

TOWN OF LEDYARD, CONNECTICUT

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

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INTRODUCTORY SECTION

TOWN OF LEDYARD, CONNECTICUT

**PRINCIPAL OFFICIALS
AS OF JUNE 30, 2022**

TOWN COUNCIL:

Kevin Dombrowski, Chairman
Andra Ingalls
Whit Irwin
John Marshall
Mary K. McGrattan
Gary Paul
S. Naomi Rodriguez
Timothy Ryan
William D. Saums

ADMINISTRATION:

Frederick B. Allyn III, Mayor

Treasurer
Director of Finance
Assessor
Tax Collector
Town Clerk
Town Attorney

Ian Stammel
Matthew Bonin
Adrianna Hedwall
Kathleen Damicis
Patricia A. Riley
Matthew Ritter

BOARD OF EDUCATION:

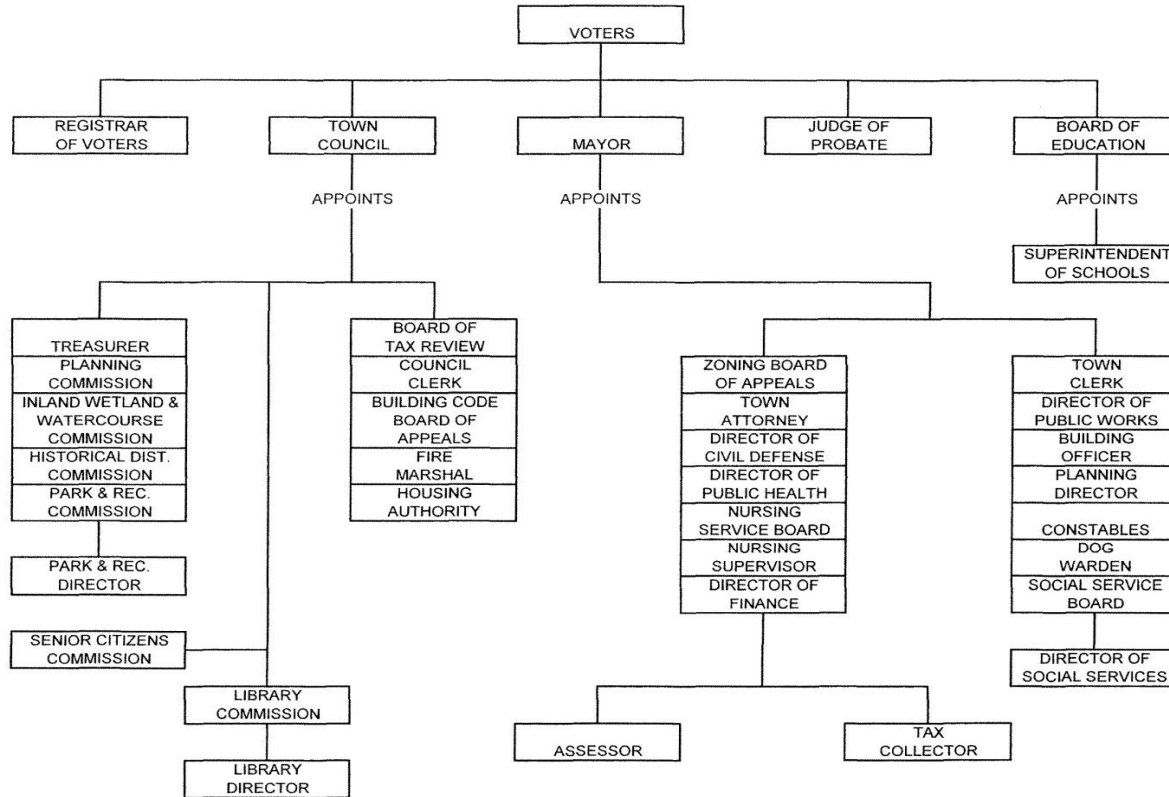
Anthony Favry, Chairman
Michael Brawner
Kate DiPalma-Herb
Brandon Graber
Whit Irwin
Joanne Kelley
Steve Munger
Naomi Rodriguez
Robert Russak

Superintendent of Schools
Director of Finance & Human Capital

Jason S. Hartling
Rachel Moser

TOWN OF LEDYARD, CONNECTICUT

ORGANIZATIONAL CHART



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Town Council
Town of Ledyard, Connecticut

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Ledyard, Connecticut, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Ledyard, Connecticut's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Ledyard, Connecticut, as of June 30, 2022, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Ledyard, Connecticut 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.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective July 1, 2021, the Town of Ledyard, Connecticut adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and a corresponding lease liability for all leases with lease terms greater than 12 months. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Ledyard, Connecticut's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Ledyard, Connecticut'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, the budgetary comparison information and the pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Ledyard, Connecticut's basic financial statements. The combining and individual nonmajor 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, and statistical section 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.

Town Council
Town of Ledyard, Connecticut

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2022, on our consideration of the Town of Ledyard, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Ledyard, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Ledyard, Connecticut's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

West Hartford, Connecticut
December 27, 2022

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

As management of the Town of Ledyard, Connecticut (Town), we offer readers of the Town of Ledyard's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2022.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$90,483,431 (net position). Of this amount, \$68,916,793 was attributable to governmental activities and \$21,566,638 to business-type activities.
- The Town's total net position increased by \$2,663,780. This was primarily due to the State's Teachers Retirement Fund's proportionate share of the net pension and OPEB liabilities associated with the Town.
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$5,288,587, an increase of \$5,060,499 in comparison with the prior year. The increase is due primarily to the sale of bonds for funding of school construction projects.
- At the end of the fiscal year, the unassigned fund balance for the General Fund was \$3,842,255 or 6.0% of total general fund expenditures and transfers out.

Overview of the Basic 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 basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the Town of Ledyard that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, health and welfare, public works, library, parks and recreation and education. The business-type activities of the Town are for water operations and sewer operations.

The government-wide financial statements can be found on Exhibits I and II.

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 of Ledyard 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 a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains 17 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 two funds considered to be major funds. Data from the other 15 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 in Schedules 3 and 4.

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

<u>Major Governmental Funds</u>	<u>Nonmajor Governmental Funds</u>	
General	Library Commission	Miscellaneous State Grants
Capital Projects	Animal Control	Housing Rehab Program
	Cafeteria	Senior Center Fund
	Education Grants	Parks and Recreation
	Sawmill Restoration	Endowment Fund
	Mill Rate Stabilization	Student Scholarships
	Town Aid Road	
	STARS Fund	
	Student Activities	

The Town adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on Exhibits III and IV.

Proprietary Funds

The Town of Ledyard maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for its water operations and its sewer operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for its medical benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statement provides information for the water operations and for the sewer operations, which are considered to be major funds of the Town. The internal service fund financial statement provides information for the Town's medical plan benefits. The basic proprietary fund financial statements can be found on Exhibits V, VI and VII.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on Exhibits VIII and IX.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-75.

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of Ledyard's progress in funding its obligation to provide pension and other post-employment benefits to its employees and the budgetary information for the General Fund.

The individual and combining statements and other schedules referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the Town of Ledyard, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$90,483,431 at the close of the fiscal year.

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

**Town of Ledyard, Connecticut
Statement of Net Position
June 30, 2022 and 2021**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2020</u>
Current and other assets	\$ 33,022,351	\$ 29,606,993	\$ 2,933,843	\$ 3,205,015	\$ 35,956,194	\$ 32,812,008
Capital assets, net of accumulated depreciation	111,544,113	113,524,462	23,439,468	23,928,234	134,983,581	137,452,696
Total assets	<u>144,566,464</u>	<u>143,131,455</u>	<u>26,373,311</u>	<u>27,133,249</u>	<u>170,939,775</u>	<u>170,264,704</u>
Deferred outflows of resources	<u>6,407,042</u>	<u>3,433,594</u>	<u>48,446</u>	<u>56,522</u>	<u>6,455,488</u>	<u>3,490,116</u>
Current and other liabilities	19,840,155	22,040,222	1,076,658	1,024,746	20,916,813	23,064,968
Long-term liabilities outstanding	<u>57,618,211</u>	<u>52,528,691</u>	<u>3,778,461</u>	<u>4,236,361</u>	<u>61,396,672</u>	<u>56,765,052</u>
Total liabilities	<u>77,458,366</u>	<u>74,568,913</u>	<u>4,855,119</u>	<u>5,261,107</u>	<u>82,313,485</u>	<u>79,830,020</u>
Deferred inflows of resources	<u>4,598,347</u>	<u>6,105,149</u>	<u>-</u>	<u>-</u>	<u>4,598,347</u>	<u>6,105,149</u>
Net Position:						
Net investments in capital assets	63,467,397	64,912,397	19,260,238	19,304,065	82,727,635	84,216,462
Restricted	2,250,084	1,509,012	-	-	2,250,084	1,509,012
Unrestricted	<u>3,199,312</u>	<u>(530,422)</u>	<u>2,306,400</u>	<u>2,624,599</u>	<u>5,505,712</u>	<u>2,094,177</u>
Total Net Position	<u>\$ 68,916,793</u>	<u>\$ 65,890,987</u>	<u>\$ 21,566,638</u>	<u>\$ 21,928,664</u>	<u>\$ 90,483,431</u>	<u>\$ 87,819,651</u>

The largest portion of the Town's net position, \$82,727,635, reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure) less any related debt and related liabilities used to acquire those assets that are 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.

An additional portion of the Town's net position, \$2,250,084, represents resources that are subject to external restrictions on how they may be used. Any remaining balance of unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors.

Governmental Activities

Already noted was the statement of activities' purpose in presenting information on how the Town's net position changed during the most recent fiscal year. A summary of changes in net position follows. For the fiscal year, net position increased by \$3,025,806.

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

The reader should remember that the basis of accounting used in the government-wide statement of activities excludes capital expenditures, while its revenues include general taxes whose primary purpose is for the construction of those very assets or their related debt service.

**Town of Ledyard, Connecticut
Statement of Changes in Net Position
June 30, 2022 and 2021**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 4,914,881	\$ 4,411,050	\$ 1,629,652	\$ 1,640,864	\$ 6,544,533	\$ 6,051,914
Operating grants and contributions	23,589,976	28,983,573	-	-	23,589,976	28,983,573
Capital grants and contributions	1,153,532	494,782	-	-	1,153,532	494,782
General revenues:						
Property taxes	41,308,872	39,220,278	-	-	41,308,872	39,220,278
Grants not restricted to specific programs	2,588,103	1,781,932	2,235	-	2,590,338	1,781,932
Unrestricted investment earnings	44,038	25,011	3,019	3,006	47,057	28,017
Miscellaneous revenue	928,065	52,275	-	-	928,065	52,275
Gain on sale of capital assets	59,607	-	-	-	59,607	-
Total revenues	<u>74,587,074</u>	<u>74,968,901</u>	<u>1,634,906</u>	<u>1,643,870</u>	<u>76,221,980</u>	<u>76,612,771</u>
Expenses:						
General government	12,769,431	11,207,407	-	-	12,769,431	11,207,407
Public safety	4,969,198	4,689,253	-	-	4,969,198	4,689,253
Public works	4,381,495	3,809,749	-	-	4,381,495	3,809,749
Health and welfare	1,288,537	1,254,436	-	-	1,288,537	1,254,436
Library	558,913	548,815	-	-	558,913	548,815
Parks and recreation	707,451	540,700	-	-	707,451	540,700
Education	45,505,397	49,728,084	-	-	45,505,397	49,728,084
Interest and fiscal charges	1,119,207	1,179,715	-	-	1,119,207	1,179,715
Water department	-	-	1,550,362	1,356,610	1,550,362	1,356,610
Sewer department	-	-	708,209	639,656	708,209	639,656
Total expenses	<u>71,299,629</u>	<u>72,958,159</u>	<u>2,258,571</u>	<u>1,996,266</u>	<u>73,558,200</u>	<u>74,954,425</u>
Change in net position before transfers	3,287,445	2,010,742	(623,665)	(352,396)	2,663,780	1,658,346
Transfers	(261,639)	(209,088)	261,639	209,088	-	-
Change in net position	<u>3,025,806</u>	<u>1,801,654</u>	<u>(362,026)</u>	<u>(143,308)</u>	<u>2,663,780</u>	<u>1,658,346</u>
Net Position at Beginning of Year	<u>65,890,987</u>	<u>64,089,333</u>	<u>21,928,664</u>	<u>22,071,972</u>	<u>87,819,651</u>	<u>86,161,305</u>
Net Position at End of Year	<u>\$ 68,916,793</u>	<u>\$ 65,890,987</u>	<u>\$ 21,566,638</u>	<u>\$ 21,928,664</u>	<u>\$ 90,483,431</u>	<u>\$ 87,819,651</u>

Significant changes from the prior year for revenues are as follows:

- Operating grants and contributions decreased \$5,393,597 due to state payments on behalf of teachers for teacher's retirement and retiree healthcare.

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

Revenues

Governmental activities revenues totaled \$74,587,074, for the fiscal year. Property taxes are the largest revenue source for the Town and represent 55.4% of governmental revenues. Operating grants and contributions revenues are the Town's second largest revenue source (31.6%) and include Education Cost Sharing funds and payments on-behalf payments made by the State of Connecticut for State teacher's Retirement pension and OPEB benefits.

Capital grants and contributions revenues account for 1.6% of governmental revenues for the year and are made up of school building grants, public works grants and general improvement grants. Charges for services accounts for 6.59% of governmental revenues and include the school lunch program, adult education, nurses, vocational agriculture and other tuition and park and recreation programs.

Expenses

Significant changes from the prior year are as follows:

- Education expenses decreased by \$4,222,687 due to the State's Teachers Retirement Fund's proportionate share of the net pension and OPEB liabilities associated with the Town.

Governmental activities expenses totaled \$71,299,629 for the fiscal year. Of the expenditures, 63.8% or \$49,505,397 was for education. Public safety expenses amounted to \$4,969,198, or 7.0%, while public works amounted to \$4,381,495 or 6.1%. Library expenses were \$558,913 or 0.8%. Park and recreation expenses were \$707,451 or 1.0 %. General government expenses were \$12,769,431, or 17.9%, and health and welfare expenses were \$1,288,537 or 1.8%. Interest and fiscal charges were \$1,119,207 or 1.6%

Business-Type Activities

Revenues

General revenues do not support the Town's business-type activities; thus, the largest source of revenues comes from charges for services, assessments, and transfers from the general fund. Of the \$1,634,906 in revenue from the Water department and Sewer department, 99.7% comes from charges for services and assessments. Investment income and grants not restricted to specific programs makes up the final 0.3% of revenues for the Town's business activities.

There were no significant changes noted from the prior year.

Expenses

Business-type expenses totaled \$1,550,362 and \$708,209 for the Water and Sewer departments, respectively, for the fiscal year ended June 30, 2022.

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

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 a government's net resources available for spending at the end of the fiscal year.

The combined fund balances of the governmental funds at June 30, 2022 was \$5,288,587, an increase of \$288,088 in comparison with the prior year.

General Fund

The General Fund is the operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,842,255. Current tax collections were 98.5% of the adjusted tax levy.

The fund balance of the general fund decreased by \$43,375 during the fiscal year.

Capital Projects Fund

The Capital Projects fund deficit decreased by \$3,544,735 primarily due to bond issuances and transfers in exceeding capital outlay.

Proprietary Funds

The Town's proprietary funds provide the same information found in the government-wide financial statements, but in more detail. The Town's enterprise fund posted an overall decrease in net position of \$362,026 for the fiscal year. This was primarily due to depreciation of capital assets.

Water Fund

Unrestricted net position of the Water Fund at the end of the year amounted to \$1,408,781.

Sewer Fund

Unrestricted net position of the Sewer Fund at the end of the year amounted to \$897,619.

Other factors concerning the finances of these funds have been previously addressed in the discussion of the Town's business-type activities.

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

General Fund Budgetary Highlights

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2022 is presented on Exhibit A-1 and A-2. A summary of that schedule follows:

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues and other financing uses:				
Property taxes	\$ 40,894,619	\$ 40,894,619	\$ 41,109,833	\$ 215,214
All other revenues	18,831,198	18,831,198	19,438,688	607,490
Appropriation of fund balance	-	914,760	-	(914,760)
Transfers in	570,000	570,000	603,273	33,273
Total	60,295,817	61,210,577	61,151,794	(58,783)
Expenditures and other financing uses:				
Expenditures	59,037,935	58,519,380	58,521,333	(1,953)
Transfers out	1,257,882	2,691,197	2,673,836	17,361
Total expenditures	60,295,817	61,210,577	61,195,169	15,408
Change in Fund Balance	\$ -	\$ -	\$ (43,375)	\$ (43,375)

Overall, budgetary revenues and expenditures had positive variances.

Capital Assets and Debt Administration

At June 30, 2022, the Town of Ledyard's investment in capital assets in both governmental and business-type activities amounted to \$134,983,581 net of depreciation. This includes land, buildings, equipment, distribution and collection system and infrastructure. Capital assets for governmental activities decreased by 1.7% (net), while business-type capital assets decreased 2.0% (net). These changes included the following:

Construction in progress increased \$325,118 for governmental-type activities as various town projects are underway. There were no significant additions to the business-type capital assets during the year.

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

**Town of Ledyard, Connecticut
Statement of Capital Assets, Net
June 30, 2022 and 2021**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 6,310,688	\$ 6,310,688	\$ 984,285	\$ 984,285	\$ 7,294,973	\$ 7,294,973
Construction in progress	488,674	163,556	-	-	488,674	163,556
Land improvements	3,347,305	3,455,956	-	-	3,347,305	3,455,956
Buildings and improvements	90,896,373	92,777,037	20,677	22,331	90,917,050	92,799,368
Distribution and collection system	-	-	22,277,655	22,771,946	22,277,655	22,771,946
Machinery and equipment	1,721,684	1,799,989	154,149	145,677	1,875,833	1,945,666
Right-of-use Asset	158,275	-	-	-	158,275	-
Vehicles	3,240,779	3,457,489	2,702	3,995	3,243,481	3,461,484
Infrastructure	5,380,335	5,559,747	-	-	5,380,335	5,559,747
Total	\$ 111,544,113	\$ 113,524,462	\$ 23,439,468	\$ 23,928,234	\$ 134,983,581	\$ 137,452,696

Additional information on the Town's capital assets can be found on pages 45 and 46.

Long-Term Debt

For the year ended June 30, 2022, the Town's long-term debt decreased by \$210,257. At the end of the current fiscal year, the Town had total bonded and note debt outstanding of \$38,987,031.

**Town of Ledyard, Connecticut
General Obligation, Sewer Bonds, Clean Water and Water Notes
June 30, 2022 and 2021**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
General purpose bonds	\$ 7,658,538	\$ 8,195,263	-	-	\$ 7,658,538	\$ 8,195,263
School bonds	24,933,000	23,837,000	-	-	24,933,000	23,837,000
Sewer bonds	12,809	18,527	1,128,190	1,246,472	1,140,999	1,264,999
Water bonds	1,560,000	1,790,000	272,463	357,738	1,832,463	2,147,738
Clean water notes	716,819	806,318	-	-	716,819	806,318
Water notes	-	-	2,705,212	2,945,970	2,705,212	2,945,970
Total	\$ 34,881,166	\$ 34,647,108	\$ 4,105,865	\$ 4,550,180	\$ 38,987,031	\$ 39,197,288

The Town has an "AA/Stable" rating from Standard and Poor's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 2.0% to 4.0% times total tax collections including interest and lien fees and the tax relief for the elderly freeze grant. The current debt limitation for the Town is \$271,517,932 which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found on pages 48-52.

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

Next Year's Budget and Rates

The Town elected and appointed officials considered many factors when setting the fiscal year 2022-2023 budget. The Town decided that it was important to continue the support of the schools and adopt a budget designed to promote long-term fiscal stability. In order to meet the objectives of the 2022-2023 budget, the Town recognized the need to continue its pattern of cost containment.

The 2022-2023 general fund budget will be \$63,510,221 an increase of 5.33% over the prior year adjusted budget. Utilizing \$1,000,000 from the Mill Rate Stabilization Fund, the Town Council was able hold the mill rate increase to .10.

Requests for Information

This financial report is designed to familiarize our citizens, taxpayers and customers with the Town's finances and to demonstrate the Town's fiscal accountability for its operation. Questions concerning this report, or request for additional financial information, should be directed to Finance Director, 741 Colonel Highway, Ledyard, CT 06339-1541, Telephone (860) 464-3235, email finance.director@ledyardct.org.

BASIC FINANCIAL STATEMENTS

TOWN OF LEDYARD, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 21,115,243	\$ -	\$ 21,115,243
Receivables:			
Property Taxes, Net	984,313	-	984,313
User Charges, Net	-	173,517	173,517
Loans	714,100	-	714,100
Intergovernmental	10,315,557	-	10,315,557
Other Receivables	224,722	-	224,722
Internal Balances	(1,553,758)	1,553,758	-
Prepaid Items	1,222,174	132,663	1,354,837
Total Current Assets	<u>33,022,351</u>	<u>1,859,938</u>	<u>34,882,289</u>
Noncurrent Assets:			
Assessment Receivable, Net	-	1,073,905	1,073,905
Capital Assets, Nondepreciable	6,799,362	984,285	7,783,647
Capital Assets, Net of Accumulated Depreciation	104,744,751	22,455,183	127,199,934
Total Noncurrent Assets	<u>111,544,113</u>	<u>24,513,373</u>	<u>136,057,486</u>
Total Assets	<u>144,566,464</u>	<u>26,373,311</u>	<u>170,939,775</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	216,574	48,446	265,020
Deferred Outflows Related to Pension	3,145,892	-	3,145,892
Deferred Outflows Related to OPEB	3,044,576	-	3,044,576
Total Deferred Outflows of Resources	<u>6,407,042</u>	<u>48,446</u>	<u>6,455,488</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	3,315,086	143,581	3,458,667
Accrued Payroll and Related Liabilities	585,157	31,455	616,612
Accrued Interest Payable	406,760	18,280	425,040
Unearned Revenue	2,385,530	434,127	2,819,657
Bond Anticipation Notes Payable	9,700,000	-	9,700,000
Current Maturities of Long-Term Liabilities	3,447,622	449,215	3,896,837
Total Current Liabilities	<u>19,840,155</u>	<u>1,076,658</u>	<u>20,916,813</u>
Noncurrent Liabilities:			
Due in More Than One Year	57,618,211	3,778,461	61,396,672
Total Liabilities	<u>77,458,366</u>	<u>4,855,119</u>	<u>82,313,485</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pension	15,431	-	15,431
Deferred Inflows Related to OPEB	4,582,916	-	4,582,916
Total Deferred Inflows of Resources	<u>4,598,347</u>	<u>-</u>	<u>4,598,347</u>
NET POSITION			
Net Investment in Capital Assets	63,467,397	19,260,238	82,727,635
Restricted for:			
Endowments:			
Nonexpendable	41,914	-	41,914
Expendable	26,953	-	26,953
Education	1,285,807	-	1,285,807
Housing Rehabilitation	746,114	-	746,114
Unspent Grants Proceeds	149,296	-	149,296
Unrestricted	3,199,312	2,306,400	5,505,712
Total Net Position	<u>\$ 68,916,793</u>	<u>\$ 21,566,638</u>	<u>\$ 90,483,431</u>

See accompanying Notes to Financial Statements.

**TOWN OF LEDYARD, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Function/Program Activities	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT							
Governmental Activities:							
General Government	\$ 12,769,431	\$ 2,093,329	\$ 103,857	\$ -	\$ (10,572,245)	\$ -	\$ (10,572,245)
Public Safety	4,969,198	188,899	25,544	-	(4,754,755)	-	(4,754,755)
Public Works	4,381,495	137,012	163,327	1,153,532	(2,927,624)	-	(2,927,624)
Health and Welfare	1,288,537	676,504	1,388,772	-	776,739	-	776,739
Library	558,913	5,623	20,523	-	(532,767)	-	(532,767)
Parks and Recreation	707,451	332,649	-	-	(374,802)	-	(374,802)
Education	45,505,397	1,480,865	21,887,953	-	(22,136,579)	-	(22,136,579)
Interest and Fiscal Charges	1,119,207	-	-	-	(1,119,207)	-	(1,119,207)
Total Governmental Activities	<u>71,299,629</u>	<u>4,914,881</u>	<u>23,589,976</u>	<u>1,153,532</u>	<u>(41,641,240)</u>	<u>-</u>	<u>(41,641,240)</u>
Business-Type Activities:							
Water	1,550,362	1,145,827	-	-	-	(404,535)	(404,535)
Sewer	708,209	483,825	-	-	-	(224,384)	(224,384)
Total Business-Type Activities	<u>2,258,571</u>	<u>1,629,652</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(628,919)</u>	<u>(628,919)</u>
Total Primary Government	<u>\$ 73,558,200</u>	<u>\$ 6,544,533</u>	<u>\$ 23,589,976</u>	<u>\$ 1,153,532</u>	<u>(41,641,240)</u>	<u>(628,919)</u>	<u>(42,270,159)</u>
GENERAL REVENUES							
Property Taxes					41,308,872	-	41,308,872
Grants and Contributions Not Restricted to Specific Programs					2,588,103	2,235	2,590,338
Unrestricted Investment Earnings					44,038	3,019	47,057
Miscellaneous					928,065	-	928,065
Gain on Sale of Capital Assets					59,607	-	59,607
Transfers					(261,639)	261,639	-
Total General Revenues and Transfers					<u>44,667,046</u>	<u>266,893</u>	<u>44,933,939</u>
CHANGE IN NET POSITION							
					3,025,806	(362,026)	2,663,780
Net Position - Beginning of Year					<u>65,890,987</u>	<u>21,928,664</u>	<u>87,819,651</u>
NET POSITION - END OF YEAR							
					<u>\$ 68,916,793</u>	<u>\$ 21,566,638</u>	<u>\$ 90,483,431</u>

See accompanying Notes to Financial Statements.

**TOWN OF LEDYARD, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 17,011,520	\$ 50	\$ 4,103,673	\$ 21,115,243
Receivables:				
Property Taxes Receivable, Net	984,313	-	-	984,313
Loans	-	-	714,100	714,100
Due from Other Governments	-	9,812,033	503,524	10,315,557
Other Receivables	125,608	79,686	19,428	224,722
Due from Other Funds	2,381,164	6,909,399	4,095,581	13,386,144
Prepaid Items	1,128,952	-	93,222	1,222,174
Total Assets	<u>\$ 21,631,557</u>	<u>\$ 16,801,168</u>	<u>\$ 9,529,528</u>	<u>\$ 47,962,253</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 2,482,378	\$ 299,425	\$ 533,283	\$ 3,315,086
Accrued Payroll and Other Liabilities	520,667	9,782	54,708	585,157
Due to Other Funds	12,812,496	-	2,381,164	15,193,660
Unearned Revenue	-	2,028,164	357,366	2,385,530
Bond Anticipation Notes Payable	-	9,700,000	-	9,700,000
Total Liabilities	<u>15,815,541</u>	<u>12,037,371</u>	<u>3,326,521</u>	<u>31,179,433</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	844,809	-	-	844,809
Unavailable Revenue - Loans	-	-	714,100	714,100
Unavailable Revenue - Intergovernmental Receivable	-	9,812,033	123,291	9,935,324
Total Deferred Inflows of Resources	<u>844,809</u>	<u>9,812,033</u>	<u>837,391</u>	<u>11,494,233</u>
FUND BALANCES				
Nonspendable	1,128,952	-	135,136	1,264,088
Restricted	-	79,686	1,494,070	1,573,756
Committed	-	4,512,121	3,736,410	8,248,531
Unassigned	3,842,255	(9,640,043)	-	(5,797,788)
Total Fund Balances	<u>4,971,207</u>	<u>(5,048,236)</u>	<u>5,365,616</u>	<u>5,288,587</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 21,631,557</u>	<u>\$ 16,801,168</u>	<u>\$ 9,529,528</u>	<u>\$ 47,962,253</u>

See accompanying Notes to Financial Statements.

**TOWN OF LEDYARD, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Amounts reported for governmental activities in the statement of net position (Exhibit I) are different because of the following:

Fund Balances - Total Governmental Funds (Exhibit III)	\$ 5,288,587
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Governmental Capital Assets	147,766,629
Less: Accumulated Depreciation and Amortization	<u>(36,222,516)</u>
Net Capital Assets	111,544,113
Other long-term assets and deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Property Tax Receivables Greater Than 60 Days	844,809
School Construction Intergovernmental Receivable - Accrual Basis Change	9,812,033
Housing Rehabilitation Loan Receivables - Accrual Basis Change	714,100
Unavailable Grants	123,291
Deferred Outflows Related to Pensions	3,145,892
Deferred Outflows Related to OPEB	3,044,576
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.	253,758
Long-term liabilities and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds and Notes Payable	(34,881,166)
Financed Purchases Payable	(33,875)
Lease Payable	(165,300)
Deferred Charge on Refunding	216,574
Unamortized Premium on Bonds Payable	(3,293,111)
Interest Payable on Bonds	(406,760)
Landfill Post-Closure Costs	(78,000)
Total OPEB Liability	(14,438,554)
Compensated Absences	(1,681,989)
Net Pension Liability	(6,493,838)
Deferred Inflows Related to OPEB	(4,582,916)
Deferred Inflows Related to Pensions	<u>(15,431)</u>
Net Position of Governmental Activities (Exhibit I)	<u>\$ 68,916,793</u>

See accompanying Notes to Financial Statements.

TOWN OF LEDYARD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes, Interest, and Lien Fees	\$ 41,109,833	\$ -	\$ -	\$ 41,109,833
Intergovernmental Revenues	21,939,791	1,314,771	5,429,926	28,684,488
Charges for Services	2,911,472	438,859	892,708	4,243,039
Investment Income	43,051	-	987	44,038
Contributions	-	-	126,390	126,390
Other	-	63,317	875,000	938,317
Total Revenues	<u>66,004,147</u>	<u>1,816,947</u>	<u>7,325,011</u>	<u>75,146,105</u>
EXPENDITURES				
Current:				
General Government	12,188,344	-	78,987	12,267,331
Public Safety	4,305,814	-	-	4,305,814
Public Works	2,825,303	-	450	2,825,753
Health and Welfare	1,233,152	-	28,517	1,261,669
Library	528,633	-	29,846	558,479
Parks and Recreation	459,325	-	169,285	628,610
Education	38,637,354	-	5,874,253	44,511,607
Debt Service:				
Principal Retirement	2,550,942	-	-	2,550,942
Interest and Other Charges	1,202,357	377,054	12,956	1,592,367
Lease Payment	45,735	-	-	45,735
Capital Outlay	204,820	2,967,844	-	3,172,664
Total Expenditures	<u>64,181,779</u>	<u>3,344,898</u>	<u>6,194,294</u>	<u>73,720,971</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,822,368	(1,527,951)	1,130,717	1,425,134
OTHER FINANCING SOURCES (USES)				
Bonds Issuance	-	3,000,000	-	3,000,000
Refunding Bonds Issuance	-	-	2,605,000	2,605,000
Premiums	-	-	695,458	695,458
Lease Issuance	204,820	-	-	204,820
Payment to Refunded Bond Escrow Agent	-	-	(2,867,881)	(2,867,881)
Sale of Capital Assets	-	59,607	-	59,607
Transfers in from Other Funds	603,273	2,133,079	-	2,736,352
Transfers Out to Other Funds	(2,673,836)	(120,000)	(4,155)	(2,797,991)
Total Other Financing (Uses)	<u>(1,865,743)</u>	<u>5,072,686</u>	<u>428,422</u>	<u>3,635,365</u>
NET CHANGE IN FUND BALANCES	(43,375)	3,544,735	1,559,139	5,060,499
Fund Balances - Beginning of Year	<u>5,014,582</u>	<u>(8,592,971)</u>	<u>3,806,477</u>	<u>228,088</u>
FUND BALANCES - END OF YEAR	<u>\$ 4,971,207</u>	<u>\$ (5,048,236)</u>	<u>\$ 5,365,616</u>	<u>\$ 5,288,587</u>

See accompanying Notes to Financial Statements.

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

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because of the following:

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 5,060,499
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 and amortization expense.	
Capital Outlay	1,111,646
Depreciation and Amortization Expense	(3,068,498)
Disposition of Capital Assets	(23,497)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Property Taxes Receivable - Accrual Basis Change	199,039
Change in Housing Loans	671,842
Change in Grant Receivables	123,291
Change in Net Pension Asset	(109,584)
Changes in Deferred Outflows Related to Pensions	3,103,120
Changes in Deferred Outflows Related to OPEB	(145,140)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Bonds Issuance	(3,000,000)
Refunding Bonds Issuance	(2,605,000)
Payment to Bond Escrow Agent	2,867,881
Deferral Amount in Refunding	47,881
Principal Payments on Bonds and Notes Payable	2,503,061
Principal Payments on Financed Purchases	32,339
Bond Premium	(695,458)
Lease Issuance	(204,821)
Payments on Leases	39,521
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Amortization of Deferred Charge on Refunding	(32,413)
Amortization of Premium	540,351
Accrued Interest	580
Landfill Post-Closure Costs	13,000
Change in Compensated Absences	(46,194)
Change in Net Pension Liability	(6,493,838)
Change in Deferred Inflows Related to Pension	3,453,203
Change in Total OPEB Liability	1,829,396
Change in Deferred Inflows Related to OPEB	(1,946,401)
The net expense of the internal service funds is reported with governmental activities.	(200,000)
Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 3,025,806</u>

See accompanying Notes to Financial Statements.

TOWN OF LEDYARD, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2022

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Major Funds		Total	Internal
Water	Sewer	Enterprise Funds	Service Fund	
ASSETS				
Current Assets:				
Receivables:				
User Charges, Net	\$ 111,038	\$ 62,479	\$ 173,517	\$ -
Due from Other Funds	714,295	862,794	1,577,089	253,758
Prepaid items	85,275	47,388	132,663	-
Total Current Assets	910,608	972,661	1,883,269	253,758
Noncurrent Assets:				
Receivables:				
Assessments	1,065,798	8,107	1,073,905	-
Capital Assets, Nondepreciable	682,577	301,708	984,285	-
Capital Assets, Net of Accumulated Depreciation	18,227,757	4,227,426	22,455,183	-
Total Noncurrent Assets	19,976,132	4,537,241	24,513,373	-
Total Assets	20,886,740	5,509,902	26,396,642	253,758
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charge in Refunding	40,160	8,286	48,446	-
LIABILITIES				
Current Liabilities:				
Accounts Payable	133,498	10,083	143,581	-
Accrued Liabilities	-	31,455	31,455	-
Accrued Interest Payable	-	18,280	18,280	-
Due to Other Funds	-	23,331	23,331	-
Unearned Revenue	434,127	-	434,127	-
Bonds, Notes, and Loans Payable	330,933	118,282	449,215	-
Total Current Liabilities	898,558	201,431	1,099,989	-
Noncurrent Liabilities:				
Bonds, Notes, and Loans Payable and Related Liabilities	2,740,154	1,038,307	3,778,461	-
Total Noncurrent Liabilities	2,740,154	1,038,307	3,778,461	-
Total Liabilities	3,638,712	1,239,738	4,878,450	-
NET POSITION				
Net Investment in Capital Assets	15,879,407	3,380,831	19,260,238	-
Unrestricted	1,408,781	897,619	2,306,400	253,758
Total Net Position	\$ 17,288,188	\$ 4,278,450	\$ 21,566,638	\$ 253,758

See accompanying Notes to Financial Statements.

TOWN OF LEDYARD, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Major Funds		Total	Internal
	Water	Sewer	Enterprise Funds	Service Fund
OPERATING REVENUES				
Charges for Services	\$ 1,133,094	\$ 483,467	\$ 1,616,561	\$ -
Other	12,733	358	13,091	-
Total Operating Revenues	<u>1,145,827</u>	<u>483,825</u>	<u>1,629,652</u>	<u>-</u>
OPERATING EXPENSES				
Personnel Services	-	286,172	286,172	-
Repairs and Maintenance	-	21,780	21,780	-
Contracted and Purchased Services	1,120,451	23,075	1,143,526	-
Materials and Supplies	-	127,299	127,299	-
Utilities	12,504	51,179	63,683	-
Depreciation Expense	355,072	157,179	512,251	-
Total Operating Expenses	<u>1,488,027</u>	<u>666,684</u>	<u>2,154,711</u>	<u>-</u>
OPERATING INCOME (LOSS)	(342,200)	(182,859)	(525,059)	-
NONOPERATING REVENUES (EXPENSES)				
Nonoperating Grant	-	2,235	2,235	-
Income on Investments	1,962	1,057	3,019	-
Interest Expense	(62,335)	(41,525)	(103,860)	-
Total Nonoperating Expenses	<u>(60,373)</u>	<u>(38,233)</u>	<u>(98,606)</u>	<u>-</u>
INCOME (LOSS) BEFORE TRANSFERS	(402,573)	(221,092)	(623,665)	-
Transfers In	364,603	176,154	540,757	-
Transfers Out	(210,985)	(68,133)	(279,118)	(200,000)
CHANGE IN NET POSITION	(248,955)	(113,071)	(362,026)	(200,000)
Net Position - Beginning of Year	<u>17,537,143</u>	<u>4,391,521</u>	<u>21,928,664</u>	<u>453,758</u>
NET POSITION - END OF YEAR	<u>\$ 17,288,188</u>	<u>\$ 4,278,450</u>	<u>\$ 21,566,638</u>	<u>\$ 253,758</u>

See accompanying Notes to Financial Statements.

**TOWN OF LEDYARD, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022**

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Major Funds		Total	Internal
	Water	Sewer	Enterprise Funds	Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 1,302,920	\$ 587,550	\$ 1,890,470	\$ 200,000
Payments to Suppliers	(1,156,157)	(277,062)	(1,433,219)	-
Payments to Employees	-	(282,989)	(282,989)	-
Net Cash Provided (Used) by Operating Activities	<u>146,763</u>	<u>27,499</u>	<u>174,262</u>	<u>200,000</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Assessments	116,643	26,375	143,018	-
Grants	-	2,235	2,235	-
Transfers from Other Funds	364,603	176,154	540,757	-
Transfers to Other Funds	(210,985)	(68,133)	(279,118)	(200,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>270,261</u>	<u>136,631</u>	<u>406,892</u>	<u>(200,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Additions to Property, Plant, and Equipment	(23,485)	-	(23,485)	-
Principal Payments (Bonds and Notes)	(332,705)	(120,310)	(453,015)	-
Interest Payments	(62,796)	(44,877)	(107,673)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(418,986)</u>	<u>(165,187)</u>	<u>(584,173)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	1,962	1,057	3,019	-
Net Cash Provided (Used) by Investing Activities	<u>1,962</u>	<u>1,057</u>	<u>3,019</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS				
	-	-	-	-
Cash and Cash Equivalents - Beginning of Year	-	-	-	-
CASH AND CASH EQUIVALENTS - END OF YEAR				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (342,200)	\$ (182,859)	\$ (525,059)	\$ -
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Activities:				
Depreciation	355,072	157,179	512,251	-
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(16,073)	(13,427)	(29,500)	-
(Increase) Decrease in Other Asset	(85,275)	(47,388)	(132,663)	-
(Increase) Decrease in Due from Other Funds	173,165	129,652	302,817	200,000
Increase (Decrease) in Due to Other Funds	-	(12,500)	(12,500)	-
Increase (Decrease) in Accounts Payable	62,073	(6,341)	55,732	-
Increase (Decrease) in Accrued Liabilities	-	3,183	3,183	-
Increase (Decrease) in Unearned Revenue	1	-	1	-
Increase (Decrease) in Net Pension Liability	-	-	-	-
Total Adjustments	<u>488,963</u>	<u>210,358</u>	<u>699,321</u>	<u>200,000</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 146,763</u>	<u>\$ 27,499</u>	<u>\$ 174,262</u>	<u>\$ 200,000</u>

See accompanying Notes to Financial Statements.

**TOWN OF LEDYARD, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022**

	Pension Trust Funds
ASSETS	
Cash and Cash Equivalents	\$ -
Investments, at Fair Value:	
Mutual Funds	27,111,717
Receivables:	
Accrued Interest and Dividends	8,717
Total Assets	27,120,434
NET POSITION	
Restricted for Pension Benefits	\$ 27,120,434

See accompanying Notes to Financial Statements.

**TOWN OF LEDYARD, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2022**

	Pension Trust Funds
ADDITIONS:	
Contributions:	
Employer	\$ 1,131,235
Plan Members	195,857
Total Contributions	1,327,092
Investment Earnings:	
Net Change in Fair Value of Investments	(5,681,627)
Interest and Dividends	1,370,134
Total Investment Earnings	(4,311,493)
Less Investment Expenses:	
Investment Management Fees	69,761
Net Investment Earnings	(4,381,254)
Total Additions	(3,054,162)
DEDUCTIONS:	
Benefits	1,808,430
Administration	30,812
Total Deductions	1,839,242
CHANGE IN NET POSITION	(4,893,404)
Net Position - Beginning of Year	32,013,838
NET POSITION - END OF YEAR	\$ 27,120,434

See accompanying Notes to Financial Statements.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Ledyard, Connecticut (the Town) have been prepared in conformity with GAAP 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 more significant policies of the Town are described as follows:

A. Reporting Entity

The Town was incorporated in 1836 and covers an area of 40.5 square miles. The Town operates under the provisions of its Charter and General Statutes of the State of Connecticut (the Statutes). The Mayor, who is the chief executive officer, is directly responsible for the administration of all departments, agencies, and offices. The Town provides the following services: general government, public safety, public works, parks and recreation, library, health and welfare services, water pollution control, and education.

The legislative power of the Town is vested in the Town Council, which consists of nine members, unless otherwise provided by the Charter. The Department of Finance, under the supervision of the Director of Finance (appointed by the Mayor), is responsible for keeping accounts and financial records, the assessment and collection of taxes, the collection of special assessments and other revenues, the custody and disbursement of Town funds, the control over expenditures and such other powers and duties as may be required by ordinance or resolution of the Town Council. The Town Treasurer, appointed by the Town Council, has all power and duties conferred or imposed by law.

The Town has the power to incur indebtedness by issuing bonds and notes as provided by the General Statutes.

Accounting principles generally accepted in the United State 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 fiduciary component unit as detailed below.

Fiduciary Component Units

The Town has established a single-employer Public Retirement System (PERS), Ledyard Retirement System, to provide retirement benefits to qualified employees. The Town appoints the majority of the Board and is required to make contributions to the pension plan.

The financial statements of the fiduciary component unit are reported as Pension Trust fund in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component unit.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. The effect of interfund activity has been removed from these statements; however, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

Separate fund financial statements are provided for governmental funds, proprietary funds and fiduciary funds, including fiduciary component unit, even though the latter is excluded from the government-wide financial statements. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary fund financial statements. Under this method, 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments and postemployment benefits are recognized 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 lease assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property taxes when levied for, charges for services, and interest associated with the current fiscal period and intergovernmental revenues when eligibility requirements are met are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable only when cash is received by the Town.

The Town reports the following major governmental funds:

General Fund

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

Capital Projects Fund

The Capital Projects Fund accounts for the financial revenues to be used for major capital asset construction and/or purchases.

The Town reports the following major proprietary funds:

Water Fund

The Water Fund accounts for the activities of the Town's water operations.

Sewer Fund

The Sewer Fund accounts for the activities of the Town's sewer operations.

Additionally, the Town reports the following fund types:

Internal Service Fund

Used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Town on a cost-reimbursement basis. The Town's internal service fund is its Medical Self-Insurance Fund which is no longer active.

Fiduciary Fund Types

These funds account for assets held by the government in a trustees capacity. Trust funds account for assets held by the government under the terms of a formal trust agreement. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Town's own programs.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fiduciary Fund Types (Continued)

The *Pension Trust Fund* accounts for the activities of the Ledyard Retirement System, which accumulates resources for pension benefit payments to qualified employees.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 water and sewer enterprise funds and of the Town's internal service fund are charges to customers for sales and services. Operating expenses for the enterprise fund and the internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Adoption of New Accounting Standards

GASB Statement No. 87, Leases

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

The Entity adopted the requirements of the guidance effective July 1, 2021 and has applied the provisions of this standard to the beginning of the period of adoption.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents

Cash equivalents are short-term, highly liquid investments with original maturities of three months or less, when purchased, such as certificates of deposit and investment pools.

Investments

All investments are stated at fair value.

F. Receivables and Payables

Property Taxes

Property taxes are assessed as of October 1 and are levied the following July 1. Taxes are due and payable in equal installments on July 1, and January 1, following the date of the Grand List. Interest of 1 ½% per month is charged on delinquent taxes. Liens are effective on the attachment date and are continued by filing prior to the following levy date. Additional property taxes are assessed for motor vehicles registered subsequent to the Grand List date through July 31 and are payable in one installment due January 1. An amount of \$128,823 has been established as an allowance for uncollectible taxes.

Allowance for Doubtful Accounts

Accounts receivable, including property taxes receivable, are reported net of allowance for doubtful accounts. The allowance for doubtful accounts represents those accounts that are deemed uncollectible based upon past collection history and management's assessment of creditor's ability to pay.

Interfunds

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advances to/from other funds."

Loan Receivables

Loan receivable in the Housing Rehab Program are related to Community Development Block Grant funds that are available to income eligible residential property owners for housing rehabilitation. Loan receivables are recorded and revenues are recognized upon sale of the property.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Prepaid Items and Inventory

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

Purchased inventory (if any) for the school cafeteria fund, a special revenue fund, is valued at lower of cost or market (first-in, first-out method). United States Department of Agriculture donated commodities are valued at market value plus the amount disbursed for processing and storage charges. Expenditures are recognized when consumed.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activity column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed, except for intangible right-to-use lease assets, the measurement of which is discussed in Note 1.I below. Donated capital assets, work of art, and similar items are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, the right to use lease equipment, and infrastructure of the Town are depreciated/amortized using the straight-line method over the following estimated useful lives:

Building	50 Years
Building Improvements	20 to 50 Years
Distribution and Collection Systems	75 Years
Public Domain Infrastructure	75 Years
Machinery and Equipment	5 to 20 Years
Right-to-Use Equipment	5 Years

Capital outlay is reported as expenditures and no depreciation/amortization expense is reported in the governmental fund financial statements.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Leases

Lessee

The Town is a lessee for noncancellable leases of equipment. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the applicable governmental activities or business-type activities in the government-wide and in the proprietary fund financial statements. The Town has not set a de-minimis threshold to recognize a lease liability.

At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long- term debt on the statement of net position.

J. Compensated Absences

Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination, death, or retirement. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for amounts due, for example, as a result of employee resignations and retirements. The general fund is typically used to liquidate the liability.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Net Pension Liability

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability or asset), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

L. Total Other Postemployment Benefits Other Than Pension (OPEB) Liability

The total OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service. The total OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year and no later than the end of the current fiscal year, consistently applied from period to period.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net asset or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. A deferred outflow of resources related to pension or OPEB results from differences between expected and actual experience, changes in assumptions, or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net asset or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows of resources related to pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension or OPEB results from differences between expected and actual experience, changes in assumptions, or other inputs. These amounts are deferred and included in pension expense and OPEB expense in a systematic and rational manner. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, interest on property taxes, long-term loans, and intergovernmental receivables. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available.

N. Long-Term Obligations

In the government-wide financial statement, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued, including capital leases, 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. Principal payments, and issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Equity

Equity in the government-wide financial statements is defined as “net position.” Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The components of net position are detailed below:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of these assets net of unexpended proceeds. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt are included in this component of net position.

Restricted Net Position – These amounts are restricted to specific purposes when constraints placed on the use of resources are either: (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

Unrestricted Net Position – This category represents the net position of the Town, which are not restricted for any project or other purpose. A deficit will require future funding.

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

Nonspendable Fund Balance – These amounts cannot be spent because they are not in spendable form, or because they are legally or contractually required to be maintained intact.

Restricted Fund Balance – These amounts are restricted to specific purposes when constraints placed on the use of resources by external parties, such as debt covenants, grantors, contributors, or laws or regulations of other governments.

Committed Fund Balance – This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. The Ledyard Board of Finance is the highest level of decision making authority for the Town and can commit fund balance through the adoption of a resolution prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution remains in place until similar action is taken to remove or revise the limitation.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Equity (Continued)

Assigned Fund Balance – For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as restricted or committed. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by the Board of Finance, who has been delegated to assign amounts by the Town Charter.

Unassigned Fund Balance – The residual amount not allocated to any other fund balance category in the General Fund and any residual deficit balance of any other governmental funds.

When both restricted and unrestricted amounts are available for use, it is the Town's practice to use restricted resources first. Additionally, the Town would first use committed, then assigned, and lastly unassigned.

P. Use of Estimates

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

Q. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through December 27, 2022, the date the financial statements were available to be issued.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The Town adheres to the following procedures in establishing the budgetary data included in the general fund financial statements:

- The Mayor compiles the budget requests from the Town departments and agencies, with the exception of the Board of Education, and presents the budget to the Town Council. The Board of Education files a detailed estimate of expenditures with the Mayor for transmittal to the Town Council. The Town Council, after its review process, prepares and presents a recommended budget for Town Meeting approval.

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

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

- The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education, Town Council, and, if necessary, Town Meeting approval.
- Formal budgetary integration is employed as a management control device during the year.
- The legal level of control, the level at which expenditures may not exceed appropriations, is at the department level.
- Individual additional appropriations of less than 1% of the current tax levy can be made by the Town Council, the accumulative total of which cannot exceed 2% of the current tax levy. During the year, the General Fund budget was increased by \$914,760 from additional appropriations from the Town Council.
- Additional appropriations of more than 1%, and any resolution authorizing the issuance of bonds or notes or other borrowings, require Town Meeting approval. Upon request by the Mayor, during the last three months of the fiscal year, the Town Council may transfer any unencumbered appropriation, or portion thereof, from one department, commission, board, or office to another. No transfer may be made from any appropriation for debt service and other statutory charges.
- Generally, all unencumbered appropriations lapse at year-end except those for capital projects funds. Appropriations for capital projects are continued until completion of applicable projects even when projects extend more than one fiscal year.
- The Town has adopted a fund balance reserve policy and has set the minimum undesignated/unreserved balance for the general fund at an amount equal to 7% of current year General Fund expenditures. The Town will avoid the appropriation of fund balance for recurring operating expenditures.

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

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2022, expenditures exceeded appropriations for the following functions:

<u>Function</u>	<u>Expenditures in Excess of Appropriations</u>
Department of Finance	\$ 147,326
Fixed Charges	484,525
Public Safety	132,526
Library	5,011

Department of finance overages related to utilities costs that were in excess of budget in addition to unbudgeted tax refunds. Fixed charges overages related to under budgeted Board of Education health insurance costs. Public safety overages related to dispatch salaries in excess of budget. Lastly, library charges overages related to additional salaries.

C. Fund Deficits

At June 30, 2022, the Town reported deficit fund balance/net position in the following fund:

Capital Project Fund	\$ 5,048,236
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The fund deficit will be eliminated by grant funding and future bonding.

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by the Statutes or, in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit, in an “out of state bank” as defined by the Statutes, which is not a “qualified public depository.”

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies; 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

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

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF). This investment pool is under the control of the State Treasurer, with oversight provided by the Treasurer's Cash Management Advisory Board and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

A. Deposits

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$19,169,350 of the Town's bank balance of \$20,195,059 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 17,151,863
Uninsured and Collateral Held by the Pledging Bank's Trust Department, Not in the Town's Name	2,017,487
Total Amount Subject to Custodial Risk	\$ 19,169,350

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

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2022, the Town's cash equivalents amounted to \$1,919,148. The following table provides a summary of the Town's cash equivalents as rated by nationally recognized statistical rating organizations.

	Standard & Poor's
State Short-Term Investment Fund (STIF)	AAAm

STIF is an investment pool of high-quality, short-term money market instruments with an average maturity of less than 60 days. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

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

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

B. Investments

At June 30, 2022, the Town's investments (all pension trust fund investments) of \$27,111,717 consisted entirely of mutual funds.

Investment Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town policy is to pre-qualify all financial institutions that it will do business with. The Town has no amounts subject to custodial credit risk.

Interest Rate Risk

The Town's investment policy limits its investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Investments

Connecticut state statutes limit the investment options of cities and towns. The Town has adopted an investment policy that allows the same type of investments as state statutes.

Concentration of Credit Risk

The Town's investment policy requires diversification by limiting investments to avoid overconcentration in securities from a specific issuer. No more than 5% of the Town's investments were invested in any one issuer in which credit risk was applicable.

Fair Value

The Town uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for certain assets or liabilities. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

Fair value measurements focus on exit prices in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment.

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

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Fair Value (Continued)

The Town's fair value measurements are classified into a fair value hierarchy based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

The three categories within the hierarchy are as follows:

Level 1 – Quoted prices in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, and market-corroborated inputs.

Level 3 – Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgement.

The Town has the following recurring fair value measurements as of June 30, 2022:

	June 30, 2022	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Mutual Funds	\$ 27,111,717	\$ 27,111,717	\$ -	\$ -

Mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

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

NOTE 4 RECEIVABLES

Receivable balances have been disaggregated by type and presented separately in the fund financial statements. Only receivables for the Town's government-wide financial statements with allowances for uncollectible accounts as of June 30, 2022, including the applicable allowances for uncollectible accounts, are presented below.

	Property Taxes		
	Taxes	Interest and Lien Fees	Total
	Accounts Receivable	\$ 854,587	\$ 258,549
Less: Allowance for Uncollectible Accounts	(128,823)	-	(128,823)
Net Accounts Receivable	\$ 725,764	\$ 258,549	\$ 984,313
	Use Charge Receivable		
	Water Department	Sewer Department	Total
	Accounts Receivable	\$ 111,038	\$ 62,479
Less: Allowance for Uncollectible Accounts	-	-	-
Net Accounts Receivable	\$ 111,038	\$ 62,479	\$ 173,517

There is no allowance applied to water and sewer assessments receivable and the loan rehab program receivable since the amounts due are liened and the lien remains with the property.

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

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 6,310,688	\$ -	\$ -	\$ -	\$ 6,310,688
Construction in Progress	163,556	325,118	-	-	488,674
Total Capital Assets Not Being Depreciated	6,474,244	325,118	-	-	6,799,362
Capital Assets Being Depreciated and Amortized:					
Land Improvements	4,200,355	-	-	-	4,200,355
Buildings and Improvements	116,822,110	256,357	-	-	117,078,467
Machinery and Equipment	3,573,830	121,790	-	-	3,695,620
Right to Use Equipment	-	204,820	-	-	204,820
Vehicles	7,313,504	203,561	146,935	-	7,370,130
Infrastructure	8,417,875	-	-	-	8,417,875
Total Capital Assets Being Depreciated and Amortized	140,327,674	786,528	146,935	-	140,967,267
Less: Accumulated Depreciation and Amortization for:					
Land Improvements	744,399	108,651	-	-	853,050
Buildings and Improvements	24,045,073	2,137,021	-	-	26,182,094
Machinery and Equipment	1,773,841	200,095	-	-	1,973,936
Right of Use Equipment	-	46,545	-	-	46,545
Vehicles	3,856,015	396,774	123,438	-	4,129,351
Infrastructure	2,858,128	179,412	-	-	3,037,540
Total Accumulated Depreciation and Amortization	33,277,456	3,068,498	123,438	-	36,222,516
Total Capital Assets Being Depreciated and Amortized, Net	107,050,218	(2,281,970)	23,497	-	104,744,751
Governmental Activities Capital Assets, Net	<u>\$ 113,524,462</u>	<u>\$ (1,956,852)</u>	<u>\$ 23,497</u>	<u>\$ -</u>	<u>\$ 111,544,113</u>
Business-Type Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 984,285	\$ -	\$ -	\$ -	\$ 984,285
Total Capital Assets Not Being Depreciated	984,285	-	-	-	984,285
Capital Assets Being Depreciated:					
Buildings and Improvements	66,163	-	-	-	66,163
Distribution and Collection System	32,018,955	-	-	-	32,018,955
Machinery and Equipment	770,525	23,485	-	-	794,010
Vehicles	124,337	-	-	-	124,337
Total Capital Assets Being Depreciated	32,979,980	23,485	-	-	33,003,465
Less: Accumulated Depreciation for:					
Buildings and Improvements	43,832	1,654	-	-	45,486
Distribution and Collection System	9,247,009	494,291	-	-	9,741,300
Machinery and Equipment	624,848	15,013	-	-	639,861
Vehicles	120,342	1,293	-	-	121,635
Total Accumulated Depreciation	10,036,031	512,251	-	-	10,548,282
Total Capital Assets Being Depreciated, Net	22,943,949	(488,766)	-	-	22,455,183
Business-Type Activities Capital Assets, Net	<u>\$ 23,928,234</u>	<u>\$ (488,766)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,439,468</u>

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

NOTE 5 CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:	
General Government	\$ 88,542
Public Safety	560,551
Public Works	401,991
Health and Welfare	13,552
Library	27,828
Parks and Recreation	42,174
Education	<u>1,933,860</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,068,498</u>
Business-Type Activities:	
Water Fund	\$ 355,072
Sewer Fund	<u>157,179</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 512,251</u>

NOTE 6 INTERFUND BALANCES AND TRANSFERS

Interfund payables and receivables: A summary of interfund balances as of June 30, 2022 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 2,381,164
Capital Projects	General Fund	6,909,399
Nonmajor Governmental Funds	General Fund	4,095,581
Water Fund	General Fund	690,964
Water Fund	Sewer Fund	23,331
Sewer Fund	General Fund	862,794
Internal Service Fund	General Fund	<u>253,758</u>
	Total	<u>\$ 15,216,991</u>

The General Fund holds primarily all the cash for the Town and the resulting due to/from other results from these cash allocations.

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

NOTE 6 INTERFUND BALANCES AND TRANSFERS (CONTINUED)

Interfund transfers: A summary of interfund transfers as of June 30, 2022 is as follows:

	Transfer In				Total Transfer Out
	General Fund	Capital Projects Fund	Water Fund	Sewer Fund	
Transfers Out:					
General Fund	\$ -	\$ 2,133,079	\$ 364,603	\$ 176,154	\$ 2,673,836
Capital Projects Fund	120,000	-	-	-	120,000
Nonmajor Governmental Funds	4,155	-	-	-	4,155
Water Fund	210,985	-	-	-	210,985
Sewer Fund	68,133	-	-	-	68,133
Internal Service Fund	200,000	-	-	-	200,000
Transfers In	<u>\$ 603,273</u>	<u>\$ 2,133,079</u>	<u>\$ 364,603</u>	<u>\$ 176,154</u>	<u>\$ 3,277,109</u>

Transfers are used to account for the financing by the General Fund of various programs and activities in other funds. Transfers out from the General Fund are various capital improvements for capital nonrecurring items and board of education capital items. The General Fund also transfers amounts to the Water and Sewer Fund for operating cost. Capital projects fund transferred bond premiums to mill rate stabilization fund, a nonmajor governmental fund, to be used to pay future debt service.

Short-Term Obligations

The Town uses bond anticipation notes during the construction period of various public projects prior to the issuance of the bonds at the completion of the project.

Short-term obligation activity for the year ended June 30, 2022 was as follows:

Date Issued	Maturity Date	Interest Rate (%)	Balance July 1, 2021	Issued	Retired	Balance June 30, 2022
5/10/21	5/10/22	2.00%	\$ 11,700,000	\$ -	\$ 11,700,000	\$ -
5/10/22	5/1/24	3.25%	-	9,700,000	-	9,700,000
			<u>\$ 11,700,000</u>	<u>\$ 9,700,000</u>	<u>\$ 11,700,000</u>	<u>\$ 9,700,000</u>

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

NOTE 7 CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 33,840,790	\$ 5,605,000	\$ 5,281,443	\$ 34,164,347	\$ 2,602,443
Premium on Bonds	3,138,004	695,458	540,351	3,293,111	-
Total Bonds and Premiums	36,978,794	6,300,458	5,821,794	37,457,458	2,602,443
Notes Payable from Direct					
Borrowing	806,318	-	89,499	716,819	77,365
Lease Liability	-	204,821	39,521	165,300	52,413
Financed purchases	66,214	-	32,339	33,875	33,875
Landfill Post-Closure Costs	91,000	-	13,000	78,000	13,000
Compensated Absences	1,635,795	46,194	-	1,681,989	337,000
Total OPEB Liability	16,267,950	-	1,829,396	14,438,554	331,526
Net Pension Liability	-	6,493,838	-	6,493,838	-
Total Governmental Activities Long- Term Liabilities	<u>\$ 55,846,071</u>	<u>\$ 13,045,311</u>	<u>\$ 7,825,549</u>	<u>\$ 61,065,833</u>	<u>\$ 3,447,622</u>
Business Type Activities:					
Bonds and Notes Payable:					
General Obligation Bonds	\$ 1,604,210	\$ -	\$ 203,557	\$ 1,400,653	\$ 203,557
Premium	130,511	-	8,700	121,811	-
Total Bonds and Premiums	1,734,721	-	212,257	1,522,464	203,557
Notes Payable from Direct					
Borrowing	2,945,970	-	240,758	2,705,212	245,658
Total Business-Type Activities Long- Term Liabilities	<u>\$ 4,680,691</u>	<u>\$ -</u>	<u>\$ 453,015</u>	<u>\$ 4,227,676</u>	<u>\$ 449,215</u>

All long-term liabilities for the governmental activities are generally liquidated by the General Fund.

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

NOTE 7 CHANGES IN LONG-TERM LIABILITIES (CONTINUED)

General Obligation Bonds

General obligation bonds as of June 30, 2022 consisted of the following:

	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Outstanding June 30, 2022</u>
Governmental Activities:					
General Purpose:					
Refunding Improvement Bonds	\$ 1,755,000	05/25/16	06/30/29	1.00-4.00%	\$ 382,538
Improvement Bonds	6,561,000	05/25/16	06/30/36	2.75-5.00%	4,845,000
Refunding Improvement Bonds	2,136,000	07/06/21	10/01/33	0.40-4.00%	2,136,000
Improvement Bonds	295,000	05/10/22	05/01/42	3.125-5.00%	295,000
Total General Purpose	<u>10,747,000</u>				<u>7,658,538</u>
School:					
Refunding Improvement Bonds	2,975,000	05/25/16	06/30/29	1.00-4.00%	749,000
Improvement Bonds	15,000,000	05/17/17	07/15/36	3.00-5.00%	11,840,000
Improvement Bonds	34,250	05/25/16	06/30/24	4.00-5.00%	10,000
Improvement Bonds	6,000,000	06/12/19	06/01/39	3.00-5.00%	5,360,000
Improvement Bonds	4,000,000	05/11/21	09/01/40	3.00-4.00%	3,800,000
Refunding Improvement Bonds	469,000	07/06/21	10/01/33	0.40-4.00%	469,000
Improvement Bonds	2,705,000	05/10/22	05/01/42	3.125-5.00%	2,705,000
Total School	<u>31,183,250</u>				<u>24,933,000</u>
Sewer:					
Refunding Improvement Bonds	45,000	05/25/16	06/30/29	1.00-4.00%	12,809
Water:					
Refunding Improvement Bonds	2,910,000	05/25/16	06/30/29	1.00-4.00%	1,560,000
Total Governmental Activities					<u>\$ 34,164,347</u>
Business-Type Activities:					
Water Fund:					
Refunding Bonds	\$ 1,250,000	05/25/16	06/30/29	1.00-4.00%	\$ 272,463
Sewer Fund:					
Improvement Bonds	1,300,000	05/17/17	09/30/26	3.00-5.00%	1,020,000
Refunding Bonds	380,000	05/25/16	06/30/29	1.00-4.00%	108,190
Total Sewer Fund	<u>1,680,000</u>				<u>1,128,190</u>
Total Business-Type Activities					<u>\$ 1,400,653</u>

The sewer improvement bonds are supported by means of an assessment program. All obligations are backed by the full faith and credit of the Town.

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

NOTE 7 CHANGES IN LONG-TERM LIABILITIES (CONTINUED)

General Obligation Bonds (Continued)

The annual debt service requirements of general obligation bonds are as follows:

<u>Year Ending June 30.</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 2,602,443	\$ 1,233,747	\$ 203,557	\$ 46,427
2024	2,587,337	1,126,578	202,663	37,621
2025	2,361,519	1,018,012	93,481	33,181
2026	2,361,519	914,872	93,481	28,742
2027	2,331,519	808,461	93,481	24,303
2028-2032	10,660,010	2,713,190	388,990	7,434
2033-2037	9,080,000	1,034,450	325,000	21,374
2038-2042	2,180,000	150,350	-	-
Total	<u>\$ 34,164,347</u>	<u>\$ 8,999,660</u>	<u>\$ 1,400,653</u>	<u>\$ 199,082</u>

Notes Payable From Direct Borrowing

The Town has three State of Connecticut Clean Water and Drinking Water Fund serial notes outstanding. These loans were issued to finance improvements to the sewer plant, pump stations, and the water distribution infrastructure. A schedule of notes payable at June 30, 2022 is presented below:

	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Outstanding June 30, 2022</u>
Governmental Activities:					
Water:					
Clean Water Notes	\$ 1,629,000	12/27/10	06/01/19	2.00%	<u>\$ 716,819</u>
Business-Type Activities:					
Water Fund:					
Drinking Water	926,007	09/30/06	09/30/26	2.05%	229,698
Drinking Water	<u>3,781,622</u>	02/27/15	03/31/35	2.00%	<u>2,475,514</u>
Total Drinking Water Notes	<u>4,707,629</u>				<u>2,705,212</u>
Total Notes					<u>\$ 3,422,031</u>

The annual debt service requirements of notes payable are as follows:

<u>Year Ending June 30.</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 77,365	\$ 13,705	\$ 245,658	\$ 51,963
2024	85,966	12,004	250,644	46,978
2025	87,702	10,269	255,730	41,892
2026	89,472	8,499	260,919	36,702
2027	91,278	6,693	226,565	30,698
2028-2032	285,036	8,874	1,112,630	93,111
2033-2037	-	-	353,066	5,764
Total	<u>\$ 716,819</u>	<u>\$ 60,044</u>	<u>\$ 2,705,212</u>	<u>\$ 307,108</u>

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

NOTE 7 CHANGES IN LONG-TERM LIABILITIES (CONTINUED)

Statutory Debt Limitations

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General Purpose	\$ 87,273,621	\$ 7,658,538	\$ 79,615,083
Schools	174,547,242	42,810,948	131,736,294
Sewers	145,456,035	1,140,999	144,315,036
Urban Renewal	126,061,897	-	126,061,897
Pension Deficit	116,364,828	-	116,364,828

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$271,517,932.

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

Authorized/unissued bonds: On June 30, 2022, the Town had authorized unissued bonds as follows:

School	\$ 8,177,948
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The authorized/unissued debt for schools has been reduced by anticipated grant proceeds from the State of Connecticut of \$27,000,000 relative to the school construction project.

Water system related debt of \$1,832,463 has been excluded from the calculation.

Finance Purchase Commitments

The Town has one active financed purchase commitment as of year-end. The asset acquired through the financed purchase is as follows:

	<u>Governmental Activities</u>
Equipment	\$ 163,850
Less: Accumulated Depreciation	(30,722)
Net Book Value	\$ 133,128

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

NOTE 7 CHANGES IN LONG-TERM LIABILITIES (CONTINUED)

Financed Purchases Commitments (Continued)

Obligations of Governmental Activities under financed purchases at June 30, 2022 were as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>
2023	<u>\$ 35,484</u>
Total Minimum Payments	35,484
Less: Amount for Interest	(1,609)
Present Value of Minimum Payments	<u><u>\$ 33,875</u></u>

Lease Payable

The Town leases equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2027.

Total future minimum lease payments under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 52,413	\$ 6,896	\$ 59,309
2024	55,095	4,215	59,310
2025	29,063	1,930	30,993
2026	15,456	1,085	16,541
2027	13,273	302	13,575
Total Minimum Lease Payments	<u><u>\$ 165,300</u></u>	<u><u>\$ 14,428</u></u>	<u><u>\$ 179,728</u></u>

Landfill Closure and Post-Closure Care Costs

The Town closed its landfill in 1999. State and federal laws and regulations require landfill closures to meet certain standards. Monitoring costs for the next 8 years at \$13,000 per year are \$91,000. These amounts are based on estimates which are subject to change due to inflation, technology, or applicable laws and regulations.

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

NOTE 8 FUND BALANCE

As of June 30, 2022, fund balances are composed of the following:

	General Fund	Capital Projects	Nonmajor Governmental Funds	Total
Fund Balances:				
Nonspendable:				
Permanent Fund Principal	\$ -	\$ -	\$ 41,914	\$ 41,914
Prepaid Expenses	1,128,952	-	93,222	1,222,174
Total Nonspendable	<u>1,128,952</u>	<u>-</u>	<u>135,136</u>	<u>1,264,088</u>
Restricted for:				
Housing Rehab	-	-	32,014	32,014
Endowments	-	-	26,953	26,953
Miscellaneous Grants	-	-	123,483	123,483
Education Grants	-	-	607,752	607,752
Student Activities	-	-	465,369	465,369
Student Scholarships	-	-	212,686	212,686
Road Improvements	-	79,686	25,813	105,499
Total Restricted	<u>-</u>	<u>79,686</u>	<u>1,494,070</u>	<u>1,573,756</u>
Committed for:				
Sawmill Restoration	-	-	2,960	2,960
Senior Center	-	-	18,039	18,039
Library Management	-	-	21,979	21,979
Animal Control	-	-	16,669	16,669
Education	-	-	13,836	13,836
Mill Rate Stabilization	-	-	3,430,279	3,430,279
Parks and Recreation Center	-	347,797	232,648	580,445
Capital and Nonrecurring Projects	-	4,164,324	-	4,164,324
Total Committed	<u>-</u>	<u>4,512,121</u>	<u>3,736,410</u>	<u>8,248,531</u>
Unassigned	<u>3,842,255</u>	<u>(9,640,043)</u>	<u>-</u>	<u>(5,797,788)</u>
Total Fund Balances	<u>\$ 4,971,207</u>	<u>\$ (5,048,236)</u>	<u>\$ 5,365,616</u>	<u>\$ 5,288,587</u>

TOWN OF LEDYARD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 RISK MANAGEMENT

The Town is exposed to various risks of loss including torts; public official liabilities; police liability; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Generally, the Town obtains commercial insurance for these risks.

Due to the Town and Board of Education experiencing significant increases in claims payments over prior fiscal years, the Town converted to a fully insured plan for health insurance. As of July 1, 2018, the Town participates in the State of Connecticut Partnership 2.0 Plan.

The Town has been utilizing residual net position to offset current increases in health care costs. As of June 30, 2022 the remaining balance in the fund is \$253,758.

Commitments and Litigation

Amounts received or receivable from federal and state grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

The Town is a defendant in various lawsuits and the outcome of these lawsuits is not presently determinable. In the opinion of the Town attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

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

NOTE 10 EMPLOYEE RETIREMENT PLANS

Pension Plans

A. Plan Description

Summary

The Town is the administrator of a single-employer defined benefit Public Employee Retirement System (PERS) established by Town Ordinance and administered by the Town to provide pension benefits for its employees. Plan provisions are determined by the various union contracts. The PERS is considered to be part of the Town's financial reporting entity and is included in the Town's financial reports as a pension trust fund. The PERS does not issue a stand-alone report.

Valuation of Investments

Investments are valued at fair value. There are no investments of 5.0% or greater in any one organization.

Classes of Employees Covered

As of July 1, 2021, the plan's membership consists of:

Retired Members or Beneficiaries Currently Receiving Benefits	100
Vested Terminated Members Entitled to But Not Yet Receiving Benefits	35
Non-Vested Terminated Employees Due a Refund	37
Active Members	63
Total Participants	<u>235</u>

B. Benefit Provisions

Town and Public Works employees are eligible for a normal pension after attaining age 65 and shall be entitled to a retirement benefit equal to 1.5% of final average earnings multiplied by years of credited service. The maximum normal retirement benefits a member may receive is 50% of final average earnings. Noncertified Board of Education employees are eligible for a normal pension after attaining age 65 and shall be entitled to a retirement benefit equal to 1% of final average earnings multiplied by years of credited service, not exceeding 30 years. Police employees are eligible for a normal pension after attaining age 55 and 10 years of credited service or any age with 25 years of credited service, but not later than age 65. Fire employees are eligible for a normal pension after attaining age 55 and 10 years of credited service, but not later than age 65. Police and Fire employees shall be entitled to a retirement benefit equal to 2% of final average earnings multiplied by years of credited service. The maximum benefit to be received annually is 75% of final average earnings. Vesting of benefits occurs on or after 5 years of credited service for Town, Public Works, Police and Fire employees and on or after 10 years of credited service for noncertified Board of Education employees.

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

NOTE 10 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Pension Plans (Continued)

C. Contributions

The Town's contributions are actuarially determined on an annual basis using the entry age normal cost method. The Town's contributions were 19% of covered payroll. Administration costs are financed from investment earnings. Employees are required to contribute 5% of earnings to the plan.

D. Assumed Rate of Return

The long-term expected rate of return was determined by using a building-block method in which best-estimates 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 the pension plan's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity - Large Cap	32.25%	4.50%
US Equity - Small/Mid Cap	4.25	4.80
Non-US Equity - Developed	19.50	7.30
Non-US Equity - Emerging	6.50	8.60
US Corporate Bonds - Core	27.00	1.10
Non-US Debt - Developed	5.50	0.70
US Treasuries (Cash)	5.00	3.40
Total	<u>100.00%</u>	

E. Net Pension Liability

For the year ended June 30, 2022, the Town recognized a net pension asset of \$6,493,838. The components of the net pension asset of the Town at June 30, 2022 were as follows:

Total Pension Liability	\$ 33,614,272
Plan Fiduciary Net Position	27,120,434
Net Pension (Asset) Liability	<u>\$ 6,493,838</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.68%
Covered Payroll	\$ 4,254,773
Net Pension Liability as a Percentage of the Covered Payroll	152.62%

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

NOTE 10 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Pension Plans (Continued)

E. Net Pension Asset (Continued)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a)-(b)
Balances as of July 1, 2021	\$ 31,904,254	\$ 32,013,838	\$ (109,584)
Changes for the Year:			
Service Cost	473,992	-	473,992
Interest on Total Pension Liability	1,967,983	-	1,967,983
Differences Between Expected and Actual Experience	1,018,759	-	1,018,759
Changes of Assumptions	57,714	-	57,714
Employer Contributions	-	1,131,235	(1,131,235)
Member Contributions	-	195,857	(195,857)
Net Investment Income	-	(4,381,254)	4,381,254
Benefit Payments, Including Refund of Employee Contributions	(1,808,430)	(1,808,430)	-
Administrative Expenses	-	(30,812)	30,812
Net Changes	<u>1,710,018</u>	<u>(4,893,404)</u>	<u>6,603,422</u>
Balances as of June 30, 2022	<u>\$ 33,614,272</u>	<u>\$ 27,120,434</u>	<u>\$ 6,493,838</u>

F. Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was -14.01%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

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

NOTE 10 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Pension Plans (Continued)

G. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Method Used	Entry Age Actuarial Cost Method
Mortality Basis	PubG-2010(B) Public Plan Mortality for General Employees, Scale MP-20'
Inflation	2.80%
Salary Increases Including Inflation	4.00%
Investment Rate of Return	6.25%

H. Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2022 was 6.25%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the Town contributes at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all 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 pension liability.

I. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Pension Plan, calculated using the current discount rate of as well as what the Pension Plan's net pension liability would be 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 5.25%	Rate 6.25%	1% Increase 7.25%
Net Pension (Asset) Liability	\$ 10,159,439	\$ 6,493,838	\$ 3,377,283

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

NOTE 10 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Pension Plans (Continued)

**I. Sensitivity of the Net Pension Liability to Changes in the Discount Rate
(Continued)**

For the fiscal year ended June 30, 2022, the Town recognized pension expense (income) of \$1,178,334. As of June 30, 2022, deferred outflows of resources and deferred inflows of resources related to pensions are reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 535,935	\$ 15,431
Changes of Assumptions	34,599	-
Net Difference Between Projected and Actual Earning on Pension Plan Investments	2,575,358	-
Total	\$ 3,145,892	\$ 15,431

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

Year Ending June 30	Amount
2023	\$ 1,019,415
2024	492,271
2025	345,502
2026	1,273,273
Total	\$ 3,130,461

Connecticut State Teachers' Retirement System – Pension

A. Plan Description

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

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

NOTE 10 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Connecticut State Teachers' Retirement System – Pension (Continued)

B. 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 employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the three years of highest salary).

Early Retirement

Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

Disability Retirement

Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

C. Contributions

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 approved, amended, and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

Employer (School Districts)

School District employers are not required to make contributions to the plan.

The statutes require the state of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

For the year ended June 30, 2022, the amount of "on-behalf" contributions made by the state was \$5,330,196 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

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

NOTE 10 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Connecticut State Teachers' Retirement System – Pension (Continued)

C. Contributions (Continued)

Employees

Effective July 1, 1992, each teacher is required to contribute 6% of salary for the pension benefit.

Effective January 1, 2018, the required contribution increased to 7% of pensionable salary.

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's Proportionate Share of the Net Pension Liability	\$ -
State's Proportionate share of the Net Pension Liability Associated with the Town	<u>63,656,332</u>
Total	<u><u>\$ 63,656,332</u></u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as June 30, 2020. At June 30, 2022, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2022 the Town recognized pension expense and revenue of \$4,109,164 in Exhibit II.

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

NOTE 10 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Connecticut State Teachers' Retirement System – Pension (Continued)

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increase	3.00-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

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.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the five year period July 1, 2014 - June 30, 2019.

Assumption changes since the prior year are as follows:

- There were no changes in assumptions that affected the measurement of the TPL since the prior measurement date.

Benefit changes since the prior year are as follows:

- There were no changes in benefit provisions that affected the measurement of the TPL since the prior measurement date.

Cost of Living Allowance

For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% 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% 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% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

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

NOTE 10 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Connecticut State Teachers' Retirement System – Pension (Continued)

E. Actuarial Assumptions (Continued)

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

Asset Class	Expected Return	Target Allocation
Domestic Equity Fund	5.60%	20.00%
Developed Market Intl. Stock Fund	6.00	11.00
Emerging Market Intl. Stock Fund	7.90	9.00
Core Fixed Income Fund	2.10	16.00
Inflation Linked Bond Fund	1.10	5.00
Emerging Market Debt Fund	2.70	5.00
High Yield Bond Fund	4.00	6.00
Real Estate Fund	4.50	10.00
Private Equity	7.30	10.00
Alternative Investments	2.90	7.00
Liquidity Fund	0.40	1.00
Total		<u>100.00%</u>

F. 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 state contributions will be made at the actuarially determined contribution rates in the 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.

G. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The Town's proportionate share of the net pension liability is \$-0- and, therefore, the change in the discount rate would only impact the amount recorded by the state of Connecticut.

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

NOTE 10 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Connecticut State Teachers' Retirement System – Pension (Continued)

H. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at www.ct.gov.

I. Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan.

Employees Defined Contribution Plan

A. Plan Description

The Town has established a defined contribution plan for Non-Union Professionals hired after July 1, 2009; Town Hall Union employees hired after 7/1/2012; Supervisors Union employees hired after 7/1/2012; Nurses Union employees hired after 7/1/2013; Teamsters Union employees hired after 7/1/2012; Police Union employees hired after 7/1/2012; and Firefighters Union employees hired after 7/1/2013. It is a mandatory plan with no opt out. As of June 30, 2022, the plan was administered by Voya. The authority for establishing and amending plan provisions rests with the Town Council.

The Town matches up 5% of employee contributions for Nurses Union, Emergency Communication Services Union, and Town Hall Union, up to 6% for Supervisors Union, Teamsters Union, and Firefighters Union, and matches up to 10% for Police Union and department heads. Actual contributions to the plan for the year ended June 30, 2022 totaled \$827,552, which consisted of \$536,038 contributed by employees and \$291,514 contributed by the Town. The current year covered payroll for the plan is \$6,010,846.

The participants' employer contributions to their account are vested as follows:

Year 1	20%
Year 2	40
Year 3	60
Year 4	80
Year 5	100

The Town's matching contributions for Non-Union Professionals are determined by a "Resolution Establishing Administrator/Department Head Benefits," as adopted by Town Council. The Town's matching contributions for union employees are determined by collective bargaining agreements.

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

NOTE 10 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Employees Defined Contribution Plan (Continued)

A. Plan Description (Continued)

The Board of Education has established a 403(b) plan, a defined contribution plan administered by OMNI. The plan is offered to employees of Ledyard Public Schools who are expected or scheduled to work 20 hours or more per week. Both pre and post tax options are available. Contributions are made through payroll deductions and participation is voluntary. Actual contributions to the plan for the year ended June 30, 2022 totaled \$794,933, which consisted of \$764,230 contributed by employees and \$30,703 contributed by the Board of Education.

In addition, the eligible employees can voluntarily contribute to the State of Connecticut 457 Plan, a defined contribution plan. Both pre and post tax options are available. Contributions are made through payroll deductions and participation is voluntary. For eligible Ledyard employees not covered by a defined benefit plan, the 457 participants are eligible for matching contributions to the Town's 401(a). The Town of Ledyard 401(a) Plan holds Town matching funds for employees who use the 457 Plan as their Town retirement plan. The 401(a) Plan currently is with Voya because the state plan will not accept the Town match due to the small size. Actual contributions to the plan for the year ended June 30, 2022 totaled \$188,024, which consisted of \$149,308 contributed by employees and \$38,716 contributed by the Town.

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS PLANS

Town OPEB Plan

A. Plan Description

The Town administers one single-employer, postretirement healthcare plan for the Board of Education, the Town OPEB plan. The plan provides medical benefits to eligible retirees and their spouses. The Town OPEB plan is administered by the Town. Plan provisions are determined by union contract and may be amended by union negotiations.

The Town currently pays for postemployment health care benefits on a pay-as-you-go basis. As of June 30, 2022, the Town has not established a trust fund to irrevocably segregate assets to fund liability associated with the postemployment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines. Administration costs are financed from current operations.

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

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)

Town OPEB Plan (Continued)

B. Benefit Provided

The Town plan provides for medical benefits for all eligible Board of Education retirees.

Eligibility

BOE Certified & Secretaries: An employee retiring shall be eligible to receive health benefits for self and spouse.

Normal Retirement

BOE Certified: Earlier of age 60 with 20 years of service or 35 years of service with no age requirement.

Secretaries: Age 65 with no service requirement.

Early Retirement

BOE Certified: Earliest of age 60 with 10 years of service, 25 years of service with no age requirement, or age 55 with 20 years of service.

Secretaries: Age 55 with 10 years of service.

Cost Sharing: Retirees must pay 100% of the blended pre-65 medical premium rate for self and spouse, less the \$1,320 annual.

CT Teachers' Retirement Board subsidy for BOE Certified.

Non-Medicare Retiree Plans: Board of Education Non-Medicare retirees receive Century Preferred or Lumenos HSA plans through Anthem.

These plans have both medical and prescription drug components.

Medicare Retiree Plans: Board of Education Medicare retirees receive fully insured Anthem Group Medicare plans. The medical component is covered by a Medicare Supplemental Plan F and the prescription drug component is covered by a BlueScript plan. The employer liability for these Medicare retirees is \$-0-. The retiree pays the full premium. Employees Covered by Benefit Terms.

Membership in the plan consisted of the following at June 30, 2021:

Retired Members or Beneficiaries Currently	
Receiving Benefits	37
Active Members	248
Total	<u>285</u>

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

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)

Town OPEB Plan (Continued)

C. Total OPEB Liability

The Town's total OPEB liability of \$14,438,554 reported at June 30, 2022 was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.

D. Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2021 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Salary Increases	3.50%
Discount Rate	2.16%
Health care Cost Trend Rates	
Medical	5.5 %, Reduced 0.5% Per Year to an Ultimate Rate of 4.5%
Prescription Drug	7.0 %, Reduced 0.5% Per Year to an Ultimate Rate of 4.5%
Administrative	3.00%
Mortality Rates	Varies by Group

The discount rate was based on the 20-year tax exempt GO municipal bond index.

Mortality Rates for Teachers and Administrators are the RP-2014 White Collar tables projected generationally using scale MP-2021.

Mortality Rates for Secretaries are the RP-2014 total dataset tables adjusted to 2006 and projected generationally using scale MP-2021.

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

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)

Town OPEB Plan (Continued)

D. Actuarial Assumptions and Other Inputs (Continued)

These tables reasonably reflect the projected mortality experience of the Plan as of the measurement date. Explicit mortality improvement projection was made to reasonably reflect future mortality improvement.

E. Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Balances as of July 1, 2021	\$ 16,267,950
Changes for the Year:	
Service Cost	583,260
Interest on Total OPEB Liability	312,335
Difference Between Expected and Actual Experience	(2,671,164)
Changes in Assumptions or Other Inputs	215,562
Benefit Payments	(269,389)
Net Changes	(1,829,396)
Balances as of June 30, 2022	\$ 14,438,554

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% as of June 30, 2020 measurement date to 2.16% as of June 30, 2021 measurement date.

F. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Town using the current discount rate, 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 or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate 1.16%	Current Discount Rate 2.16%	1% Increase in Discount Rate 3.16%
Total OPEB Liability	\$ 17,391,140	\$ 14,438,554	\$ 12,140,789

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

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)

Town OPEB Plan (Continued)

G. Sensitivity of the Total OPEB Liability to Changes in the Health care Cost Trend Rates

The following presents the total OPEB liability of the Town using the current health care cost trend rate, as well as what the Town's total OPEB liability would be if it were calculated using the current healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current health care cost trend rates:

	1% Decrease in Healthcare Cost Trend Rates (6.00% decreasing to 4.00%)	Current Healthcare Cost Trend Rates (7.00% decreasing to 5.00%)	1% Increase in Healthcare Cost Trend Rates (8.00% decreasing to 6.00%)
Total OPEB Liability	\$ 11,921,112	\$ 14,438,554	\$ 17,791,043

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the Town recognized OPEB expense of \$531,535. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 3,532,173
Changes of Assumptions or Other Inputs	3,044,576	1,050,743
Total	\$ 3,044,576	\$ 4,582,916

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

Year Ending June 30	Amount
2023	\$ (364,060)
2024	(364,060)
2025	(364,060)
2026	(364,060)
2027	(14,227)
Thereafter	(67,873)
Total	\$ (1,538,340)

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

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)

Connecticut State Teacher's Retirement Plan – OPEB

A. Plan Description

Teachers, principals, superintendents, or supervisors engaged in service of public schools plus professional employees at State Schools of higher education are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan (TRS-RHIP), a cost sharing multiple-employer defined benefit other postemployment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

Chapter 167a Section 10-183 (t) of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

B. Benefit Provisions

There are two types of the health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplement Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School District Coverage.

Any member who 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 \$110 per month for a retired member plus an additional \$110 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, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute and has not increased since July 1996. A subsidy amount of \$220 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 \$220 per month towards coverage under a local school district plan.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplement Plans. Effective July 1, 2018, the System added a Medicare Advantage Plan option. Active members, retirees, and the state pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018, retired members who cancel their health care coverage or elect to not enroll in a CTRB sponsored health care coverage option must wait two years to re-enroll.

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

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)

Connecticut State Teacher's Retirement Plan – OPEB (Continued)

B. Benefit Provisions(Continued)

Survivor Health Care Coverage

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement Plans, as long as they do not remarry.

C. Eligibility

Any member who is currently receiving a retirement or disability benefit is eligible to participate in the plan.

Credited Service

One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of Credited Service constitutes one year of Credited Service. Certain other types of teaching services, State employment, or wartime military service may be purchased prior to retirement if the member pays one-half the cost.

Normal Retirement

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.

Early Retirement

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

No service requirement if incurred in the performance of duty, and five years of Credited Service in Connecticut if not incurred in the performance of duty.

Termination of Employment

Ten or more years of Credited Service.

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

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)

Connecticut State Teacher’s Retirement Plan – OPEB (Continued)

D. Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183t, contribution requirements of active employees and the State of Connecticut are approved, amended, and certified by the State Teachers’ Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the state. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the state will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (School Districts)

School District employers are not required to make contributions to the plan.

For the year ended June 30, 2022, the amount of “on-behalf” contributions made by the state was \$125,430 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

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.

E. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2022, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's Proportionate Share of the Net OPEB Liability	\$	-
State's Proportionate share of the Net OPEB Liability		
Associated With the Town		6,935,241
Total		\$ 6,935,241

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

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)

Connecticut State Teacher’s Retirement Plan – OPEB (Continued)

E. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. At June 30, 2022, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2022, the Town recognized OPEB expense and revenue of \$(256,096) in Exhibit II.

F. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Health Care Costs Trend Rate	5.125% for 2020, Decreasing to an Ultimate Rate of 4.50% by 2023
Salary Increase	3.00% - 6.50%, Including Inflation
Investment Rate of Return	2.17%, Net of OPEB Plan Investment Expense, Including Inflation
Year Fund Net Position Will be Depleted	2023

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.

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019.

The changes in the assumptions since the prior year are as follows:

- Discount rate changed from 2.21% to 2.17%
- Expected annual per capita claims costs were updated to better reflect anticipated Medicare and prescription drug claim experience based on scheduled premium increases through calendar year 2024.

The changes in the benefit terms since the prior year are as follows:

- There were no changes to benefit terms in the two years preceding the measurement date.

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

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)

Connecticut State Teacher's Retirement Plan – OPEB (Continued)

F. Actuarial Assumptions (Continued)

The long-term expected return on plan assets is reviewed as part of the GASB 75 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 compiled by Horizon Actuarial Services, LLC in its "Survey of Capital Market Assumptions, 2020 Edition". The long-term expected rate of return was determined by weighting 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 plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.42%).

G. Discount Rate

The discount rate used to measure the total OPEB liability was 2.17%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2020.

In addition to the actuarial methods and assumptions of the June 30, 2020, 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 annually 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 2023 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

H. Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate and the Discount Rate

The Town's proportionate share of the net OPEB liability is \$-0- and, therefore, the change in the health care cost trend rate or the discount rate would only impact the amount recorded by the state of Connecticut.

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

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)

Connecticut State Teacher's Retirement Plan – OPEB (Continued)

I. OPEB Plan Fiduciary Net Position

Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at www.ct.gov

J. Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan. Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at www.ct.gov.

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF LEDYARD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 40,894,619	\$ 40,894,619	\$ 41,109,833	\$ 215,214
Intergovernmental Revenues	15,674,219	15,674,219	16,484,165	809,946
Charges for Services	3,076,979	3,076,979	2,911,472	(165,507)
Investment Income	80,000	80,000	43,051	(36,949)
Total Revenues	<u>59,725,817</u>	<u>59,725,817</u>	<u>60,548,521</u>	<u>822,704</u>
Expenditures:				
Current:				
General Government	1,311,954	1,307,062	1,302,573	4,489
Department of Finance	1,014,923	1,030,223	1,177,549	(147,326)
Commissions	37,250	37,250	22,178	15,072
Boards and Committees	2,500	2,500	1,206	1,294
Fixed Charges	9,173,128	9,173,128	9,657,653	(484,525)
Public Safety	4,174,083	4,174,083	4,306,609	(132,526)
Health and Welfare	1,427,959	1,427,959	1,262,981	164,978
Public Works	2,806,668	2,831,668	2,825,303	6,365
Library	523,622	523,622	528,633	(5,011)
Parks and Recreation	461,401	465,556	459,633	5,923
Education	33,671,969	33,671,969	33,223,716	448,253
Debt Service	4,432,478	3,874,360	3,753,299	121,061
Total Expenditures	<u>59,037,935</u>	<u>58,519,380</u>	<u>58,521,333</u>	<u>(1,953)</u>
Excess (Deficiency) of Revenues Over Expenditures	687,882	1,206,437	2,027,188	820,751
Other Financing Sources (Uses):				
Appropriation of Fund Balance	-	914,760	-	(914,760)
Transfers In	570,000	570,000	603,273	33,273
Transfers Out	(1,257,882)	(2,691,197)	(2,673,836)	17,361
Total Other Financing Sources (Uses)	<u>(687,882)</u>	<u>(1,206,437)</u>	<u>(2,070,563)</u>	<u>(864,126)</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (43,375)</u>	<u>\$ (43,375)</u>
Budget to GAAP Reconciliation:				
	Revenues and Other Financing Sources	Expenditures and Other Financing Uses		
Balance, Budgetary Basis	\$ 61,151,794	\$ 61,195,169		
GASB 87 implementation:				
Lease Proceeds	204,820	-		
Capital Outlay	-	204,820		
State Teachers' Retirement On-Behalf Contributions:				
OPEB Plan	125,430	125,430		
Pension Plan	5,330,196	5,330,196		
Balance, GAAP Basis	<u>\$ 66,812,240</u>	<u>\$ 66,855,615</u>		

TOWN OF LEDYARD, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION (ASSET) LIABILITY AND RELATED RATIOS
PENSION PLAN
LAST NINE FISCAL YEARS*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:									
Service Cost	\$ 473,992	\$ 539,906	\$ 519,140	\$ 736,078	\$ 714,639	\$ 741,107	\$ 741,107	\$ 917,720	\$ 882,423
Interest on Total Pension Liability	1,967,983	1,937,222	1,881,133	1,875,490	1,790,419	1,656,779	1,532,686	1,442,724	1,401,316
Changes of Benefit Terms									
Differences Between Expected and Actual Experience	1,018,759	(295,985)	-	(699,447)	-	296,538	(458,860)	-	-
Changes of Assumptions	57,714	81,306	-	(249,585)	-	543,177	452,665	-	-
Benefit Payments, Including Refunds of Member Contributions	(1,808,430)	(1,603,369)	(1,468,176)	(1,242,451)	(1,088,259)	(1,057,539)	(986,331)	(845,509)	(644,882)
Net Change in Total Pension Liability	1,710,018	659,080	932,097	420,085	1,416,799	2,180,062	1,281,267	1,514,935	1,638,857
Total Pension Liability - Beginning	31,904,254	31,245,174	30,313,077	29,892,992	28,476,193	26,296,131	25,014,864	23,499,929	21,861,072
Total Pension Liability - Ending	33,614,272	31,904,254	31,245,174	30,313,077	29,892,992	28,476,193	26,296,131	25,014,864	23,499,929
Plan Fiduciary Net Position:									
Contributions - Employer	1,131,235	1,098,284	1,066,295	1,278,376	1,278,376	1,057,393	1,109,374	1,075,000	969,442
Contributions - Members	195,857	209,846	219,562	239,257	256,415	275,250	273,142	306,172	339,724
Net Investment Income	(4,381,254)	6,258,426	1,113,027	1,076,186	1,588,925	1,798,778	116,850	(147,618)	2,438,923
Benefit Payments, Including Refunds of Member Contributions	(1,808,430)	(1,603,369)	(1,468,176)	(1,242,451)	(1,088,259)	(1,057,539)	(986,331)	(845,509)	(644,882)
Administrative Expense	(30,812)	(15,687)	(32,004)	(14,910)	(30,473)	(19,389)	(49,939)	(71,657)	(43,760)
Net Change in Plan Fiduciary Net Position	(4,893,404)	5,947,500	898,704	1,336,458	2,004,984	2,054,493	463,096	316,388	3,059,447
Plan Fiduciary Net Position - Beginning	32,013,838	26,066,338	25,167,634	23,831,176	21,826,192	19,771,699	19,308,603	18,992,215	15,932,768
Plan Fiduciary Net Position - Ending	27,120,434	32,013,838	26,066,338	25,167,634	23,831,176	21,826,192	19,771,699	19,308,603	18,992,215
Net Pension (Asset) Liability - Ending	\$ 6,493,838	\$ (109,584)	\$ 5,178,836	\$ 5,145,443	\$ 6,061,816	\$ 6,650,001	\$ 6,524,432	\$ 5,706,261	\$ 4,507,714
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.68%	100.34%	83.43%	83.03%	79.72%	76.65%	75.19%	77.19%	80.82%
Covered Payroll	\$ 4,254,773	\$ 4,173,503	\$ 4,731,754	\$ 4,903,307	\$ 5,681,648	\$ 5,809,341	\$ 5,884,824	\$ 7,935,812	\$ 7,630,588
Net Pension Liability as a Percentage of Covered Payroll	152.62%	-2.63%	109.45%	104.94%	106.69%	114.47%	110.87%	71.91%	59.07%
Discount Rate at End of Year	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%

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

**TOWN OF LEDYARD, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTION
PENSION PLAN
LAST TEN FISCAL YEARS***

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially Determined Contribution*	\$ 1,096,614	\$ 1,098,284	\$ 1,066,295	\$ 1,278,376	\$ 1,241,142	\$ 1,057,393	\$ 1,026,595	\$ 1,168,151	\$ 1,123,041	\$ 904,786
Contributions in Relation to the Actuarially Determined Contribution	<u>1,131,235</u>	<u>1,098,284</u>	<u>1,066,295</u>	<u>1,278,376</u>	<u>1,278,376</u>	<u>1,057,393</u>	<u>1,109,374</u>	<u>1,075,000</u>	<u>969,442</u>	<u>900,000</u>
Contribution Deficiency (Excess)	<u>\$ (34,621)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (37,234)</u>	<u>\$ -</u>	<u>\$ (82,779)</u>	<u>\$ 93,151</u>	<u>\$ 153,599</u>	<u>\$ 4,786</u>
Covered Payroll	4,254,773	4,173,503	4,731,754	4,903,307	5,681,648	5,809,341	5,884,824	7,935,812	7,630,588	7,630,588
Contributions as a Percentage of Covered Payroll	26.6%	26.3%	22.5%	26.1%	22.5%	18.2%	18.9%	13.5%	12.7%	11.8%

Notes to Schedule:

Valuation date: July 1, 2021
Measurement date: June 30, 2022

Actuarially determined contribution rates are calculated based on actuarial valuation as of July 1 of the beginning of each fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Amortization of unfunded liability with 3.00% per year increase, closed
Remaining amortization period	6 years remaining as of July 1, 2021
Asset valuation method	Market value
Projected pay increases	4.00%
Investment rate of return	6.25%, net of pension plan investment expense
Mortality (healthy participants)	PubG-2010(B) Public Plan Mortality for General Employees, Scale MP-2020
Mortality (disabled participants)	PubG-2010(B) Public Plan Mortality for General Employees, Scale MP-2020

* Contribution amounts for fiscal year ending June 30, 2014 and prior are Annual Required Contribution (ARC) under GASB 27.

**TOWN OF LEDYARD, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
PENSION PLAN
LAST NINE FISCAL YEARS***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	-14.01%	24.50%	4.34%	4.39%	6.96%	9.50%	0.81%	1.89%	14.93%

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

**TOWN OF LEDYARD, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT PLAN
LAST EIGHT FISCAL YEARS***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated With the Town	<u>63,656,332</u>	<u>80,373,297</u>	<u>74,508,198</u>	<u>57,450,149</u>	<u>61,786,364</u>	<u>65,185,087</u>	<u>48,803,952</u>	<u>34,017,535</u>
Total	<u>\$ 63,656,332</u>	<u>\$ 80,373,297</u>	<u>\$ 74,508,198</u>	<u>\$ 57,450,149</u>	<u>\$ 61,786,364</u>	<u>\$ 65,185,087</u>	<u>\$ 48,803,952</u>	<u>\$ 34,017,535</u>
Town's Covered Payroll	\$ 26,167,713	\$ 18,099,414	\$ 18,277,172	\$ 17,831,387	\$ 17,831,387	\$ 18,876,225	\$ 18,141,000	\$ 17,483,000
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

Notes to Schedule:

Changes in Benefit Terms
Changes of Assumptions

None

The Board adopted new assumptions as the result of an experience study for the five-year period ending June 30, 2019:

- Decrease the annual rate of real wage increase assumption from 0.75% to 0.50%.
- Decrease payroll growth assumption from 3.25% to 3.00%.
- Rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

Actuarial Cost Method
Amortization Method
Single Equivalent Amortization Period
Asset Valuation Method
Inflation
Salary Increase
Investment Rate of Return

Entry age
Level percent of pay, closed
30 years
4-year smoothed market
2.50%
3.25%-6.50%, including inflation
6.90%, net of investment-related expense

* - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

TOWN OF LEDYARD, CONNECTICUT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
OPEB PLAN
LAST FIVE FISCAL YEARS*

	2022	2021	2020	2019	2018
Total OPEB Liability:					
Service Cost	\$ 583,260	\$ 499,814	\$ 435,660	\$ 354,403	\$ 448,146
Interest	312,335	457,552	456,546	422,328	421,537
Changes of Benefit Terms	-	-	-	563,857	-
Differences Between Expected and Actual Experience	(2,671,164)	-	-	(474,392)	(1,828,205)
Changes of Assumptions and Other Inputs	215,562	2,923,053	670,446	(577,934)	(1,543,592)
Benefit Payments	(269,389)	(367,991)	(337,051)	(401,634)	(394,415)
Net Change in Total OPEB Liability	(1,829,396)	3,512,428	1,225,601	(113,372)	(2,896,529)
Total OPEB Liability - Beginning	16,267,950	12,755,522	11,529,921	11,643,293	14,539,822
Total OPEB Liability - Ending **	<u>\$ 14,438,554</u>	<u>\$ 16,267,950</u>	<u>\$ 12,755,522</u>	<u>\$ 11,529,921</u>	<u>\$ 11,643,293</u>

Covered-Employee Payroll N/A

Total OPEB Liability as a Percentage of Covered-Employee Payroll N/A

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

** There are no assets accumulated in a trust fund for the payment of OPEB liabilities

***Note: Measurement date of the net pension liability is one year prior to report date.

Notes to Schedule:

Changes of Assumptions Medical trend and mortality rates were updated
The discount rate was decreased from 3.21% to 2.16%.

**TOWN OF LEDYARD, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHERS RETIREMENT PLAN
LAST FIVE FISCAL YEARS***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%
Town's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated With the Town	6,935,241	11,987,680	11,619,974	11,484,671	15,903,105
Total	<u>\$ 6,935,241</u>	<u>\$ 11,987,680</u>	<u>\$ 11,619,974</u>	<u>\$ 11,484,671</u>	<u>\$ 15,903,105</u>
Town's Covered Payroll	\$ 26,167,713	\$ 18,099,414	\$ 18,277,172	\$ 17,831,387	\$ 17,831,387
Town's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	6.11%	2.50%	2.08%	1.49%	1.79%

Notes to Schedule:

Changes in Benefit Terms

None

Changes of Assumptions

Based on the procedure described in GASB 75, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2020 was updated to equal the Municipal Bond Index Rate as of June 30, 2020;

Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;

Long-term health care cost trend rates were updated;

The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated based on observed plan experience. Additionally, participants are no longer assumed to migrate from the Medicare Supplement Plan to the Medicare Advantage Plan after selecting an option; and,

The Board adopted new assumptions as the result of an experience study for the five-year period ending June 30, 2019. The changes in assumptions are summarized below:

- Decrease the annual rate of real wage increase assumption from 0.75% to 0.50%.
- Decrease payroll growth assumption from 3.25% to 3.00%.
- Rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

Actuarial cost method

Entry Age

Amortization method

Level Percent of Payroll Over an Open Period

Remaining amortization period

30 Years

Asset valuation method

Market Value of Assets

Investment rate of return

3.00%, Net of Investment-Related Expense Including Price Inflation

Price inflation

2.75%

* - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

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

TOWN OF LEDYARD, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2022
(NON-GAAP BUDGETARY BASIS)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Property Taxes:				
Property Taxes, Current	\$ 40,375,390	\$ 40,375,390	\$ 40,533,369	\$ 157,979
Arrears	308,024	308,024	316,937	8,913
Interest	171,965	171,965	231,091	59,126
Suspense Tax Collections	35,495	35,495	12,545	(22,950)
Liens	3,745	3,745	15,891	12,146
Total Property Taxes	40,894,619	40,894,619	41,109,833	215,214
Intergovernmental:				
Telephone Line Grants	25,000	25,000	21,250	(3,750)
Pilot: State Property	379,330	379,330	1,184,140	804,810
Property Tax Relief-Elderly	85,000	85,000	-	(85,000)
Disabled Reimbursement	1,200	1,200	979	(221)
Civil Preparedness Reimb	29,570	29,570	-	(29,570)
Additional Veterans Grant	3,500	3,500	3,562	62
Miscellaneous State Grants	-	-	-	-
Pequot Fund	1,391,000	1,391,000	1,391,000	-
Dui Grant Reimbursement	10,000	10,000	544	(9,456)
Dispatch--Preston	25,000	25,000	25,000	-
LYS Grant Dep of Education	26,167	26,167	26,391	224
Pilot: Sr Housing Authority	8,200	8,200	8,422	222
LYS Grant Enrichment	2,000	2,000	-	(2,000)
Federal Public Law 874	1,500,000	1,500,000	1,387,082	(112,918)
Vo-Ag Stabilization Funding	695,736	695,736	997,429	301,693
Education Cost Sharing	11,492,516	11,492,516	11,438,366	(54,150)
Total Intergovernmental	15,674,219	15,674,219	16,484,165	809,946
Charges for Services:				
Aco Fees	1,500	1,500	1,495	(5)
Miscellaneous	40,000	40,000	126,814	86,814
Red Wolf Antennae Lease	55,000	55,000	56,900	1,900
Town Clerk Fees	104,000	104,000	166,039	62,039
Zoning/Wetlands/Zba Fees	14,434	14,434	15,067	633
Assessor's Fees	300	300	521	221
Assessor's Shared Services	-	-	3,071	3,071
Planning	5,000	5,000	5,818	818
Other License/Permit Fee	350	350	2,111	1,761
Town Clerk Dog License Fees	8,500	8,500	13,797	5,297
Building Permit Fees	100,000	100,000	235,027	135,027
Employee Health Co-Premiums	500,000	500,000	504,373	4,373
WPCA - Contribution to Finance Office	40,000	40,000	40,000	-
Lester House Rent	11,000	11,000	11,000	-
Dispatch Regionalization	56,000	56,000	93,016	37,016

TOWN OF LEDYARD, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES – BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2022
(NON-GAAP BUDGETARY BASIS)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Charges for Services (Continued):				
Fire Police Charges	\$ 8,000	\$ 8,000	\$ 2,260	\$ (5,740)
Police OT	50,000	50,000	88,460	38,460
Permit Fee	11,900	11,900	3,535	(8,365)
Records Fee	1,360	1,360	2,039	679
Senior Center Fees	11,000	11,000	10,812	(188)
Public Health Nursing Fees	900,000	900,000	636,929	(263,071)
Tipping Fees	62,000	62,000	54,018	(7,982)
Library Fees	3,000	3,000	538	(2,462)
Program Registration Fees	3,000	3,000	3,985	985
Vo Ag Tuition	772,973	772,973	717,110	(55,863)
Special Education Tuition	179,072	179,072	82,089	(96,983)
Non-Resident Tuition	138,590	138,590	34,648	(103,942)
Total Charges for Services	<u>3,076,979</u>	<u>3,076,979</u>	<u>2,911,472</u>	<u>(165,507)</u>
Investment Income:				
Interest on Deposits	80,000	80,000	43,051	(36,949)
Total Revenues	59,725,817	59,725,817	60,548,521	822,704
Other Financing Sources:				
Appropriation of Fund Balance	-	914,760	-	(914,760)
Transfers In:				
Contribution from Other Funds	200,000	200,000	233,273	33,273
LVES - Contributions for Services	120,000	120,000	120,000	-
Water and Sewer Funds	250,000	250,000	250,000	-
Total Other Financing Sources	<u>570,000</u>	<u>1,484,760</u>	<u>603,273</u>	<u>(881,487)</u>
Total Revenues and Other Financing Sources	<u>\$ 60,295,817</u>	<u>\$ 61,210,577</u>	<u>\$ 61,151,794</u>	<u>\$ (58,783)</u>

TOWN OF LEDYARD, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED JUNE 30, 2022
(NON-GAAP BUDGETARY BASIS)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
EXPENDITURES				
General Government:				
Town Council	\$ 177,922	\$ 177,922	\$ 198,566	\$ (20,644)
Mayor's Office	254,307	206,862	193,018	13,844
Administrative Support	91,400	133,953	129,112	4,841
Legal Services	50,000	50,000	124,356	(74,356)
Probate / Health District	10,575	10,575	8,130	2,445
Registrar of Voters	41,648	41,648	39,550	2,098
Election Expense	24,100	24,100	17,922	6,178
Human Resources Staff	119,418	119,418	119,297	121
Land Use	302,043	302,043	248,401	53,642
Town Clerk	143,711	143,711	143,077	634
Senior Center	96,830	96,830	81,144	15,686
Total General Government	1,311,954	1,307,062	1,302,573	4,489
Department of Finance:				
Finance Office	429,772	429,772	475,484	(45,712)
Assessor's Office	134,305	134,305	130,593	3,712
Tax Collector	130,870	130,870	238,890	(108,020)
Manager Information Systems	319,976	335,276	332,582	2,694
Total Department of Finance	1,014,923	1,030,223	1,177,549	(147,326)
Commissions:				
Conservation	3,575	3,575	600	2,975
Historic District	26,225	26,225	21,121	5,104
Inland Wetland and Water Course	500	500	157	343
Planning	3,000	3,000	-	3,000
Economic Development	3,950	3,950	300	3,650
Total Commissions	37,250	37,250	22,178	15,072
Boards and Committees:				
Zoning Board of Appeals	500	500	-	500
Cemetery Committee	2,000	2,000	1,206	794
Total Boards and Commissions	2,500	2,500	1,206	1,294
Fixed Charges:				
Health Care - General Government	965,789	965,789	838,685	127,104
Health Care - Board of Education	4,254,907	4,254,907	5,116,660	(861,753)
Health Care - Firefighters	111,000	111,000	101,305	9,695
Health Care - Teamster	344,448	344,448	336,908	7,540
Health Care Waivers	254,908	254,908	220,806	34,102
Benefits Consultant	20,000	20,000	5,000	15,000
Worker's Compensation - General Government	136,941	136,941	98,146	38,795
Worker's Compensation - Education	314,988	314,988	294,437	20,551
Unemployment Compensation	7,500	7,500	-	7,500
Retirement	1,131,235	1,131,235	1,131,235	-
Defined Contribution Plan	310,008	310,008	287,900	22,108
Retirement Cash Out	75,000	75,000	68,947	6,053
Contractual Allowances	56,020	56,020	33,039	22,981
Social Security	606,323	606,323	602,803	3,520
Salary and Benefit Adjustment	70,000	70,000	37,018	32,982
Property Insurance	472,808	472,808	454,684	18,124
Miscellaneous Employee Expenses	18,833	18,833	17,139	1,694
Life / A D & D / Disability Insurance	22,420	22,420	12,941	9,479
Total Fixed Charges	9,173,128	9,173,128	9,657,653	(484,525)

TOWN OF LEDYARD, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2022
(NON-GAAP BUDGETARY BASIS)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Public Safety:				
Police	\$ 2,710,897	\$ 2,710,897	\$ 2,726,757	\$ (15,860)
Gales Ferry Fire	200,700	200,700	197,874	2,826
Ledyard Fire Company	121,430	121,430	111,775	9,655
Dispatch	547,725	547,725	676,417	(128,692)
Fire Marshal	90,318	90,318	82,449	7,869
Administrator of Emergency Services	404,860	404,860	410,278	(5,418)
Emergency Management	20,450	20,450	18,894	1,556
Animal Control	77,703	77,703	82,165	(4,462)
Total Public Safety	<u>4,174,083</u>	<u>4,174,083</u>	<u>4,306,609</u>	<u>(132,526)</u>
Health and Welfare				
Department of Health:				
Health District	110,973	110,973	110,973	-
Public Health Nursing	875,603	875,603	723,700	151,903
School Nursing	344,118	344,118	334,439	9,679
Total Department of Health	<u>1,330,694</u>	<u>1,330,694</u>	<u>1,169,112</u>	<u>161,582</u>
Department of Social Services	<u>97,265</u>	<u>97,265</u>	<u>93,869</u>	<u>3,396</u>
Total Health and Welfare	<u>1,427,959</u>	<u>1,427,959</u>	<u>1,262,981</u>	<u>164,978</u>
Public Works:				
Administration	185,816	183,716	182,662	1,054
Highway	1,069,841	1,058,167	1,052,845	5,322
Vehicle Maintenance	272,448	288,899	292,542	(3,643)
Road Upkeep	143,300	181,641	181,627	14
Drainage Improvement	6,000	8,345	8,345	-
Property Maintenance	80,500	90,129	90,128	1
Sanitation	1,048,763	1,020,771	1,017,154	3,617
Total Public Works	<u>2,806,668</u>	<u>2,831,668</u>	<u>2,825,303</u>	<u>6,365</u>
Library	523,622	523,622	528,633	(5,011)
Parks and Recreation	461,401	465,556	459,633	5,923
Education	33,671,969	33,671,969	33,223,716	448,253
Debt Service	<u>4,432,478</u>	<u>3,874,360</u>	<u>3,753,299</u>	<u>121,061</u>
Total Expenditures	<u>59,037,935</u>	<u>58,519,380</u>	<u>58,521,333</u>	<u>(1,953)</u>
OTHER FINANCING USES				
Transfers Out - Capital Nonrecurring	1,257,882	2,133,079	2,133,079	-
Transfers Out - Water and Sewer for Debt Service	-	558,118	540,757	17,361
Total Other Financing Sources Uses	<u>1,257,882</u>	<u>2,691,197</u>	<u>2,673,836</u>	<u>17,361</u>
Total Expenditures and Other Uses	<u>\$ 60,295,817</u>	<u>\$ 61,210,577</u>	<u>\$ 61,195,169</u>	<u>\$ 15,408</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Library Commission – This fund is used to account for the library support services.

Animal Control – This fund is used to account for animal control related activity.

Cafeteria – This fund is used to account for the activities associated with the operations of the School Lunch Programs.

Education Grants – This fund is used to account for the activities of various state and federal educational related grants.

STARS Fund – This fund is used to account for the STARS Program.

Student Activities – This fund is used to account for the various student activity accounts.

Student Scholarships – This fund is used to account for the various student scholarships.

Sawmill Restoration – This fund is used to account for the sawmill restoration.

Miscellaneous Grants and Donations – This fund is used to account for miscellaneous state grant activities.

Senior Center – This fund is used to account for the Senior Center activities.

Parks and Recreation – This fund is used to account for the activity of various recreation programs sponsored by the Town.

Mill Rate Stabilization Fund – This fund is used to account for bond premiums to be used to pay future debt service.

Housing Rehab Program – This fund is used to account for housing rehab grants and related loans.

Capital Project Funds

Town Aid Road Fund – This fund is used to account for the improvements of Town roads.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting Town's programs.

**TOWN OF LEDYARD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022**

	Special Revenue Funds							
	Library Commission	Animal Control	Cafeteria	Education Grants	STARS Fund	Student Activities	Student Scholarships	
ASSETS								
Cash and Cash Equivalents	\$ -	\$ -	\$ 549,500	\$ 2,851,091	\$ 14,225	\$ 476,171	\$ 212,686	\$ -
Receivables, Net:								
Loans	-	-	-	-	-	-	-	-
Due from Other Governments	-	-	313,346	190,178	-	-	-	-
Other Receivables	-	-	-	-	-	-	-	-
Due from Other Funds	22,843	16,669	-	-	1,680	-	-	2,960
Prepaid Expenses	-	-	78,222	15,000	-	-	-	-
Total Assets	\$ 22,843	\$ 16,669	\$ 941,068	\$ 3,056,269	\$ 15,905	\$ 476,171	\$ 212,686	\$ 2,960
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ 864	\$ -	\$ 399,458	\$ 106,004	\$ 2,069	\$ 9,884	\$ -	\$ -
Accrued Payroll and Other Liabilities	-	-	-	37,911	-	-	-	-
Due to Other Funds	-	-	10,951	2,369,295	-	918	-	-
Unearned Revenue	-	-	19,610	229,843	-	-	-	-
Total Liabilities	864	-	430,019	2,743,053	2,069	10,802	-	-
Deferred Inflows of Resources:								
Unavailable Revenue	-	-	-	123,291	-	-	-	-
Fund Balances:								
Nonspendable	-	-	78,222	15,000	-	-	-	-
Restricted	-	-	432,827	174,925	-	465,369	212,686	-
Committed	21,979	16,669	-	-	13,836	-	-	2,960
Total Fund Balances	21,979	16,669	511,049	189,925	13,836	465,369	212,686	2,960
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 22,843	\$ 16,669	\$ 941,068	\$ 3,056,269	\$ 15,905	\$ 476,171	\$ 212,686	\$ 2,960

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

	Special Revenue Funds					Capital Projects	Permanent Funds	Total
	Miscellaneous Grants and Donations	Senior Center	Parks and Recreation	Mill Rate Stabilization Fund	Housing Rehab Program	Town Aid Road	Endowment Fund	
ASSETS								
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,103,673
Receivables, Net:								
Loans	-	-	-	-	714,100	-	-	714,100
Due from Other Governments	-	-	-	-	-	-	-	503,524
Other Receivables	4,062	10,828	4,538	-	-	-	-	19,428
Due from Other Funds	127,334	9,019	258,103	3,430,279	132,014	25,813	68,867	4,095,581
Other Assets	-	-	-	-	-	-	-	93,222
Total Assets	\$ 131,396	\$ 19,847	\$ 262,641	\$ 3,430,279	\$ 846,114	\$ 25,813	\$ 68,867	\$ 9,529,528
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ -	\$ 1,808	\$ 13,196	\$ -	\$ -	\$ -	\$ -	\$ 533,283
Accrued Payroll and Other Liabilities	-	-	16,797	-	-	-	-	54,708
Due to Other Funds	-	-	-	-	-	-	-	2,381,164
Unearned Revenue	7,913	-	-	-	100,000	-	-	357,366
Total Liabilities	7,913	1,808	29,993	-	100,000	-	-	3,326,521
Deferred Inflows of Resources:								
Unavailable Revenue	-	-	-	-	714,100	-	-	837,391
Fund Balances:								
Nonspendable							41,914	135,136
Restricted	123,483	-	-	-	32,014	25,813	26,953	1,494,070
Committed		18,039	232,648	3,430,279				3,736,410
Total Fund Balances	123,483	18,039	232,648	3,430,279	32,014	25,813	68,867	5,365,616
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 131,396	\$ 19,847	\$ 262,641	\$ 3,430,279	\$ 846,114	\$ 25,813	\$ 68,867	\$ 9,529,528

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

	Special Revenue Funds							
	Library Commission	Animal Control	Cafeteria	Education Grants	STARS Fund	Student Activities	Student Scholarships	Sawmill Restoration
REVENUES								
Intergovernmental Revenues	\$ 1,243	\$ -	\$ 1,687,474	\$ 3,737,431	\$ -	\$ -	\$ -	\$ -
Charges for Services	5,085	-	73,823	-	83,023	490,172	-	-
Investment Income	99	-	-	-	-	-	373	-
Contributions	19,280	-	-	-	-	-	24,503	-
Other	-	-	-	-	-	-	-	-
Total Revenues	<u>25,707</u>	<u>-</u>	<u>1,761,297</u>	<u>3,737,431</u>	<u>83,023</u>	<u>490,172</u>	<u>24,876</u>	<u>-</u>
EXPENDITURES								
General Government	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Library	29,846	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-
Education	-	-	1,361,083	3,909,738	82,751	480,415	40,266	-
Interest and Other Charges	-	-	-	-	-	-	-	-
Total Expenditures	<u>29,846</u>	<u>-</u>	<u>1,361,083</u>	<u>3,909,738</u>	<u>82,751</u>	<u>480,415</u>	<u>40,266</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,139)	-	400,214	(172,307)	272	9,757	(15,390)	-
OTHER FINANCING SOURCES (USES)								
Refunding Bonds Issuance	-	-	-	-	-	-	-	-
Premiums	-	-	-	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(4,139)	-	400,214	(172,307)	272	9,757	(15,390)	-
Fund Balance - Beginning of Year, as restated	<u>26,118</u>	<u>16,669</u>	<u>110,835</u>	<u>362,232</u>	<u>13,564</u>	<u>455,612</u>	<u>228,076</u>	<u>2,960</u>
FUND BALANCE - END OF YEAR	<u>\$ 21,979</u>	<u>\$ 16,669</u>	<u>\$ 511,049</u>	<u>\$ 189,925</u>	<u>\$ 13,836</u>	<u>\$ 465,369</u>	<u>\$ 212,686</u>	<u>\$ 2,960</u>

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

	Special Revenue Funds					Capital Projects	Permanent Funds	Total
	Miscellaneous Grants and Donations	Senior Center	Parks and Recreation	Mill Rate Stabilization Fund	Housing Rehab Program	Town Aid Road	Endowment Fund	
REVENUES								
Intergovernmental Revenues	\$ 2,088	\$ 1,690	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,429,926
Charges for Services	-	28,763	205,956	-	5,886	-	-	892,708
Investment Income	-	-	-	-	129	-	386	987
Contributions	82,607	-	-	-	-	-	-	126,390
Other	-	-	-	875,000	-	-	-	875,000
Total Revenues	<u>84,695</u>	<u>30,453</u>	<u>205,956</u>	<u>875,000</u>	<u>6,015</u>	<u>-</u>	<u>386</u>	<u>7,325,011</u>
EXPENDITURES								
General Government	41,751	-	-	-	37,236	-	-	78,987
Public Works	-	-	-	-	-	-	450	450
Health and Welfare	-	28,517	-	-	-	-	-	28,517
Library	-	-	-	-	-	-	-	29,846
Parks and Recreation	-	-	169,285	-	-	-	-	169,285
Education	-	-	-	-	-	-	-	5,874,253
Interest and Other Charges	-	-	-	12,956	-	-	-	12,956
Total Expenditures	<u>41,751</u>	<u>28,517</u>	<u>169,285</u>	<u>12,956</u>	<u>37,236</u>	<u>-</u>	<u>450</u>	<u>6,194,294</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	42,944	1,936	36,671	862,044	(31,221)	-	(64)	1,130,717
OTHER FINANCING SOURCES (USES)								
Bonds Issuance	-	-	-	2,605,000	-	-	-	2,605,000
Premiums	-	-	-	695,458	-	-	-	695,458
Payment to Refunded Bond Escrow Agent	-	-	-	(2,867,881)	-	-	-	(2,867,881)
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	(4,155)	-	-	-	-	-	-	(4,155)
Total Other Financing Sources (Uses)	<u>(4,155)</u>	<u>-</u>	<u>-</u>	<u>432,577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>428,422</u>
NET CHANGE IN FUND BALANCE	38,789	1,936	36,671	1,294,621	(31,221)	-	(64)	1,559,139
Fund Balance - Beginning of Year, as restated	<u>84,694</u>	<u>16,103</u>	<u>195,977</u>	<u>2,135,658</u>	<u>63,235</u>	<u>25,813</u>	<u>68,931</u>	<u>3,806,477</u>
FUND BALANCE - END OF YEAR	<u>\$ 123,483</u>	<u>\$ 18,039</u>	<u>\$ 232,648</u>	<u>\$ 3,430,279</u>	<u>\$ 32,014</u>	<u>\$ 25,813</u>	<u>\$ 68,867</u>	<u>\$ 5,365,616</u>

**TOWN OF LEDYARD, CONNECTICUT
PROPERTY TAXES LEVIED, COLLECTED, AND OUTSTANDING
YEAR ENDED JUNE 30, 2022**

Grand List of October 1,	Uncollected Taxes July 01, 2021	Current Levy	Lawful Corrections			Adjusted Tax Levy	Collections			Uncollected Taxes June 30, 2022
			Additions	Deletions	Transfers to Suspense		Taxes	Interest Liens and Other Fees	Total	
2005	\$ 193	\$ -	\$ -	\$ 193	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2006	572	-	-	-	-	572	-	-	-	572
2007	589	-	-	-	-	589	-	-	-	589
2008	1,680	-	-	-	-	1,680	-	595	595	1,680
2009	2,409	-	-	-	-	2,409	-	-	-	2,409
2010	3,386	-	-	-	-	3,386	739	398	1,137	2,647
2011	3,386	-	-	-	-	3,386	739	1,232	1,971	2,647
2012	3,711	-	-	-	-	3,711	746	1,110	1,856	2,965
2013	4,442	-	-	-	-	4,442	1,300	1,543	2,843	3,142
2014	4,518	-	-	66	-	4,452	1,290	2,066	3,356	3,162
2015	5,019	-	-	61	-	4,958	1,165	1,689	2,854	3,793
2016	7,744	-	-	62	-	7,682	1,299	1,204	2,503	6,383
2017	74,817	-	-	785	-	74,032	13,457	8,019	21,476	60,575
2018	145,032	-	268	5,796	-	139,504	37,008	14,430	51,438	102,496
2019	401,971	-	3,761	16,848	-	388,884	212,524	44,400	256,924	176,360
Suspense	-	-	13,126	-	-	13,126	13,126	16,968	30,094	-
Total Prior Years	659,469	-	17,155	23,811	-	652,813	283,393	93,654	377,047	369,420
2020	-	41,104,759	65,437	217,550	-	40,952,646	40,467,661	145,836	40,613,497	484,985
Total All Years	\$ 659,469	\$ 41,104,759	\$ 82,592	\$ 241,361	\$ -	\$ 41,605,459	\$ 40,751,054	\$ 239,490	\$ 40,990,544	\$ 854,405

STATISTICAL SECTION

**TOWN OF LEDYARD, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	FISCAL YEAR									
	2022	2021*	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities:										
Net Investment in Capital Assets	\$ 63,467,397	\$ 64,912,397	\$ 73,616,004	\$ 72,488,686	\$ 59,139,003	\$ 36,887,375	\$ 32,446,476	\$ 30,699,193	\$ 30,121,941	\$ 43,235,275
Restricted	2,250,084	1,509,012	71,388	114,322	98,025	89,688	86,024	82,880	81,737	273,482
Unrestricted	3,199,312	(530,422)	(10,878,190)	(10,428,507)	(16,830,836)	(4,053,889)	1,841,913	4,930,683	6,129,655	3,780,534
Total Governmental Activities Net Position	\$ 68,916,793	\$ 65,890,987	\$ 62,809,202	\$ 62,174,501	\$ 42,406,192	\$ 32,923,174	\$ 34,374,413	\$ 35,712,756	\$ 36,333,333	\$ 47,289,291
Business-Type Activities:										
Net Investment in Capital Assets	\$ 19,260,238	\$ 19,304,065	\$ 19,376,229	\$ 19,355,101	\$ 19,307,017	\$ 19,026,596	\$ 17,756,275	\$ 17,456,043	\$ 20,710,643	\$ 17,645,971
Restricted										
Unrestricted	2,306,400	2,624,599	2,695,743	2,971,057	3,176,314	3,663,267	4,571,446	5,094,584	4,207,920	3,119,905
Total Business-Type Activities Net Position	\$ 21,566,638	\$ 21,928,664	\$ 22,071,972	\$ 22,326,158	\$ 22,483,331	\$ 22,689,863	\$ 22,327,721	\$ 22,550,627	\$ 24,918,563	\$ 20,765,876
Primary Government:										
Net Investment in Capital Assets	\$ 82,727,635	\$ 84,216,462	\$ 92,992,233	\$ 91,843,787	\$ 78,446,020	\$ 55,913,971	\$ 50,202,751	\$ 48,155,236	\$ 50,832,584	\$ 60,881,246
Restricted	2,250,084	1,509,012	71,388	114,322	98,025	89,688	86,024	82,880	81,737	273,482
Unrestricted	5,505,712	2,094,177	(8,182,447)	(7,457,450)	(13,654,522)	(390,622)	6,413,359	10,025,267	10,337,575	6,900,439
Total Primary Government Net Position	\$ 90,483,431	\$ 87,819,651	\$ 84,881,174	\$ 84,500,659	\$ 64,889,523	\$ 55,613,037	\$ 56,702,134	\$ 58,263,383	\$ 61,251,896	\$ 68,055,167

Note: Schedule prepared on the accrual basis of accounting
* GASB No 84 *Fiduciary Activities* was implemented in FY2021

**TOWN OF LEDYARD, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	FISCAL YEAR									
	2022	2021*	2020	2019	2018	2017	2016	2015	2014	2013
EXPENSES										
Governmental Activities:										
General Government	\$ 12,769,431	\$ 11,207,407	\$ 4,621,025	\$ 4,139,867	\$ 4,624,570	\$ 3,122,791	\$ 3,081,618	\$ 2,936,177	\$ 3,170,329	\$ 2,923,002
Public Safety	4,969,198	4,689,253	5,530,934	5,695,733	5,510,755	4,949,467	4,522,182	4,334,829	4,625,707	4,594,102
Public Works	4,381,495	3,809,749	5,231,313	4,746,149	4,999,027	4,861,303	3,807,900	3,677,081	5,471,587	4,380,592
Health and Welfare	1,288,537	1,254,436	1,591,962	1,659,027	1,687,769	1,687,350	1,695,703	1,683,992	1,670,310	1,851,934
Library	558,913	548,815	758,924	803,364	906,984	757,668	729,312	698,213	726,647	796,715
Parks and Recreation	707,451	540,700	711,346	747,888	781,324	760,986	744,048	675,248	761,364	716,999
Education	45,505,397	49,728,084	51,526,083	42,487,065	47,423,080	49,021,396	45,260,236	45,683,588	44,840,710	40,823,987
Interest and Fiscal Charges	1,119,207	1,179,715	1,252,820	1,313,381	1,426,681	243,817	660,664	890,802	272,448	541,918
Total Governmental Activities Expenses	<u>71,299,629</u>	<u>72,958,159</u>	<u>71,224,407</u>	<u>61,592,474</u>	<u>67,360,190</u>	<u>65,404,778</u>	<u>60,501,663</u>	<u>60,579,930</u>	<u>61,539,102</u>	<u>56,629,249</u>
Business-Type Activities:										
Water Department	1,550,362	1,356,610	1,351,842	1,305,576	1,190,116	1,453,638	1,407,032	1,080,214	1,794,011	1,263,218
Sewer Department	708,209	639,656	674,686	710,371	700,326	573,881	916,605	598,865	781,015	635,010
Total Business-Type Activities Expenses	<u>2,258,571</u>	<u>1,996,266</u>	<u>2,026,528</u>	<u>2,015,947</u>	<u>1,890,442</u>	<u>2,027,519</u>	<u>2,323,637</u>	<u>1,679,079</u>	<u>2,575,026</u>	<u>1,898,228</u>
Total Primary Government Expenses	<u>73,558,200</u>	<u>74,954,425</u>	<u>73,250,935</u>	<u>63,608,421</u>	<u>69,250,632</u>	<u>67,432,297</u>	<u>62,825,300</u>	<u>62,259,009</u>	<u>64,114,128</u>	<u>58,527,477</u>
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	2,093,329	1,566,483	1,281,218	1,070,175	691,744	576,366	550,280	533,628	472,663	371,719
Public Safety	188,899	159,766	162,223	114,368	134,132	263,104	107,698	125,591	150,880	595,741
Public Works	137,012	159,256	128,979	173,837	73,928	1,039,560	1,090,729	1,032,470	900,189	753,692
Health and Welfare	676,504	891,434	962,411	855,802	960,254	92,146	603,191	475,416	551,365	196,529
Library	5,623	6,769	6,731	13,926	33,960	39,029	15,178	14,300	16,404	16,088
Parks and Recreation	332,649	229,943	186,164	291,033	163,572	217,812	213,244	173,969	178,380	215,320
Education	1,480,865	1,397,399	1,481,414	1,654,133	1,605,456	1,769,239	1,721,473	1,721,606	1,805,418	2,144,392
Operating Grants and Contributions	23,589,976	28,983,573	24,907,913	18,704,867	22,409,800	23,698,273	21,479,401	21,730,457	21,194,474	18,976,481
Capital Grants and Contributions	1,153,532	494,782	1,261,195	18,915,861	20,304,000	1,218,892	1,441,748	948,414	1,772,678	738,645
Total Governmental Activities Program Revenues	<u>29,658,389</u>	<u>33,889,405</u>	<u>30,378,248</u>	<u>41,794,002</u>	<u>46,376,846</u>	<u>28,914,421</u>	<u>27,222,942</u>	<u>26,755,851</u>	<u>27,042,451</u>	<u>24,008,607</u>
Business-Type Activities:										
Water Department	1,145,827	1,171,007	1,090,737	1,059,321	1,105,823	1,143,249	1,003,787	1,030,139	920,860	882,606
Sewer Department	483,825	469,857	426,943	493,517	448,041	460,784	463,464	529,882	1,845,186	504,363
Total Business-Type Activities Program Revenues	<u>1,629,652</u>	<u>1,640,864</u>	<u>1,517,680</u>	<u>1,552,838</u>	<u>1,553,864</u>	<u>1,604,033</u>	<u>1,467,251</u>	<u>1,560,021</u>	<u>2,766,046</u>	<u>1,386,969</u>
Total Governmental Activities Program Revenues	<u>31,288,041</u>	<u>35,530,269</u>	<u>31,895,928</u>	<u>43,346,840</u>	<u>47,930,710</u>	<u>30,518,454</u>	<u>28,690,193</u>	<u>28,315,872</u>	<u>29,808,497</u>	<u>25,395,576</u>
NET REVENUES (EXPENSES)										
Governmental Activities	(41,641,240)	(39,068,754)	(40,846,159)	(19,798,472)	(20,983,344)	(36,490,357)	(33,278,721)	(33,824,079)	(34,496,651)	(32,620,642)
Business-Type Activities	(628,919)	(355,402)	(508,848)	(463,109)	(336,578)	(423,486)	(856,386)	(119,058)	191,020	(511,259)
Total Governmental Net Expense	<u>(42,270,159)</u>	<u>(39,424,156)</u>	<u>(41,355,007)</u>	<u>(20,261,581)</u>	<u>(21,319,922)</u>	<u>(36,913,843)</u>	<u>(34,135,107)</u>	<u>(33,943,137)</u>	<u>(34,305,631)</u>	<u>(33,131,901)</u>

* Note - Starting with Fiscal Year 2021, fixed charges are reported with General Government function

**TABLE 2
(CONTINUED)**

**TOWN OF LEDYARD, CONNECTICUT
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	FISCAL YEAR									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Property Taxes	\$ 41,308,872	\$ 39,220,278	\$ 39,205,406	\$ 37,932,843	\$ 36,483,155	\$ 34,710,047	\$ 34,148,082	\$ 33,445,806	\$ 31,429,139	\$ 30,538,621
Grants and Contributions Not Restricted to Specific Programs	2,588,103	1,781,932	1,784,591	1,291,689	2,002,079	1,189,178	936,306	949,184	1,122,693	1,766,584
Gain (Loss) on Sale of Assets	59,607		406,861						(5,328,717)	
Unrestricted Investment Earnings	44,038	25,011	296,310	525,804	177,048	55,535	39,923	36,723	34,772	21,849
Miscellaneous	928,065	52,275	38,842	118,512	36,640	57,471	143,447	166,004	241,553	100,628
Transfers	(261,639)	(209,088)	(251,150)	(302,067)	(326,308)	(785,737)	(627,593)	2,160,575	(3,958,747)	(625,249)
Total Governmental Activities	<u>44,667,046</u>	<u>40,870,408</u>	<u>41,480,860</u>	<u>39,566,781</u>	<u>38,372,614</u>	<u>35,226,494</u>	<u>34,640,165</u>	<u>36,758,292</u>	<u>23,540,693</u>	<u>31,802,433</u>
Business-Type Activities:										
Grants and Contributions Not Restricted to Specific Programs	2,235									
Unrestricted Investment Earnings	3,019	3,006	3,512	3,869	3,945	2,891	2,887	2,888	2,920	2,458
Transfers	261,639	209,088	251,150	302,067	326,308	785,737	627,593	(2,160,575)	3,958,747	625,249
Total Business-Type Activities	<u>266,893</u>	<u>212,094</u>	<u>254,662</u>	<u>305,936</u>	<u>330,253</u>	<u>788,628</u>	<u>630,480</u>	<u>(2,157,687)</u>	<u>3,961,667</u>	<u>627,707</u>
Total Governmental Activities	<u>\$ 44,933,939</u>	<u>\$ 41,082,502</u>	<u>\$ 41,735,522</u>	<u>\$ 39,872,717</u>	<u>\$ 38,702,867</u>	<u>\$ 36,015,122</u>	<u>\$ 35,270,645</u>	<u>\$ 34,600,605</u>	<u>\$ 27,502,360</u>	<u>\$ 32,430,140</u>
CHANGE IN NET POSITION										
Governmental Activities	\$ 3,025,806	\$ 1,801,654	\$ 634,701	\$ 19,768,309	\$ 17,389,270	\$ (1,263,863)	\$ 1,361,444	\$ 2,934,213	\$ (10,955,958)	\$ (818,209)
Business-Type Activities	(362,026)	(143,308)	(254,186)	(157,173)	(6,325)	365,142	(225,906)	(2,276,745)	4,152,687	116,448
TOTAL CHANGES IN NET POSITION	<u>\$ 2,663,780</u>	<u>\$ 1,658,346</u>	<u>\$ 380,515</u>	<u>\$ 19,611,136</u>	<u>\$ 17,382,945</u>	<u>\$ (898,721)</u>	<u>\$ 1,135,538</u>	<u>\$ 657,468</u>	<u>\$ (6,803,271)</u>	<u>\$ (701,761)</u>

Note: Schedule prepared on the accrual basis of accounting

TOWN OF LEDYARD, CONNECTICUT
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	FISCAL YEAR									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
REVENUES										
Property Taxes, Interest, and Lien Fees	\$ 41,109,833	\$ 39,445,437	\$ 38,936,179	\$ 37,774,706	\$ 36,825,006	\$ 34,668,601	\$ 34,123,182	\$ 33,216,692	\$ 31,529,198	\$ 30,453,940
Intergovernmental Revenues	28,684,488	24,355,465	25,402,208	28,969,440	44,091,052	25,650,281	23,962,577	23,638,791	23,887,204	21,193,642
Charges for Services	4,243,039	4,411,050	4,209,140	4,173,274	3,663,046	3,975,973	4,301,793	4,076,981	4,177,538	4,223,724
Investment Income	44,038	25,011	296,310	525,804	177,048	55,555	39,923	36,723	34,772	18,594
Contributions	126,390	117,677	45,940	130,944	624,827	463,312	33,931	11,154	11,708	54,788
Other	938,317	52,275	38,842	118,512	406,290	64,354	109,516	154,850	200,180	100,628
Total Revenues	<u>75,146,105</u>	<u>68,406,915</u>	<u>68,928,619</u>	<u>71,692,680</u>	<u>85,787,269</u>	<u>64,878,076</u>	<u>62,570,922</u>	<u>61,135,191</u>	<u>59,840,600</u>	<u>56,045,316</u>
EXPENDITURES										
Current:										
General Government	12,267,331	11,740,743	11,701,957	11,428,963	10,781,382	11,065,212	11,421,735	11,395,341	9,317,858	8,541,872
Public Safety	4,305,814	4,142,334	4,065,690	3,981,471	3,811,908	3,767,615	3,365,429	3,324,497	3,247,858	3,266,158
Public Works	2,825,753	2,691,287	2,666,871	2,629,205	2,595,235	2,588,262	2,825,680	2,831,386	3,545,751	2,517,318
Health and Welfare	1,261,669	1,236,386	1,300,428	1,320,407	1,388,976	1,394,104	1,362,039	1,355,217	1,368,248	1,228,034
Library	558,479	527,746	506,589	523,632	628,029	621,017	576,683	558,933	570,839	551,501
Parks and Recreation	628,610	465,675	572,454	658,100	599,313	612,973	597,542	541,185	563,662	521,497
Education	44,511,607	41,065,792	40,925,725	35,637,527	41,129,668	40,765,307	37,382,151	37,491,688	36,868,837	34,667,630
Capital Outlay	3,172,664	3,106,345	8,374,088	22,917,260	33,434,801	9,013,561	7,893,925	3,301,764	2,872,806	8,020,332
Debit Service	4,189,044	4,172,901	4,033,075	4,175,013	2,887,736	1,845,342	1,690,143	1,771,719	1,700,532	1,628,076
Total Expenditures	<u>73,720,971</u>	<u>69,149,209</u>	<u>74,146,877</u>	<u>83,271,578</u>	<u>97,257,048</u>	<u>71,673,393</u>	<u>67,115,327</u>	<u>62,571,730</u>	<u>60,056,391</u>	<u>60,942,418</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,425,134	(742,294)	(5,218,258)	(11,578,898)	(11,469,779)	(6,795,317)	(4,544,405)	(1,436,539)	(215,791)	(4,897,102)
OTHER FINANCING SOURCES (USES)										
Issuance of Bonds and Loans	3,000,000	4,000,000	-	6,000,000	-	15,000,000	-	-	-	4,705,000
Issuance of Refunding Bonds	2,605,000	-	-	-	-	-	-	-	-	-
Issuance of Capital Lease	204,820	-	-	126,560	-	-	-	-	-	-
Premium on Issuance of Debt	695,458	596,173	243,978	1,002,234	53,750	1,480,334	-	-	-	-
Payment to Refunded Bond Escrow Agent	(2,867,881)	-	-	-	-	-	-	-	-	-
Sale of Assets	59,607	-	500,000	182,750	-	-	-	-	-	-
Transfers in from Other Funds	2,736,352	2,673,606	5,190,773	2,636,771	1,825,343	1,790,559	1,742,665	4,887,592	1,370,883	1,339,551
Transfers Out to Other Funds	(2,797,991)	(2,857,694)	(5,141,923)	(2,938,838)	(2,151,651)	(2,264,513)	(2,370,258)	(1,705,906)	(1,821,874)	(1,964,800)
Total Other Financing Sources (Uses)	<u>3,635,365</u>	<u>4,412,085</u>	<u>792,828</u>	<u>7,009,477</u>	<u>(272,558)</u>	<u>16,006,380</u>	<u>(627,593)</u>	<u>3,181,686</u>	<u>(450,991)</u>	<u>4,079,751</u>
NET CHANGE IN FUND BALANCES	<u>\$ 5,060,499</u>	<u>\$ 3,669,791</u>	<u>\$ (4,425,430)</u>	<u>\$ (4,569,421)</u>	<u>\$ (11,742,337)</u>	<u>\$ 9,211,063</u>	<u>\$ (5,171,998)</u>	<u>\$ 1,745,147</u>	<u>\$ (666,782)</u>	<u>\$ (817,351)</u>
Debit Service as a Percentage to Noncapital Expenditures	5.94%	6.32%	6.13%	6.92%	4.52%	2.95%	2.85%	2.99%	2.97%	3.08%

Note: Schedule prepared on the modified accrual basis of accounting

**TOWN OF LEDYARD, CONNECTICUT
PROPERTY TAX RATES, LEVIES, AND COLLECTIONS
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)**

Fiscal Year Ended June 30,	General Fund Mill Rate Property	Adjusted Tax Levy (1)	Current Net Tax Collections at June 30,	Percentage of Levy Collected	Net Delinquent Tax Collections (1)	Total Net Taxes Collected- All Years	Percentage of Total Taxes Collected to Levy All Years	Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Levy
2013	27.93	\$ 30,378,451	\$ 29,935,084	98.54 %	\$ 231,801	\$ 30,166,885	99.30 %	\$ 628,615	2.07 %
2014	28.20	30,941,463	30,563,639	98.78	639,389	31,203,028	100.85	564,648	1.82
2015	29.90	33,333,859	32,784,407	98.35	263,359	33,047,766	99.14	564,648	1.69
2016	30.40	34,998,574	33,617,700	96.05	309,416	33,927,116	96.94	701,758	2.01
2017	31.90	34,614,907	34,190,219	98.77	283,453	34,473,672	99.59	746,620	2.16
2018	32.54	36,544,091	36,166,533	98.97	364,758	36,531,291	99.96	551,302	1.51
2019	34.29	37,725,417	37,219,477	98.66	269,471	37,488,948	99.37	710,293	1.88
2020	35.06	38,919,035	38,183,225	98.11	421,892	38,605,117	99.19	1,014,705	2.61
2021	34.97	39,021,528	38,619,557	98.97	618,048	39,237,605	100.55	659,469	1.69
2022	33.60	40,952,646	40,467,661	98.82	283,393	40,751,054	99.51	854,405	2.09

(1) Include over collection of taxes and suspense collections

Source: Town audit reports

**TOWN OF LEDYARD, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
JUNE 30, 2022
(UNAUDITED)**

Total Tax Collections, (including Interest, Penalties, and Late Payment of Taxes)

Year Ended June 30, 2021:

Town of Ledyard	\$ 38,769,151
Gales Ferry District	19,125
Base for Establishing Debt Limit	<u>\$ 38,788,276</u>

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit	Total
Debt Limitation:						
2.25 Times Base	\$ 87,273,621	\$ -	\$ -	\$ -	\$ -	\$ 87,273,621
4.50 Times Base	-	174,547,242	-	-	-	174,547,242
3.75 Times Base	-	-	145,456,035	-	-	145,456,035
3.25 Times Base	-	-	-	126,061,897	-	126,061,897
3 Times Base	-	-	-	-	116,364,828	116,364,828
Total Debt Limitation	87,273,621	174,547,242	145,456,035	126,061,897	116,364,828	649,703,623
Indebtedness:						
Bonds and Notes	7,658,538	24,933,000	1,140,999	-	-	33,732,537
Bond Anticipation Notes	-	9,700,000	-	-	-	9,700,000
Authorized But Unissued Debt	-	8,177,948	-	-	-	8,177,948
Less: Anticipated Grant Proceeds	-	-	-	-	-	-
Total Indebtedness	7,658,538	42,810,948	1,140,999	-	-	51,610,485
Debt Limitation in Excess of Outstanding and Authorized Debt	\$ 79,615,083	\$ 131,736,294	\$ 144,315,036	\$ 126,061,897	\$ 116,364,828	\$ 598,093,138

Notes:

1. In no case shall total indebtedness exceed seven times annual receipts from taxation, or 271,517,932
2. There is no overlapping debt for the Town of Ledyard
3. Authorized but unissued debt is reduced by the total anticipated amount of the State of Connecticut School Construction Grants of \$27,000,000
4. Water related debt of \$1,832,463 has been excluded from the calculation.

**TOWN OF LEDYARD, CONNECTICUT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	FISCAL YEAR									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt limit	\$ 271,517,932	\$ 268,304,771	\$ 263,864,832	\$ 257,462,373	\$ 242,831,722	\$ 242,831,722	\$ 239,114,337	\$ 232,901,389	\$ 221,191,985	\$ 212,581,523
Total net debt applicable to limit	<u>51,610,485</u>	<u>47,132,262</u>	<u>49,476,988</u>	<u>50,608,959</u>	<u>82,167,321</u>	<u>82,167,321</u>	<u>21,855,250</u>	<u>17,992,400</u>	<u>14,442,500</u>	<u>11,793,224</u>
Legal Debt Margin	<u>\$ 219,907,447</u>	<u>\$ 221,172,509</u>	<u>\$ 214,387,844</u>	<u>\$ 206,853,414</u>	<u>\$ 160,664,401</u>	<u>\$ 160,664,401</u>	<u>\$ 217,259,087</u>	<u>\$ 214,908,989</u>	<u>\$ 206,749,485</u>	<u>\$ 200,788,299</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	19.01%	17.57%	18.75%	19.66%	33.84%	33.84%	9.14%	7.73%	6.53%	5.55%

Note: The State of Connecticut General Statutes require that in no event shall the total debt of the Town exceed seven (7) times the annual receipts from taxation. The calculation of the 2021 debt limit can be found on Table 5 of this report.