,117,000	32,426,000	32,426,000
Total	<u>\$ 52,484,000</u>	<u>\$ 43,990,000</u>	<u>\$ 55,542,000</u>	<u>\$ 50,661,000</u>	<u>\$ 39,062,000</u>	<u>\$ 39,921,000</u>	<u>\$ 42,117,000</u>	<u>\$ 32,426,000</u>	<u>\$ 32,426,000</u>
Town's covered payroll	\$ 13,103,000	\$ 13,264,000	\$ 12,829,000	\$ 13,026,000	\$ 12,824,000	\$ 12,668,000	\$ 12,210,000	\$ 12,072,000	\$ 11,636,000
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total collective pension liability	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

TOWN OF OLD SAYBROOK, CONNECTICUT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY -
OTHER POST-EMPLOYMENT BENEFITS PROGRAMS (UNAUDITED)
LAST SIX FISCAL YEARS*

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 111,030	\$ 265,818	388,305	\$ 271,780	\$ 238,872	\$ 317,124
Interest on total OPEB liability	318,757	237,371	260,388	369,505	442,887	418,715
Effect of plan changes	-	-	(600,764)	-	-	-
Effect of economic/demographic gains and losses	(1,862,346)	-	111,873	-	(1,574,470)	-
Effect of assumptions changes or inputs	1,065,245	(1,861,503)	(402,118)	932,732	483,923	(402,183)
Benefit payments, including refunds	(504,133)	(441,619)	(414,535)	(514,446)	(507,054)	(507,782)
Net change in total OPEB liability	(871,447)	(1,799,933)	(656,851)	1,059,571	(915,842)	(174,126)
Total OPEB liability - beginning	9,143,298	10,943,231	11,600,082	10,540,511	11,456,353	11,630,479
Total OPEB liability - ending	<u>\$ 8,271,851</u>	<u>\$ 9,143,298</u>	<u>\$ 10,943,231</u>	<u>\$ 11,600,082</u>	<u>\$ 10,540,511</u>	<u>\$ 11,456,353</u>

* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

TOWN OF OLD SAYBROOK, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY -
CONNECTICUT TEACHERS' RETIREMENT SYSTEM (UNAUDITED)
LAST SIX FISCAL YEARS*
(Rounded to the Nearest Thousand)

	2023	2022	2021	2020	2019	2018
Town's proportion of the collective net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net OPEB liability attributed to the Town	4,596,000	4,793,000	8,284,000	7,901,000	7,809,000	10,275,000
Total	<u>\$ 4,596,000</u>	<u>\$ 4,793,000</u>	<u>\$ 8,284,000</u>	<u>\$ 7,901,000</u>	<u>\$ 7,809,000</u>	<u>\$ 10,275,000</u>
Town's covered payroll	\$ 13,103,000	\$ 13,264,000	\$ 12,829,000	\$ 13,026,000	\$ 12,824,000	\$ 12,668,000
Town's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.0%	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total collective OPEB liability	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND**

Budgetary Information

The General Fund is the only fund for which an annual budget is legally adopted. The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements, in accordance with provision of its Town Charter:

- Each board, commission, department, agency or officer of the Town shall, on or before January 15th of each year, submit to the First Selectman a detailed estimate of the expenditures to be made by said board, commission, department, agency or officer for the Town's fiscal year beginning July 1st of the year, together with a statement of revenues (other than tax revenues) which are estimated to be collected by such board, commission, department, agency or officer for said ensuing fiscal year; provided; however, that said submission by the Board of Education shall be on or before March 1st of each year, rather than January 15th thereof. For those boards, commissions, departments, agencies and officials which provide programs and services, budgets shall be accompanied by a statement or statements, in narrative form, describing such programs or services, which have been accomplished or expected to be accomplished during its present fiscal year, and those such programs and services which are expected to be accomplished in the ensuing fiscal year.
- The First Selectman shall compile all general governmental budgets, excluding the Board of Education, no later than February 15th of each year, and present to the Board of Selectmen a consolidated proposed budget.
- On or before March 1st of each year, the Board of Selectman and Board of Education shall present its completed budget to the Board of Finance. Following the receipt of said budget from the Board of Selectmen, the Board of Finance will present the proposed General Government Budget. Also, prior to April 1st, the Board of Finance will hold a public hearing at which time the Board of Education will present the proposed Board of Education Budget. Following such public hearings and at least two (2) weeks before the Annual Town Budget Meeting, the Board of Finance shall hold a public hearing, at which time it will present a proposed Town Budget, together with the statement of anticipated revenues and estimated mill rate based upon such proposed Town Budget. The Board of Finance may hold additional public hearings, if it deems necessary. At any of the public hearings referred to in this section, any elector or taxpayer may be heard regarding the proposed budget for the next ensuing fiscal year.
- The Annual Budget Meeting shall be held not less than one month prior to the beginning of the next ensuing fiscal year for the purpose of action upon the budget, in accordance with the provisions of Section 7-388 of the General Statutes of the State of Connecticut, as amended.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND *(Continued)*

Budgetary Information *(Continued)*

- The Town Clerk shall prepare and have available in her office a mandatory petition at least 14 days prior to the first Annual Budget Meeting, if, at least 24 hours prior to such meeting, at least 100 persons entitled to vote at such meeting have signed such petition (or petition confirming to the requirements of Section 7-7 of the General Statutes of Connecticut on the same question), then the question of the adoption of said proposed Annual Budget shall be decided by a “yes” or “no” vote on the voting machines in accordance with the same provisions of Section 7-7 of the General Statutes of Connecticut. In the event that a proposed budget shall be rejected, then the same procedure shall be established with regard to any subsequent budget meeting for that fiscal year; provided, however, that such mandatory petition shall be available 5 days prior to any subsequent meeting.
- The Board of Finance shall lay a tax on the grand list in accordance with General Statutes 7-344 only after both the General Government and Board of Education budgets have been approved, provided that, in any fiscal year shall begin without a budget having been approved, the Board of Finance shall be authorized to lay such tax on the grand list as the Board deems advisable in accordance with General Statutes 7-344.
- Budgetary control is maintained at the department level. However, the Board of Finance may transfer between budget items and between departments, thus amending the budget, as long as total expenditures are not exceeded. Any transfers to one department totaling \$25,000 or more for the year must be approved by Town Meeting. Additional appropriations of \$30,000 were approved during the year ended June 30, 2023. In addition, the Town authorized the transfer of \$3,278,526 from the current year budgetary surplus to fund capital projects and to establish a reserve to offset future debt service.
- The Board of Education is authorized under state law to transfer unexpended balances from one account to another within its total line appropriation.
- Classification of certain revenues and expenditures under accounting principles generally accepted in the United States of America (GAAP) differ from classifications used for budgetary purposes.

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP basis).

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND *(Continued)*

A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2023:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Uses, Net</u>	<u>Net Change in Fund Balance</u>
Budgetary basis	\$ 51,216,664	\$ 47,615,751	\$ (3,283,512)	\$ 317,401
"On-behalf" payments -				
State Teachers' Retirement Fund	4,196,526	4,196,526	-	-
Change in encumbrances	-	142,552	-	(142,552)
Lease of right-to-use assets not				
recorded for budgetary purposes	-	442,645	442,645	-
Consolidation of reserve funds	124,508	199,894	160,000	84,614
Certain transfers recorded as				
expenditures for budgetary				
purposes	34,129	(738,291)	(772,420)	-
GAAP basis	<u>\$ 55,571,827</u>	<u>\$ 51,859,077</u>	<u>\$ (3,453,287)</u>	<u>\$ 259,463</u>

NOTE 2 - SCHEDULE OF CHANGES IN NET PENSION LIABILITY - TOWN PENSION PLAN

The Town began to report this schedule when it implemented GASB Statement No. 67, *Financial Reporting for Pension - an amendment of GASB Statement No. 25*, in fiscal year 2014. GASB Statement No. 67 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every year with the most recent available actuarial valuation performed as of July 1, 2022. The July 1, 2022 actuarial valuation was rolled forward to the most recent measurement date of June 30, 2023. This information is utilized by the Town for reporting as of June 30, 2023.

Benefit Changes - There have been no benefit term changes that have had a significant effect on the measurement of the net pension liability.

Assumption Changes - The following assumption changes had a significant effect on the calculation of the Town's net pension liability:

- In 2022, the assumed investment rate of return and discount rate were lowered from 7.00% to 6.75%.
- In 2021, the assumed investment rate of return was lowered from 7.125% to 7.00%. In addition, the discount rate was increased from 3.76% to 7.00%
- In 2020, the assumed investment rate of return was lowered from 7.25% to 7.125%. In addition, the discount rate was decreased from 5.85 to 3.76%.
- In 2019, the assumed investment rate of return was lowered from 7.50% to 7.25%. In addition, the discount rate was decreased from 6.42% to 5.85%.
- In 2018, the discount rate was increased from 5.79% to 6.42%.
- In 2017, the assumed investment rate of return was lowered from 7.75% to 7.50%. In addition, the discount rate was increased from 4.22% to 5.79%.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - TOWN PENSION PLAN

The Town began to report this schedule when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*, in fiscal year 2014. GASB Statement No. 67 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarially determined contributions rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported.

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2023.

Town Plan

Valuation date:	July 1, 2021
Actuarial cost method:	Entry Age Normal
Amortization method:	Level Percentage
Remaining amortization period	30 years, closed (18 years remaining as of July 1, 2021)
Asset valuation method	5 Year Smoothed Market Value
Actuarial assumptions:	
Investment rate of return	6.75%
Discount rate	6.75%
Inflation rate	2.75%
Salary increases	Graded salary growth with an ultimate rate of 2.75%
Retirement age	Police - Earlier of age 60 or 25 years of service All other - age based rates

Mortality rates were based on the PUB-2010 Mortality Table with generational projection per the MP-2021 Scale.

NOTE 4 - SCHEDULE OF THE CHANGES IN NET PENSION LIABILITY - FIRE PENSION PLAN

The Town began to report this schedule when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*, in fiscal year 2014. GASB Statement No. 67 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of July 1, 2021. The July 1, 2021 actuarial valuation was rolled forward to the most recent measurement date of June 30, 2023. This information is utilized by the Town for reporting as of June 30, 2023.

Benefit Changes - There have been no benefit term changes that have had a significant effect on the measurement of the Town's net pension liability.

Assumption Changes - The following assumption changes had a significant effect on the calculation of the Town's net pension liability:

- In 2022, the assumed investment rate of return and discount rates were lowered to 6.50%.
- In 2020, the assumed investment rate of return and discount rates were lowered to 7.125%.
- In 2018, the assumed investment rate of return and discount rates were lowered to 7.50%.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 5 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - FIRE PENSION PLAN

The Town began to report this schedule when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*, in fiscal year 2014. GASB Statement No. 67 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarially determined contributions rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported.

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2023.

Fire Company Plan

Valuation date:	July 1, 2021
Actuarial cost method:	Entry Age Normal
Amortization method:	Level Percentage
Remaining amortization period	30 years, closed (18 years remaining as of July 1, 2021)
Asset valuation method	5 Year Smoothed Market Value
Actuarial assumptions:	
Investment rate of return	6.50%
Discount rate	6.50%
Inflation rate	3.00%
Salary increases	Graded salary growth with an ultimate rate of 3.00%
Retirement age	Police - Earlier of age 60 or 25 years of service All other - age based rates

Mortality rates were based on the PubS-2010 Mortality Table with generational projection per the MP-2019 Ultimate Table.

NOTE 6 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY - CONNECTICUT TEACHERS' RETIREMENT SYSTEM

The Town began to report this schedule when it implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, in fiscal year 2015. GASB Statement No. 68 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2022. The liabilities were estimated based on a measurement date of June 30, 2022. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. This information is utilized by the Town for reporting as of June 30, 2023.

Benefit Changes - There were no benefit term changes that had a significant effect on the measurement of the collective net pension liability reported as of June 30, 2023.

Assumption Changes - There have been no changes in assumptions that have had a significant effect on the measurement of the collective net pension liability.

TOWN OF OLD SAYBROOK, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY - OTHER POST-EMPLOYMENT BENEFITS PLAN

The Town began to report this schedule when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, in fiscal year 2018. GASB Statement No. 75 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of July 1, 2022. The July 1, 2022 actuarial valuation was rolled forward to the most recent measurement date of June 30, 2023. This information is utilized by the Town for reporting as of June 30, 2023.

Benefit Changes - There have been no benefit term changes that have had a significant effect on the measurement of the Town's total OPEB liability.

Assumption Changes - The following assumption changes has a significant effect on the calculation of the Town's total OPEB liability:

- In 2023, the assumed discount rate was increased from 3.54% to 3.65%.
- In 2022, the assumed discount rate was increased from 2.16% to 3.54%.
- In 2021, the assumed discount rate was decreased from 2.21% to 2.16%.
- In 2020, the assumed discount rate was decreased from 3.50% to 2.21%.

NOTE 8 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OTHER POST-EMPLOYMENT BENEFITS LIABILITY - CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM

The Town began to report this schedule when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, in fiscal year 2018. GASB Statement No. 75 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2022. The liabilities were estimated based on a measurement date of June 30, 2022. This information is utilized by the Town for reporting as of June 30, 2023.

Benefit Changes - There were no benefit term changes that had a significant effect on the measurement of the collective total OPEB liability reported as of June 30, 2023.

Assumption Changes - The following assumption changes had a significant effect on the measurement of the collective total OPEB liability reported as of June 30, 2023.

- The discount rate was increased from 2.17% to 3.53% to reflect the change in the Municipal Bond Index rate.
- The expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on January 1, 2019.
- The expected rate of inflation was decreased and the Real Wage Growth assumption was increased.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

TOWN OF OLD SAYBROOK, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
PROPERTY TAXES				
General property taxes	\$ 46,704,698	\$ 46,704,698	\$ 47,722,250	\$ 1,017,552
Interest and lien and fees	100,000	100,000	363,308	263,308
Telecommunications tax	35,000	35,000	39,196	4,196
Total property taxes	<u>46,839,698</u>	<u>46,839,698</u>	<u>48,124,754</u>	<u>1,285,056</u>
INTERGOVERNMENTAL REVENUES				
Education equalization grant	130,000	130,000	131,639	1,639
Town aid road fund	246,000	246,000	248,896	2,896
Local capital improvement program	53,000	53,000	67,070	14,070
Municipal Grant-In-Aid	34,000	34,000	164,338	130,338
Grants in lieu of taxes	-	-	42,642	42,642
Excess cost	-	-	112,869	112,869
Veterans and disabled tax relief	-	-	9,919	9,919
Total intergovernmental revenues	<u>463,000</u>	<u>463,000</u>	<u>777,373</u>	<u>314,373</u>
CHARGES FOR SERVICES				
Board of Selectman	2,000	2,000	3,700	1,700
Town clerk fees	400,000	400,000	460,000	60,000
Building department	180,000	180,000	387,856	207,856
Police department	5,000	5,000	6,039	1,039
Fire Marshal	3,000	3,000	7,204	4,204
Transfer station	55,000	55,000	80,177	25,177
Library fees and fines	4,000	4,000	3,288	(712)
Parks and recreation	286,000	286,000	369,684	83,684
Land use fees	20,000	20,000	27,704	7,704
Other revenue from local	45,000	45,000	73,321	28,321
Total charges for services	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,418,973</u>	<u>418,973</u>
INVESTMENT EARNINGS	<u>75,000</u>	<u>75,000</u>	<u>895,564</u>	<u>820,564</u>
Total revenues	<u>48,377,698</u>	<u>48,377,698</u>	<u>51,216,664</u>	<u>2,838,966</u>
OTHER FINANCING SOURCES				
Appropriation of fund balance	-	30,000	-	(30,000)
Appropriation of the current year surplus	-	3,278,526	-	(3,278,526)
Total other financing sources	<u>-</u>	<u>3,308,526</u>	<u>-</u>	<u>(3,308,526)</u>
Total revenues and other financing sources	<u>\$ 48,377,698</u>	<u>\$ 51,686,224</u>	<u>\$ 51,216,664</u>	<u>\$ (469,560)</u>

TOWN OF OLD SAYBROOK, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
GENERAL GOVERNMENT				
Selectman	\$ 364,028	\$ 364,028	\$ 356,205	\$ (7,823)
Accounting	412,386	412,386	399,239	(13,147)
Tax collector	210,455	210,455	230,959	20,504
Information technology	196,566	196,566	198,784	2,218
Treasurer	8,634	8,634	8,631	(3)
Town clerk	252,387	252,387	238,836	(13,551)
Historic district	5,490	5,490	5,198	(292)
Vital statistics	1,350	1,350	8,232	6,882
Assessor	166,574	166,574	170,789	4,215
Town hall	497,818	497,818	501,122	3,304
Registrars	62,679	62,679	66,701	4,022
Arch review board	3,711	3,711	2,379	(1,332)
Land use department	360,071	360,071	348,132	(11,939)
Zoning commission	34,717	34,717	34,482	(235)
Zoning board of appeals	13,408	13,408	14,921	1,513
Board of finance	64,826	64,826	59,398	(5,428)
Assessment appeals	6,697	6,697	3,453	(3,244)
Planning commission	15,388	15,388	14,389	(999)
Conservation commission	4,505	4,505	2,304	(2,201)
Economic development commission	66,778	66,778	83,520	16,742
Ethics commission	950	950	-	(950)
Inland wetlands	8,717	8,717	7,837	(880)
Insurance	391,000	391,000	398,458	7,458
Legal	105,000	105,000	88,391	(16,609)
Political subdivisions	148,743	148,743	145,747	(2,996)
Retiree health insurance	250,850	280,850	279,773	(1,077)
Harbor management	22,345	22,345	21,972	(373)
Defined benefit employer contribution	664,000	664,000	664,000	-
Total general government	<u>4,340,073</u>	<u>4,370,073</u>	<u>4,353,852</u>	<u>(16,221)</u>
PUBLIC SAFETY				
Fire department	585,750	585,750	585,670	(80)
Fire marshal	148,874	148,874	137,775	(11,099)
Police - Field service	3,599,457	3,599,457	3,253,763	(345,694)
Police - Support services	1,113,174	1,113,174	1,051,144	(62,030)
Police - General expenditures	522,623	522,623	697,121	174,498
Emergency management	204,300	204,300	199,700	(4,600)
Marine patrol	61,676	61,676	35,922	(25,754)
Tree warden	55,689	55,689	55,356	(333)
Animal control	20,000	20,000	20,000	-
Buildings	147,481	147,481	133,549	(13,932)
Total public safety	<u>6,459,024</u>	<u>6,459,024</u>	<u>6,170,000</u>	<u>(289,024)</u>
				<i>(Continued)</i>

TOWN OF OLD SAYBROOK, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
PUBLIC WORKS				
Water pollution control authority	\$ 249,486	\$ 249,486	\$ 224,994	\$ (24,492)
Transfer station operations	359,998	359,998	339,821	(20,177)
Transfer station waste/disposal	340,900	340,900	339,254	(1,646)
Public works administration	1,009,704	1,009,704	948,861	(60,843)
Engineering	80,000	80,000	101,973	21,973
Waste collections	34,000	34,000	35,708	1,708
Traffic and street lights	80,000	80,000	52,939	(27,061)
Water hydrant	675,000	675,000	668,276	(6,724)
Public works highway & streets	641,878	641,878	534,529	(107,349)
Public works snow & ice	74,351	74,351	34,024	(40,327)
Public works vehicle maintenance	86,000	86,000	87,151	1,151
Main Street Maintenance	10,000	10,000	7,365	(2,635)
Total public works	<u>3,641,317</u>	<u>3,641,317</u>	<u>3,374,895</u>	<u>(266,422)</u>
CULTURE AND RECREATION				
Acton public library	1,032,997	1,032,997	1,012,929	(20,068)
Recreation	628,835	628,835	640,609	11,774
Mini golf	82,571	82,571	94,631	12,060
Vicky Duffy Pavilion	15,440	15,440	18,638	3,198
Other parks	68,900	68,900	80,731	11,831
Katherine Hepburn Theater	71,500	71,500	70,648	(852)
Total culture and recreation	<u>1,900,243</u>	<u>1,900,243</u>	<u>1,918,186</u>	<u>17,943</u>
HEALTH AND WELFARE				
Youth and family services	434,089	434,089	434,089	-
Health district/environmental health	162,000	162,000	146,340	(15,660)
Social services	107,644	107,644	112,939	5,295
Public health nursing	53,123	53,123	53,182	59
Total health and welfare	<u>756,856</u>	<u>756,856</u>	<u>746,550</u>	<u>(10,306)</u>
BOARD OF EDUCATION	<u>27,473,341</u>	<u>27,473,341</u>	<u>27,245,423</u>	<u>(227,918)</u>
CAPITAL OUTLAYS	<u>735,000</u>	<u>735,000</u>	<u>735,000</u>	<u>-</u>
DEBT SERVICE	<u>3,071,844</u>	<u>3,071,844</u>	<u>3,071,845</u>	<u>1</u>
Total expenditures	<u>48,377,698</u>	<u>48,407,698</u>	<u>47,615,751</u>	<u>(791,947)</u>
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>3,278,526</u>	<u>3,283,512</u>	<u>4,986</u>
Total expenditures and other financing uses	<u>\$ 48,377,698</u>	<u>\$ 51,686,224</u>	<u>\$ 50,899,263</u>	<u>\$ (786,961)</u>
				<i>(Concluded)</i>

TOWN OF OLD SAYBROOK, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2023

Grand List Year	Balance Uncollected June 30, 2022	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2023
			Additions	Deductions			Taxes	Interest, Liens and Fees	Total	
2021	\$ -	\$ 47,611,892	\$ 66,050	\$ 149,755	\$ -	\$ 47,528,187	\$ 47,206,611	\$ 123,284	\$ 47,329,895	\$ 321,576
2020	352,694	-	7,750	14,818	-	345,626	205,909	55,178	261,087	139,717
2019	244,950	-	461	6,456	-	238,955	173,968	74,582	248,550	64,987
2018	199,346	-	454	3,992	-	195,808	153,162	96,770	249,932	42,646
2017	39,948	-	-	132	13,765	26,051	9,090	8,368	17,458	16,961
2016	7,858	-	-	-	-	7,858	2,273	576	2,849	5,585
2015	4,684	-	-	-	-	4,684	135	166	301	4,549
2014	4,567	-	-	-	-	4,567	132	186	318	4,435
2013	4,492	-	-	-	-	4,492	130	207	337	4,362
2012	4,876	-	-	-	-	4,876	17	51	68	4,859
2011	4,674	-	-	-	-	4,674	-	-	-	4,674
2010	4,172	-	-	-	-	4,172	-	-	-	4,172
2009	4,151	-	-	-	-	4,151	-	-	-	4,151
2008	3,987	-	-	-	-	3,987	-	-	-	3,987
2007	6,008	-	-	2,925	-	3,083	-	-	-	3,083
	<u>\$ 886,407</u>	<u>\$ 47,611,892</u>	<u>\$ 74,715</u>	<u>\$ 178,078</u>	<u>\$ 13,765</u>	<u>\$ 48,381,171</u>	<u>\$ 47,751,427</u>	<u>\$ 359,368</u>	<u>\$ 48,110,795</u>	<u>\$ 629,744</u>

TOWN OF OLD SAYBROOK, CONNECTICUT
SCHEDULE OF DEBT LIMITATION -
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
AS OF JUNE 30, 2023

Total cash collections for the year ended
June 30, 2023:

Taxes	\$ 47,751,427
Interest and lien fees	359,368
Total	<u>48,110,795</u>
Reimbursement for revenue loss:	
Tax relief (CGS 12-129d)	9,919
Base	<u><u>\$ 48,120,714</u></u>

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 108,271,607	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	216,543,213	-	-	-
3-3/4 times base	-	-	180,452,678	-	-
3-1/4 times base	-	-	-	156,392,321	-
3 times base	-	-	-	-	144,362,142
Total debt limitation	<u>108,271,607</u>	<u>216,543,213</u>	<u>180,452,678</u>	<u>156,392,321</u>	<u>144,362,142</u>
Indebtedness:					
Bonds payable	8,734,000	4,301,000	7,280,000	-	-
Authorized but unissued debt	-	30,944	25,040,080	-	-
Total indebtedness	<u>8,734,000</u>	<u>4,331,944</u>	<u>32,320,080</u>	<u>-</u>	<u>-</u>
Less: assessments and grants receivables	-	-	(22,745,473) *	-	-
Net indebtedness	<u>8,734,000</u>	<u>4,331,944</u>	<u>9,574,607</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u><u>\$ 99,537,607</u></u>	<u><u>\$ 212,211,269</u></u>	<u><u>\$ 170,878,071</u></u>	<u><u>\$ 156,392,321</u></u>	<u><u>\$ 144,362,142</u></u>
Total capacity of borrowing (7 times base)	\$ 336,844,998				
Total present indebtedness	<u>22,640,551</u>				
Margin for additional borrowing	<u><u>\$ 314,204,447</u></u>				

* Anticipated grants and special assessments, to be paid by the benefitting users' within the decentralized wastewater management district.

NONMAJOR GOVERNMENTAL FUNDS

TOWN OF OLD SAYBROOK, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
AS OF JUNE 30, 2023

	Nonmajor Special Revenue Funds					
	Federal and State School Grant Fund	School Cafeteria Fund	Connecticard Fund	Law Enforcement Forfeiture Fund	Youth and Family Grants Fund	Parks and Recreation Development Fund
ASSETS						
Cash and cash equivalents	\$ 57,991	\$ 137,014	\$ 22,307	\$ 2,795	\$ 92,010	\$ 101,829
Investments	-	-	-	-	-	-
Receivables:						
Grants and contracts	-	76,173	-	-	-	-
Other	-	-	-	-	-	-
Total assets	<u>\$ 57,991</u>	<u>\$ 213,187</u>	<u>\$ 22,307</u>	<u>\$ 2,795</u>	<u>\$ 92,010</u>	<u>\$ 101,829</u>
LIABILITIES						
Accounts payable	\$ -	\$ 7,564	\$ 7,718	\$ -	\$ 325	\$ -
Other accruals	-	87	-	-	-	-
Due to other funds	-	-	-	-	-	-
Unearned revenue	47,173	-	-	-	91,636	-
Total liabilities	<u>47,173</u>	<u>7,651</u>	<u>7,718</u>	<u>-</u>	<u>91,961</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	10,818	205,536	-	-	-	-
Committed	-	-	14,589	2,795	49	101,829
Total fund balances	<u>10,818</u>	<u>205,536</u>	<u>14,589</u>	<u>2,795</u>	<u>49</u>	<u>101,829</u>
Total liabilities and fund balances	<u>\$ 57,991</u>	<u>\$ 213,187</u>	<u>\$ 22,307</u>	<u>\$ 2,795</u>	<u>\$ 92,010</u>	<u>\$ 101,829</u>

(Continued)

TOWN OF OLD SAYBROOK, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS (Continued)
AS OF JUNE 30, 2023

	Nonmajor Special Revenue Funds					
	Fire Marshall Fund	Shellfish Commission Fund	D.A.R.E. Program Fund	Parks and Recreation Program Fund	Emergency Management Fund	Police Outside Services Fund
ASSETS						
Cash and cash equivalents	\$ 767	\$ 5,061	\$ 6,265	\$ 114,731	\$ 137,143	\$ 29,536
Investments	-	-	-	-	-	-
Receivables:						
Grants and contracts	-	-	-	-	-	-
Other	-	-	-	-	-	76,129
Total assets	<u>\$ 767</u>	<u>\$ 5,061</u>	<u>\$ 6,265</u>	<u>\$ 114,731</u>	<u>\$ 137,143</u>	<u>\$ 105,665</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ 5,210	\$ -	\$ 2,792
Accrued liabilities	-	-	-	16,326	-	10,652
Due to other funds	-	-	-	18,390	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,926</u>	<u>-</u>	<u>13,444</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	767	5,061	6,265	74,805	137,143	92,221
Total fund balances	<u>767</u>	<u>5,061</u>	<u>6,265</u>	<u>74,805</u>	<u>137,143</u>	<u>92,221</u>
Total liabilities						
and fund balances	<u>\$ 767</u>	<u>\$ 5,061</u>	<u>\$ 6,265</u>	<u>\$ 114,731</u>	<u>\$ 137,143</u>	<u>\$ 105,665</u>

(Continued)

TOWN OF OLD SAYBROOK, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS (Continued)
AS OF JUNE 30, 2023

	Nonmajor Special Revenue Funds					
	Parks and Recreation Community Program Fund	Action Public Library Fund	Youth and Family Services Fund	Gateway Fund	Board of Education Fund	Probate Court Fund
ASSETS						
Cash and cash equivalents	\$ 14,922	\$ 116,077	\$ 577,147	\$ 402	\$ 632,527	\$ 10,626
Investments	-	-	-	-	-	-
Receivables:						
Grants and contracts	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total assets	<u>\$ 14,922</u>	<u>\$ 116,077</u>	<u>\$ 577,147</u>	<u>\$ 402</u>	<u>\$ 632,527</u>	<u>\$ 10,626</u>
LIABILITIES						
Accounts payable	\$ 372	\$ 166	\$ 10,436	\$ -	\$ -	\$ 1,554
Accrued liabilities	-	-	14,828	-	-	-
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	218,532	-	10,025	-
Total liabilities	<u>372</u>	<u>166</u>	<u>243,796</u>	<u>-</u>	<u>10,025</u>	<u>1,554</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	14,550	115,911	333,351	402	622,502	9,072
Total fund balances	<u>14,550</u>	<u>115,911</u>	<u>333,351</u>	<u>402</u>	<u>622,502</u>	<u>9,072</u>
Total liabilities						
and fund balances	<u>\$ 14,922</u>	<u>\$ 116,077</u>	<u>\$ 577,147</u>	<u>\$ 402</u>	<u>\$ 632,527</u>	<u>\$ 10,626</u>

(Continued)

TOWN OF OLD SAYBROOK, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS (Continued)
AS OF JUNE 30, 2023

	Nonmajor Special Revenue Funds					
	Land Use Fund	Police Explorer Program Fund	Connecticut Public Health Nurses Fund	Police Program Fund	Disaster Relief Fund	Student Activities Fund
ASSETS						
Cash and cash equivalents	\$ 85,428	\$ 1,123	\$ 130,015	\$ 165,662	\$ 41,258	\$ 340,264
Investments	-	-	-	-	-	113,191
Receivables:						
Grants and contracts	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total assets	<u>\$ 85,428</u>	<u>\$ 1,123</u>	<u>\$ 130,015</u>	<u>\$ 165,662</u>	<u>\$ 41,258</u>	<u>\$ 453,455</u>
LIABILITIES						
Accounts payable	\$ 106	\$ -	\$ -	\$ 8,166	\$ -	\$ 238
Accrued liabilities	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>106</u>	<u>-</u>	<u>-</u>	<u>8,166</u>	<u>-</u>	<u>238</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	130,015	-	-	453,217
Committed	85,322	1,123	-	157,496	41,258	-
Total fund balances	<u>85,322</u>	<u>1,123</u>	<u>130,015</u>	<u>157,496</u>	<u>41,258</u>	<u>453,217</u>
Total liabilities						
and fund balances	<u>\$ 85,428</u>	<u>\$ 1,123</u>	<u>\$ 130,015</u>	<u>\$ 165,662</u>	<u>\$ 41,258</u>	<u>\$ 453,455</u>

(Continued)

TOWN OF OLD SAYBROOK, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS (Concluded)
AS OF JUNE 30, 2023

	Nonmajor Special Revenue Funds		Nonmajor Permanent Fund	
	BOE Flexible Spending Fund	Total Nonmajor Special Revenue Funds	Upper Cemetery Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 3,902	\$ 2,826,802	\$ 6,059	\$ 2,832,861
Investments	-	113,191	-	113,191
Receivables:				
Grants and contracts	-	76,173	-	76,173
Other	-	76,129	-	76,129
Total assets	<u>\$ 3,902</u>	<u>\$ 3,092,295</u>	<u>\$ 6,059</u>	<u>\$ 3,098,354</u>
LIABILITIES				
Accounts payable	\$ -	44,647	\$ -	\$ 44,647
Accrued liabilities	-	41,893	-	41,893
Due to other funds	-	18,390	-	18,390
Unearned revenue	-	367,366	-	367,366
Total liabilities	<u>-</u>	<u>472,296</u>	<u>-</u>	<u>472,296</u>
FUND BALANCES				
Nonspendable	-	-	5,000	5,000
Restricted	-	799,586	1,059	800,645
Committed	3,902	1,820,413	-	1,820,413
Total fund balances	<u>3,902</u>	<u>2,619,999</u>	<u>6,059</u>	<u>2,626,058</u>
Total liabilities				
and fund balances	<u>\$ 3,902</u>	<u>\$ 3,092,295</u>	<u>\$ 6,059</u>	<u>\$ 3,098,354</u>
				(Concluded)

TOWN OF OLD SAYBROOK, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Nonmajor Special Revenue Funds					
	Federal and State School Grant Fund	School Cafeteria Fund	Connecticard Fund	Law Enforcement Forfeiture Fund	Youth and Family Grants Fund	Parks and Recreation Development Fund
REVENUES						
Intergovernmental	\$ 1,357,128	\$ 444,995	\$ 7,924	\$ -	\$ 5,634	\$ -
Charges for services	4,150	79,658	-	-	-	-
Contributions	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Other	96,354	-	-	-	-	-
Total revenues	<u>1,457,632</u>	<u>524,653</u>	<u>7,924</u>	<u>-</u>	<u>5,634</u>	<u>-</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	10,000	-	-
Culture and recreation	-	-	19,828	-	-	-
Health and welfare	-	-	-	-	5,634	-
Education	1,453,482	557,758	-	-	-	-
Capital outlays	-	-	-	-	-	3,247
Debt service	-	-	-	-	-	-
Total expenditures	<u>1,453,482</u>	<u>557,758</u>	<u>19,828</u>	<u>10,000</u>	<u>5,634</u>	<u>3,247</u>
Excess (deficiency) of revenues over expenditures	4,150	(33,105)	(11,904)	(10,000)	-	(3,247)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	30,000
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
Net change in fund balances	4,150	(33,105)	(11,904)	(10,000)	-	26,753
Fund balances - beginning	<u>6,668</u>	<u>238,641</u>	<u>26,493</u>	<u>12,795</u>	<u>49</u>	<u>75,076</u>
Fund balances - ending	<u>\$ 10,818</u>	<u>\$ 205,536</u>	<u>\$ 14,589</u>	<u>\$ 2,795</u>	<u>\$ 49</u>	<u>\$ 101,829</u>

(Continued)

TOWN OF OLD SAYBROOK, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

	Nonmajor Special Revenue Funds					
	Fire Marshall Fund	Shellfish Commission Fund	D.A.R.E. Program Fund	Parks and Recreation Program Fund	Emergency Management Fund	Police Outside Services Fund
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	2,200	-	224,528	11,367	687,910
Contributions	-	-	1,250	18,531	-	-
Investment income	-	-	-	1,510	-	-
Other	-	-	-	-	-	-
Total revenues	-	2,200	1,250	244,569	11,367	687,910
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	2,800	-	22,076	543,109
Culture and recreation	-	-	-	222,051	-	-
Health and welfare	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-
Debt service	-	-	-	-	-	12,825
Total expenditures	-	-	2,800	222,051	22,076	555,934
Excess (deficiency) of revenues over expenditures	-	2,200	(1,550)	22,518	(10,709)	131,976
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(20,614)	(95,230)
Total other financing sources (uses)	-	-	-	-	(20,614)	(95,230)
Net change in fund balances	-	2,200	(1,550)	22,518	(31,323)	36,746
Fund balances - beginning	767	2,861	7,815	52,287	168,466	55,475
Fund balances - ending	\$ 767	\$ 5,061	\$ 6,265	\$ 74,805	\$ 137,143	\$ 92,221

(Continued)

TOWN OF OLD SAYBROOK, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

	Nonmajor Special Revenue Funds					
	Parks and Recreation Community Program Fund	Action Public Library Fund	Youth and Family Services Fund	Gateway Fund	Board of Education Fund	Probate Court Fund
REVENUES						
Intergovernmental	\$ -	\$ -	\$ 122,767	\$ -	\$ 103,526	\$ -
Charges for services	-	2,643	114,304	10,200	85,842	24,628
Contributions	-	17,265	31,697	-	-	-
Investment income	-	54	86	-	-	-
Other	-	-	-	-	23,217	-
Total revenues	-	19,962	268,854	10,200	212,585	24,628
EXPENDITURES						
Current:						
General government	-	-	-	29,971	-	42,881
Public safety	-	-	-	-	-	-
Culture and recreation	372	13,546	-	-	-	-
Health and welfare	-	-	621,133	-	-	-
Education	-	-	-	-	382,860	-
Capital outlays	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	372	13,546	621,133	29,971	382,860	42,881
Excess (deficiency) of revenues over expenditures	(372)	6,416	(352,279)	(19,771)	(170,275)	(18,253)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	439,075	8,000	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	439,075	8,000	-	-
Net change in fund balances	(372)	6,416	86,796	(11,771)	(170,275)	(18,253)
Fund balances - beginning	14,922	109,495	246,555	12,173	792,777	27,325
Fund balances - ending	\$ 14,550	\$ 115,911	\$ 333,351	\$ 402	\$ 622,502	\$ 9,072

(Continued)

TOWN OF OLD SAYBROOK, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

	Nonmajor Special Revenue Funds					
	Land Use Fund	Police Explorer Program Fund	Connecticut Public Health Nurses Fund	Police Program Fund	Disaster Relief Fund	Student Activities Fund
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ 43,450	\$ -	\$ -
Charges for services	-	-	-	35,282	-	304,158
Contributions	240	-	16,030	2,405	5,714	121,903
Investment income	-	-	4,566	640	-	4,885
Other	-	-	-	-	-	-
Total revenues	<u>240</u>	<u>-</u>	<u>20,596</u>	<u>81,777</u>	<u>5,714</u>	<u>430,946</u>
EXPENDITURES						
Current:						
General government	179	-	-	-	-	-
Public safety	-	-	-	129,621	22,673	-
Culture and recreation	-	-	-	-	-	-
Health and welfare	-	-	6,384	-	-	-
Education	-	-	-	-	-	343,939
Capital outlays	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	<u>179</u>	<u>-</u>	<u>6,384</u>	<u>129,621</u>	<u>22,673</u>	<u>343,939</u>
Excess (deficiency) of revenues over expenditures	61	-	14,212	(47,844)	(16,959)	87,007
OTHER FINANCING SOURCES (USES)						
Transfers in	85,000	-	-	-	-	-
Transfers out	-	-	-	(2,450)	-	-
Total other financing sources (uses)	<u>85,000</u>	<u>-</u>	<u>-</u>	<u>(2,450)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	85,061	-	14,212	(50,294)	(16,959)	87,007
Fund balances - beginning	<u>261</u>	<u>1,123</u>	<u>115,803</u>	<u>207,790</u>	<u>58,217</u>	<u>366,210</u>
Fund balances - ending	<u>\$ 85,322</u>	<u>\$ 1,123</u>	<u>\$ 130,015</u>	<u>\$ 157,496</u>	<u>\$ 41,258</u>	<u>\$ 453,217</u>

(Continued)

TOWN OF OLD SAYBROOK, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS (Concluded)
FOR THE YEAR ENDED JUNE 30, 2023

	Nonmajor Special Revenue Funds		Nonmajor Permanent Fund	
	BOE Flexible Spending Fund	Total Nonmajor Special Revenue Funds	Upper Cemetery Fund	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ -	\$ 2,085,424	\$ -	\$ 2,085,424
Charges for services	-	1,586,870	-	1,586,870
Contributions	-	215,035	-	215,035
Investment income	142	11,883	-	11,883
Other	-	119,571	-	119,571
Total revenues	142	4,018,783	-	4,018,783
EXPENDITURES				
Current:				
General government	-	73,031	-	73,031
Public safety	-	730,279	-	730,279
Culture and recreation	-	255,797	-	255,797
Health and welfare	-	633,151	-	633,151
Education	180	2,738,219	-	2,738,219
Capital outlays	-	3,247	-	3,247
Debt service	-	12,825	-	12,825
Total expenditures	180	4,446,549	-	4,446,549
Excess (deficiency) of revenues over expenditures	(38)	(427,766)	-	(427,766)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	562,075	-	562,075
Transfers out	-	(118,294)	-	(118,294)
Total other financing sources (uses)	-	443,781	-	443,781
Net change in fund balances	(38)	16,015	-	16,015
Fund balances - beginning	3,940	2,603,984	6,059	2,610,043
Fund balances - ending	\$ 3,902	\$ 2,619,999	\$ 6,059	\$ 2,626,058

(Concluded)

FIDUCIARY FUNDS

TOWN OF OLD SAYBROOK, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY NET POSITION -
PRIVATE-PURPOSE TRUST FUNDS
AS OF JUNE 30, 2023

	Mary E. Johnson Trust Fund	Enrich Donation Trust Fund	Total Private Purpose Trust Funds
ASSETS			
Cash and cash equivalents	\$ 1,406	\$ 1,739	\$ 3,145
Investments:			
Mutual funds	249,113	85,830	334,943
Exchange traded funds	-	24,365	24,365
Total assets	<u>250,519</u>	<u>111,934</u>	<u>362,453</u>
NET POSITION			
Held in trust	<u>\$ 250,519</u>	<u>\$ 111,934</u>	<u>\$ 362,453</u>

TOWN OF OLD SAYBROOK, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
PRIVATE-PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Mary E. Johnson Trust Fund	Enrich Donation Trust Fund	Total Private Purpose Trust Funds
ADDITIONS			
Investment earnings:			
Net change in the fair value of investments	\$ 597	\$ 2,659	\$ 3,256
Interest and dividends	17,266	6,171	23,437
Total investment earnings	17,863	8,830	26,693
Less: investment fee expense	1,900	812	2,712
Net change in investments	15,963	8,018	23,981
 Total additions	 15,963	 8,018	 23,981
DEDUCTIONS			
Awards expense	8,000	-	8,000
Total deductions	8,000	-	8,000
 Change in net position	 7,963	 8,018	 15,981
 Net position - beginning	 242,556	 103,916	 346,472
 Net position - beginning	 \$ 250,519	 \$ 111,934	 \$ 362,453

TREND INFORMATION

TOWN OF OLD SAYBROOK, CONNECTICUT
NET POSITION BY COMPONENT (UNAUDITED)
LAST TEN YEARS

	Fiscal Year Ended				
	2023	2022	2021	2020	2019
Net investment in capital assets	\$ 78,112,998	\$ 76,451,921	\$ 74,076,760	\$ 72,981,997	\$ 82,140,266
Restricted	967,451	818,110	1,175,840	373,074	251,293
Unrestricted (deficit)	2,621,274	(361,945)	(4,932,949)	(8,875,087)	(17,583,921)
Total net position	<u>\$ 81,701,723</u>	<u>\$ 76,908,086</u>	<u>\$ 70,319,651</u>	<u>\$ 64,479,984</u>	<u>\$ 64,807,638</u>

	Fiscal Year Ended				
	2018	2017	2016	2015	2014
Net investment in capital assets	\$ 80,700,906	\$ 75,092,636	\$ 73,711,809	\$ 70,659,511	\$ 73,491,897
Restricted	149,159	149,159	149,159	149,284	165,387
Unrestricted (deficit)	(16,926,379)	(14,430,457)	(5,819,021)	(4,633,590)	476,504
Total net position	<u>\$ 63,923,686</u>	<u>\$ 60,811,338</u>	<u>\$ 68,041,947</u>	<u>\$ 66,175,205</u>	<u>\$ 74,133,788</u>

(1) Net position components impacted by the implementation GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*.

(2) Net position components impacted by the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

TOWN OF OLD SAYBROOK, CONNECTICUT

CHANGES IN NET POSITION (UNAUDITED)

LAST TEN YEARS

	Fiscal Year Ended									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities:										
General government	\$ 6,468,210	\$ 5,598,490	\$ 5,179,136	\$ 6,458,073	\$ 5,628,826	\$ 6,700,562	\$ 10,710,622	\$ 10,060,199	\$ 8,523,938	\$ 5,804,868
Public safety	7,757,921	7,105,337	7,317,469	7,610,094	6,756,832	6,813,644	5,007,490	5,615,864	5,719,303	6,914,030
Public works	3,416,887	3,420,397	3,206,135	3,915,019	4,610,952	5,611,840	2,976,575	2,358,917	4,172,963	4,593,980
Culture and recreation	2,477,349	2,106,112	1,894,695	2,178,775	2,042,801	2,025,599	1,910,454	1,067,501	1,732,442	1,776,547
Health and welfare	949,094	910,189	821,507	886,849	1,062,771	1,030,028	815,303	1,578,866	896,547	1,390,968
Education	35,056,846	30,522,938	35,796,721	33,886,164	30,407,132	32,575,567	30,104,039	29,960,998	30,449,433	28,574,507
Interest expense	448,752	483,113	785,261	1,205,790	810,590	793,260	899,191	1,078,829	1,297,377	742,876
Total Expenses	56,575,059	50,146,576	55,000,924	56,140,764	51,319,904	55,550,500	52,423,674	51,721,174	52,792,003	49,797,776
Program revenues:										
Governmental activities:										
Charges for services										
General government	914,088	1,202,886	1,281,952	722,997	853,862	977,471	1,155,939	1,089,848	868,610	735,558
Public safety	857,566	419,097	327,522	340,205	346,560	550,307	334,296	293,463	227,810	341,722
Public works	220,982	209,379	219,158	995,370	319,543	1,814,532	1,622,482	1,993,427	457,597	296,358
Culture and recreation	602,343	534,839	463,193	372,664	499,695	481,045	622,960	646,664	591,196	352,384
Health and welfare	114,304	124,251	99,760	104,373	100,591	100,862	61,872	146,034	126,325	180,536
Education	473,808	572,491	365,649	486,924	885,321	768,497	580,994	526,734	621,521	624,090
Operating grants and contributions	8,978,396	7,125,124	11,541,276	7,682,609	4,122,746	7,211,375	5,182,493	6,089,136	5,515,673	6,023,340
Capital grants and contributions	218,880	385,097	24,860	38,328	397,795	2,352,339	505,372	855,812	957,995	29,654
Total program revenues	12,380,367	10,573,164	14,323,370	10,743,470	7,526,113	14,256,428	10,066,408	11,641,118	9,366,727	8,583,642
Net expenses:										
Governmental activities	(44,194,692)	(39,573,412)	(40,677,554)	(45,397,294)	(43,793,791)	(41,294,072)	(42,357,266)	(40,080,056)	(43,425,276)	(41,214,134)
General revenues:										
Governmental activities:										
Property taxes	47,776,813	46,487,282	45,751,585	44,868,142	44,464,048	44,232,530	42,629,956	41,739,765	40,543,368	37,995,840
Grants and contributions not restricted to specific programs	170,182	64,747	44,685	44,825	46,146	21,055	202,217	121,042	174,391	582,478
Investment income	1,041,334	2,000	139,593	156,673	167,549	152,835	154,186	85,991	119,739	197,271
Total general revenues	48,988,329	46,554,029	45,935,863	45,069,640	44,677,743	44,406,420	42,986,359	41,908,537	40,799,237	39,187,025
Changes in net position	\$ 4,793,637	\$ 6,980,617	\$ 5,258,309	\$ (327,654)	\$ 883,952	\$ 3,112,348	\$ 629,093	\$ 1,828,481	\$ (2,626,039)	\$ (2,027,109)