

Annual Financial Report
of the
Town of Stonington, Connecticut
For the Year Ended June 30, 2022

Town of Stonington, Connecticut

**Annual Financial Report
For the Year Ended June 30, 2022**

Table of Contents

	<u>Page</u>
<u>Introductory Section</u>	
Principal Officials	1
Organizational Chart	2
<u>Financial Section</u>	
Independent Auditors' Report	3-5
Management's Discussion and Analysis	6-17
<u>Exhibits</u>	
<u>Basic Financial Statements</u>	
<u>Government-Wide Financial Statements</u>	
A Statement of Net Position	18-19
B Statement of Activities	20
<u>Fund Financial Statements</u>	
C Balance Sheet - Governmental Funds and Reconciliation of Fund Balances to Net Position of Governmental Activities	21-22
D Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	23
E Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24-25
F Statement of Net Position - Proprietary Funds	26
G Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	27
H Statement of Cash Flows - Proprietary Funds	28
I Statement of Fiduciary Net Position - Fiduciary Funds	29
J Statement of Changes in Fiduciary Net Position - Fiduciary Funds	30
K Notes to Financial Statements	31-86

Town of Stonington, Connecticut

**Annual Financial Report
For the Year Ended June 30, 2022**

Table of Contents

		<u>Page</u>
<u>RSI</u>	<u>Required Supplementary Information</u>	
	<u>Budgetary Comparison Schedules</u>	
	<u>General Fund</u>	
1A	Schedule of Revenues and Other Financing Sources - Budget and Actual	87-88
1B	Schedule of Expenditures and Other Financing Uses - Budget and Actual	89-90
1C	Notes to Required Supplementary Information - Budgets and Budgetary Accounting	91-92
	<u>Employees' Pension Plan</u>	
2A	Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Investment Returns	93
2B	Schedule of Contributions	94
2C	Notes to Required Supplementary Information	95
	<u>Connecticut Municipal Employees' Retirement System</u>	
3A	Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions	96
3B	Notes to Required Supplementary Information	97
	<u>Connecticut State Teachers' Retirement System</u>	
4A	Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions	98
4B	Notes to Required Supplementary Information	99
	<u>Other Post-Employment Benefit (OPEB) Plan</u>	
5A	Schedule of Changes in Net OPEB Liability and Related Ratios and Schedule of Investment Returns	100
5B	Schedule of Contributions	101
5C	Notes to Required Supplementary Information	102

Town of Stonington, Connecticut

**Annual Financial Report
For the Year Ended June 30, 2022**

Table of Contents

		<u>Page</u>
<u>RSI</u>	<u>Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan</u>	
6A	Schedule of Proportionate Share of the Net OPEB Liability and Schedule of Contributions	103
6B	Notes to Required Supplementary Information	104
<u>Schedules</u>	<u>Supplemental Schedules</u>	
	<u>General Fund</u>	
1	Report of Tax Collector	105
2	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	106
3	Schedule of Expenditures and Other Financing Uses - Budget and Actual - By Line Item	107-120
4	Schedule of Expenditures and Other Financing Uses - Budget and Actual - Education Department	121-122
	<u>Sewer Usage Fund</u>	
5	Schedule of Revenues, Expenditures and Changes in Fund Balance	123
	<u>Other Governmental Funds</u>	
6	Combining Balance Sheet	124-126
7	Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	127-129
	<u>Internal Service Funds</u>	
8	Combining Schedule of Net Position	130
9	Combining Schedule of Revenues, Expenses and Changes in Net Position	131
10	Combining Schedule of Cash Flows	132

Town of Stonington, Connecticut

**Annual Financial Report
For the Year Ended June 30, 2022**

Table of Contents

<u>Tables</u>	<u>Trend Section</u>	<u>Page</u>
	<u>Financial Trends</u>	
1	Net Position by Component	133
2	Changes in Net Position	134
3	Fund Balances - Governmental Funds	135
4	Changes in Fund Balances - General Fund (Budgetary Basis)	136
5	Property Tax Rates, Levies and Collections	137
	<u>Debt Capacity</u>	
6	Schedule of Debt Limitation	138

Town of Stonington, Connecticut

Principal Officials June 30, 2022

Board of Selectmen

Danielle Chesebrough, First Selectman
June Strunk, Selectwoman
Deborah Downie, Selectwoman

Board of Finance

Timothy O'Brien, Chairman
Chris Johnson
Michael Fauerbach
Lynn Young
Deborah Norman
Robert Statchen
Bryan Bentz

Town Departments

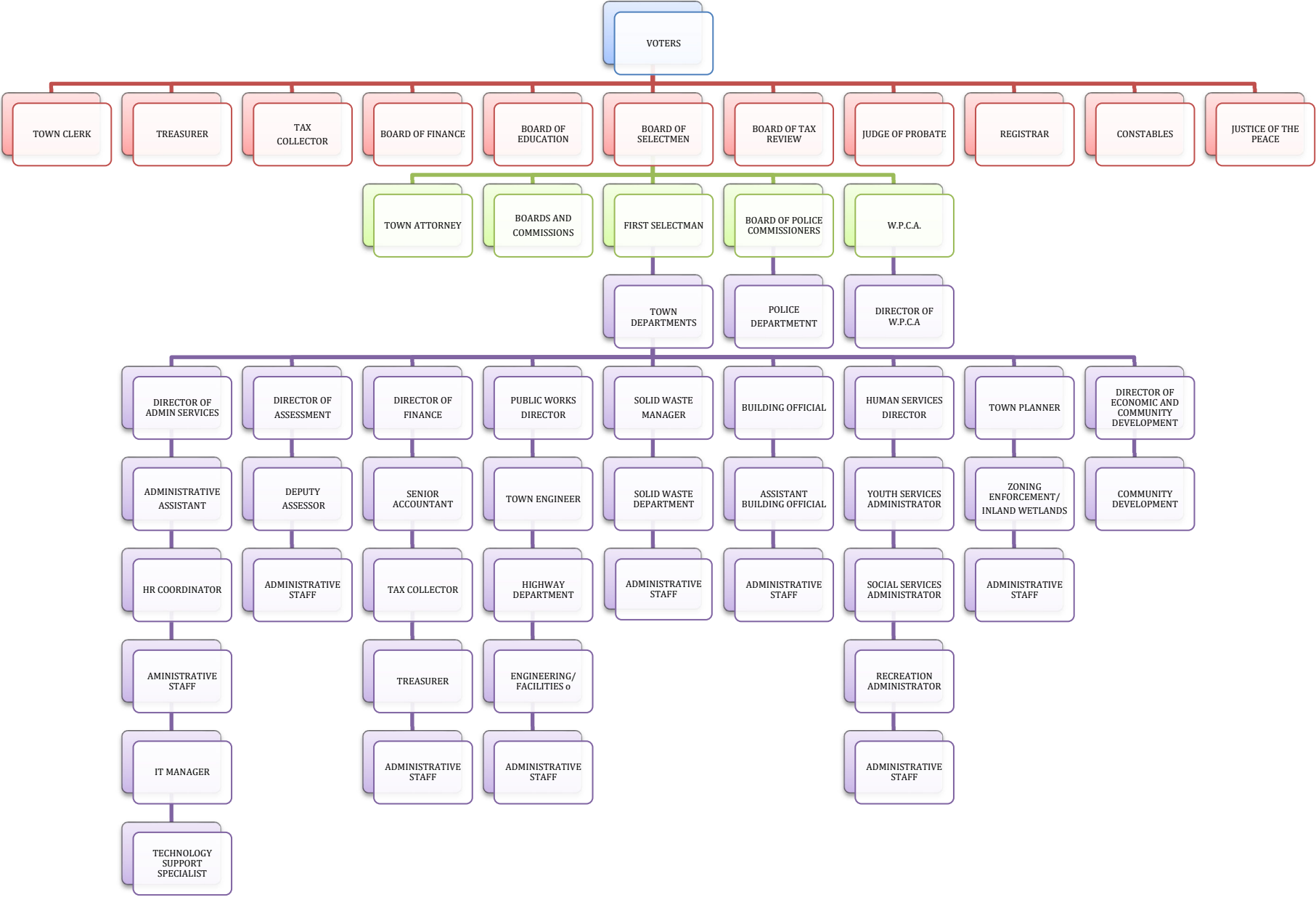
James Sullivan, CPA, Director of Finance
Samuel Grimes, Treasurer
Gary Shettle, Board of Education Director of Finance
Jennifer Lineaweaver, Assessor
Linda Carmelio, Tax Collector
Mary Anne Butler, J.D., Superintendent of Schools
Barbara McKrell, Public Works Director
Dan Smith, Director - W.P.C.A.
Sally Duplice, Town Clerk
Jay DelGrosso, Chief of Police
Lawerence Stannard, Building Official
Chris Greenlaw, Town Engineer
Patti Burmahl, Director of Administrative Services
John Phetteplace - Solid Waste Manager
Leanne Theodore, Director of Human Services

Auditors

PKF O'Connor Davies, LLP

Introductory Section

TOWN OF STONINGTON
ORGANIZATIONAL CHART



Financial Section

Independent Auditors' Report

**Board of Finance
Town of Stonington, Connecticut**

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town, as of June 30, 2022, and the respective changes in financial position 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, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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.

**Board of Finance
Town of Stonington, Connecticut**

Page 2

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'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, budgetary comparisons, and the pension and other post-employment benefit 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Board of Finance
Town of Stonington, Connecticut**

Page 3

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2023 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
May 24, 2023



TOWN OF STONINGTON

152 Elm Street • Stonington, Connecticut 06378
Tel: 860 535-5070 Fax: 860 535-0602

Management's Discussion and Analysis For the Year Ended June 30, 2022

As management of the Town of Stonington, Connecticut ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2022. Please read it in conjunction with the Town's financial statements immediately following this section.

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 \$146,576,804 (net position). Of this amount, \$21,169,469 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.

The Town's total net position increased by \$987,952. The increase is due to the following:

Governmental fund activity:

positive operations of the general fund of	\$ 2,765,101
negative operations of the bonded capital projects fund of	(1,007,930)
negative operations of the capital nonrecurring fund of	(1,047,426)

Conversion to accrual basis on Exhibit E:

net capital asset activity of	(2,634,663)
net principal debt activity of	5,345,479
change in net pension liability of	(4,902,913)
change in OPEB liability of	1,242,149
change in net pension asset of	(1,635,183)
change in pension and OPEB deferred outflows/inflows of resources of	4,735,199
negative operations of the internal service fund of	(2,519,988)

- The Town's governmental funds reported combined ending fund balances of \$45,289,279, an increase of \$777,588 in comparison with the prior year. The change is due to the operating results of each fund noted above and described in further detail in the Financial Analysis of the Town's Funds section.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$19,069,830, or 26.47% of total general fund budgetary expenditures and transfers.

- During the year the Town implemented GASB No. 87 - Leases. The implementation of this statement had no impact on beginning equity, but had the following impact on Town's financial statements:

	Governmental Activities	General Fund
Lease receivable	\$ 1,208,597	\$ 1,208,597
Deferred inflows of resources - lease related	(1,208,597)	(1,208,597)
Capital assets:		
Right-to-use leased machinery and equipment	67,545	-
Long-term liabilities:		
Lease liability	(67,545)	-

- Net capital assets decreased by \$2,634,663 during the current fiscal year. The decrease is attributable to depreciation expense in excess of net capital asset additions.
- the Town's total long-term debt decreased by a net of \$5,345,479. The decrease was primarily due to scheduled principal payments on outstanding long-term debt.

Overview of the basic financial statements

This discussion and analysis is intended to serve as an introduction to the Town of Stonington'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 financial statements. The statement of fiduciary net position is used to present financial information about activities for which the Town acts solely as an agent for the benefit of employees and others.

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 the Town's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between these accounts reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

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

Fund financial statements

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

Governmental funds

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

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

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Sewer Usage Fund, Bonded Capital Projects Fund and Capital Nonrecurring Fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the combining schedules on Schedules 6 and 7.

Proprietary funds

The Town maintains two proprietary funds, both of which are internal service funds. 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 self-insured medical benefits. The Town also maintains a self-insurance fund to partially self-insure the Town Dock against a catastrophic event. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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.

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.

Required supplementary information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information as follows:

- A budgetary comparison schedule for the General Fund to demonstrate compliance with this budget.
- Schedules to demonstrate the Town's progress in funding its obligation to provide pension benefits.
- Schedules to demonstrate the Town's progress in funding its obligation to provide other post-employment benefits.

Other information

Other required schedules, additional budgetary schedules and the combining schedules referred to earlier in connection with other governmental funds are presented immediately following the required supplementary information section.

Government-wide financial analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$146,576,804 at the close of the most recent fiscal year.

By far the largest portion of the Town's net position (83.02%) reflects its investment in capital assets (e.g., land, construction in progress, land and building improvements, buildings, machinery, equipment, infrastructure and vehicles), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Management Discussion and Analysis

The analysis below focuses on the net position and changes in net position. Unrestricted net position at year-end totaled \$21,169,469. This is a decrease of \$1,820,006 from the prior year.

A small portion of the Town's net position, 2.54%, represents resources that are subject to external restrictions on how they may be used.

The unrestricted balance is 14.44% and may be used to meet the Town's ongoing obligations to citizens and creditors.

Statements of Net Position June 30

	<u>2022</u>	<u>2021</u> (as restated)
Current and other assets	\$ 56,691,567	\$ 58,021,934
Capital assets (net)	<u>185,231,042</u>	<u>187,865,705</u>
Total assets	<u>241,922,609</u>	<u>245,887,639</u>
Deferred outflows of resources	<u>7,413,638</u>	<u>3,764,257</u>
Other liabilities	10,868,951	9,871,540
Long-term liabilities	<u>83,550,679</u>	<u>85,811,710</u>
Total liabilities	<u>94,419,630</u>	<u>95,683,250</u>
Deferred inflows of resources	<u>8,339,813</u>	<u>8,379,794</u>
Net position:		
Net investment in capital assets	121,690,882	119,504,182
Restricted	3,716,453	3,095,195
Unrestricted	<u>21,169,469</u>	<u>22,989,475</u>
Total net position	<u>\$ 146,576,804</u>	<u>\$ 145,588,852</u>

Net position may serve over time as a useful indicator of a Town's financial position. The Town's net position increased \$987,952 as detailed below:

**Statements of Changes in Net Position
For the Years Ended June 30**

	<u>2022</u>	<u>2021</u>
Revenues:		
Program revenues:		
Charges for services	\$ 8,954,081	\$ 8,050,314
Operating grants and contributions	10,718,262	9,494,376
Capital grants and contributions	594,652	3,092,704
General revenues:		
Property taxes	69,390,296	66,413,590
Grants and contributions not restricted to specific programs	482,719	285,767
Income from investments	142,789	146,057
Other	166,407	3,855
Total revenues	<u>90,449,206</u>	<u>87,486,663</u>
Expenses:		
General government	8,513,785	6,500,728
Public works	14,045,180	12,355,983
Public safety	8,445,517	8,369,450
Human services	1,171,932	957,182
Social services	378,495	365,000
Recreation	437,060	320,485
Libraries	446,500	446,500
Education	54,081,835	45,796,551
Interest	1,940,950	2,312,194
Total expenses	<u>89,461,254</u>	<u>77,424,073</u>
Increase in net position	987,952	10,062,590
Net position - July 1	145,588,852	134,382,883
Restatement (Note VI)	<u>-</u>	<u>1,143,379</u>
Net position - June 30	<u><u>\$ 146,576,804</u></u>	<u><u>\$ 145,588,852</u></u>

Property taxes comprise 76.72% of revenues, followed by grants and contributions 13.04%, charges for services 9.9% and investment earnings/other 0.34%.

Management Discussion and Analysis

Significant revenue related changes are as follows:

- Property taxes increased by \$2,976,706 due to the increase in the tax levy necessary to support the adopted budget.
- Operating grants and contributions increased by \$1,223,886 substantially due to a \$870,221 increase in national school lunch/breakfast grant and a \$851,977 increase in ESSER grant. The increases were offset by decreases in other education related grants.
- Capital grants and contributions decreased by \$2,498,052 primarily due to a decrease in ARPA fund of \$2,615,463 and the coronavirus relief act grant of \$218,663.

Governmental activity expenses totaled \$89,461,254 for the fiscal year, an increase of \$12,037,181. Of the total expenses, \$54,081,835 or 60.45% is related to education. Details for all categories are as follows:

General government	9.52%
Public works	15.70%
Public safety	9.44%
Human services	1.31%
Social services	0.42%
Recreation	0.49%
Libraries	0.50%
Education	60.45%
Interest	2.17%
	<hr/>
Total	100.00%

The most significant fluctuations from the prior year were as follows:

- General government expenses increase by \$2,013,057 due to an increase in the acquisition of Al Harvey road of \$326,025, increase in planning and development grant fund of \$886,503 related to ARPA grant expenditures and increase in pension expense of \$462,274.
- Public works expenses increased by \$1,689,197 due to increases in pension expense of \$618,442, increase in employee medical expenses of \$203,690 and increase in depreciation expense of \$897,769 due to WPCA plant improvements being placed in service during the year.
- Education expenses increased by \$8,285,284 primarily due to an increase in the pension expense of \$1,228,681, an increase in depreciation expense of \$1,172,256, an increase in employee medical expense of \$2,593,125 and the increase in expenses related to education grants of \$1,412,255.

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 expendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a Town's net resources available for spending at the end of the fiscal year.

The Town reports fund balance in 5 categories. The following are the categories and definitions:

- Nonspendable fund balance - not in spendable format such as inventories and prepaid expenses.
- Restricted fund balance - limitations imposed by external parties, grantors or by legislation.
- Committed fund balance - can only be spent for specific purposes as established by the government's highest level of decision-making authority or contractual obligations.
- Assigned fund balance - amounts that are intended for a specific purpose but do not meet the definition of restricted or committed (i.e., designated for subsequent year's budget).
- Unassigned fund balance - amounts available for any purpose.

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$45,289,279, an increase of \$777,588 in comparison with the prior year. \$19,069,830, or 42.11% of this total amount constitutes unassigned fund balance.

The components of fund balance were as follows:

Restricted	\$ 3,716,453
Committed	20,443,581
Assigned	2,059,415
Unassigned	<u>19,069,830</u>
Total	<u>\$ 45,289,279</u>

This increase is a result of the following activity:

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 \$19,069,830, while total fund balance reached \$21,129,245. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 26.47% of total general fund budgetary expenditures and transfers out, while total fund balance represents 29.33% of that same amount.

During the current fiscal year, the fund balance of the Town's general fund increased by \$2,765,101. The increase was primarily due to property tax revenues over budget by \$902,970 and charges for services exceeding the amount budgeted by \$1,038,915. In addition, expenditures were underspent by a total of \$1,218,052. Details of the results of operations are discussed below under general fund budgetary highlights.

Sewer Usage Fund. The fund accounts for the Town's sewer usage operations. During the year, revenues and transfers in exceeded expenditures by \$373,084. Charges for services increased by \$85,239 and transfers in increased by \$177,000. Expenditures were comparable to the prior year. Net position at year end was \$828,318.

Bonded Capital Projects Fund. The Bonded Capital Projects Fund accounts for financial resources to be used for major construction or acquisition of facilities. The fund's net change in fund balance was a decrease of \$1,007,930 for the fiscal year. This is primarily due to the timing of the funding and expenditures for projects.

Capital Nonrecurring Fund. The Capital Nonrecurring Fund's net change in fund balance was a decrease of \$1,047,426 for the fiscal year due to the timing of the funding and expenditures for projects.

Proprietary funds

The medical self-insurance internal service fund and the Town dock self-insurance fund are the Town's only proprietary funds.

Unrestricted net position for the medical self-insurance fund at year end was \$3,026,980, a decrease of \$2,651,257 from the prior year. This was due to a decrease in charges for services (premiums) of \$1,417,987 and an increase in claims expense of \$1,407,024.

Unrestricted net position for the dock fund at year end was \$1,105,349, an increase from the prior year of \$131,289. This was due to current year funding and no expenses during the year.

General fund budgetary highlights

The difference between the original budget and the final amended budget was \$129,572. The significant additional appropriations were as follows:

- \$125,000 for an increase in highway repairs and maintenance costs funded from a transfer in from the capital nonrecurring fund of \$81,884 and fund balance of \$43,116.
- \$4,572 for an increase in emergency management line funded on a state grant.

Revenues:

Revenues and other financing sources exceeded the budget by a total of \$2,166,503. The most significant variances were as follows:

- Property taxes revenue exceeded the amount budgeted by \$902,970 due to conservative budgeting practices of the Town.
- State grant revenues exceeded the budgeted amount by \$212,515.
- Charges for services exceeded the amount budgeted by \$1,038,915. This was substantially due to revenues exceeding the amounts budgeted for solid waste fees of \$284,409, building permits of \$348,183, conveyance taxes of \$270,014, Town clerk's fees of \$38,104, and P & Z and zoning board fees of \$44,099.
- Cancellation of prior year encumbrances of \$120,352.

Expenditures:

Expenditures were underspent by a total of \$1,218,052. The most significant variances were as follows:

- General government was underspent by \$263,615 due to the savings in election's budget of \$34,585, primarily from referendum personnel, human resources department of \$109,704, primarily from surpluses in labor negotiations, unemployment, employee travel expense, retiree health care, and professional and technical services. Planning department had a surplus \$54,238, primarily due to surpluses in the CRS community outreach and professional services. There was a \$30,000 surplus in the various finance departments.
- Public works was \$142,507 under budget due to solid waste and Town building operation and maintenance budgets being underspent by \$60,652 and \$73,365, respectively. Solid waste was underspent by \$11,763 in overtime, \$14,011 in disposal fees, and \$16,833 in SCRRA receptacle costs. Town building maintenance was underspent by \$18,548 in heating oil, \$48,162 in general maintenance, and \$10,787 in street lighting, offset by overages of \$4,132 in various other accounts.
- Public safety was \$245,820 under budget primarily due to the following line-items coming in under budget; regular officer salaries were \$25,606 under budget due to 2 positions remaining unfilled; communications specialist overtime was \$16,016 under budget due to an additional appropriation of \$43,000 during the year; special officers salary was under budget by \$13,708; clerical salaries were under budget by \$13,896; paid holidays was under budget by \$14,092; accreditation expense was under budget by \$14,532; telecommunications was under budget by \$26,429 due to an additional appropriation of \$24,400; and retirement contribution was under budget by \$66,363 due to vacant officer positions.
- Debt service was \$562,825 under budget due to a refunding of 2013 and 2014 road and sewer bonds, resulting in the savings.

Capital assets and debt administration

Capital assets

The Town's investment in capital assets amounts to \$185,231,042 (net of accumulated depreciation/. amortization). This investment in capital assets is as follows:

	Capital Assets - Net June 30	
	2022	2021
Land	\$ 12,709,836	\$ 12,709,836
Construction in progress	1,964,839	2,854,923
Land and building improvements	23,606,992	24,217,379
Buildings	89,745,930	91,922,138
Machinery and equipment	2,928,288	3,090,088
Right-to-use machinery and equipment	51,479	67,545
Infrastructure	53,275,663	51,603,208
Vehicles	948,015	1,400,588
Total	<u>\$ 185,231,042</u>	<u>\$ 187,865,705</u>

Management Discussion and Analysis

The net capital assets decreased in the current year by \$2,634,663. The decrease is due to depreciation/amortization expense exceeding capital additions. In the current year, the Town had capital asset additions totaling \$7,023,620 and deductions totaling \$2,927,989 for construction in progress that was placed in service. Major capital asset events during the current fiscal year included the following:

Construction in progress additions of:

➤ Middle school roof project	\$ 541,454
➤ Pawcatuck plant tank replacement	452,661
➤ Mystic to Borough transfer	441,111

Land and building improvements additions (placed in service) of:

➤ Pawcatuck plant tank replacement	503,432
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Building additions (placed in service) of:

➤ Town hall roof replacement	224,560
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Machinery and equipment additions of :

➤ Bucket loader	198,441
➤ Highway equipment	160,128

Infrastructure additions of:

➤ Mystic to Borough transfer	2,045,965
➤ Various road projects	1,616,629

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

Long-term debt

At the end of the fiscal year, the Town had total long-term debt outstanding of \$67,788,584. All debt is backed by the full faith and credit of the Town.

Outstanding Long-Term Debt June 30

	2022	2021 (as restated)
General obligation bonds	\$ 67,085,000	\$ 72,060,000
Notes payable	647,540	1,006,518
Leases payable	56,044	67,545
Totals	<u>\$ 67,788,584</u>	<u>\$ 73,134,063</u>

During the current fiscal year, the Town's total long-term debt decreased by a net of \$5,345,479. The decrease was primarily due to scheduled principal payments on outstanding long-term debt.

The Town maintains an "Aa1" credit rating from Moody's Investor Service, and a rating from Standard and Poor's of AAA.

State Statutes limit the amount of general obligation debt a governmental entity may issue to 7 times total prior year tax collections including interest and lien fees. The current debt limitation for the Town is \$509,383,315, which is significantly in excess of the Town's outstanding general obligation debt.

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

Economic factors and next year's budgets and rates

- At June 2022, the unemployment rate for the Town was 3.1% as compared to the state's average unemployment rate of 4.1% and a national unemployment rate of 3.8%. This is lower than 5.2% for the prior year. The decrease is due to job market recovery subsequent to the pandemic.
- The decrease is due to job market recovery subsequent to the pandemic.

Requests for information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, James P. Sullivan, CPA, Town of Stonington, 152 Elm Street, Stonington, CT 06378.

Basic Financial Statements

Town of Stonington, Connecticut

Governmental Activities
Statement of Net Position
June 30, 2022

<u>Assets</u>	
Current assets:	
Cash	\$ 20,343,593
Investments	31,655,010
Receivables (net):	
Property taxes	311,743
Assessments/user charges	1,033,146
Intergovernmental	689,828
Leases	72,700
Other	341,934
Other	10,967
Total current assets	54,458,921
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Cash	52,000
Investments	669,499
Total restricted assets	721,499
Receivables (net):	
Property taxes	88,359
Assessments/user charges	169,797
Leases	1,066,787
Loans	186,204
Total receivables (net)	1,511,147
Capital assets (net of accumulated depreciation/amortization):	
Land	12,709,836
Construction in progress	1,964,839
Land and building improvements	23,606,992
Buildings	89,745,930
Machinery and equipment	2,928,288
Right-to-use leased machinery and equipment	51,479
Infrastructure	53,275,663
Vehicles	948,015
Total capital assets	185,231,042
Total noncurrent assets	187,463,688
Total assets	241,922,609
<u>Deferred Outflows of Resources</u>	
Pension related	6,599,592
OPEB related	814,046
Total deferred outflows of resources	7,413,638
(Continued)	

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut

Governmental Activities
Statement of Net Position
June 30, 2022

	<u>Liabilities</u>	
Current liabilities:		
Accounts payable	\$	2,446,690
Accrued payroll and related liabilities		487,772
Accrued interest payable		567,686
Unearned revenue		176,310
Overpayments		9,708
Claims payable		704,000
Bonds and notes payable		5,720,208
Leases payable		35,488
Compensated absences		696,089
Landfill postclosure costs		25,000
Total current liabilities		<u>10,868,951</u>
Noncurrent liabilities:		
Performance bonds and customer deposits		721,499
Bonds, notes, and related liabilities		65,875,926
Leases payable		20,556
Compensated absences		2,088,267
Landfill postclosure costs		50,000
Heart and hypertension		142,193
Net pension liability		13,225,355
Net OPEB liability		1,426,883
Total noncurrent liabilities		<u>83,550,679</u>
Total liabilities		<u>94,419,630</u>
	<u>Deferred Inflows of Resources</u>	
Deferred charge on refunding		969,557
Pension related		2,910,067
OPEB related		3,339,254
Lease related		1,120,935
Total deferred inflows of resources		<u>8,339,813</u>
	<u>Net Position</u>	
Net investment in capital assets		121,690,882
Restricted for:		
Public safety		22,900
Highway department		482,824
Sanitation and waste removal		2,354,356
Human services		52,518
Housing rehabilitation programs		222,309
Education		581,546
Unrestricted		21,169,469
Total net position	\$	<u>146,576,804</u>
		(Concluded)

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut

**Governmental Activities
Statement of Activities
For the Year Ended June 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General government	\$ 8,513,785	\$ 1,454,768	\$ 24,665	\$ -	\$ (7,034,352)
Public works	14,045,180	5,708,726	101,117	594,652	(7,640,685)
Public safety	8,445,517	279,699	114,031	-	(8,051,787)
Human services	1,171,932	-	248,985	-	(922,947)
Social services	378,495	-	-	-	(378,495)
Recreation	437,060	322,522	29,202	-	(85,336)
Libraries	446,500	-	-	-	(446,500)
Education	54,081,835	1,188,366	10,200,262	-	(42,693,207)
Interest	1,940,950	-	-	-	(1,940,950)
Total	<u>\$ 89,461,254</u>	<u>\$ 8,954,081</u>	<u>\$ 10,718,262</u>	<u>\$ 594,652</u>	<u>(69,194,259)</u>
General revenues:					
Property taxes					69,390,296
Grants and contributions not restricted to specific programs					482,719
Income from investments					142,789
Other					<u>166,407</u>
Total general revenues					<u>70,182,211</u>
Change in net position					987,952
Net position - July 1, 2021 (as restated)					<u>145,588,852</u>
Net position - June 30, 2022					<u>\$ 146,576,804</u>

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut

Governmental Funds
Balance Sheet
June 30, 2022

	General Fund	Sewer Usage Fund	Bonded Capital Projects Fund	Capital Nonrecurring Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>						
Cash	\$ 3,398,192	\$ 1,318,322	\$ -	\$ 5,504,689	\$ 5,531,393	\$ 15,752,596
Restricted cash	37,057	14,943	-	-	-	52,000
Investments	31,434,269	-	-	-	220,741	31,655,010
Restricted investments	659,240	10,259	-	-	-	669,499
Receivables (net):						
Property taxes	399,037	-	-	-	-	399,037
Loans	-	-	-	-	186,204	186,204
Assessments/use charges	-	1,201,286	-	-	1,657	1,202,943
Intergovernmental	190,735	-	-	40,568	458,525	689,828
Leases	1,139,487	-	-	-	-	1,139,487
Other	293,064	4,314	-	8,070	36,486	341,934
Due from other funds	2,183,318	-	9,634,704	-	4,608,289	16,426,311
Other	10,967	-	-	-	-	10,967
Total assets	<u>\$ 39,745,366</u>	<u>\$ 2,549,124</u>	<u>\$ 9,634,704</u>	<u>\$ 5,553,327</u>	<u>\$ 11,043,295</u>	<u>\$ 68,525,816</u>
<u>Liabilities</u>						
Accounts payable	\$ 1,691,417	\$ 12,227	115,235	\$ 322,659	\$ 305,152	\$ 2,446,690
Accrued payroll and related liabilities	487,772	-	-	-	-	487,772
Due to other funds	14,210,955	482,091	-	793,784	1,184,813	16,671,643
Unearned revenue	-	-	-	-	176,310	176,310
Overpayments	9,708	-	-	-	-	9,708
Performance bonds and customer deposits	696,297	25,202	-	-	-	721,499
Total liabilities	<u>17,096,149</u>	<u>519,520</u>	<u>115,235</u>	<u>1,116,443</u>	<u>1,666,275</u>	<u>20,513,622</u>
<u>Deferred Inflows of Resources</u>						
Unavailable revenue:						
Property taxes	399,037	-	-	-	-	399,037
Assessments/use charges	-	1,201,286	-	-	1,657	1,202,943
Lease related	1,120,935	-	-	-	-	1,120,935
Total deferred inflows of resources	<u>1,519,972</u>	<u>1,201,286</u>	<u>-</u>	<u>-</u>	<u>1,657</u>	<u>2,722,915</u>
<u>Fund Balances</u>						
Restricted	-	828,318	-	-	2,888,135	3,716,453
Committed	-	-	9,519,469	4,436,884	6,487,228	20,443,581
Assigned	2,059,415	-	-	-	-	2,059,415
Unassigned	19,069,830	-	-	-	-	19,069,830
Total fund balances	<u>21,129,245</u>	<u>828,318</u>	<u>9,519,469</u>	<u>4,436,884</u>	<u>9,375,363</u>	<u>45,289,279</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 39,745,366</u>	<u>\$ 2,549,124</u>	<u>\$ 9,634,704</u>	<u>\$ 5,553,327</u>	<u>\$ 11,043,295</u>	<u>\$ 68,525,816</u>

(Continued)

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut

**Reconciliation of Fund Balances to Net Position
of Governmental Activities
June 30, 2022**

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different from the governmental fund balance sheet due to:

Total fund balances (Exhibit C, Page 1)	<u>\$ 45,289,279</u>
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Beginning capital assets (net)	187,865,705
Current year additions (net of construction in progress decreases)	4,095,631
Depreciation/amortization expense	<u>(6,730,294)</u>

Total	<u>185,231,042</u>
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Other long-term assets and deferred outflows of resources are not available resources and, therefore, are not reported in the funds:

Property tax interest and lien accrual	62,065
Allowance for doubtful accounts	(61,000)
Deferred outflows related to pensions	6,599,592
Deferred outflows related to OPEB	<u>814,046</u>

Total	<u>7,414,703</u>
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Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds:

Property tax and sewer assessments receivable-accrual basis change	<u>1,601,980</u>
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Internal service funds are used by management for risk financing activities:

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	<u>4,132,329</u>
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Some liabilities and deferred inflows of resources, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(67,732,540)
Premium	(3,863,594)
Leases	(56,044)
Compensated absences	(2,784,356)
Landfill postclosure costs	(75,000)
Heart and hypertension	(142,193)
Net pension liability	(13,225,355)
Net OPEB liability	(1,426,883)
Accrued interest payable	(567,686)
Deferred charge on refunding	(969,557)
Deferred inflows related to pensions	(2,910,067)
Deferred inflows related to OPEB	<u>(3,339,254)</u>

Total	<u>(97,092,529)</u>
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Net position (Exhibit A)	<u>\$ 146,576,804</u>
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(Concluded)

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

	General Fund	Sewer Usage Fund	Bonded Capital Projects Fund	Capital Nonrecurring Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 69,207,276	\$ -	\$ -	\$ -	\$ -	\$ 69,207,276
Intergovernmental	6,686,272	785	-	294,482	4,814,094	11,795,633
Charges for services	4,233,015	2,666,170	-	45,842	1,899,485	8,844,512
Use of money and property	109,981	-	-	7,184	18,801	135,966
Other	-	1,395	-	-	165,012	166,407
Total revenues	80,236,544	2,668,350	-	347,508	6,897,392	90,149,794
Expenditures:						
Current:						
General government	7,679,948	-	-	467,074	925,666	9,072,688
Public safety	6,465,864	-	-	-	286,145	6,752,009
Public works	7,105,542	2,890,582	-	-	307,380	10,303,504
Human services	543,622	-	-	-	341,742	885,364
Social services	378,495	-	-	-	-	378,495
Libraries	446,500	-	-	-	-	446,500
Recreation	144,165	-	-	-	292,895	437,060
Other civic divisions	251,583	-	-	-	-	251,583
Education	43,895,406	-	-	-	4,632,714	48,528,120
Debt service	7,571,383	-	-	-	-	7,571,383
Capital outlay	-	85,684	1,007,930	3,663,189	2,591	4,759,394
Total expenditures	74,482,508	2,976,266	1,007,930	4,130,263	6,789,133	89,386,100
Excess (deficiency) of revenues over expenditures	5,754,036	(307,916)	(1,007,930)	(3,782,755)	108,259	763,694
Other financing sources (uses):						
Issuance of debt	-	-	-	13,894	-	13,894
Transfers in	111,384	681,000	-	2,803,319	47,000	3,642,703
Transfers out	(3,100,319)	-	-	(81,884)	(460,500)	(3,642,703)
Net other financing sources (uses)	(2,988,935)	681,000	-	2,735,329	(413,500)	13,894
Net change in fund balances	2,765,101	373,084	(1,007,930)	(1,047,426)	(305,241)	777,588
Fund balances - July 1, 2021 (as restated)	18,364,144	455,234	10,527,399	5,484,310	9,680,604	44,511,691
Fund balances - June 30, 2022	\$ 21,129,245	\$ 828,318	\$ 9,519,469	\$ 4,436,884	\$ 9,375,363	\$ 45,289,279

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2022**

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

Net change in fund balances - total governmental funds (Exhibit D) \$ 777,588

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/amortization expense.

Capital outlay	4,095,631
Depreciation/amortization expense	<u>(6,730,294)</u>
Total	<u>(2,634,663)</u>

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

Change in property tax and sewer assessments receivable - accrual basis change	283,381
Change in property tax interest and lien revenue	33,208
Change in property tax allowance for doubtful accounts	<u>(24,000)</u>
Total	<u>292,589</u>

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

Debt issued or incurred:	
Issuance of debt	(13,894)
Principal payments:	
Bonds	4,975,000
Notes payable	358,978
Leases	<u>25,395</u>
Total	<u>5,345,479</u>

(Continued)

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2022**

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:

Change in/amortization of:	
Compensated absences	\$ (8,900)
Landfill post closure costs	25,000
Heart and hypertension	535
Net pension liability	(4,902,913)
Net OPEB liability	1,242,149
Net pension asset	(1,635,183)
Accrued interest payable	(41,721)
Premium	237,683
Deferred charge on refunding	75,098
Deferred outflows of resources related to pension	3,139,578
Deferred outflows of resources related to OPEB	509,803
Deferred inflows of resources related to pension	2,531,574
Deferred inflows of resources related to OPEB	<u>(1,445,756)</u>
Total	<u>(273,053)</u>

Internal service funds are used by management for risk financing activities:

The net revenue (expense) of the activities of the internal service funds are reported with governmental activities	<u>(2,519,988)</u>
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Change in net position (Exhibit B)	<u>\$ 987,952</u>
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(Concluded)

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut

Proprietary Funds
Statement of Net Position
June 30, 2022

	<u>Internal Service Fund</u>
<u>Assets</u>	
Current assets:	
Cash	\$ 4,590,997
Due from other funds	<u>245,332</u>
Total current assets	<u>4,836,329</u>
<u>Liability</u>	
Current liability:	
Claims payable	<u>704,000</u>
<u>Net Position</u>	
Unrestricted	<u><u>\$ 4,132,329</u></u>

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut

Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2022

	<u>Internal Service Fund</u>
Operating revenues:	
Charges for services	<u>\$ 6,037,182</u>
Operating expenses:	
Claims	6,705,478
Administration and insurance	<u>1,858,515</u>
Total operating expenses	<u>8,563,993</u>
Operating income (loss)	(2,526,811)
Nonoperating revenues:	
Income from investments	<u>6,823</u>
Change in net position	(2,519,988)
Net position - July 1, 2021	<u>6,652,317</u>
Net position - June 30, 2022	<u><u>\$ 4,132,329</u></u>

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut

Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2022

	<u>Internal Service Fund</u>
Cash flows from (used in) operating activities:	
Cash received for premiums	\$ 6,127,403
Cash paid for claims	(6,383,478)
Cash paid for administration and insurance	<u>(1,858,515)</u>
Net cash from (used in) operating activities	(2,114,590)
Cash flows from (used in) investing activities:	
Income from investments	<u>6,823</u>
Net increase (decrease) in cash	(2,107,767)
Cash - July 1, 2021	<u>6,698,764</u>
Cash - June 30, 2022	<u><u>\$ 4,590,997</u></u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:	
Operating income (loss)	\$ (2,526,811)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:	
(Increase) decrease in:	
Accounts receivable	31,630
Due from other funds	58,591
Increase (decrease) in:	
Claims payable	<u>322,000</u>
Net cash from (used in) operating activities	<u><u>\$ (2,114,590)</u></u>

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2022

	Pension and OPEB Trust Funds
	<u> </u>
<u>Assets</u>	
Cash	\$ 149,644
Contributions receivable	<u>174</u>
Investments:	
Mutual funds:	
Money market	1,763,451
Bond	13,377,376
Equity	20,691,963
Certificates of deposit	938,064
Bank money market	14,989
Exchange Traded Funds	1,863,677
Equities	1,117,158
Municipal bonds	172,261
Corporate bonds	292,093
U.S. government agency obligations	<u>215,784</u>
Total investments	<u>40,446,816</u>
Total assets	<u>40,596,634</u>
<u>Net Position</u>	
Restricted for:	
Pensions	35,940,063
OPEB	<u>4,656,571</u>
Total net position	<u>\$ 40,596,634</u>

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

	<u>Pension and OPEB Trust Funds</u>
Additions:	
Contributions:	
Employer	\$ 1,207,221
Employee	<u>220,077</u>
Total contributions	<u>1,427,298</u>
Investment income (loss):	
Net change in fair value of investments	(6,838,547)
Interest and dividends	<u>1,031,577</u>
Total investment income (loss)	(5,806,970)
Less investment expense	<u>45,041</u>
Net investment income (loss)	<u>(5,852,011)</u>
Total additions	<u>(4,424,713)</u>
Deductions:	
Benefits	2,331,652
Administration	<u>93,968</u>
Total deductions	<u>2,425,620</u>
Change in net position	(6,850,333)
Net position - July 1, 2021	<u>47,446,967</u>
Net position - June 30, 2022	<u><u>\$ 40,596,634</u></u>

The notes to financial statements are an integral part of this statement.

Town of Stonington, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2022****History and organization**

The Town of Stonington, Connecticut ("Town") is located in the southeastern corner of Connecticut, bordering Rhode Island to the east, Long Island Sound to the south and Groton, Ledyard and North Stonington to the west and north. The Town, which covers 42.7 square miles, was settled in 1649. The Town operates under a Selectmen-Town Meeting form of government as prescribed by the Connecticut General Statutes and its charter, which was adopted November 7, 1989. The Town provides the following services as authorized by its charter: public safety, public works (streets and highways), sanitation, culture and recreation, planning, zoning, public health and social services, sewers and education encompassing grades Pre-K through 12.

The accompanying financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. The Town is financially accountable for the pension and OPEB trust funds and therefore, they are considered fiduciary component units. The financial statements of the fiduciary component units are reported as pension and OPEB trust funds in the fiduciary fund financial statements. The pension and OPEB trust funds do not issue separate financial statements.

I. Summary of significant accounting policies**A. Government-wide and fund financial statements**

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

B. Measurement focus, basis of accounting and financial statement presentation

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

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

B. Measurement focus, basis of accounting and financial statement presentation (continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected during the current fiscal period. In addition, the Town considers reimbursement grants to be available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension and OPEB benefits, certain other employee benefits, and certain other long-term liabilities are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds.

Expenditure reimbursement type grants, certain intergovernmental revenues, certain charges, transfers, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenues, including property taxes, are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

General Fund	The 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.
Sewer Usage Fund	Accounts for the Town's sewer use operations.
Bonded Capital Projects Fund	Accounts for financial resources to be used for major construction or acquisition of facilities.
Capital Nonrecurring Fund	Accounts for activities associated with major capital improvements and equipment.

Additionally, the Town reports the following fund types:

Special Revenue Funds	Accounts for and reports the proceeds of specific revenue resources that are restricted, committed or assigned to expenditures for specified purposes other than debt.
Capital Projects Fund	Accounts for and reports resources and expenditures that are restricted, committed or assigned for the acquisition and construction of capital facilities, including those that are financed through special assessments.
Internal Service Fund	Accounts for risk financing activities for medical insurance benefits and for general liability and property claims related to the Town dock as allowed by GASB Statement No. 10.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

B. Measurement focus, basis of accounting and financial statement presentation (continued)

Pension Trust Funds	Accounts for the activities of the Stonington Retirement System, which accumulates resources for pension benefit payments to qualified employees.
OPEB Trust Funds	Accounts for the activities of the Town OPEB Plan and Police OPEB Plan, which accumulate resources for OPEB benefits.

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

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

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 Town's internal service funds are charges to customers for services. Operating expenses for internal service funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

For purposes of measuring the net pension and OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position of the Town of Stonington Pension and OPEB plans, the Connecticut Municipal Employees Retirement System ("MERS"), the Connecticut State Teachers' Retirement System ("TRS"), and the Connecticut State Retiree Health Insurance Plan ("RHIP") have been determined on the same basis as they are reported by the Town's pension and OPEB plans, MERS, TRS, and RHIP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

C. Assets, liabilities, deferred outflows/inflows of resources and equity**1. Cash and investments****a. Cash**

The Town considers cash as cash on hand and demand deposits.

For cash flow purposes the Town considers cash equivalents money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**b. Investments**

In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. For the capital nonrecurring fund, not more than 31.00% can be invested in equity securities. Investment income is recorded in the fund in which it was earned.

State Treasurer's Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c - 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

The Town's pension funds are regulated by an approved investment policy, which is reviewed annually by the pension board. The Town has agreements with the investment advisors, who manage the investment portfolios and have full authority for the investment and reinvestment of pension fund assets. Investments for the Town are reported at fair value. The investment guidelines are as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	
	<u>Pension</u>	<u>OPEB</u>
Equities	60.00%	40.00%
Fixed income	35.00%	58.00%
Real estate	5.00%	-
Cash	-	2.00%
Total	<u>100.00%</u>	<u>100.00%</u>

c. Methods used to value investments

Investments for the Town are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Fair value of investments

The Town measures and records its investments using fair value measurement guidelines established by accounting principles generally accepted in the United States of America (GAAP). These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1	Quoted prices for identical investments in active markets
Level 2	Quoted prices for identical investments in markets that are not active
Level 3	Unobservable inputs

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**d. Risk policies**

Interest rate risk	Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.
Credit risk	Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.
Concentration of credit risk	Concentration of credit risk is the risk attributed to the magnitude of an entity's investments in a single issuer. The Town follows the limitations specified in the Connecticut General Statutes. Generally, the Town's deposits cannot be 75% or more of the total capital in any one depository.
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's policy follows the State of Connecticut requirements that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio.
Foreign currency risk	Foreign currency risk is the risk that the value of the investment may be affected by changes in the rate of exchange. The Town does not have a formal policy with respect to foreign currency risk.

2. Receivables and payables**a. Interfunds**

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

b. Property taxes and other receivables

In the government-wide financial statements, all trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 2.00% to 22.00% of outstanding receivable balances and are calculated based upon prior collections.

In the fund financial statements, property tax revenues are recognized when they become available. Only taxes collected during the fiscal year are recorded as revenue.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

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

Loan receivables consist of housing rehabilitation loans. The Town provides the low interest loans for residential rehabilitation as well as loans to local businesses for facility improvements.

c. Leases receivable

The Town is a lessor for noncancellable leases of land and buildings. The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

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

Key estimates and judgements related to leases include:

Discount Rate	The Town uses its estimated incremental borrowing rate as the discount rate used to discount the expected lease receipts to present value.
Lease Term	The lease term includes the noncancellable period of the lease.
Lease Payments	Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

3. Restricted assets

The restricted assets for the Town are restricted for performance bonds and sewer customer deposits. Performance bonds are temporarily restricted until the monies are returned to the vendor after satisfactory completion of contract or the Town calls the bond for nonperformance. Deposits are required to set up sewer user accounts and are temporarily restricted until returned to customer.

4. Capital assets

Capital assets are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an individual cost as detailed below 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. Donated capital assets are recorded at acquisition value at the date of donation.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

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.

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

<u>Asset Type</u>	<u>Years</u>	<u>Capitalization Threshold</u>
Land and building improvements	20-50	\$ 20,000
Buildings	50	20,000
Machinery and equipment	15-50	5,000
Infrastructure	20-65	50,000
Vehicles	5-10	5,000
Right-to-use leased assets	Lease term	By asset type

5. 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The Town reports deferred outflows and inflows of resources related to pensions and OPEB in the government-wide statements for differences between expected and actual experience, changes in assumptions, net difference between projected and actual earnings on plan investments, changes in proportional share, and contributions subsequent to measurement date. The deferred outflow or inflow related to differences between expected and actual experience, changes in assumptions, and changes in proportional share will be amortized over the average remaining service life of all plan members. The deferred outflow or inflow related to the net difference between projected and actual earnings on plan investments will be amortized over a five-year period. The deferred outflow related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year.

Deferred inflows of resources also include deferred inflows relating to advance refunding of debt. These amounts are deferred and are amortized over the life of the new or old debt whichever is shorter.

Deferred inflows of resources include deferred inflows relating to the lease receivable. These amounts are deferred and are amortized to lease revenue in a systematic and rational manner over the term of the lease.

Town of Stonington, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2022****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

Advance tax collections, if any, represent taxes associated with a future period. This amount is recognized during the period in which the revenue is associated.

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

6. Compensated absences

Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement.

Sick leave and vacation leave expenditures are recognized in the governmental funds in the current year to the extent they are paid during the year or the vested amount is expected to be paid with available resources. The vesting method, using historical data, was used to calculate the liability.

7. Long-term liabilities

In the government-wide financial statements, long-term debt and other long-term liabilities are reported as liabilities in the governmental activities' statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Lease liabilities

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 government-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of \$5,000 or more.

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.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

Key estimates and judgments related to leases include:

Discount Rate	The Town uses the interest rate charged by the lessor as the discount rate to discount the expected lease payments to the present value. 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.
Lease Term	The lease term includes the noncancellable period of the lease.
Lease Payments	Lease payments included in the measurement of the lease liability are composed of fixed payments and any 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.

9. Net position and fund balances

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

Net investment in capital assets	This category presents the net position that reflects capital assets net of depreciation/amortization and net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are excluded
Restricted net position	This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations)
Unrestricted net position	This category presents the net position of the Town which is not classified in the preceding two categories

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

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

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

Nonspendable	This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact
Restricted	This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments
Committed	This category presents amounts that can be used only for specific purposes determined by a formal action at the highest level of decision-making authority for the Town. Commitments may be established, modified or rescinded only through resolutions approved by the Board of Selectman and the Board of Finance
Assigned	This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent is expressed by the passage of a resolution by the Board of Finance or by a properly approved purchase order
Unassigned	This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit

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

10. 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, deferred outflows and inflows of resources including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Actual results could differ from those estimates.

11. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

II. Stewardship, compliance and accountability**A. Basis of budgeting**

Only the General Fund has a legally adopted annual budget.

The Town uses the budgetary basis of accounting under which purchase orders for contracts or other commitments are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in the budgetary statements included as required supplementary information.

Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

B. Capital projects authorizations

The following is a summary of certain capital projects:

Project Name	Project Authorization	Cumulative Expenditures	Project Balance
Waste water treatment facilities improvements	\$ 28,325,000	\$ 19,943,502	\$ 8,381,498
Road improvements	3,500,000	3,452,485	47,515
Various school renovations	69,000,000	65,960,008	3,039,992
Mystic river boathouse park	2,216,164	1,884,806	331,358
Athletic fields and facilities	2,700,000	2,676,221	23,779
Totals	<u>\$ 105,741,164</u>	<u>\$ 93,917,022</u>	<u>\$ 11,824,142</u>

III. Detailed notes**A. Cash and investments****1. Deposits – custodial credit risk**

At year end, the Town's bank balance, including certificates of deposits classified as investments, was \$54,988,117 and was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 8,118,852
Uninsured and collateral held by pledging bank's trust department not in the Town's name	<u>12,004,277</u>
Total amount subject to custodial credit risk	<u>\$ 20,123,129</u>

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

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Cash and investments (continued)**2. Investments**

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

Type of Investment	Fair Value	Investment Maturities (In Years)				
		N/A	Less Than 1	1-5 Years	6-10 Years	Over 10
Mutual funds:						
Money market	\$ 1,763,451	\$ -	\$ 1,763,451	\$ -	\$ -	\$ -
Bond	13,377,376	-	-	-	13,377,376	-
Equity	20,691,963	20,691,963	-	-	-	-
Certificates of deposit	32,598,271	-	32,146,722	451,549	-	-
Bank money market	14,989	-	14,989	-	-	-
Exchange traded funds	1,863,677	1,863,677	-	-	-	-
Pooled fixed income	664,302	-	664,302	-	-	-
U.S. government agency obligations	215,784	-	-	95,601	60,207	59,976
Equities	1,117,158	1,117,158	-	-	-	-
Municipal bonds	172,261	-	25,422	58,773	44,090	43,976
Corporate bonds	292,093	-	100,089	192,004	-	-
Total	<u>\$ 72,771,325</u>	<u>\$ 23,672,798</u>	<u>\$ 34,714,975</u>	<u>\$ 797,927</u>	<u>\$ 13,481,673</u>	<u>\$ 103,952</u>

- b. The Town had the following recurring fair value measurements:

		Quoted Market Prices in Active Markets	Significant Observable Inputs
	Amount	Level 1	Level 2
<u>Investments by fair value level</u>			
Mutual funds:			
Money market	\$ 1,763,451	\$ 1,763,451	\$ -
Bond	13,377,376	13,377,376	-
Equity	20,691,963	20,691,963	-
Exchange traded funds	1,863,677	1,863,677	-
U.S. government agency obligations	215,784	-	215,784
Equities	1,117,158	1,117,158	-
Municipal bonds	172,261	-	172,261
Corporate bonds	292,093	-	292,093
Total investments by fair value level	39,493,763	\$ 38,813,625	\$ 680,138
<u>Other Investments</u>			
Certificates of deposit	32,598,271		
Bank money market	14,989		
Pooled fixed income	664,302		
Total other investments	33,277,562		
Total investments	\$ 72,771,325		

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Cash and investments (continued)

Level 1: Quoted prices for identical investments in active markets

Level 2: Observable inputs: quoted prices for identical securities in markets that are not active. The fair value was determined based on quoted prices in less active, dealer or broker markets. Fair values are primarily obtained from third party pricing services for identical or comparable assets.

The market approach was used to determine the value of bonds.

c. The Town's investments subject to credit risk had average ratings by Standard & Poor's as follows:

Type of Investment	Ratings					Totals
	AAA	AA	A	BBB	Unrated	
Mutual funds:						
Money market	\$ 1,763,451	\$ -	\$ -	\$ -	\$ -	\$ 1,763,451
Bonds	13,377,376	-	-	-	-	13,377,376
Pooled fixed income	664,302	-	-	-	-	664,302
U.S. government agency obligations	-	215,784	-	-	-	215,784
Municipal bonds	23,933	98,676	25,422	-	24,230	172,261
Corporate bonds	-	50,168	168,428	73,497	-	292,093
Total	<u>\$ 15,829,062</u>	<u>\$ 364,628</u>	<u>\$ 193,850</u>	<u>\$ 73,497</u>	<u>\$ 24,230</u>	<u>\$ 16,485,267</u>

d. Certain investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$250,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, debentures, certificates of deposit and money funds.

The following Town investments are held by the counterparty's trust department or agent but not in the Town's name and, therefore, are subject to custodial credit risk.

	Total	Less Insured Amounts	Amount Subject to Custodial Credit Risk
U.S. government agency obligations	\$ 215,784	\$ -	\$ 215,784
Equities	1,117,158	500,000	617,158
Municipal bonds	172,261	-	172,261
Corporate bonds	292,093	292,093	-
Total	<u>\$ 1,797,296</u>	<u>\$ 792,093</u>	<u>\$ 1,005,203</u>

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

B. Receivables

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

	Property taxes			CDBG loans	Police outside services
	Taxes	Interest and lien fees	Total		
Current portion	<u>\$ 286,210</u>	<u>\$ 25,533</u>	<u>\$ 311,743</u>	<u>\$ -</u>	<u>\$ 8,992</u>
Long-term portion	112,827	36,532	149,359	190,704	-
Less allowance for uncollectibles	<u>(50,000)</u>	<u>(11,000)</u>	<u>(61,000)</u>	<u>(4,500)</u>	<u>(2,000)</u>
Net current/long-term portion	<u>62,827</u>	<u>25,532</u>	<u>88,359</u>	<u>186,204</u>	<u>6,992</u>
Total receivable	<u>\$ 349,037</u>	<u>\$ 51,065</u>	<u>\$ 400,102</u>	<u>\$ 186,204</u>	<u>\$ 6,992</u>

	Sewer usage			Sewer assessment	Total
	Use	Interest and lien fees	Total		
Current portion	<u>\$ 1,028,730</u>	<u>\$ 2,759</u>	<u>\$ 1,031,489</u>	<u>\$ -</u>	<u>\$ 1,031,489</u>
Long-term portion	188,037	2,760	190,797	1,657	192,454
Less allowance for uncollectibles	<u>(21,000)</u>	<u>-</u>	<u>(21,000)</u>	<u>-</u>	<u>(21,000)</u>
Net long-term portion	<u>167,037</u>	<u>2,760</u>	<u>169,797</u>	<u>1,657</u>	<u>171,454</u>
Total Receivable	<u>\$ 1,195,767</u>	<u>\$ 5,519</u>	<u>\$ 1,201,286</u>	<u>\$ 1,657</u>	<u>\$ 1,202,943</u>

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

B. Receivables (continued)**2. Leases receivable**

Description	Lease Receivable	Deferred Inflows of Resources	Lease Revenue	Lease Interest Revenue
Cell towers	\$ 560,323	\$ 546,804	\$ 52,427	\$ 12,255
Building	47,132	46,692	2,605	995
Land	532,032	527,439	14,078	10,922
Total	1,139,487	<u>\$ 1,120,935</u>	<u>\$ 69,110</u>	<u>\$ 24,172</u>
Current portion	<u>(72,700)</u>			
Long-term portion	<u>\$ 1,066,787</u>			

Description	Lease Agreement Terms
Cell towers	The lease agreement includes the option to extend for an additional 5-year period. This lease will mature in 2025.
Building	The Town is lessor for one building. The lease includes the option to extend for an additional 10-year period. This lease will mature in 2037.
Land	The lease agreement includes the option to extend for an additional 10-year period. This lease will mature in 2040.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Interfund accounts**1. Interfund payables and receivables**

A summary of interfund balances is as follows:

	<u>Corresponding Fund</u>	<u>Due From</u>	<u>Due to</u>
General fund:			
Sewer usage fund	N/A	\$ 480,591	\$ -
Bonded capital projects fund	N/A	-	9,634,704
Capital nonrecurring fund	N/A	793,784	-
Shellfish fund	N/A	3,602	-
Town aid road fund	N/A	-	482,824
Dog license fund	N/A	-	10,530
Youth service activity fund	N/A	24,084	-
Community development block grant fund	N/A	242,896	-
Planning and development grant fund	N/A	-	1,897,216
Recreation commission fund	N/A	322,626	-
Human services grant fund	N/A	-	61,782
Prepaid education grants fund	N/A	315,735	-
Miscellaneous fund	N/A	-	76,307
Stonington harbor management fund	N/A	-	51,753
Mystic harbor management fund	N/A	-	74,033
Pre K-5 school construction fund	N/A	-	1,676,474
Town medical fund	N/A	-	115,332
Town dock fund	N/A	-	130,000
		<hr/>	<hr/>
Total general fund		2,183,318	14,210,955
		<hr/>	<hr/>
Sewer usage fund:			
General fund	N/A	-	480,591
Sewer development and maintenance fund	N/A	-	1,500
		<hr/>	<hr/>
Total sewer usage fund		-	482,091
		<hr/>	<hr/>
Bonded capital projects fund	General fund	9,634,704	-
		<hr/>	<hr/>
Capital nonrecurring fund	General fund	-	793,784
		<hr/>	<hr/>

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Interfund accounts (continued)

	Corresponding Fund	Due From	Due to
Other governmental funds:			
Special revenue funds:			
Shellfish fund	General fund	\$ -	\$ 3,602
Town aid road fund	General fund	482,824	-
Dog license fund	General fund	10,530	-
Youth service activity fund	Human services grant fund	5,634	-
Youth service activity fund	General fund	-	24,084
Youth service activity fund	Recreation commission fund	-	270,236
Community development block grant fund	General Fund	-	242,896
Planning and development grant fund	General Fund	1,897,216	-
Recreation commission fund	General fund	-	322,626
Recreation commission fund	Youth service activity fund	270,236	-
Sewer development and maintenance fund	Sewer usage fund	1,500	-
Human services grant fund	General fund	61,782	-
Human services grant fund	Youth service activity fund	-	5,634
Prepaid education grants fund	General fund	-	315,735
Miscellaneous fund	General fund	76,307	-
Stonington harbor management fund	General fund	51,753	-
Mystic harbor management fund	General fund	74,033	-
Total special revenue funds		<u>2,931,815</u>	<u>1,184,813</u>
Capital projects funds:			
Pre K-5 school construction fund	General fund	<u>1,676,474</u>	<u>-</u>
Total other governmental funds		<u>4,608,289</u>	<u>1,184,813</u>
Internal service fund:			
Town medical fund	General fund	115,332	-
Town dock fund	General fund	<u>130,000</u>	<u>-</u>
Total internal service fund		<u>245,332</u>	<u>-</u>
Grand total		<u><u>\$ 16,671,643</u></u>	<u><u>\$ 16,671,643</u></u>

All interfund balances resulted from the time lag between the dates payments occurred between funds for interfund goods, payroll and services provided or in instances where certain funds do not have a cash account.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Interfund accounts (continued)**2. Interfund transfers**

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

	<u>Corresponding Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General fund:			
Sewer usage fund	N/A	\$ -	\$ 250,000
Sewer assessment fund	N/A	29,500	-
Capital nonrecurring fund	N/A	81,884	2,803,319
Miscellaneous fund	N/A	-	47,000
Total general fund		<u>111,384</u>	<u>3,100,319</u>
Sewer usage fund	General fund	250,000	-
Sewer usage fund	Sewer development and maintenance fund	<u>431,000</u>	-
Total sewer usage fund		<u>681,000</u>	-
Capital nonrecurring fund	General fund	<u>2,803,319</u>	<u>81,884</u>
Other governmental funds:			
Sewer assessment fund	General fund	-	29,500
Sewer development and maintenance fund	Sewer usage fund	-	431,000
Miscellaneous fund	General fund	<u>47,000</u>	-
Total other governmental funds		<u>47,000</u>	<u>460,500</u>
Total		<u><u>\$ 3,642,703</u></u>	<u><u>\$ 3,642,703</u></u>

Transfers are used to account for the financing by the general fund of various programs and activities in other funds as well as sewer assessment contributions to the general fund.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

D. Capital assets

Capital asset activity for the fiscal year was as follows:

	Balance July 1, 2021 (as restated)	Increases	Decreases	Balance June 30, 2022
Capital assets, not being depreciated/amortized:				
Land	\$ 12,709,836	\$ -	\$ -	\$ 12,709,836
Construction in progress	2,854,923	2,037,905	2,927,989	1,964,839
Total capital assets, not being depreciated/ amortized	15,564,759	2,037,905	2,927,989	14,674,675
Capital assets, being depreciated/amortized:				
Land and building improvements	30,321,025	627,880	-	30,948,905
Buildings	131,204,645	322,778	-	131,527,423
Machinery and equipment	10,917,223	358,569	-	11,275,792
Right-to-use machinery and equipment	67,545	13,894	-	81,439
Infrastructure	95,263,866	3,662,594	-	98,926,460
Vehicles	5,146,537	-	-	5,146,537
Total capital assets, being depreciated/ amortized	272,920,841	4,985,715	-	277,906,556
Total capital assets	288,485,600	7,023,620	2,927,989	292,581,231
Less accumulated depreciation/ amortization for:				
Land and building improvements	6,103,646	1,238,267	-	7,341,913
Buildings	39,282,507	2,498,986	-	41,781,493
Machinery and equipment	7,827,135	520,369	-	8,347,504
Right-to-use machinery and equipment	-	29,960	-	29,960
Infrastructure	43,660,658	1,990,139	-	45,650,797
Vehicles	3,745,949	452,573	-	4,198,522
Total accumulated depreciation/amortization	100,619,895	6,730,294	-	107,350,189
Total capital assets, being depreciated/ amortized, net	172,300,946	(1,744,579)	-	170,556,367
Capital assets, net	\$187,865,705	\$ 293,326	\$ 2,927,989	\$185,231,042

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

General government	\$ 1,727,476
Public works	1,917,247
Public safety	401,217
Education	2,671,932
Human services	12,422
Total	<u>\$ 6,730,294</u>

Town of Stonington, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2022

E. Construction commitments

The Town had no significant commitments at year end.

F. Changes in long-term liabilities

General obligation bonds, equipment financing notes and leases are direct obligations and pledge the full faith and credit of the Town.

1. Summary of changes

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

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2021 (as restated)	Additions	Deductions	Balance June 30, 2022	Current Portion	Long-term Portion
<u>Bonds:</u>										
General purpose:										
Refunding bond	\$ 1,192,000	02/23/12	09/01/24	2.25%-4.0%	\$ 421,926	\$ -	\$ 107,000	\$ 314,926	\$ 107,000	\$ 207,926
Mystic River Park	2,216,164	11/01/16	11/01/36	2.0%-5.0%	1,760,000	-	110,000	1,650,000	110,000	1,540,000
Refunding bond	3,607,000	05/19/21	06/30/35	3.0%-5.0%	3,607,000	-	-	3,607,000	190,000	3,417,000
Total general purpose	7,015,164				5,788,926	-	217,000	5,571,926	407,000	5,164,926
School:										
Refunding bond	16,128,000	02/23/12	09/01/26	2.0%-4.0%	6,108,074	-	1,383,000	4,725,074	1,383,000	3,342,074
Pre K-5 school project	15,003,836	11/01/16	11/01/36	2.0%-5.0%	12,000,000	-	750,000	11,250,000	750,000	10,500,000
Pre K-5 school project	20,000,000	11/01/17	11/01/38	2.5%-5.0%	17,000,000	-	1,000,000	16,000,000	1,000,000	15,000,000
Pre K-5 school project	7,000,000	10/18/18	10/15/38	3.5%-5.0%	6,300,000	-	350,000	5,950,000	350,000	5,600,000
Pre K-5 school project	5,200,000	10/17/19	10/15/39	2.0%-5.0%	4,940,000	-	260,000	4,680,000	260,000	4,420,000
Total school	63,331,836				46,348,074	-	3,743,000	42,605,074	3,743,000	38,862,074
Sewer:										
Refunding bond	6,525,000	12/05/19	04/01/32	3.0%-5.0%	6,020,000	-	515,000	5,505,000	520,000	4,985,000
Improvement bond	10,000,000	07/23/20	08/01/40	1.6%-4.0%	10,000,000	-	500,000	9,500,000	500,000	9,000,000
Refunding bond	3,903,000	05/19/21	06/30/35	3.0%-5.0%	3,903,000	-	-	3,903,000	195,000	3,708,000
Total sewer	20,428,000				19,923,000	-	1,015,000	18,908,000	1,215,000	17,693,000
Total bonds	90,775,000				72,060,000	-	4,975,000	67,085,000	5,365,000	61,720,000

Town of Stonington, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2022

F. Changes in long-term liabilities (continued)

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2021 (as restated)	Additions	Deductions	Balance June 30, 2022	Current Portion	Long-term Portion
<u>Notes - direct borrowings:</u>										
Lighting project note	\$ 32,467	11/15/18	11/15/22	3.50%	\$ 12,851	\$ -	\$ 8,117	\$ 4,734	\$ 4,734	\$ -
Lighting project note	565,674	06/30/21	06/30/25	0.00%	565,674	-	131,923	433,751	141,419	292,332
Town vehicles	727,497	12/06/17	12/06/21	1.40%	85,054	-	85,054	-	-	-
Tractor	42,632	11/02/18	11/02/22	4.50%	17,404	-	8,510	8,894	8,894	-
Dump truck	53,696	07/14/19	07/14/22	4.50%	21,916	-	10,719	11,197	11,197	-
IT servers computer equipment	323,989	06/21/19	09/01/22	3.93%	203,743	-	64,717	139,026	139,026	-
Computer equipment	199,750	08/25/19	08/25/22	0.00%	99,876	-	49,938	49,938	49,938	-
Total notes	1,945,705				1,006,518	-	358,978	647,540	355,208	292,332
Total bonds and notes	92,720,705				73,066,518	-	5,333,978	67,732,540	5,720,208	62,012,332
Leases	81,439				67,545	13,894	25,395	56,044	35,488	20,556
Total long-term debt					73,134,063	13,894	5,359,373	67,788,584	5,755,696	62,032,888
Premium					4,101,277	-	237,683	3,863,594	-	3,863,594
Total long-term debt and related liabilities					77,235,340	13,894	5,597,056	71,652,178	5,755,696	65,896,482
Compensated absences					2,775,456	1,502,377	1,493,477	2,784,356	696,089	2,088,267
Landfill postclosure costs					100,000	-	25,000	75,000	25,000	50,000
Heart and hypertension					142,728	-	535	142,193	-	142,193
Net pension liability					8,322,442	9,872,801	4,969,888	13,225,355	-	13,225,355
Net OPEB liability					2,669,032	854,652	2,096,801	1,426,883	-	1,426,883
Total long-term liabilities					\$ 91,244,998	\$ 12,243,724	\$ 14,182,757	\$ 89,305,965	\$ 6,476,785	\$ 82,829,180

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

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

F. Changes in long-term liabilities (continued)

The annual requirements to amortize bonds and notes payable are as follows:

Fiscal Year End June 30	Bonds			Notes		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 5,365,000	\$ 2,217,855	\$ 7,582,855	\$ 355,208	\$ 5,706	\$ 360,914
2024	5,555,000	1,984,106	7,539,106	141,419	2,445	143,864
2025	5,328,926	1,759,156	7,088,082	150,913	-	150,913
2026	4,765,000	1,557,578	6,322,578	-	-	-
2027	4,306,074	1,379,250	5,685,324	-	-	-
2028	4,150,000	1,210,875	5,360,875	-	-	-
2029	4,160,000	1,050,575	5,210,575	-	-	-
2030	4,165,000	899,563	5,064,563	-	-	-
2031	4,160,000	766,669	4,926,669	-	-	-
2032	4,150,000	648,012	4,798,012	-	-	-
2033	3,590,000	529,437	4,119,437	-	-	-
2034	3,590,000	427,369	4,017,369	-	-	-
2035	3,380,000	329,013	3,709,013	-	-	-
2036	2,970,000	240,098	3,210,098	-	-	-
2037	2,970,000	156,503	3,126,503	-	-	-
2038	2,110,000	85,115	2,195,115	-	-	-
2039	1,110,000	40,748	1,150,748	-	-	-
2040	760,000	17,938	777,938	-	-	-
2041	500,000	5,000	505,000	-	-	-
Totals	<u>\$ 67,085,000</u>	<u>\$ 15,304,860</u>	<u>\$ 82,389,860</u>	<u>\$ 647,540</u>	<u>\$ 8,151</u>	<u>\$ 655,691</u>

2. Assets pledged as collateral

The Town's outstanding equipment financing notes of \$647,540 are secured with collateral of the equipment purchased.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

F. Changes in long-term liabilities (continued)**3. Statutory debt limitations**

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

Category	Debt Limitation	Net Indebtedness	Balance
General purpose	\$ 163,730,351	\$ 7,245,985	\$ 156,484,366
Schools	327,460,703	42,605,074	284,855,629
Sewers	272,883,919	18,908,000	253,975,919
Urban renewal	236,499,396	-	236,499,396
Pension deficit	218,307,135	-	218,307,135

The total overall statutory debt limit for the Town is equal to seven times prior year annual receipts from taxation, \$509,383,315.

Overlapping debt for fire districts included in the indebtedness totaled \$1,674,059.

4. Authorized/unissued bonds

The amount of authorized unissued bonds for improvements to the Town's school building renovations is \$1,850,011.

5. Heart and hypertension

Under Connecticut General Statutes, the Town is obligated to pay for certain former public safety employees' job related medical costs for the remainder of the employee's life. The liability represents an actuarially based estimate of future costs.

6. Landfill closure and post closure care costs

The Town closed its landfill in 1995. State and Federal laws and regulations require landfill closures to meet certain standards. Monitoring costs and estimated repairs and maintenance for the next 3 years at \$25,000 per year are \$75,000. These amounts are based on estimates which are subject to change due to inflation, technology or applicable laws and regulations.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

F. Changes in long-term liabilities (continued)**7. Leases**

Lease agreements are summarized as follows:

Description	Date	Lease Term* (years)	Interest Rate**	Original Amount*	Balance June 30, 2022
Town copiers	8/17-1/21	1-3	2.00%	\$ 48,439	\$ 25,726
Town mail machines	10/21-5/22	5	2.00%	13,894	13,823
Education copier	1/19	1	2.00%	17,770	15,820
Education mail machines	7/19	2	2.00%	1,336	675
Totals				<u>\$ 81,439</u>	<u>\$ 56,044</u>

*As of GASB No. 87 implementation date of July 1, 2021.

**All interest rates have been imputed based on the rate from recently issued debt as there were no interest rates specified in the lease agreement.

Description	Lease Agreement Terms
Town copiers	The leases are not renewable and the Town will not acquire the equipment at the end of the term.
Town mail machines	The leases are not renewable and the Town will not acquire the equipment at the end of the term.
Education copier	The lease is not renewable and the Town will not acquire the equipment at the end of the term.
Education mail machines	The leases are not renewable and the Town will not acquire the equipment at the end of the term.

The following is a summary of lease payable principal and interest payments to maturity:

Year Ending June 30	Principal	Interest
2023	\$ 35,488	\$ 1,121
2024	9,729	411
2025	5,338	217
2026	2,890	110
2027	<u>2,599</u>	<u>51</u>
Totals	<u>\$ 56,044</u>	<u>\$ 1,910</u>

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

G. Fund balances and restricted net position

Fund balances are composed of the following:

Fund Balance Component	General Fund	Sewer Usage Fund	Bonded Capital Projects Fund	Capital Nonrecurring Fund	Other Governmental Funds	Total
Restricted:						
General government	\$ -	\$ -	\$ -	\$ -	\$ 22,900	\$ 22,900
Roads	-	-	-	-	482,824	482,824
Sanitation and waste removal *	-	828,318	-	-	1,526,038	2,354,356
Human services programs	-	-	-	-	52,518	52,518
Housing rehabilitation programs	-	-	-	-	222,309	222,309
Cafeteria operations *	-	-	-	-	581,546	581,546
Total restricted	-	828,318	-	-	2,888,135	3,716,453
Committed:						
General government programs	-	-	-	-	3,072,958	3,072,958
Public safety	-	-	-	-	7,906	7,906
Sanitation and waste removal	-	-	8,839,294	-	31,603	8,870,897
Human services	-	-	-	-	229,125	229,125
Recreation	-	-	531,358	-	467,815	999,173
Education	-	-	-	-	1,001,347	1,001,347
Approved projects	-	-	-	4,436,884	-	4,436,884
School construction	-	-	148,817	-	1,676,474	1,825,291
Total committed	-	-	9,519,469	4,436,884	6,487,228	20,443,581
Assigned:						
Subsequent year's budget	1,500,000	-	-	-	-	1,500,000
General government programs	186,197	-	-	-	-	186,197
Education	373,218	-	-	-	-	373,218
Total assigned	2,059,415	-	-	-	-	2,059,415
Unassigned	19,069,830	-	-	-	-	19,069,830
Total	\$ 21,129,245	\$ 828,318	\$ 9,519,469	\$ 4,436,884	\$ 9,375,363	\$ 45,289,279
General Fund encumbrances totaled:		<u>\$ 559,415</u>				

* The amount of restricted net position which was restricted by enabling legislation totaled \$ 1,409,864

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

IV. Other information**A. Risk management**

The Town is exposed to various risks of loss related to public official liability, police liability, Board of Education legal liability, theft or impairment of assets, errors and omissions, injury to employees and natural disasters. The Town established an internal service fund to account for and finance the retained risk of loss for Town employees' medical benefits. A third party administers the plan for which the fund pays a fee. The self-insurance fund provides coverage for all eligible Town employees. The Town has purchased a stop loss policy for total claims in any one year exceeding an aggregate of 120% of expected claims and for individual claims exceeding \$100,000 for hospital and major medical.

Only the Town participates in this health insurance program and payments to the fund are based upon estimates by number of employees and type of coverage (single or family) and trends in the insurance claims and estimates for administration. The claims liability reported in the fund is based upon the provisions of GASB Statements No. 10 and 30 which require that a liability for estimated claims incurred but not reported be recorded.

The Town has also established an internal service fund to account for the general liability and property damage claims for the Town Dock.

The internal service fund liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported.

Because actual claims liabilities depend on such complex factors such as inflation, changes in legal doctrines and damage awards, the process used to compute the claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims including the effects of specific incremental claim adjustment expenditures, salvage and subrogation; allocated claim adjustment expenditures are not included.

	Claims Payable July 1	Current year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
<u>Medical Insurance</u>				
2020-2021	\$ 343,000	\$ 5,298,454	\$ 5,259,454	\$ 382,000
2021-2022	382,000	6,705,478	6,383,478	704,000

The Town is a member in Connecticut Interlocal Risk Management Association ("CIRMA"). CIRMA is a public entity risk pool established under the provisions of the Connecticut General Statutes Section 7-479a et. seq. The Town is liable only for contributions to the pool. Members do not retain the risk of loss, as they have transferred the risk by purchasing pool coverage with no deductible retention. A separate agreement limits the member's obligation to pay indemnification obligations and expenses should CIRMA be unable to do so.

Town of Stonington, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2022****A. Risk management (continued)**

The Town is a member of CIRMA's Liability-Automobile-Property Pool, a risk sharing pool. The Town paid CIRMA for provisions of general liability, automobile liability, employee benefit liability, law enforcement liability, public officials and property coverage. The premium is subject to these coverages and claims and expense payments falling within the deductible amounts are the responsibility of the Town. CIRMA's Liability-Automobile-Property Pool retains \$1,000,000 per occurrence for each line of liability coverage.

The Town is also a member of CIRMA's Workers' Compensation Pool, a risk sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an insured loss retrospective rating plan and losses incurred in the coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. The premium is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence.

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

B. 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. The resolution of these matters is not expected to have a material adverse effect on the financial condition of the Town.

V. Pensions and other post-employment benefit ("OPEB") plans**A. Town pension plans****1. Plan description****a. Plan administration**

The Town contributes to two single employer defined benefit Public Employee Retirement Systems ("PERS"), the Town of Stonington Noncontributory Pension Program and the Town of Stonington Contributory Pension Program. The plans are administered by a Selectmen appointed five-member retirement board. The responsibility for the holding and investment of plan assets lies with the trustee appointed by the Selectmen. The PERS is considered part of the Town's financial reporting entity and is included in the Town's financial reports as a pension trust fund. All full time employees including the First Selectman, Town Clerk and Tax Collector, but excluding police officers, teachers and other elected officials are eligible to participate. The PERS is closed to employees hired after September 15, 2013. These plans do not issue separate stand-alone financial reports.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Town pension plans (continued)**b. Plan membership**

At July 1, 2021, PERS membership is comprised of the following:

Active members	107
Terminated employees entitled to benefits	43
Retirees, disabled employees, and beneficiaries receiving benefits	<u>168</u>
Total	<u><u>318</u></u>

2. Benefit provisions

	Noncontributory	Contributory
Normal retirement	Normal retirement is the earlier of the member having reached his 62 nd birthday or having completed 35 years of credited service. The plan also provides for an actuarially reduced earlier retirement date death and disability benefits	Normal retirement is the earlier of the member having reached his 62 nd birthday or having completed 35 years of credited service. The plan also provides for an actuarially reduced earlier retirement date death and disability benefits
Benefit calculation	A member who retires on his normal retirement date shall receive an annual retirement benefit equal to 1.50% of such member's final average earnings multiplied by such member's years of credited service. Final average earnings are determined by the member's 60 highest consecutive calendar months before retirement or termination if earlier	A member who retires on his normal retirement date shall receive an annual retirement benefit equal to 1.75% of such member's final average earnings multiplied by such member's years of credited service
Vesting service	50% vested after 10 years of service, fully vested after 15 years of service	50% vested after 5 years of service, fully vested after 10 years of service

3. Contributions

	Noncontributory	Contributory
Contributions	Participants are not required to contribute	Participants are required to contribute 3.00% of their pensionable wages

The Town's contributions are based upon the actuarially determined amount.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Town pension plans (continued)**4. Investments****a. Investment policy**

The pension plans' policy in regard to the allocation of invested assets is established and may be amended by the Town of Stonington Pension Board by a majority vote of its members. It is the policy of the Town of Stonington Pension Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Pension Board periodically reviews the asset allocation and strategic objectives in light of market conditions, benefit payments expenses and expected contributions from the Town.

The Pension Board adopted an asset allocation policy which is a blend of higher risk, lower risk and liquid assets. These blends translate into the following allocation:

Asset Class	Target Allocation	Long-Term Expected Real Rate of	Weighting
Large cap	26.00%	4.60%	1.20%
Small cap	9.00%	5.00%	0.45%
Developed international equities	15.50%	6.20%	0.96%
Emerging international equities	9.50%	7.70%	0.73%
U.S. bonds	24.00%	0.40%	0.10%
U.S. bonds - dynamic	8.50%	1.00%	0.09%
Global fixed income	2.50%	0.10%	0.00%
Broad real assets	5.00%	3.10%	0.16%
Cash	0.00%	(1.00%)	0.00%
Total	<u>100.00%</u>		3.69%
Long-term inflation expectation			<u>2.40%</u>
Long-term expected nominal return			<u>6.09%</u>

b. Concentrations

There were no investments in any one organization that represented 5.00% or more of the pension plan's net position.

c. Rate of return

Best estimates of geometric nominal rates of return for each major asset class included in the pension plan's target asset allocation (see the discussion of the pension plan's investment policy) are summarized in the preceding table.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Town pension plans (continued)**d. Annual money-weighted rate of return**

The annual money-weighted rate of return on pension plan investments net of pension plan investment expense was (12.77%). The money-weighted rate of return expresses investment performance net of investment expense adjusted for the changing amounts actually invested.

5. Net pension liability

The Town's net pension liability was measured at June 30, 2022. The components of the net pension liability were as follows:

Total pension liability	\$44,089,506
Plan fiduciary net position	<u>35,940,063</u>
Net pension liability	<u><u>\$ 8,149,443</u></u>
Plan fiduciary net position as a percentage of the total pension liability	<u><u>81.52%</u></u>

6. Actuarial methods and significant assumptions

The net pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	July 1, 2021
Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Investment rate of return	6.375%
Inflation	2.40%
Salary increases	2.75% - 6.25%
Cost of living adjustments	None
Mortality rates	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), projected to the valuation date with Scale MP-2021

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Town pension plans (continued)**7. Changes from prior year****a. Changes in assumptions**

- Mortality was updated to Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables projected to the valuation date with Scale MP-2021 from Scale MP-2020.

b. Changes in benefit terms

There were no changes in benefit terms.

8. Discount rate

The discount rate used to measure the total pension liability was 6.375%. 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 Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on the plan's current net pension liability (asset) and current contribution policy the pension plan's projected fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Town pension plans (continued)**9. Changes in net pension liability (asset)**

The Town's net pension liability was measured at June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The changes in net pension liability were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at July 1, 2021	\$40,873,765	\$42,508,948	\$ (1,635,183)
Service cost	588,877	-	588,877
Interest	2,574,854	-	2,574,854
Differences between expected and actual experience	2,139,031	-	2,139,031
Changes in assumptions	92,208	-	92,208
Contributions - employer	-	909,492	(909,492)
Contributions - member	-	156,700	(156,700)
Net investment income	-	(5,403,164)	5,403,164
Benefit payments, including refunds of member contributions	(2,179,229)	(2,179,229)	-
Administrative expenses	-	(52,684)	52,684
Net change	3,215,741	(6,568,885)	9,784,626
Balance at June 30, 2022	\$44,089,506	\$35,940,063	\$ 8,149,443

10. Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability calculated using the discount rate as well as what the Town'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:

	Discount Rate	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	6.375%	\$ 12,974,540	\$ 8,149,443	\$ 4,044,856

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Town pension plans (continued)**11. Pension expense and deferred outflows and inflows of resources**

The Town recognized pension expense of \$1,761,980.

The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 1,020,445	\$ 67,431	\$ 953,014
Changes in assumptions	48,299	20,846	27,453
Net difference between projected and actual earnings on pension plan investments	3,189,305	-	3,189,305
Total	<u>\$ 4,258,049</u>	<u>\$ 88,277</u>	<u>\$ 4,169,772</u>

Actual investment earnings below (or above) projected earnings are amortized over 5.0 years. Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of actives and inactive employees, which was 2.1 years.

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

Year Ending June 30,	
2023	\$ 1,706,600
2024	636,669
2025	211,196
2026	<u>1,615,307</u>
Total	<u>\$ 4,169,772</u>

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

B. Connecticut municipal employees' retirement system**1. Plan description**

The Connecticut Municipal Employees' Retirement System ("MERS") is the public pension plan offered by the State of Connecticut for municipal employees in participating municipalities. MERS is a cost-sharing defined benefit pension plan administered by the Connecticut State Retirement Commission.

Municipalities may designate which departments (including elective officers if so specified) are to be covered under the Connecticut Municipal Employees' Retirement System ("MERS"). This designation may be the result of collective bargaining. Only employees covered under the State Teachers' Retirement System may not be included. There are no minimum age or service requirements. Membership is mandatory for all regular full-time employees of participating departments except Police and Fire hired after age 60.

The plan has 4 sub plans as follows:

- General employees with social security
- General employees without social security
- Policemen and firemen with social security
- Policemen and firemen without social security

2. Benefit provisions

Normal retirement	
General Employees	Age 55 with 5 years of continuous service, or 15 years of active aggregate service or 25 years of aggregate service
Police and Firemen	Compulsory retirement age is age 65
Benefit calculation	The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include workers' compensation and social security benefits.
With social security	1.50% of the average final compensation not in excess of the year's breakpoint plus 2.00% of average final compensation in excess of the year's breakpoint, times years of service. If any member covered by social security retires before age 62, the benefit until age 62 is reached or a social security disability award is received, is computed as if the member is not under social security.
Without social security	2.00% of average final compensation, times years of service
Final average compensation	Average of the three highest paid years of service

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

B. Connecticut municipal employees' retirement system (continued)

Early retirement	5 years of continuous service or 15 years of active aggregate service
Early retirement amount	Calculated on the basis of average final compensation and service to date of termination. Deferral to normal retirement age, or an actuarially reduced allowance may begin at the time of separation
Service connected disability amount	Calculated based on compensation and service to the date of the disability with a minimum benefit (including workers' compensation benefits) of 50% of compensation at the time of disability
Non-service connected disability service requirement	10 years of service
Non-service connected disability service amount	Calculated based on compensation and service to the date of the disability
Pre-retirement death benefit amount	Lump-sum return of contributions with interest or if vested and married, the surviving spouse will receive a lifetime benefit
Cost of living increases	2.50% - 6.00% depending on retirement date and increase in CPI

3. Contributions**Employer**

Participating municipalities make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment which covers the liabilities of the system not met by member contributions.

Employees

For employees not covered by social security, each person is required to contribute 6.00% of compensation.

For employees covered by social security, each person is required to contribute 3.25% of compensation up to the social security taxable wage base plus 6.00% of compensation, if any, in excess of such base.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

B. Connecticut municipal employees' retirement system (continued)**4. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions**

The Town reported \$5,075,912 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The Town's proportionate share of the net pension liability was based upon the Town's 2021 actuarial (expected) payroll relative to the payroll of all the participating employers as of that date. The Town's proportional share was 2.156970% for the Police Officers and Firefighters without social security sub plan. The Town's proportional share decreased 0.294754% from the prior year.

Subsequent to the measurement date, there were no changes in benefit terms or any expected changes that will have an impact on the measurement of the net pension liability.

For the fiscal year, the Town recognized pension expense of \$893,305. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows and Inflows
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 1,850,218	\$ (1,850,218)
Change in assumptions	501,261	-	501,261
Change in proportional share	78,918	634,707	(555,789)
Differences between expected and actual experience	841,424	336,865	504,559
Town contributions subsequent to measurement date	919,940	-	919,940
Total	<u>\$ 2,341,543</u>	<u>\$ 2,821,790</u>	(480,247)
Contributions subsequent to the measurement date to be recognized as a reduction of the net pension liability in the subsequent year			<u>(919,940)</u>
Net amortized amount of deferred inflows and outflows			<u>\$ (1,400,187)</u>

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

B. Connecticut municipal employees' retirement system (continued)

Other amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2023	\$ 87,025
2024	(379,386)
2025	(504,251)
2026	<u>(603,575)</u>
Total	<u>\$ (1,400,187)</u>

5. 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:

Investment rate of return	7.00%
Inflation	2.50%
Salary increases	3.50-10.00%, including inflation
Cost of living adjustments	Future cost-of-living adjustments for members who retire on or after January 1, 2002 are 60% of the annual increase in the CPI up to 6.00%. The minimum annual COLA is 2.50%, the maximum is 6.00%
Mortality rates	Mortality rates were based on RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees and the RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected 2022 with Scale BB for Police and Fire. For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

Long-term expected rate of return

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

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

B. Connecticut municipal employees' retirement system (continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity fund	20.00%	5.60%
Developed market international stock fund	11.00%	6.00%
Emerging market international stock fund	9.00%	7.90%
Core fixed income fund	16.00%	2.10%
Inflation linked bond fund	5.00%	1.10%
Emerging market debt fund	5.00%	2.70%
High yield bond fund	6.00%	4.00%
Real estate fund	10.00%	4.50%
Private equity	10.00%	7.30%
Alternative investments	7.00%	2.90%
Liquidity fund	1.00%	0.40%
Total	<u>100.00%</u>	

6. Discount rate

The discount rate used to measure the total pension liability was 7.00%. 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 employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. 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.

7. Sensitivity of the net pension liability to changes in the discount rate

The following presents the Town's proportional share of the net pension liability of MERS, calculated using the discount rate, as well as what the 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:

	Discount Rate	1% Decrease	Current Discount Rate	1% Increase
Town's proportional share of the net pension liability	<u>7.00%</u>	<u>\$ 8,600,333</u>	<u>\$ 5,075,912</u>	<u>\$ 2,037,507</u>

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

B. Connecticut municipal employees' retirement system (continued)**8. Plan fiduciary net position**

Detailed information about the MERS plan's fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2021.

C. Connecticut state teachers' retirement system**1. Plan description**

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

2. Benefit provisions

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
Benefit calculation	2.00% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary)
Early retirement	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
Early retirement amount	Benefit amounts are reduced by 6.00% per year for the first 5 years preceding normal retirement age and 4.00% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.00% per year by which retirement precedes normal retirement date
Service connected disability amount	2.00% 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. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of annual average salary

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Connecticut state teachers' retirement system (continued)

Non-service connected disability service requirement	Five years of credited service
Vesting - service	10 years of service
Vesting - amount	100%
Pre-retirement death benefit amount	Lump-sum return of contributions with interest or surviving spouse benefit depending on length of service

3. Contributions**State of Connecticut**

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

Employer (school districts)

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

Employees

Each teacher is required to contribute 7.00% of their salary for the pension benefit.

4. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

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 amounts 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>58,756,339</u>
Total	<u><u>\$ 58,756,339</u></u>

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Connecticut state teachers' retirement system (continued)

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The Town has no proportionate share of the net pension liability.

During the year, the Town recognized pension expense and revenue of \$4,919,899 for on-behalf amounts for contributions to the plan by the State.

5. Actuarial assumptions

The total pension 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:

Investment rate of return	6.90%
Inflation	2.50%
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019

Future cost-of-living increases - 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 3.00% and a maximum of 5.00% 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 6.00% per annum. If the return on assets in the previous year was less than 8.50%, the maximum increase is 1.50%. 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 5.00% per annum. If the return on assets in the previous year was less than 11.50%, the maximum increase is 3.00%, and if the return on the assets in the previous year was less than 8.50%, the maximum increase is 1.00%.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

There were no changes in assumptions from the prior measurement date.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Connecticut state teachers' retirement system (continued)**Long-term expected 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 target asset allocation and best estimates of geometric rates of return for each major class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity fund	20.00%	5.60%
Developed market international stock fund	11.00%	6.00%
Emerging market international stock fund	9.00%	7.90%
Core fixed income fund	16.00%	2.10%
Inflation linked bond fund	5.00%	1.10%
Emerging market debt fund	5.00%	2.70%
High yield bond fund	6.00%	4.00%
Real estate fund	10.00%	4.50%
Private equity	10.00%	7.30%
Alternative investments	7.00%	2.90%
Liquidity fund	1.00%	0.40%
Total	<u>100.00%</u>	

6. 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 rates equal to the difference between actuarially determined contribution rates and the member rate. 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.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Connecticut state teachers' retirement system (continued)**7. 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.

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2021.

D. Total pension plans

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PERS	\$ 8,149,443	\$ 4,258,049	\$ 88,277	\$ 1,761,980
MERS	5,075,912	2,341,543	2,821,790	893,305
Total	<u>\$ 13,225,355</u>	<u>\$ 6,599,592</u>	<u>\$ 2,910,067</u>	<u>\$ 2,655,285</u>

E. Other post-employment benefit plan**1. Plan description****a. Plan administration**

The Town administers a single employer defined benefit plan that is used to provide postemployment benefits other than pensions ("OPEB") for certain full-time employees. Management of the plan is vested in the Board of Finance. The plan does not issue stand-alone financial reports.

b. Plan membership

As of July 1, 2021, the following employees are covered by the benefit terms:

Active members	406
Retirees, disabled employees, and beneficiaries receiving benefits	<u>34</u>
Total	<u>440</u>

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

E. Other post-employment benefit plan (continued)**2. Benefit provisions**

The Town plan provides for medical and dental benefits for all eligible retirees and their spouses. Benefits and contributions are established by contract and may be amended by union negotiations. Benefits are provided by a third-party insurer and the full cost of benefits is covered by the plan.

3. Contributions

The Town's contributions are actuarially determined on an annual basis using the entry age normal method. The Town's total contribution to the plan was \$234,352. There are no required employee contributions. Retired employees are required to contribute 100% of the premium.

4. Investments**a. Investment policy**

The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board by a majority vote of its members. It is the policy of the Town's Retirement Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's adopted asset allocation policy for the OPEB plan:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Weighting</u>
U.S. equity	34.00%	5.25%	1.79%
International equity	6.00%	5.75%	0.35%
Intermediate corporate	29.00%	1.75%	0.51%
High-yield bonds	29.00%	4.00%	1.16%
Cash	2.00%	(0.25%)	(0.01%)
Total	<u>100.00%</u>		3.80%
Long-term inflation expectation			<u>2.40%</u>
Long-term expected nominal return			<u>6.20%</u>

b. Concentrations

There were no investments in any one organization that represents 5.00% or more of the OPEB plan's net position.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

E. Other post-employment benefit plan (continued)**c. Rate of return**

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB 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 geometric means real rates of return for each major asset class included in the OPEB plan's target asset allocation are summarized in the preceding table.

d. Annual money-weighted rate of return

The annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was (13.74%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

5. Net OPEB liability

The Town's net OPEB liability was measured as of June 30, 2022. The components of the net OPEB liability were as follows:

Total OPEB liability	\$ 3,600,554
Plan fiduciary net position	<u>2,173,671</u>
Net OPEB liability	<u>\$ 1,426,883</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>60.37%</u>

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

E. Other post-employment benefit plan (continued)**6. Actuarial methods and significant assumptions**

The net OPEB liability was determined based upon the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	July 1, 2021
Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Discount rate	6.25%
Salary increases	2.40%
Inflation	2.40%
Healthcare cost trend rates:	
Initial medical trend rate	6.50%
Ultimate medical trend rate	4.40%
Mortality rates	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate rates for General Employees, Public Safety, and Teachers), projected to the valuation date with Scale MP-2021

7. Changes from prior year**a. Changes in assumptions**

The mortality rate scale was changed from Scale MP-2020 to Scale MP-2021.

b. Changes in benefit terms

There were no changes in benefit terms.

8. Discount rate

The discount rate used to measure the total OPEB liability was 6.25% for the OPEB plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

E. Other post-employment benefit plan (continued)**9. Changes in the net OPEB liability**

The Town's OPEB liability was measured at June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2021	\$4,974,784	\$ 2,305,752	\$ 2,669,032
Service cost	77,672	-	77,672
Interest	319,760	-	319,760
Differences between expected and actual experience	(1,862,449)	-	(1,862,449)
Changes in assumptions	220,139	-	220,139
Contributions - employer	-	234,352	(234,352)
Net investment income	-	(218,991)	218,991
Benefit payments, including refunds of member contributions	(129,352)	(129,352)	-
Administrative expenses	-	(18,090)	18,090
Net change	(1,374,230)	(132,081)	(1,242,149)
Balance at June 30, 2022	\$3,600,554	\$ 2,173,671	\$ 1,426,883

10. Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability as well as what the net 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:

	Discount Rate	1% Decrease	Current Discount Rate	1% Increase
Net OPEB Liability	6.25%	\$ 2,034,381	\$ 1,426,883	\$ 1,378,326

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

E. Other post-employment benefit plan (continued)**11. Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate**

The following presents the net OPEB liability as well as what the net OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current trend rates:

	<u>Current Trend Rate</u>	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability	<u>6.50% - 4.40%</u>	<u>\$ 1,319,128</u>	<u>\$ 1,426,883</u>	<u>\$ 2,110,426</u>

12. OPEB expense and deferred outflows of resources related to OPEB

For the fiscal year the Town recognized OPEB expense of \$2,667. The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$ 78,545	\$ 3,339,254	\$ (3,260,709)
Changes in assumptions	396,288	-	396,288
Net difference between projected and actual earnings on OPEB plan investments	<u>339,213</u>	<u>-</u>	<u>339,213</u>
Total	<u>\$ 814,046</u>	<u>\$ 3,339,254</u>	<u>\$ (2,525,208)</u>

Changes in assumptions and differences between expected and actual experience are amortized over 12.6 years. Actual investment earnings below (or above) projected earnings are amortized over 5.0 years.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

E. Other post-employment benefit plan (continued)

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

Year Ending June 30,	
2023	\$ (218,452)
2024	(221,015)
2025	(232,010)
2026	(204,726)
2027	(303,854)
Thereafter	<u>(1,345,151)</u>
Total	<u><u>\$ (2,525,208)</u></u>

F. Retiree health care defined contribution plan

The Town has a defined contribution healthcare plan covering police officers that was established in July 2017. The plan provides for retiree health care benefits through reimbursement of eligible medical care expenses including the reimbursement of retiree healthcare premiums upon retirement from the Town. Participation in the plan is mandatory for all eligible police officers. The employee contribution is 2.00% of base pay with an equivalent Town match. Upon normal retirement the participant's account balance shall be a minimum of \$32,000. If the account balance is less than \$32,000 the Town shall make contributions necessary to bring the account balance to \$32,000. Total Town and employee contributions for the year were \$63,377 and \$63,377 respectively.

G. Connecticut state teachers' retirement board retiree health insurance plan**1. Plan description**

Teachers, principals, superintendents or supervisors engaged in service of public schools that are currently receiving a retirement or disability benefit through the Connecticut Teachers' Retirement System 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 post-employment benefit plan administered by the Teachers' Retirement Board ("TRB"). Chapter 167a Section 10-183t 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.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

G. Connecticut state teachers' retirement board retiree health insurance plan (continued)**2. Benefit provisions**

The Plan provides for retiree health insurance benefits. Eligibility is as follows:

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	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
Service connected disability service requirement	No service requirement
Non-service connected disability service requirement	Five years of credited service
Vesting - service	10 years of service

Retiree health care coverage

Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Plan. There are two types of the health care benefits. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$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, any remaining portion is used to offset the district's cost.

The subsidy amount is set by statute, and has not increased since July of 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.

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

G. Connecticut state teachers' retirement board retiree health insurance plan (continued)

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

Those participants electing vision, hearing, and/or dental are required by the System's funding policy to pay the full cost of coverage for these benefits, and no liability is assumed by the Plan for these benefits.

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 Supplemental Plans, as long as they do not remarry.

3. Contributions**State of Connecticut**

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are 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 pays for one third of plan costs through an annual appropriation in the General Fund.

Employer (school districts)

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

Employees

Each member is required to contribute 1.25% of their annual salary.

4. OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

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.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

G. Connecticut state teachers' retirement board retiree health insurance plan (continued)

The amounts 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 were as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>6,401,395</u>
Total	<u><u>\$ 6,401,395</u></u>

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The Town has no proportionate share of the net OPEB liability.

The Town recognized OPEB expense and revenue of \$115,775 for on-behalf amounts for contributions to the plan by the State.

5. 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:

Investment rate of return	3.00%
Discount rate	2.17%
Inflation	2.50%
Health care cost trend rate (Medicare)	5.125% decreasing to 4.50% by 2023
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019
Year fund net position will be depleted	2023

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

- The discount rate was decreased from 2.21% to 2.17% to reflect the change in the Municipal Bond Index rate.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

G. Connecticut state teachers' retirement board retiree health insurance plan (continued)**Long-term expected rate of return**

The long-term expected rate of return on OPEB 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 OPEB 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected rate of return is 2.00%. Since there have not been any changes to the asset allocation and the recent economic downturn is expected to be temporary, the funding rate of 3.00% continues to be used for the long-term investment rate of return as of June 30, 2021.

6. Discount rate

The discount rate used to measure the total OPEB liability was 2.17%. The Municipal Bond Index Rate was used in the determination in the discount rate. 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 annual State contributions will equal the most recent 5-year average of state contributions.

7. Sensitivity of the OPEB liability to changes in the discount rate and the health care cost trend rate

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

8. 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 Annual Comprehensive Financial Report as of and for the year ended June 30, 2021.

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

H. Pension and other post-employment benefit plan statements

Pension and OPEB Trust Funds
Combining Statement of Fiduciary Net Position
June 30, 2022

	Pension Trust Fund	Town OPEB Trust Fund	Police OPEB Defined Contribution Trust Fund	Total Pension and OPEB Trust Funds
<u>Assets</u>				
Cash	\$ -	\$ 79,334	\$ 70,310	\$ 149,644
Contributions receivable	174	-	-	174
Investments:				
Mutual funds:				
Money market	1,763,451	-	-	1,763,451
Bond	13,377,376	-	-	13,377,376
Equity	20,562,631	50,623	78,709	20,691,963
Certificates of deposit	236,431	361,539	340,094	938,064
Bank money market	-	14,989	-	14,989
Exchange traded funds	-	945,582	918,095	1,863,677
Equities	-	418,595	698,563	1,117,158
Municipal bonds	-	54,150	118,111	172,261
Corporate bonds	-	167,367	124,726	292,093
U.S. government agency obligations	-	81,492	134,292	215,784
Total investments	35,939,889	2,094,337	2,412,590	40,446,816
Total assets	35,940,063	2,173,671	2,482,900	40,596,634
<u>Net Position</u>				
Restricted for:				
Pension benefits	35,940,063	-	-	35,940,063
OPEB benefits	-	2,173,671	2,482,900	4,656,571
Total net position	\$ 35,940,063	\$ 2,173,671	\$ 2,482,900	\$ 40,596,634

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

H. Pension and other post-employment benefit plan statements (continued)

Pension and OPEB Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022

	Pension Trust Fund	Town OPEB Trust Fund	Police OPEB Defined Contribution Trust Fund	Total Pension and OPEB Trust Funds
Additions:				
Contributions:				
Employer	\$ 909,492	\$ 234,352	\$ 63,377	\$ 1,207,221
Employee	156,700	-	63,377	220,077
Total contributions	1,066,192	234,352	126,754	1,427,298
Investment income (loss):				
Net change in fair value of investments	(6,285,661)	(260,837)	(292,049)	(6,838,547)
Interest and dividends	907,374	62,010	62,193	1,031,577
Total investment income (loss)	(5,378,287)	(198,827)	(229,856)	(5,806,970)
Less investment expense	24,877	20,164	-	45,041
Net investment income (loss)	(5,403,164)	(218,991)	(229,856)	(5,852,011)
Total additions	(4,336,972)	15,361	(103,102)	(4,424,713)
Deductions:				
Benefits	2,179,229	129,352	23,071	2,331,652
Administration	52,684	18,090	23,194	93,968
Total deductions	2,231,913	147,442	46,265	2,425,620
Change in net position	(6,568,885)	(132,081)	(149,367)	(6,850,333)
Net position - July 1, 2021	42,508,948	2,305,752	2,632,267	47,446,967
Net position - June 30, 2022	<u>\$ 35,940,063</u>	<u>\$ 2,173,671</u>	<u>\$ 2,482,900</u>	<u>\$ 40,596,634</u>

Town of Stonington, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

VI. Prior period adjustments and restatements**A. Prior period adjustment**

As a result of the implementation of GASB No. 87 lease receivable and deferred inflows of resources and a right-to-use leased assets and lease liability were recorded. There was no impact on beginning net position or fund balance. The amounts recorded are as follows:

	<u>Governmental Activities</u>	<u>General Fund</u>
Lease receivable	\$ 1,208,597	\$ 1,208,597
Deferred inflows of resources - lease related	(1,208,597)	(1,208,597)
Capital assets:		
Right-to-use leased machinery and equipment	67,545	-
Long-term liabilities:		
Lease liability	(67,545)	-

B. Restatement

The beginning equity for the government-wide and other governmental funds has been restated as follows:

	<u>Governmental Activities</u>	<u>Other Governmental Funds</u>
Net position fund balance as previously reported at June 30, 2021	\$ 144,445,473	\$ 8,537,225
Correction of retainage payable for Pre K-5 School Construction Fund	<u>1,143,379</u>	<u>1,143,379</u>
Net position fund balance as restated at July 1, 2021	<u><u>\$ 145,588,852</u></u>	<u><u>\$ 9,680,604</u></u>

Required Supplementary Information

Type	Description
Budgetary	Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund
	Schedule of Expenditures and Other Financing Uses - Budget and Actual - General Fund
	Notes to Required Supplementary Information - Budgets and Budgetary Accounting
<u>Pension Plans</u> Employees Municipal Employees' Retirement System State Teachers' Retirement System	Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Investment Returns
	Schedule of Proportionate Share of the Net Pension Liability
	Schedule of Contributions
	Notes to Required Supplementary Information
<u>Other Post-Employment Benefits Plans</u> OPEB State Teacher's Retirement Board Retiree Health Insurance Plan	Schedule of Changes in Net OPEB Liability and Related Ratios and Schedule of Investment Returns
	Schedule of Proportionate Share of the Net OPEB Liability
	Schedule of Contributions
	Notes to Required Supplementary Information

Town of Stonington, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues and Other Financing Sources -
Budget and Actual
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Property taxes:					
Current levy	\$ 67,410,306	\$ -	\$ 67,410,306	\$ 68,166,555	\$ 756,249
Prior year taxes	250,000	-	250,000	157,725	(92,275)
Motor vehicle supplement	450,000	-	450,000	613,301	163,301
Interest and lien fees	150,000	-	150,000	228,736	78,736
Telephone access line	44,000	-	44,000	40,959	(3,041)
Total property taxes	68,304,306	-	68,304,306	69,207,276	902,970
Intergovernmental:					
State grants for education:					
Education cost sharing grant	1,073,011	-	1,073,011	1,012,385	(60,626)
Nonpublic health services	7,400	-	7,400	10,323	2,923
Total State grants for education	1,080,411	-	1,080,411	1,022,708	(57,703)
State grants for reimbursement on revenue loss:					
Reimbursement disabled	1,600	-	1,600	1,676	76
Veterans' exemption	15,000	-	15,000	15,401	401
Grants for municipal projects	100,332	-	100,332	-	(100,332)
PILOT- State owned property	-	-	-	14,678	14,678
Municipal aid adjustment	-	-	-	105,548	105,548
Municipal stabilization grant	218,992	-	218,992	218,992	-
Grant proceeds - State	-	4,572	4,572	170,421	165,849
Grant proceeds - Federal	-	-	-	26,335	26,335
Mashantucket Pequod grant	30,000	-	30,000	30,000	-
Total state grants for reimbursement on revenue loss	365,924	4,572	370,496	583,051	212,555
State grants for other purposes:					
Parking ticket surcharge	7,500	-	7,500	6,340	(1,160)
Youth services	18,000	-	18,000	29,202	11,202
Civil preparedness	9,290	-	9,290	9,297	7
Total state grants for other purposes	34,790	-	34,790	44,839	10,049
Total intergovernmental	1,481,125	4,572	1,485,697	1,650,598	164,901
Charges for services:					
Town hall bags	550,000	-	550,000	596,988	46,988
Solid waste disposal fees	950,000	-	950,000	1,187,421	237,421
Landfill recycling	37,000	-	37,000	62,064	25,064
Tipping fees	160,000	-	160,000	167,397	7,397
Building rental/miscellaneous	-	-	-	4,101	4,101
Tuition other Town	25,000	-	25,000	36,650	11,650
Miscellaneous revenue	15,000	-	15,000	55,568	40,568
Accident reports	1,500	-	1,500	1,989	489
Data processing revenue	25,000	-	25,000	30,975	5,975
In lieu of taxes housing authority	4,200	-	4,200	4,526	326
Payment in lieu of taxes	261,850	-	261,850	286,231	24,381
GIS revenues	250	-	250	503	253
Animal control facility	1,500	-	1,500	1,200	(300)
Utility billing revenue offset	12,000	-	12,000	3,000	(9,000)
Vehicle use outside jobs	100,000	-	100,000	48,331	(51,669)
Admin / miscellaneous fees	18,000	-	18,000	10,511	(7,489)
Total charges for services	2,161,300	-	2,161,300	2,497,455	336,155

(Continued)

See Notes to Required Supplementary Information.

Town of Stonington, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues and Other Financing Sources -
Budget and Actual
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Licenses and permits:					
Building permits	\$ 360,000	\$ -	\$ 360,000	\$ 708,183	\$ 348,183
Conveyance taxes	400,000	-	400,000	670,014	270,014
Town clerk's fees	190,000	-	190,000	228,104	38,104
Alarm registration	5,000	-	5,000	4,210	(790)
Wetlands permits	2,600	-	2,600	3,850	1,250
P & Z and zoning board fees	70,000	-	70,000	114,099	44,099
Total licenses and permits	1,027,600	-	1,027,600	1,728,460	700,860
Fines and forfeits:					
Parking fines	3,500	-	3,500	4,725	1,225
Alarm penalties	1,700	-	1,700	2,375	675
Total fines and forfeits	5,200	-	5,200	7,100	1,900
Total charges for services	3,194,100	-	3,194,100	4,233,015	1,038,915
Use of money and property:					
Interest income	50,000	-	50,000	12,821	(37,179)
Rental	55,000	-	55,000	84,660	29,660
Loan repayment SNEFLA	12,500	-	12,500	12,500	-
Total use of money and property	117,500	-	117,500	109,981	(7,519)
Total revenues	73,097,031	4,572	73,101,603	75,200,870	2,099,267
Other financing sources:					
Appropriation of fund balance	-	43,116	43,116	-	(43,116)
Cancellation of prior year encumbrances	10,000	-	10,000	120,352	110,352
Transfers in - capital nonrecurring fund	-	81,884	81,884	81,884	-
Transfers in - sewer assessment fund	29,500	-	29,500	29,500	-
Other financing sources (uses)	39,500	125,000	164,500	231,736	67,236
Total revenues and other financing sources	\$ 73,136,531	\$ 129,572	\$ 73,266,103	\$ 75,432,606	\$ 2,166,503

(Concluded)

See Notes to Required Supplementary Information.

Town of Stonington, Connecticut
Required Supplementary Information
General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
General government:					
Office of selectman	\$ 261,667	\$ 5,390	\$ 267,057	\$ 259,013	\$ 8,044
Programs and agencies	97,855	-	97,855	96,683	1,172
Waterfront commission	2,125	-	2,125	1,155	970
Pawcatuck river harbor management	500	-	500	-	500
Shellfish commission	50	-	50	-	50
Economic development commission	13,470	-	13,470	7,364	6,106
Committee to study needs and use of town buildings	1,100	-	1,100	-	1,100
Beautification committee	5,000	-	5,000	4,997	3
Charter revision committee	4,200	-	4,200	-	4,200
Emergency management	27,921	14,614	42,535	39,615	2,920
Elections	129,026	-	129,026	94,441	34,585
Town clerk	250,817	4,089	254,906	253,162	1,744
Town meeting and referenda	6,200	15	6,215	6,214	1
Administration	371,537	2,678	374,215	372,881	1,334
Information systems	413,875	(26,314)	387,561	385,166	2,395
Human resources	3,676,300	(54,654)	3,621,646	3,515,806	105,840
Health officer, sanitation and EMS	140,998	-	140,998	140,863	135
Community development	15,000	2,030	17,030	17,030	-
Assessor's office	359,994	5,159	365,153	364,093	1,060
Board of Assessment Appeals	2,360	-	2,360	1,656	704
Finance office	437,542	1,762	439,304	439,304	-
Office of the Treasurer	5,198	-	5,198	4,698	500
Office of the tax collector	251,333	-	251,333	238,028	13,305
Board of Finance	246,191	(5,390)	240,801	229,188	11,613
Risk management	771,209	-	771,209	760,113	11,096
Planning office	475,955	(2,030)	473,925	429,081	44,844
Planning and zoning commission	37,000	(3,853)	33,147	25,754	7,393
Zoning board of appeals	6,725	980	7,705	7,704	1
Conservation commission	5,600	-	5,600	5,600	-
Inland wetlands commission	2,500	2,873	5,373	5,373	-
Climate change task force	2,000	-	2,000	-	2,000
Total general government	8,021,248	(52,651)	7,968,597	7,704,982	263,615
Public works:					
Highway department	2,827,273	32,176	2,859,449	2,846,032	13,417
Sanitation and waste removal	2,871,816	(4,437)	2,867,379	2,806,727	60,652
Water Pollution Control Authority	102,810	-	102,810	102,440	370
Engineering services	224,317	-	224,317	217,533	6,784
Operation and maintenance Town building/property	815,711	92,824	908,535	849,054	59,481
Building official	285,559	-	285,559	283,756	1,803
Total public works:	7,127,486	120,563	7,248,049	7,105,542	142,507
Public safety:					
Department of public safety	6,541,226	(18,000)	6,523,226	6,277,406	245,820
Ambulances	188,458	-	188,458	188,458	-
Total public safety	6,729,684	(18,000)	6,711,684	6,465,864	245,820
Human services:					
Office of human services	544,156	-	544,156	543,622	534

(Continued)

See Notes to Required Supplementary Information.

Town of Stonington, Connecticut

Required Supplementary Information

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Social services:					
Commission on aging	\$ 8,500	\$ -	\$ 8,500	\$ 8,495	\$ 5
Outside agencies	372,701	-	372,701	370,000	2,701
Total social services	381,201	-	381,201	378,495	2,706
Recreation	141,550	2,660	144,210	144,165	45
Library	446,500	-	446,500	446,500	-
Payments to other civic divisions	251,583	-	251,583	251,583	-
Education	38,335,596	-	38,335,596	38,335,596	-
Debt service	8,134,208	-	8,134,208	7,571,383	562,825
Total expenditures	70,113,212	52,572	70,165,784	68,947,732	1,218,052
Other financing uses:					
Transfers out:					
Miscellaneous fund	-	47,000	47,000	47,000	-
Capital nonrecurring fund	2,773,319	30,000	2,803,319	2,803,319	-
Sewer usage fund	250,000	-	250,000	250,000	-
Total other financing uses	3,023,319	77,000	3,100,319	3,100,319	-
Total expenditures and other financing uses	\$ 73,136,531	\$ 129,572	\$ 73,266,103	\$ 72,048,051	\$ 1,218,052

(Concluded)

See Notes to Required Supplementary Information.

Town of Stonington, Connecticut

Notes to Required Supplementary Information

**Budgets and Budgetary Accounting
For the Year Ended June 30, 2022**

The Town adheres to the following procedures in establishing the budgetary data included in the general fund financial statements. The operating budget, which is prepared by function and department, includes proposed expenditures and the means of financing them.

The budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exceptions:

1. The Town does not recognize as revenue or expenditures payments made for the State Teachers' pension and OPEB by the State of Connecticut on the Town's behalf.
2. Encumbrances are recognized as valid and proper charges against budget appropriations in the year in which the purchase order is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year but are shown as an assigned fund balance on a GAAP basis.

Reconciliation to Exhibit D

	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis - RSI-1	\$ 75,200,870	\$ 68,947,732
Prior year encumbrances liquidated in the current year	-	1,058,517
Encumbrances outstanding at year end charged to budgetary expenditures	-	(559,415)
State Teachers' pension on behalf amount	4,919,899	4,919,899
State Teachers' OPEB on behalf amount	<u>115,775</u>	<u>115,775</u>
GAAP Basis - Exhibit D	<u>\$ 80,236,544</u>	<u>\$ 74,482,508</u>

Formal budgetary integration is employed as a management control device during the year.

No later than January 1, each Department, Office, Board or Commission of the Town, supported wholly or in part by Town funds, or for which a specific Town appropriation is made, except the Board of Education, shall prepare and submit to the First Selectman a detailed estimate of the expenditures to be made and the anticipated revenue other than tax revenue to be received during the ensuing fiscal year. The Board of Education shall submit its budget request by March 1st to the Board of Finance. The First Selectman, after consultation with the Director of Finance, shall prescribe the format for budget presentation which shall include, at a minimum, comparative statistics for the current and preceding fiscal year operations.

No later than March 15th, the First Selectman shall present to the Board of Finance an itemized annual operating budget, including the Board of Education budget.

The Board of Finance shall hold one (1) or more public hearings no later than the first Monday of May, at which time any elector or taxpayer may have an opportunity to be heard regarding appropriations for the ensuing fiscal year. Following receipt of the estimates from the First Selectman, the Board of Finance shall cause said estimates to be made available for review in the office of the Town Clerk. At least five (5) days before the aforementioned public hearing, the Board of Finance shall cause to be published in a newspaper having a substantial circulation in the Town, a notice of such public hearing and a summary of said proposed budget estimates which show the amount to be raised by taxation.

(Continued)

Town of Stonington, Connecticut

Notes to Required Supplementary Information

**Budgets and Budgetary Accounting
For the Year Ended June 30, 2022**

The Board of Finance shall have the authority to increase or decrease the budget submitted by the First Selectman. Within fifteen (15) days after holding the final such public hearing, the Board of Finance shall approve an operating budget and file the same with the Town Clerk for submission to the Annual Town Budget Meeting. There shall be a Town Meeting for the consideration of the budget to be held no later than the third Monday in May and at such place and time as the Board of Selectmen may determine. Said meeting may be recessed as necessary. The budget adoption procedure shall be the following:

If the budget has not been submitted or petitioned to a Referendum, the budget as presented may be adopted by a majority vote of those present and voting thereon.

If the budget is rejected, it shall be returned to the Board of Finance who shall reconsider the budget and resubmit a budget to the recessed Town Meeting to be held no more than three (3) weeks after said rejection with at least (5) days published notice thereof.

The same steps and procedures, including published notices of meetings, shall be followed as outlined above until a budget has been adopted.

Any resubmitted budget may be submitted or petitioned to a referendum.

In the event a budget has not been approved by June 15, the Board of Selectmen shall be empowered to set a mill rate in order to facilitate the preparation and mailing of tax bills at a level that in its best judgment will meet the needs of the Town for the ensuing year. In the event a budget has been adopted prior to June 15, the Board of Finance shall meet and set the mill rate at a level sufficient to meet the needs of the Town for the ensuing year.

The legal level of control, the level at which expenditures may not exceed appropriations, is at the department level.

The Board of Finance, in accordance with the provisions of the Charter and the Connecticut General Statutes, is authorized to transfer unexpended balances from one appropriation to another. Management may not authorize any additional appropriations. The Board of Selectmen and the Board of Finance may approve additional appropriations cumulating no more than 0.5% of the current year operating budget.

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 and Board of Finance approval.

There were additional appropriations made during the year as follows:

Additional revenues and transfers in	\$ 86,456
Fund balance	<u>43,116</u>
Total	<u>\$ 129,572</u>

(Concluded)

Town of Stonington, Connecticut
Required Supplementary Information

Employees' Pension Plan
Last Nine Years (1)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>Schedule of Changes in Net Pension Liability and Related Ratios</u>									
Total pension liability:									
Service cost	\$ 588,877	\$ 624,334	\$ 671,928	\$ 657,076	\$ 716,716	\$ 785,169	\$ 807,690	\$ 784,165	\$ 761,325
Interest	2,574,854	2,597,102	2,593,883	2,534,914	2,460,694	2,299,512	2,223,435	2,337,106	2,210,832
Change of benefit terms	-	-	-	-	-	-	-	783,451	-
Differences between expected and actual experience	2,139,031	(516,973)	(911,581)	(326,759)	(278,195)	106,186	(365,705)	(504,935)	-
Change of assumptions	92,208	(159,814)	386,031	516,186	-	915,592	-	(253,207)	-
Benefit payments, including refunds of member contributions	(2,179,229)	(1,972,849)	(1,809,614)	(1,785,452)	(1,696,075)	(1,605,602)	(1,428,980)	(1,353,367)	(1,270,805)
Net change in total pension liability	3,215,741	571,800	930,647	1,595,965	1,203,140	2,500,857	1,236,440	1,793,213	1,701,352
Total pension liability - July 1	40,873,765	40,301,965	39,371,318	37,775,353	36,572,213	34,071,356	32,834,916	31,041,703	29,340,351
Total pension liability - June 30 (a)	<u>\$ 44,089,506</u>	<u>\$ 40,873,765</u>	<u>\$ 40,301,965</u>	<u>\$ 39,371,318</u>	<u>\$ 37,775,353</u>	<u>\$ 36,572,213</u>	<u>\$ 34,071,356</u>	<u>\$ 32,834,916</u>	<u>\$ 31,041,703</u>
Plan fiduciary net position:									
Contributions - employer	\$ 909,492	\$ 952,427	\$ 992,018	\$ 974,686	\$ 1,009,822	\$ 997,631	\$ 1,029,505	\$ 1,103,588	\$ 1,147,449
Contributions - member	156,700	179,431	185,121	207,951	206,501	205,299	216,143	219,235	257,396
Net investment income (loss)	(5,403,164)	9,214,203	179,820	1,736,708	2,234,636	3,137,730	(79,775)	233,513	3,765,012
Benefit payments, including refunds of member contributions	(2,179,229)	(1,972,849)	(1,809,614)	(1,785,452)	(1,696,075)	(1,605,602)	(1,428,980)	(1,353,367)	(1,270,805)
Administration expenses	(52,684)	(52,493)	(47,405)	(46,881)	(44,181)	(37,332)	(34,399)	(32,251)	(47,133)
Net change in plan fiduciary net position	(6,568,885)	8,320,719	(500,060)	1,087,012	1,710,703	2,697,726	(297,506)	170,718	3,851,919
Plan fiduciary net position - July 1	42,508,948	34,188,229	34,688,289	33,601,277	31,890,574	29,192,848	29,490,354	29,319,636	25,467,717
Plan fiduciary net position - June 30 (b)	<u>\$ 35,940,063</u>	<u>\$ 42,508,948</u>	<u>\$ 34,188,229</u>	<u>\$ 34,688,289</u>	<u>\$ 33,601,277</u>	<u>\$ 31,890,574</u>	<u>\$ 29,192,848</u>	<u>\$ 29,490,354</u>	<u>\$ 29,319,636</u>
Net pension liability (asset) - June 30 (a)-(b)	<u>\$ 8,149,443</u>	<u>\$ (1,635,183)</u>	<u>\$ 6,113,736</u>	<u>\$ 4,683,029</u>	<u>\$ 4,174,076</u>	<u>\$ 4,681,639</u>	<u>\$ 4,878,508</u>	<u>\$ 3,344,562</u>	<u>\$ 1,722,067</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>81.52%</u>	<u>104.00%</u>	<u>84.83%</u>	<u>88.11%</u>	<u>88.95%</u>	<u>87.20%</u>	<u>85.68%</u>	<u>89.81%</u>	<u>94.45%</u>
Covered payroll	<u>\$ 6,440,687</u>	<u>\$ 6,801,329</u>	<u>\$ 6,910,565</u>	<u>\$ 7,474,353</u>	<u>\$ 7,665,442</u>	<u>\$ 8,441,906</u>	<u>\$ 8,535,124</u>	<u>\$ 9,007,063</u>	<u>\$ 9,124,324</u>
Net pension liability (asset) as a percentage of covered payroll	<u>126.53%</u>	<u>(24.04%)</u>	<u>88.47%</u>	<u>62.65%</u>	<u>54.45%</u>	<u>55.46%</u>	<u>57.16%</u>	<u>37.13%</u>	<u>18.87%</u>
<u>Schedule of Investment Returns</u>									
Annual money weighted rate of return, net of investment expense	<u>(12.77%)</u>	<u>26.91%</u>	<u>0.52%</u>	<u>5.20%</u>	<u>7.07%</u>	<u>10.89%</u>	<u>(0.28%)</u>	<u>0.83%</u>	<u>15.07%</u>

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of Stonington, Connecticut

Required Supplementary Information

**Employees' Pension Plan
Schedule of Contributions
Last Ten 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>	<u>2013</u>
Actuarially determined contributions	\$ 909,492	\$ 951,997	\$ 988,377	\$ 952,476	\$1,015,388	\$ 927,734	\$1,044,301	\$1,083,331	\$1,108,457	\$1,119,643
Contributions in relation to the actuarially determined contribution	<u>909,492</u>	<u>952,427</u>	<u>992,018</u>	<u>974,686</u>	<u>1,009,822</u>	<u>997,631</u>	<u>1,029,505</u>	<u>1,103,588</u>	<u>1,147,449</u>	<u>1,130,478</u>
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ 430</u>	<u>\$ 3,641</u>	<u>\$ 22,210</u>	<u>\$ (5,566)</u>	<u>\$ 69,897</u>	<u>\$ (14,796)</u>	<u>\$ 20,257</u>	<u>\$ 38,992</u>	<u>\$ 10,835</u>
Covered payroll	<u>\$6,440,687</u>	<u>\$6,801,329</u>	<u>\$6,910,565</u>	<u>\$7,474,353</u>	<u>\$7,665,442</u>	<u>\$8,441,906</u>	<u>\$8,535,124</u>	<u>\$9,007,063</u>	<u>\$9,124,324</u>	<u>\$8,958,441</u>
Contributions as a percentage of covered payroll	<u>14.12%</u>	<u>14.00%</u>	<u>14.36%</u>	<u>13.04%</u>	<u>13.17%</u>	<u>11.82%</u>	<u>12.06%</u>	<u>12.25%</u>	<u>12.58%</u>	<u>12.62%</u>

Town of Stonington, Connecticut

Notes to Required Supplementary Information

**Employees' Pension Plan
Schedule of Contributions
Last Nine Years (1)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Changes of Benefit Terms	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2021	July 1, 2020	July 1, 2018	July 1, 2017	July 1, 2016	July 1, 2016	July 1, 2015	July 1, 2013	July 1, 2013
Actuarial methods and assumptions used to determine contribution rates:									
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level dollar	Level dollar	Level dollar
Asset Valuation Method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation	2.40%	2.40%	2.75%	2.75%	2.75%	2.75%	3.00%	1.25%	1.25%
Salary Increases	2.75% - 6.25%, average, including inflation	2.75% - 6.25%, average, including inflation	2.75% - 4.50%, average, including inflation	2.75% - 4.50%, average, including inflation	2.75% - 4.50%, average, including inflation	2.75% - 4.50%, average, including inflation	2.50%, average, including inflation	2.50%, average, including inflation	2.50%, average, including inflation
Investment Rate of Return (Net)	6.375%	6.375%	7.00%	7.00%	7.00%	7.00%	7.50%	7.50%	7.50%
Mortality Rate	Pub-2010 projected with Scale MP-2021	Pub-2010 projected with Scale MP-2020	RP-2014 projected with Scale MP-2018	RP-2014 projected with Scale MP-2017	RP-2014 projected with Scale MP-2015	RP-2014 projected with Scale MP-2015	RP-2014 projected with Scale MP-2014	RP-2000 projected to the valuation date with Scale AA	RP-2000 projected to the valuation date with Scale AA

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of Stonington, Connecticut

Required Supplementary Information

Connecticut Municipal Employees' Retirement System
Last Eight Years (1)

	2022	2021	2020	2019	2018	2017	2016	2015
<u>Schedule of Proportionate Share of the Net Pension Liability</u>								
Town's proportion of the net pension liability for the police officers and firefighters without social security sub plan	<u>2.156970%</u>	<u>2.451724%</u>	<u>2.386865%</u>	<u>2.447326%</u>	<u>2.242232%</u>	<u>2.242232%</u>	<u>2.376509%</u>	<u>2.464900%</u>
Town's proportionate share of the net pension (asset) liability	<u>\$ 5,075,912</u>	<u>\$ 8,322,442</u>	<u>\$ 7,758,184</u>	<u>\$ 6,667,922</u>	<u>\$(1,721,274)</u>	<u>\$(1,262,985)</u>	<u>\$(1,999,744)</u>	<u>\$(2,353,578)</u>
Town's covered payroll	<u>\$ 3,916,036</u>	<u>\$ 4,164,606</u>	<u>\$ 4,065,329</u>	<u>\$ 4,101,836</u>	<u>\$ 3,428,033</u>	<u>\$ 3,428,033</u>	<u>\$ 3,351,915</u>	<u>\$ 3,067,938</u>
Town's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	<u>129.62%</u>	<u>199.84%</u>	<u>190.84%</u>	<u>162.56%</u>	<u>(50.21)%</u>	<u>(36.84)%</u>	<u>(59.66)%</u>	<u>(76.72)%</u>
Total plan fiduciary net position as a percentage of the total pension liability	<u>82.59%</u>	<u>71.18%</u>	<u>72.69%</u>	<u>73.60%</u>	<u>91.68%</u>	<u>88.29%</u>	<u>92.72%</u>	<u>90.48%</u>

66

Schedule of Contributions

Contractually required contribution	\$ 861,034	\$ 637,052	\$ 652,779	\$ 513,519	\$ 474,553	\$ 527,564	\$ 494,982	\$ 457,302
Contributions in relation to the contractually required contribution	<u>861,034</u>	<u>637,052</u>	<u>652,779</u>	<u>513,519</u>	<u>474,553</u>	<u>527,564</u>	<u>494,982</u>	<u>457,302</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 3,649,996</u>	<u>\$ 2,906,259</u>	<u>\$ 3,147,440</u>	<u>\$ 3,033,190</u>	<u>\$ 2,803,030</u>	<u>\$ 3,521,789</u>	<u>\$ 3,304,286</u>	<u>\$ 2,856,352</u>
Contributions as a percentage of covered payroll	<u>23.59%</u>	<u>21.92%</u>	<u>20.74%</u>	<u>16.93%</u>	<u>16.93%</u>	<u>14.98%</u>	<u>14.98%</u>	<u>16.01%</u>

(1) This schedule is intended to present information for 10 years. Additional years will be presented as the information becomes available.

Town of Stonington, Connecticut

Notes to Required Supplementary Information

Connecticut Municipal Employees' Retirement System
Schedule of Contributions
Last Eight Years (1)

	2022	2021	2020	2019	2018	2017	2016	2015
Changes of Benefit Terms	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014
Actuarial methods and assumptions used to determine contribution rates:								
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed
Remaining Amortization Period	18 years	19 years	20 years	21 years	23 years	23 years	25 years	25 years
Asset Valuation Method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation	2.50%	2.50%	2.50%	2.50%	3.25%	3.25%	3.25%	3.25%
Salary Increases	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation
Cost-of-Living Adjustments	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards
Social Security Wage Base	3.00%	3.00%	3.00%	3.00%	3.50%	3.50%	3.50%	3.50%
Investment Rate of Return (Net)	7.00%	7.00%	7.00%	7.00%	8.00%	8.00%	8.00%	8.00%
Mortality	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries

(1) This schedule is intended to present information for 10 years. Additional years will be presented as the information becomes available.

Town of Stonington, Connecticut

Required Supplementary Information

Connecticut State Teachers' Retirement System
Last Eight Years (3)

	<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>Schedule of Proportionate Share of the Net Pension Liability</u>								
Town's proportion of the net pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the net pension liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State of Connecticut's proportionate share of the net pension liability associated with the Town	<u>58,756,339</u>	<u>74,186,503</u>	<u>68,011,051</u>	<u>52,440,472</u>	<u>56,047,411</u>	<u>59,130,448</u>	<u>45,293,369</u>	<u>41,864,643</u>
Total	<u>\$58,756,339</u>	<u>\$74,186,503</u>	<u>\$68,011,051</u>	<u>\$52,440,472</u>	<u>\$56,047,411</u>	<u>\$59,130,448</u>	<u>\$45,293,369</u>	<u>\$41,864,643</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>60.77%</u>	<u>49.24%</u>	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>

Schedule of Contributions

Contractually required contribution (1)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

(1) Local employers are not required to contribute to the plan.

(2) Not applicable since 0% proportional share of the net pension liability.

(3) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of Stonington, Connecticut

Notes to Required Supplementary Information

Connecticut State Teachers' Retirement System
Schedule of Contributions
Last Eight Years (1)

	2022	2021	2020	2019	2018	2017	2016	2015
Changes of Benefit Terms	None	None	None	Beginning January 1, 2018, member contributions increased from 6.00% to 7.00% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014
Actuarial methods and assumptions used to determine contribution rates:								
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining Amortization Period	27.8 years	27.8 years	30 years	30 years	20.4 years	20.4 years	21.4 years	22.4 years
Asset Valuation Method	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing
Inflation	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%
Salary Increases	3.00%-6.50%, average, including inflation	3.00%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Cost-of-Living Adjustments	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date
Investment Rate of Return (Net)	6.90%	6.90%	6.90%	8.00%	8.00%	8.00%	8.50%	8.50%
Mortality	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA

(1) This schedule is intended to present information for 10 years. Additional years will be presented as they become available.

Town of Stonington, Connecticut
Required Supplementary Information
Other Post-Employment Benefit (OPEB) Plan
Last Six Years (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Schedule of Changes in Net OPEB Liability and Related Ratios</u>						
Total OPEB liability:						
Service cost	\$ 77,672	\$ 74,541	\$ 139,505	\$ 133,370	\$ 150,317	\$ 143,707
Interest	319,760	309,907	313,629	307,635	412,772	401,263
Differences between expected and actual experience	(1,862,449)	(261,405)	(345,172)	116,397	(1,927,076)	-
Changes in assumptions	220,139	-	168,470	-	111,053	-
Benefit payments, including refunds of member contributions	<u>(129,352)</u>	<u>(63,498)</u>	<u>(472,348)</u>	<u>(463,033)</u>	<u>(363,114)</u>	<u>(371,649)</u>
Net change in total OPEB liability	(1,374,230)	59,545	(195,916)	94,369	(1,616,048)	173,321
Total OPEB liability - July 1	<u>4,974,784</u>	<u>4,915,239</u>	<u>5,111,155</u>	<u>5,016,786</u>	<u>6,632,834</u>	<u>6,459,513</u>
Total OPEB liability - June 30 (a)	<u>\$ 3,600,554</u>	<u>\$ 4,974,784</u>	<u>\$ 4,915,239</u>	<u>\$ 5,111,155</u>	<u>\$ 5,016,786</u>	<u>\$ 6,632,834</u>
Plan fiduciary net position:						
Contributions - employer	\$ 234,352	\$ 241,770	\$ 635,767	\$ 623,096	\$ 403,013	\$ 461,649
Contributions - TRB subsidy	-	57,719	60,581	39,468	66,101	-
Net investment income (loss)	(218,991)	257,179	48,980	58,257	39,373	67,145
Benefit payments, including refunds of member contributions	(129,352)	(63,498)	(472,348)	(463,033)	(363,114)	(371,649)
Administration expenses	<u>(18,090)</u>	<u>(6,175)</u>	<u>(14,260)</u>	<u>(16,500)</u>	<u>(8,590)</u>	<u>(2,000)</u>
Net change in plan fiduciary net position	(132,081)	486,995	258,720	241,288	136,783	155,145
Plan fiduciary net position - July 1	<u>2,305,752</u>	<u>1,818,757</u>	<u>1,560,037</u>	<u>1,318,749</u>	<u>1,181,966</u>	<u>1,026,821</u>
Plan fiduciary net position - June 30 (b)	<u>\$ 2,173,671</u>	<u>\$ 2,305,752</u>	<u>\$ 1,818,757</u>	<u>\$ 1,560,037</u>	<u>\$ 1,318,749</u>	<u>\$ 1,181,966</u>
Net OPEB liability - June 30 (a)-(b)	<u>\$ 1,426,883</u>	<u>\$ 2,669,032</u>	<u>\$ 3,096,482</u>	<u>\$ 3,551,118</u>	<u>\$ 3,698,037</u>	<u>\$ 5,450,868</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>60.37%</u>	<u>46.35%</u>	<u>37.00%</u>	<u>30.52%</u>	<u>26.29%</u>	<u>17.82%</u>
Covered payroll	<u>\$ 30,989,024</u>	<u>\$ 29,333,841</u>	<u>\$ 28,590,488</u>	<u>\$ 29,988,630</u>	<u>\$ 29,228,684</u>	<u>\$ 25,305,169</u>
Net OPEB liability as a percentage of covered payroll	<u>4.60%</u>	<u>9.10%</u>	<u>10.83%</u>	<u>11.84%</u>	<u>12.65%</u>	<u>21.54%</u>
<u>Schedule of Investment Returns</u>						
Annual money weighted rate of return, net of investment expense	<u>(13.74%)</u>	<u>14.10%</u>	<u>2.91%</u>	<u>5.31%</u>	<u>3.04%</u>	<u>7.45%</u>

(1) These schedules are intended to present information for 10 years. Additional years will be presented as the information becomes available.

See Notes to Required Supplementary Information.

Town of Stonington, Connecticut

Required Supplementary Information

Other Post-Employment Benefits (OPEB) Plan
Schedule of Contributions
Last Ten Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contributions	\$ 412,296	\$ 410,428	\$ 463,294	\$ 458,274	\$ 453,445	\$ 446,489	\$ 431,821	\$ 412,037	\$ 731,000	\$ 699,000
Contributions in relation to the actuarially determined contribution	234,352	241,770	635,767	623,096	469,114	461,649	349,443	327,071	694,000	668,000
Contribution excess (deficiency)	<u>\$ (177,944)</u>	<u>\$ (168,658)</u>	<u>\$ 172,473</u>	<u>\$ 164,822</u>	<u>\$ 15,669</u>	<u>\$ 15,160</u>	<u>\$ (82,378)</u>	<u>\$ (84,966)</u>	<u>\$ (37,000)</u>	<u>\$ (31,000)</u>
Covered payroll	<u>\$ 30,989,024</u>	<u>\$ 29,333,841</u>	<u>\$ 28,590,488</u>	<u>\$ 29,988,630</u>	<u>\$ 29,228,684</u>	<u>\$ 25,305,169</u>	<u>\$ 28,389,610</u>	<u>\$ 28,389,610</u>	<u>\$ 26,065,000</u>	<u>\$ 26,065,000</u>
Contributions as a percentage of covered payroll	<u>0.76%</u>	<u>0.82%</u>	<u>2.22%</u>	<u>2.08%</u>	<u>1.60%</u>	<u>1.82%</u>	<u>1.23%</u>	<u>1.15%</u>	<u>2.66%</u>	<u>2.56%</u>

N/A - Not available

Town of Stonington, Connecticut

Notes to Required Supplementary Information

Other Post-Employment Benefit (OPEB) Plan
Schedule of Contributions
Last Nine Years (1)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Changes of Benefit Terms	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2021	July 1, 2019	July 1, 2017	July 1, 2017	July 1, 2016	July 1, 2016	July 1, 2014	July 1, 2014	July 1, 2012
Actuarial methods and assumptions used to determine contribution rates:									
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage
Asset Valuation Method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Healthcare Inflation Rate - Initial	6.50%	6.50%	7.00%	7.00%	6.26%	6.26%	6.80%	6.80%	6.80%
Healthcare Inflation Rate - Ultimate	4.40%	4.60%	4.60%	4.60%	4.60%	4.60%	4.70%	4.70%	4.70%
Investment Rate of Return (Net)	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	7.50%	7.50%	7.50%
Mortality Rate	RP-2014 projected with Scale MP-2021	RP-2014 projected with Scale MP-2019	RP-2014 projected with Scale MP-2018	RP-2014 projected with Scale MP-2018	RP-2014 projected with Scale MP-2015	RP-2014 projected with Scale MP-2015	RP-2000 Mortality projected with Scale BB	RP-2000 Mortality projected with Scale BB	Based on the 1983 Group Mortality Table 50% male 50% female

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of Stonington, Connecticut

Required Supplementary Information

Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
Last Five Years (3)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Schedule of Proportionate Share of the Net OPEB Liability</u>					
Town's proportion of the net OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the collective net OPEB liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	<u>6,401,395</u>	<u>11,064,920</u>	<u>10,606,708</u>	<u>10,483,150</u>	<u>14,425,979</u>
Total	<u>\$ 6,401,395</u>	<u>\$ 11,064,920</u>	<u>\$ 10,606,708</u>	<u>\$ 10,483,150</u>	<u>\$ 14,425,979</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>6.11%</u>	<u>2.50%</u>	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>

Schedule of Contributions

Contractually required contribution (1)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

(1) Local employers are not required to contribute to the plan.

(2) Not applicable since 0% proportional share of the net OPEB liability.

(3) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of Stonington, Connecticut

Notes to Required Supplementary Information

**Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
Schedule of Contributions
Last Five Years (1)**

	2022	2021	2020	2019	2018
Changes of Benefit Terms	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016
Actuarial methods and assumptions used to determine contribution rates:					
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percentage, closed	Level percentage, closed	Level percentage, open	Level percentage, open	Level percentage, open
Amortization Period	30 years	30 years	30 years	30 years	30 years
Asset Valuation Method	Fair value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.50%	2.50%	2.75%	2.75%	2.75%
Healthcare Inflation Rate	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary Increases	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment Rate of Return (Net)	3.00%	3.00%	3.00%	3.00%	4.25%
Mortality Rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Supplemental 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, highway, sanitation and waste removal, human services, social services, recreation, libraries, payments to other civic divisions, education, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

Town of Stonington, Connecticut

Report of Tax Collector
For the Year Ended June 30, 2022

Grand List Year	Uncollected Taxes July 1, 2021	Current Levy	Lawful Corrections		Transfers to Suspense	Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2022
			Additions	Deductions			Taxes	Interest and Liens	Total	
2016	\$ 1,173	\$ -	\$ 111	\$ -	\$ 144	\$ 1,140	\$ 841	\$ 742	\$ 1,583	\$ 299
2017	6,596	-	1,273	109	916	6,844	5,410	1,375	6,785	1,434
2018	26,346	-	29,351	20,838	8,506	26,353	(4,527)	5,287	760	30,880
2019	191,110	-	46,498	30,674	18,331	188,603	133,436	27,591	161,027	55,167
Subtotal	225,225	-	77,233	51,621	27,897	222,940	135,160	34,995	170,155	87,780
2020	-	68,769,494	742,759	382,269	43,983	69,086,001	68,774,744	171,109	68,945,853	311,257
Totals	<u>\$ 225,225</u>	<u>\$ 68,769,494</u>	<u>\$ 819,992</u>	<u>\$ 433,890</u>	<u>\$ 71,880</u>	<u>\$ 69,308,941</u>	<u>\$ 68,909,904</u>	<u>\$ 206,104</u>	<u>\$ 69,116,008</u>	<u>\$ 399,037</u>

Town of Stonington, Connecticut

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Revenues:					
Property taxes	\$ 68,304,306	\$ -	\$ 68,304,306	\$ 69,207,276	\$ 902,970
Intergovernmental	1,481,125	4,572	1,485,697	1,650,598	164,901
Charges for services	3,194,100	-	3,194,100	4,233,015	1,038,915
Use of money and property	117,500	-	117,500	109,981	(7,519)
Total revenues	<u>73,097,031</u>	<u>4,572</u>	<u>73,101,603</u>	<u>75,200,870</u>	<u>2,099,267</u>
Expenditures:					
Current:					
General government	8,021,248	(52,651)	7,968,597	7,704,982	263,615
Public works	7,127,486	120,563	7,248,049	7,105,542	142,507
Public safety	6,729,684	(18,000)	6,711,684	6,465,864	245,820
Human services	544,156	-	544,156	543,622	534
Social services	381,201	-	381,201	378,495	2,706
Recreation	141,550	2,660	144,210	144,165	45
Libraries	446,500	-	446,500	446,500	-
Payments to other civic divisions	251,583	-	251,583	251,583	-
Education	38,335,596	-	38,335,596	38,335,596	-
Debt service	8,134,208	-	8,134,208	7,571,383	562,825
Total expenditures	<u>70,113,212</u>	<u>52,572</u>	<u>70,165,784</u>	<u>68,947,732</u>	<u>1,218,052</u>
Excess (deficiency) of revenues over expenditures	<u>2,983,819</u>	<u>(48,000)</u>	<u>2,935,819</u>	<u>6,253,138</u>	<u>3,317,319</u>
Other financing sources (uses):					
Appropriation of fund balance	-	43,116	43,116	-	(43,116)
Cancellation of prior year encumbrances	10,000	-	10,000	120,352	110,352
Transfers in	29,500	81,884	111,384	111,384	-
Transfers out	(3,023,319)	(77,000)	(3,100,319)	(3,100,319)	-
Net other financing sources (uses)	<u>(2,983,819)</u>	<u>48,000</u>	<u>(2,935,819)</u>	<u>(2,868,583)</u>	<u>67,236</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>3,384,555</u>	<u>\$ 3,384,555</u>
Fund balance - July 1, 2021				<u>17,115,526</u>	
Fund balance - June 30, 2022				<u>\$ 20,500,081</u>	

Town of Stonington, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual - By Line Item
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Department of first selectman:					
Office of selectman:					
First selectman	\$ 99,327	\$ -	\$ 99,327	\$ 99,327	\$ -
Second selectman	4,295	-	4,295	4,295	-
Third selectman	4,295	-	4,295	4,295	-
Town attorney	50,000	-	50,000	50,000	-
Examination of indices	4,000	-	4,000	4,000	-
Mosquito abatement	34,000	-	34,000	36,980	(2,980)
Legal services and courts	40,000	5,390	45,390	45,390	-
Professional associations and publications	1,000	-	1,000	1,001	(1)
Furniture and equipment	1,000	-	1,000	758	242
Tree warden stipend	3,000	-	3,000	3,000	-
Tree warden expenses	750	-	750	135	615
Town wide	20,000	-	20,000	9,832	10,168
Total office of selectman	261,667	5,390	267,057	259,013	8,044
Programs and agencies:					
S.E.A.T.	25,924	-	25,924	25,924	-
Sector	6,166	-	6,166	6,166	-
CT Conference of Municipalities	13,000	-	13,000	12,032	968
Southeastern CT Council of Government	9,689	-	9,689	9,689	-
Mystic river park public restrooms	20,000	-	20,000	20,000	-
CT council of small towns	1,275	-	1,275	1,275	-
Probate court occupancy	6,301	-	6,301	6,301	-
Probate court	4,000	-	4,000	3,796	204
Connecticut tourism coalition	1,500	-	1,500	1,500	-
Mystic River boat pump out service	10,000	-	10,000	10,000	-
Total programs and agencies	97,855	-	97,855	96,683	1,172
Waterfront commission:					
Clerical services	1,925	-	1,925	1,050	875
Postage	75	-	75	-	75
Consumable supplies	25	-	25	5	20
Miscellaneous	100	-	100	100	-
Total waterfront commission	2,125	-	2,125	1,155	970
Pawcatuck river harbor management:					
Postage	100	-	100	-	100
Advertising	100	-	100	-	100
Consumable supplies	100	-	100	-	100
Reproduction and printing	100	-	100	-	100
Miscellaneous	100	-	100	-	100
Total Pawcatuck river harbor management	500	-	500	-	500
Shellfish commission:					
Expenditures	50	-	50	-	50

(Continued)

Town of Stonington, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual - By Line Item
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Economic development commission:					
Consulting services	\$ 10,000	\$ -	\$ 10,000	\$ 2,777	\$ 7,223
Postage	200	-	200	200	-
Advertising		-	-	2,331	(2,331)
Consumable supplies	2,000	-	2,000	1,249	751
Travel	270	-	270	100	170
Professional association and publication	1,000	-	1,000	707	293
Total economic development commission	13,470	-	13,470	7,364	6,106
Committee to study needs and use of town buildings:					
Clerical services	1,000	-	1,000	-	1,000
Consumable supplies	100	-	100	-	100
Total committee to study needs and use of town buildings	1,100	-	1,100	-	1,100
Beautification committee:					
Expenses	5,000	-	5,000	4,997	3
Charter revision commission:					
Project administrator	4,000	-	4,000	-	4,000
Expenses	200	-	200	-	200
Total charter revision commission	4,200	-	4,200	-	4,200
Emergency management:					
Emergency management director	14,653	-	14,653	14,653	-
Clerical salaries	2,163	-	2,163	2,163	-
Emergency operations center staffings	1	10,042	10,043	10,043	-
Consumable supplies	1,250	-	1,250	395	855
Equipment	3,500	4,572	8,072	5,241	2,831
Development of emergency plan	1	-	1	1,602	(1,601)
Miscellaneous	100	-	100	-	100
Furniture and equipment	750	-	750	-	750
Generator maintenance	1	-	1	-	1
Water testing	1	-	1	-	1
Communications	1	-	1	-	1
Training and education	200	-	200	-	200
Mass notification system	5,300	-	5,300	5,518	(218)
Total emergency management	27,921	14,614	42,535	39,615	2,920
Elections:					
Referenda/election personnel	50,000	-	50,000	28,795	21,205
Registrars' salaries	40,326	-	40,326	40,421	(95)
Postage	5,000	-	5,000	5,727	(727)
Advertising	1,500	-	1,500	2,416	(916)
Consumable supplies	1,500	-	1,500	301	1,199
Telephone	3,500	-	3,500	1,621	1,879
Equipment	4,000	-	4,000	340	3,660
Reproduction and printing	700	-	700	3,177	(2,477)
Professional associations and publications	500	-	500	800	(300)
Voting canvas	500	-	500	60	440
Miscellaneous	1,000	-	1,000	1,121	(121)
Ballot printing / programming	15,000	-	15,000	6,878	8,122
Furniture and equipment	1,500	-	1,500	-	1,500
Training and education	1,000	-	1,000	-	1,000
Voting machine	3,000	-	3,000	2,784	216
Total elections	129,026	-	129,026	94,441	34,585

(Continued)

Town of Stonington, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual - By Line Item
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Town clerk:					
Salary of Town clerk	\$ 87,573	\$ -	\$ 87,573	\$ 87,573	\$ -
Clerical salaries	117,699	4,089	121,788	121,788	-
Longevity	6,120	-	6,120	6,120	-
Postage	1,500	-	1,500	4,000	(2,500)
Advertising	2,000	-	2,000	1,440	560
Consumable supplies	3,000	-	3,000	1,931	1,069
Telephone	150	-	150	50	100
Equipment	3,500	-	3,500	3,645	(145)
Professional associations and publications	275	-	275	275	-
Training and education	1,500	-	1,500	410	1,090
Land records and data processing	27,000	-	27,000	25,430	1,570
Vital statistics	500	-	500	500	-
Total Town clerk	250,817	4,089	254,906	253,162	1,744
Town meeting and referenda:					
Town meeting personnel	200	-	200	160	40
Advertising	6,000	15	6,015	6,054	(39)
Total Town meeting and referenda	6,200	15	6,215	6,214	1
Payment/other civil divisions:					
Borough of Stonington	251,583	-	251,583	251,583	-
Total department of first selectman	1,051,514	24,108	1,075,622	1,014,227	61,395
Department of administrative services:					
Administration:					
Director of administrative services	102,700	-	102,700	102,700	-
Executive admin assistant	73,149	-	73,149	73,149	-
Administrative support staff	55,528	2,678	58,206	58,206	-
Longevity	3,380	-	3,380	3,380	-
Postage	1,000	-	1,000	1,000	-
Advertising	11,500	-	11,500	26,960	(15,460)
Consumable supplies	4,000	-	4,000	3,110	890
Reproduction and printing	4,000	-	4,000	3,038	962
Telephone	150	-	150	114	36
Equipment	4,400	-	4,400	3,285	1,115
Professional associations and publications	2,200	-	2,200	1,137	1,063
Database expenses	9,000	-	9,000	11,794	(2,794)
Miscellaneous	500	-	500	412	88
Furniture and equipment	2,270	-	2,270	2,196	74
Training and education	1,580	-	1,580	682	898
Human resources coordinator	71,680	-	71,680	71,680	-
Technical and professional services	8,500	-	8,500	-	8,500
Memorial observances	11,000	-	11,000	10,038	962
Columbus day observances	5,000	-	5,000	-	5,000
Total administration	371,537	2,678	374,215	372,881	1,334

(Continued)

Town of Stonington, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual - By Line Item
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Information systems:					
IT manager	\$ 99,409	\$ -	\$ 99,409	\$ 98,682	\$ 727
Technology support specialist	137,036	(36,000)	101,036	98,639	2,397
Longevity	1,380	-	1,380	1,380	-
Postage	200	-	200	2,240	(2,040)
Consumable supplies	1,500	-	1,500	161	1,339
Reproduction and printing	50	-	50	46	4
Telephone	1,500	-	1,500	1,933	(433)
Professional associations and publications	250	-	250	-	250
Equipment and licensing	48,000	3,686	51,686	54,654	(2,968)
Internet hosting expense	7,500	-	7,500	6,713	787
Miscellaneous	50	-	50	72	(22)
Training and education	5,000	-	5,000	2,295	2,705
GIS	30,000	-	30,000	29,029	971
Telecommunications	70,000	-	70,000	79,109	(9,109)
Technical assistance	12,000	6,000	18,000	10,213	7,787
Total information systems	413,875	(26,314)	387,561	385,166	2,395
Human resources:					
Employee training/education	10,000	-	10,000	7,798	2,202
Labor negotiations	80,000	-	80,000	45,245	34,755
Labor Counsel	40,000	-	40,000	42,578	(2,578)
Pension plan-DB	480,534	-	480,534	480,534	-
Pension plan-DC 401A	148,000	-	148,000	152,179	(4,179)
Social security	583,000	(21,968)	561,032	560,020	1,012
Unemployment	20,000	(3,686)	16,314	105	16,209
Employee assistance program	3,150	-	3,150	1,640	1,510
Employee screening	3,200	-	3,200	2,924	276
Additional manpower	5,000	-	5,000	525	4,475
Employee travel expense	24,000	-	24,000	8,417	15,583
Accrued leave payout	120,000	(29,000)	91,000	90,148	852
Retiree health care	75,000	-	75,000	63,377	11,623
Health insurance	2,030,000	-	2,030,000	2,030,000	-
Life insurance	28,385	-	28,385	28,066	319
Rx eyewear reimbursement	2,100	-	2,100	2,250	(150)
Replacement staff training	1	-	1	-	1
Professional and technical services	16,430	-	16,430	-	16,430
Diversity, equity, and inclusion training	7,500	-	7,500	-	7,500
Total human resources	3,676,300	(54,654)	3,621,646	3,515,806	105,840
Health officer, sanitation and EMS:					
Ledge light health district	140,863	-	140,863	140,863	-
Consumable supplies	135	-	135	-	135
Total health officer, sanitation and EMS	140,998	-	140,998	140,863	135
Community development:					
Project assistant	15,000	2,030	17,030	17,030	-
Total department of administrative services	4,617,710	(76,260)	4,541,450	4,431,746	109,704

(Continued)

Town of Stonington, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual - By Line Item
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Department of Assessment:					
Assessor's office:					
Director of assessment	\$ 109,889	\$ -	\$ 109,889	\$ 109,889	\$ -
Deputy assessor	86,522	-	86,522	88,116	(1,594)
Clerical salaries	112,494	5,159	117,653	117,653	-
Stipend for assessor's assistant	5,000	-	5,000	5,000	-
Longevity	3,650	-	3,650	3,650	-
Postage	750	-	750	750	-
Consumable supplies	2,600	-	2,600	1,727	873
Reproduction and printing	980	-	980	1,098	(118)
Telephone	200	-	200	85	115
Equipment	2,600	-	2,600	2,521	79
Professional associations and publications	4,070	-	4,070	5,097	(1,027)
Database expenses	21,249	-	21,249	20,064	1,185
Miscellaneous	990	-	990	370	620
Clothing allowance	400	-	400	400	-
Furniture and equipment	200	-	200	200	-
Training and education	2,700	-	2,700	1,773	927
Special audit personal property	5,700	-	5,700	5,700	-
Total assessor's office	359,994	5,159	365,153	364,093	1,060
Board of Assessment Appeals	2,360	-	2,360	1,656	704
Total department of assessment	362,354	5,159	367,513	365,749	1,764
Department of Finance:					
Finance office:					
Director of finance	123,240	-	123,240	123,240	-
Senior accountant	84,329	-	84,329	84,280	49
Clerical salaries	162,893	-	162,893	161,405	1,488
Longevity	1,380	-	1,380	1,380	-
Postage	1,800	-	1,800	2,763	(963)
Advertising	500	-	500	2,046	(1,546)
Consumable supplies	3,600	-	3,600	3,156	444
Reproduction and printing	750	-	750	512	238
Telephone	150	-	150	130	20
Professional associations and publication	1,600	-	1,600	1,254	346
Payroll services	25,200	-	25,200	22,522	2,678
Equipment and software support	25,000	-	25,000	25,439	(439)
Furniture and equipment	1,500	-	1,500	3,135	(1,635)
Training and education	2,000	-	2,000	500	1,500
Technical and professional	3,600	-	3,600	2,913	687
Bad debt write-off	-	1,762	1,762	4,629	(2,867)
Total finance office	437,542	1,762	439,304	439,304	-
Office of the Treasurer:					
Treasurer	4,698	-	4,698	4,698	-
Other	500	-	500	-	500
Total office of the treasurer	5,198	-	5,198	4,698	500

(Continued)

Town of Stonington, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual - By Line Item
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Office of the tax collector:					
Salary of tax collector	\$ 87,129	\$ -	\$ 87,129	\$ 87,129	\$ -
Clerical salaries	121,593	-	121,593	119,607	1,986
Longevity	1,070	-	1,070	1,070	-
Postage	16,000	-	16,000	10,050	5,950
Advertising	1,500	-	1,500	194	1,306
Consumable supplies	1,500	-	1,500	767	733
Reproduction and printing	9,000	-	9,000	7,408	1,592
Telephone	175	-	175	85	90
Equipment	1,000	-	1,000	832	168
Professional associations and publications	265	-	265	235	30
Miscellaneous	100	-	100	74	26
Equipment and software support	10,000	-	10,000	9,123	877
Furniture and equipment	1	-	1	1	-
Training and education	2,000	-	2,000	1,453	547
Total office of the tax collector	251,333	-	251,333	238,028	13,305
Board of Finance:					
Clerical salaries	4,500	-	4,500	3,680	820
Postage	400	-	400	400	-
Advertising	800	-	800	3,794	(2,994)
Consumable supplies	250	-	250	780	(530)
Professional services	1	-	1	-	1
Legal support	34,000	(19,686)	14,314	-	14,314
Accounting and auditing	71,238	7,962	79,200	79,200	-
Special audit	1	-	1	-	1
GASB 75 (OPEB)	105,000	-	105,000	105,000	-
Contingency for education	1	-	1	-	1
Contingency for COVID 19	-	-	-	-	-
PCB's and hazardous materials testing	30,000	6,334	36,334	36,334	-
Total Board of Finance	246,191	(5,390)	240,801	229,188	11,613
Risk management:					
Risk management stipend	7,007	-	7,007	7,007	-
Property and liability insurance	731,000	-	731,000	722,936	8,064
Claims and damages	10,000	-	10,000	12,997	(2,997)
Special projects	2	-	2	-	2
COVID 19	-	-	-	4,673	(4,673)
Safety program	2,200	-	2,200	-	2,200
Technical and professional	21,000	-	21,000	12,500	8,500
Total risk management	771,209	-	771,209	760,113	11,096
Total department of finance	1,711,473	(3,628)	1,707,845	1,671,331	36,514
Department of planning:					
Planning office:					
Director of economic and community development	105,370	-	105,370	105,370	-
Planner	96,941	-	96,941	96,941	-
Blight enforcement officer stipend	5,000	-	5,000	5,000	-
Zoning & wetlands officer	71,680	-	71,680	71,680	-

(Continued)

Town of Stonington, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual - By Line Item
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Planning office (continued):					
Clerical salaries	\$ 108,334	\$ -	\$ 108,334	\$ 108,039	\$ 295
Clerical meeting	5,500	-	5,500	3,700	1,800
Longevity	2,580	-	2,580	2,580	-
Consumable supplies	2,000	-	2,000	1,800	200
Reproduction and printing	3,000	-	3,000	-	3,000
Telephone	150	-	150	150	-
Equipment	4,500	-	4,500	4,883	(383)
Professional associations and publications	2,000	-	2,000	1,162	838
Clothing allowance	400	-	400	400	-
Furniture and equipment	1,000	-	1,000	1,342	(342)
Training and education	2,500	-	2,500	759	1,741
FEMA CRS community outreach	35,000	-	35,000	14,113	20,887
Professional services	30,000	(2,030)	27,970	11,162	16,808
Total planning office	475,955	(2,030)	473,925	429,081	44,844
Planning and zoning commission:					
Postage	3,500	-	3,500	3,500	-
Professional services	5,000	-	5,000	200	4,800
Advertising and court steno	20,000	-	20,000	22,054	(2,054)
Expenses - GIS	2,500	-	2,500	-	2,500
Computerization/archiving	5,000	(3,853)	1,147	-	1,147
Training and education	1,000	-	1,000	-	1,000
Total planning and zoning commission	37,000	(3,853)	33,147	25,754	7,393
Zoning board of appeals:					
Postage	725	-	725	725	-
Advertising	6,000	980	6,980	6,979	1
Total zoning board of appeals	6,725	980	7,705	7,704	1
Conservation commission:					
Professional associations and publication	600	-	600	600	-
Barn island field trips	5,000	-	5,000	5,000	-
Total conservation commission	5,600	-	5,600	5,600	-
Inland wetlands commission:					
Postage	500	-	500	500	-
Advertising	2,000	2,873	4,873	4,873	-
Total inland wetlands commission	2,500	2,873	5,373	5,373	-
Climate change task force:					
Clerical meetings	1	-	1	-	1
Seminars and programs (training and education)	999	-	999	-	999
Professional services	1,000	-	1,000	-	1,000
Total climate change task force	2,000	-	2,000	-	2,000
Total department of planning	529,780	(2,030)	527,750	473,512	54,238

(Continued)

Town of Stonington, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual - By Line Item
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Department of public works:					
Highway department:					
Public works director	\$ 119,789	\$ -	\$ 119,789	\$ 119,789	\$ -
Labor salaries	1,321,269	(55,000)	1,266,269	1,265,384	885
Highway supervisor	89,390	-	89,390	89,390	-
Clerical salaries	56,715	-	56,715	57,945	(1,230)
Longevity	23,810	-	23,810	23,810	-
Postage	300	-	300	63	237
Consumable supplies	5,500	1,000	6,500	6,257	243
Telephone	700	100	800	773	27
Hardware	18,000	1,000	19,000	19,080	(80)
Miscellaneous	2,000	600	2,600	2,401	199
Clothing allowance	9,800	-	9,800	9,245	555
Training and education	4,500	2,000	6,500	6,764	(264)
Safety and protective	22,950	2,000	24,950	25,372	(422)
Land damage	2,200	152	2,352	2,352	-
Sidewalk repairs	100,000	-	100,000	100,000	-
Street signs	10,000	-	10,000	9,790	210
Tree trimming	20,000	-	20,000	19,005	995
Tree removal	30,000	-	30,000	30,000	-
Highway equipment	19,000	-	19,000	18,646	354
Road maintenance	11,500	-	11,500	11,078	422
Material disposal	25,000	-	25,000	24,020	980
Cemetery upkeep	1,000	-	1,000	1,000	-
Catch basin cleaning	35,000	-	35,000	33,084	1,916
Garage diagnostic equipment and tools	3,000	450	3,450	3,445	5
Bridge maintenance	75,000	-	75,000	72,160	2,840
Tree planting	1,000	-	1,000	1,170	(170)
Unleaded gasoline	30,000	-	30,000	36,774	(6,774)
Diesel fuel	35,000	-	35,000	27,254	7,746
Oil and lubrication	5,200	6,500	11,700	11,350	350
Repairs and maintenance (gas system)	3,000	-	3,000	1,978	1,022
Street sweeper repairs and maintenance	14,000	1,000	15,000	13,051	1,949
Repairs and maintenance	147,000	125,000	272,000	272,461	(461)
Miscellaneous materials	1,350	110	1,460	1,565	(105)
Bituminous concrete	38,000	(10,000)	28,000	27,648	352
Drainage materials	34,000	-	34,000	33,931	69
Sand and gravel	21,500	12,000	33,500	36,597	(3,097)
Lumber	8,000	500	8,500	8,197	303
Pavement treatments	80,000	-	80,000	80,000	-
Annual fertilization program	30,000	-	30,000	30,000	-
Seasonal help	41,800	(20,000)	21,800	17,889	3,911
Materials, equipment, maintenance	37,000	20,000	57,000	56,836	164
Field work	15,000	-	15,000	14,895	105
Snow removal labor	130,000	772	130,772	130,772	-
Materials	145,000	(56,808)	88,192	88,192	-
Meal allowance	4,000	800	4,800	4,619	181
Total highway department	2,827,273	32,176	2,859,449	2,846,032	13,417

(Continued)

Town of Stonington, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual - By Line Item
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Sanitation and waste removal:					
Salary of recycling/solid waste manager	\$ 96,593	\$ -	\$ 96,593	\$ 96,593	\$ -
General labor	425,270	-	425,270	413,507	11,763
Clerical salaries	55,530	-	55,530	56,025	(495)
Longevity	6,120	-	6,120	6,370	(250)
Postage	3,000	-	3,000	561	2,439
Advertising	300	-	300	-	300
Consumable supplies	1,400	-	1,400	1,400	-
Reproduction and printing	700	-	700	648	52
Equipment	100	-	100	-	100
Professional associations and publications	200	-	200	50	150
Clothing allowance	3,100	-	3,100	3,100	-
Training and education	500	-	500	-	500
Unleaded gasoline	2,000	-	2,000	2,811	(811)
Diesel fuel	6,000	-	6,000	5,562	438
Road maintenance	4,000	-	4,000	-	4,000
Utilities	6,800	-	6,800	6,639	161
General operations	48,000	-	48,000	45,819	2,181
Parts and labor	25,000	-	25,000	23,015	1,985
Grading and seeding	500	-	500	-	500
Water testing and monitoring	26,000	-	26,000	23,950	2,050
Cap maintenance	4,000	-	4,000	-	4,000
Disposal fees (SCRRA)	720,000	(51,000)	669,000	654,989	14,011
Residential collection (SCRRA)	699,000	-	699,000	697,230	1,770
Commercial collection and rentals (SCRRA)	585,000	51,000	636,000	640,155	(4,155)
SCRRA consulting	1	-	1	-	1
SCRRA contribution	1	-	1	-	1
Diesel fuel (SCRRA)	12,000	-	12,000	9,979	2,021
Repairs and maintenance (SCRRA)	6,000	-	6,000	4,894	1,106
SCRRA receptacle costs	134,700	(4,437)	130,263	113,430	16,833
Furniture and equipment	1	-	1	-	1
Total sanitation and waste removal	2,871,816	(4,437)	2,867,379	2,806,727	60,652
Engineering services:					
Town engineer	108,167	-	108,167	108,167	-
Part time engineer	6,300	5,740	12,040	11,983	57
Phase II storm water	85,000	(5,740)	79,260	72,780	6,480
Office supplies	2,500	-	2,500	2,413	87
Clothing allowance	400	-	400	400	-
Furniture and equipment	1,950	-	1,950	1,950	-
Professional services	20,000	-	20,000	19,840	160
Total engineering services	224,317	-	224,317	217,533	6,784
Operation and maintenance Town building/property:					
Janitorial/maintenance salary	119,001	-	119,001	124,209	(5,208)
Town facilities manager - stipend	10,000	-	10,000	10,000	-
Longevity	900	-	900	900	-
Miscellaneous	3,900	-	3,900	8,685	(4,785)
Heating oil	55,500	4,500	60,000	58,165	1,835
Electricity	130,910	(11,000)	119,910	101,362	18,548

(Continued)

Town of Stonington, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual - By Line Item
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Operation and maintenance Town building/property (continued):					
Water	\$ 9,600	\$ 100	\$ 9,700	\$ 7,618	\$ 2,082
Sewer use	5,400	118	5,518	3,574	1,944
General maintenance	260,500	94,106	354,606	320,328	34,278
Street lighting	220,000	5,000	225,000	214,213	10,787
Total operation and maintenance Town building/property	815,711	92,824	908,535	849,054	59,481
Building official:					
Building official	89,906	-	89,906	90,351	(445)
Assistant building official	71,680	-	71,680	71,680	-
Clerical salaries	80,822	-	80,822	81,634	(812)
Longevity	600	-	600	600	-
Postage	1,000	-	1,000	675	325
Consumable supplies	1,000	-	1,000	572	428
Reproduction and printing	850	-	850	370	480
Telephone	200	-	200	155	45
Equipment	4,000	-	4,000	3,718	282
Professional associations and publications	2,200	-	2,200	1,085	1,115
Equipment & software support	30,000	-	30,000	31,440	(1,440)
Clothing allowance	800	-	800	800	-
Training and education	1,500	-	1,500	210	1,290
Furniture and equipment	1	-	1	-	1
Technical assistance	1,000	-	1,000	466	534
Total building official	285,559	-	285,559	283,756	1,803
Water Pollution Control Authority:					
Clerical salaries	83,605	-	83,605	85,498	(1,893)
Longevity	2,380	-	2,380	2,380	-
Consulting services	1,000	-	1,000	-	1,000
Postage	5,200	-	5,200	4,724	476
Advertising	500	-	500	-	500
Consumable supplies	2,000	-	2,000	937	1,063
Reproduction and printing	1,500	-	1,500	2,880	(1,380)
Telephone	125	-	125	71	54
Equipment	6,500	-	6,500	5,950	550
Total Water Pollution Control Authority	102,810	-	102,810	102,440	370
Total department of public works	7,127,486	120,563	7,248,049	7,105,542	142,507
Department of public safety:					
Police services:					
Salary of chief	127,796	14,000	141,796	136,849	4,947
Salary of captain	118,965	-	118,965	118,965	-
Salary of lieutenants	208,341	-	208,341	208,135	206
Salary of sergeants	657,518	-	657,518	656,943	575
Salary of regular officers	2,375,213	(219,500)	2,155,713	2,130,107	25,606
Janitorial/maintenance salary	88,222	-	88,222	78,927	9,295
Boating safety personnel	17,000	-	17,000	14,667	2,333
Training personnel services	105,000	20,000	125,000	119,401	5,599
Communications specialist	430,934	-	430,934	421,926	9,008
Communications specialist - overtime	24,000	43,000	67,000	50,981	16,019

(Continued)

Town of Stonington, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual - By Line Item
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Police services (continued):					
Communications specialist - uniforms	\$ 3,800	\$ -	\$ 3,800	\$ 3,150	\$ 650
Community service officers	25,000	-	25,000	18,550	6,450
Special officers	17,000	-	17,000	3,292	13,708
Police commission clerical	1,500	-	1,500	1,522	(22)
School crossing guards	37,000	-	37,000	30,879	6,121
Animal control salaries	68,050	-	68,050	67,530	520
School safety personnel	10,500	-	10,500	4,954	5,546
Clerical salaries	154,864	-	154,864	140,968	13,896
Police support specialist	37,500	-	37,500	31,442	6,058
Regular overtime	170,000	66,000	236,000	254,634	(18,634)
Paid holidays	197,308	-	197,308	183,216	14,092
Longevity	48,475	-	48,475	47,975	500
Accrued leave pay-out	64,000	(32,000)	32,000	31,551	449
Postage	1,500	-	1,500	1,009	491
Advertising	1,200	5,450	6,650	6,162	488
Consumable supplies	15,000	-	15,000	15,455	(455)
Reproduction and printing	5,000	2,500	7,500	6,303	1,197
Equipment	12,000	-	12,000	11,060	940
Professional associations and publications	2,000	-	2,000	1,789	211
Accreditation expenses	15,000	3,000	18,000	3,468	14,532
Miscellaneous	7,000	-	7,000	6,995	5
Canine program	4,400	-	4,400	4,046	354
Service officer's equipment	1,500	-	1,500	661	839
Boating safety expenses	13,000	-	13,000	12,429	571
Building maintenance	27,000	10,400	37,400	36,059	1,341
Maintenance/operations/radios	88,000	7,000	95,000	95,785	(785)
Traffic signs and signals	44,000	-	44,000	43,711	289
Law enforcement council	13,520	-	13,520	13,520	-
Drug program	5,500	-	5,500	5,065	435
Regular officers - uniforms	28,000	-	28,000	29,088	(1,088)
Special officers - uniforms	1,000	-	1,000	633	367
Outfitting new officers	6,500	12,600	19,100	13,219	5,881
Furniture and equipment	3,000	-	3,000	3,000	-
Telecommunications	113,000	24,400	137,400	110,971	26,429
Retirement fund	970,000	-	970,000	901,637	68,363
Physicals	18,000	-	18,000	11,735	6,265
Educational incentive	2,500	5,000	7,500	10,579	(3,079)
Postage	100	-	100	-	100
Advertising	370	-	370	370	-
Consumable supplies	300	-	300	-	300
Miscellaneous	750	-	750	684	66
Consumable supplies	12,000	-	12,000	12,938	(938)
Miscellaneous	1,500	-	1,500	-	1,500
Training	18,000	-	18,000	14,347	3,653
Telephone	600	240	840	853	(13)
Clothing allowance	1,000	-	1,000	897	103
Professional services	2,000	3,500	5,500	4,628	872
Building maintenance	2,000	410	2,410	2,455	(45)
Equipment (emergency vehicles)	6,000	-	6,000	5,902	98
Unleaded gasoline	60,000	16,000	76,000	80,755	(4,755)
Oil and lubrication	3,000	-	3,000	2,846	154
Parts and labor	41,000	-	41,000	42,443	(1,443)
Tires	7,000	-	7,000	7,345	(345)
Total department of public safety	6,541,226	(18,000)	6,523,226	6,277,406	245,820

(Continued)

Town of Stonington, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual - By Line Item
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Department of human services:					
Office of human services:					
Human services director	\$ 97,972	\$ -	\$ 97,972	\$ 97,972	\$ -
Social services administrator	71,680	-	71,680	71,681	(1)
Youth and family services administrator	71,680	-	71,680	71,750	(70)
Human services specialist	64,865	-	64,865	61,603	3,262
Youth services program coordinator	43,020	-	43,020	25,805	17,215
Community outreach specialist	40,040	-	40,040	40,810	(770)
Counseling services	36,000	-	36,000	41,884	(5,884)
Clerical salaries	37,019	-	37,019	34,549	2,470
Longevity	2,830	-	2,830	2,830	-
Postage	4,000	-	4,000	4,000	-
Consumable supplies	1,500	-	1,500	1,499	1
Telephone	2,200	-	2,200	2,200	-
Equipment	3,000	-	3,000	3,000	-
Reproduction and printing	5,150	-	5,150	5,040	110
Professional associations and publications	1,700	-	1,700	1,355	345
Youth and family services program	8,000	-	8,000	8,000	-
General assistance	50,000	-	50,000	66,168	(16,168)
Furniture and equipment	2,000	-	2,000	2,000	-
Training and education	1,500	-	1,500	1,476	24
Total office of human services	544,156	-	544,156	543,622	534
Commission on aging:					
Postage	4,000	-	4,000	4,000	-
Reproduction and printing	1,500	-	1,500	1,500	-
Program costs	3,000	-	3,000	2,995	5
Total commission on aging	8,500	-	8,500	8,495	5
Recreation:					
Recreation administrator	74,921	-	74,921	74,921	-
Recreation program coordinator	42,079	2,400	44,479	44,478	1
Longevity	300	150	450	450	-
Consumable supplies	3,050	46	3,096	3,096	-
Reproduction and supplies	-	64	64	64	-
Program expense	8,000	-	8,000	7,995	5
Equipment and trophies	3,200	-	3,200	3,200	-
Parts and labor	4,500	-	4,500	4,500	-
Utilities	4,500	-	4,500	4,535	(35)
Professional association / training	1,000	-	1,000	926	74
Total recreation	141,550	2,660	144,210	144,165	45
Libraries:					
Westerly public library	118,000	-	118,000	118,000	-
Stonington free library	212,000	-	212,000	212,000	-
Mystic and Noank library	111,500	-	111,500	111,500	-
Stonington historical society	5,000	-	5,000	5,000	-
Total libraries	446,500	-	446,500	446,500	-

(Continued)

Town of Stonington, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual - By Line Item
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Outside agencies:					
Westerly pops concert	\$ 3,000	\$ -	\$ 3,000	\$ 3,000	\$ -
Public health and nursing	20,000	-	20,000	20,000	-
Pawcatuck neighborhood center	206,000	-	206,000	206,000	-
Como senior citizens center	87,500	-	87,500	87,500	-
Mystic area shelter and hospital	6,000	-	6,000	6,000	-
Westerly area rest and meal	6,000	-	6,000	6,000	-
Westerly adult day services	10,000	-	10,000	10,000	-
Community vocational services	4,000	-	4,000	4,000	-
T.V.C.C.A.	8,000	-	8,000	8,000	-
Stonington prevention council	1,000	-	1,000	1,000	-
New London homeless hospitality	2,700	-	2,700	-	2,700
Safe futures, inc.	5,000	-	5,000	5,000	-
Sexual assault crisis center	1,000	-	1,000	1,000	-
Stonington cemetery	3,000	-	3,000	3,000	-
Denison Pequotsepos nature center	7,500	-	7,500	7,500	-
Ocean community chamber foundation	2,000	-	2,000	2,000	-
Stanton Davis homestead	1	-	1	-	1
Total outside agencies	372,701	-	372,701	370,000	2,701
Ambulances:					
Stonington ambulance	70,000	-	70,000	70,000	-
Mystic river ambulance	38,500	-	38,500	38,500	-
Westerly ambulance	42,500	-	42,500	42,500	-
Fire department dispatch	37,458	-	37,458	37,458	-
Total ambulances	188,458	-	188,458	188,458	-
Total department of human services	1,701,865	2,660	1,704,525	1,701,240	3,285
Education	38,335,596	-	38,335,596	38,335,596	-
Debt service:					
Debt service interest:					
Series 2012 refunding - town	196,508	-	196,508	196,506	2
Series 2013 G.O. bonds	98,000	-	98,000	72,001	25,999
Series 2014 G.O. bonds	161,125	-	161,125	150,700	10,425
Series 2016 G.O. bonds - school	367,500	-	367,500	367,500	-
Series 2016 G.O. bonds - Mystic Park	53,900	-	53,900	53,900	-
Series 2017 G.O. bonds - school	605,000	-	605,000	605,000	-
Series 2018 G.O. bonds - school	231,000	-	231,000	231,000	-
Series 2019 G.O. bonds - school	157,300	-	157,300	157,300	-
Series 2019 refunding - (WPCA)	250,450	-	250,450	250,450	-
Series 2020 - WPCA projects \$10,000,000	175,000	107,750	282,750	282,750	-
Equipment financing notes	10,768	-	10,768	10,739	29
Total debt service interest	2,306,551	107,750	2,414,301	2,377,846	36,455

(Continued)

Town of Stonington, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual - By Line Item
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Debt service principal:					
Series 2012 refunding - town	\$ 1,490,000	\$ -	\$ 1,490,000	\$ 1,490,000	\$ -
Series 2013 G.O. bonds	215,000	(107,750)	107,250	-	107,250
Series 2014 G.O bonds	415,000	-	415,000	-	415,000
Series 2016 G.O. bonds - school	750,000	-	750,000	750,000	-
Series 2016 G.O. bonds - Mystic Park	110,000	-	110,000	110,000	-
Series 2017 G.O. bonds - school	1,000,000	-	1,000,000	1,000,000	-
Series 2018 G.O. bonds - school	350,000	-	350,000	350,000	-
Series 2019 G.O. bonds - school	260,000	-	260,000	260,000	-
Series 2020 refunding - (WPCA)	515,000	-	515,000	515,000	-
Series 2020 - WPCA projects \$10,000,000	500,000	-	500,000	500,000	-
Capital leases	216,657	-	216,657	216,687	(30)
Bonding costs	6,000	-	6,000	1,850	4,150
Total debt service principal	5,827,657	(107,750)	5,719,907	5,193,537	526,370
Total debt service	8,134,208	-	8,134,208	7,571,383	562,825
Total expenditures	70,113,212	52,572	70,165,784	68,947,732	1,218,052
Other financing uses:					
Transfers out:					
Miscellaneous fund	-	47,000	47,000	47,000	-
Capital nonrecurring fund	2,773,319	30,000	2,803,319	2,803,319	-
Sewer usage fund	250,000	-	250,000	250,000	-
Total other financing uses	3,023,319	77,000	3,100,319	3,100,319	-
Total expenditures and other financing uses	\$73,136,531	\$ 129,572	\$ 73,266,103	\$72,048,051	\$ 1,218,052

(Concluded)

Town of Stonington, Connecticut

General Fund
Education Department
Schedule of Expenditures and Other Financing Uses -
Budget and Actual
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Building admin salary	\$ 2,114,802	\$ -	\$ 2,114,802	\$ 2,139,567	\$ (24,765)
Teacher salary	14,832,719	-	14,832,719	14,354,665	478,054
Building admin secretary salary	1,034,990	-	1,034,990	1,019,177	15,813
Maintenance/custodial salary	1,370,644	-	1,370,644	1,392,379	(21,735)
Nurse salary	485,466	-	485,466	482,561	2,905
Aide salary	1,840,832	-	1,840,832	1,843,447	(2,615)
Noncertified professionals	683,063	-	683,063	729,922	(46,859)
Substitute/temp instructor salary	304,566	-	304,566	641,410	(336,844)
Substitute secretary salary	16,000	-	16,000	47,133	(31,133)
EE Referral	-	-	-	1,750	(1,750)
Substitute maintenance/custodial salary	22,964	-	22,964	49,946	(26,982)
Health services PT/substitute nurse	10,000	-	10,000	42,372	(32,372)
Substitute instructor aide	45,100	-	45,100	46,671	(1,571)
Extra curricular/athletics/curriculum	485,636	-	485,636	520,801	(35,165)
Gates receipts	(15,000)	-	(15,000)	(11,248)	(3,752)
Secretary overtime	10,500	-	10,500	5,630	4,870
Custodial/maintenance overtime salary	29,870	-	29,870	61,165	(31,295)
Health services nurse overtime	-	-	-	974	(974)
Aide overtime	-	-	-	487	(487)
Tutor	146,700	-	146,700	183,267	(36,567)
Health insurance	4,348,072	-	4,348,072	4,498,316	(150,244)
Flex plan	18,000	-	18,000	-	18,000
Life insurance	41,100	-	41,100	32,076	9,024
Long-term disability insurance	7,700	-	7,700	6,409	1,291
Pension	514,000	-	514,000	507,294	6,706
FICA	280,388	-	280,388	293,172	(12,784)
Medicare	364,041	-	364,041	351,970	12,071
Workers compensation	179,526	-	179,526	158,300	21,226
Unemployment	81,916	-	81,916	20,520	61,396
Course credit	34,000	-	34,000	13,414	20,586
Retirement	-	-	-	3,000	(3,000)
Student enrichment	18,000	-	18,000	14,332	3,668
Professional development instructor consultant	42,800	-	42,800	48,000	(5,200)
Professional tech	177,262	-	177,262	95,281	81,981
Other professional and tech services	590,593	-	590,593	908,293	(317,700)
In town travel	17,100	-	17,100	4,327	12,773
Referees	44,465	-	44,465	38,171	6,294
Police services	55,900	-	55,900	50,311	5,589
Public utility	944,162	-	944,162	692,157	252,005
Repairs and maintenance	455,700	-	455,700	423,071	32,629
Rentals	16,200	-	16,200	16,317	(117)
Regular bus transportation	1,581,558	-	1,581,558	1,260,770	320,788
Special needs transportation	286,686	-	286,686	371,819	(85,133)
Field trips	103,025	-	103,025	80,563	22,462
Property and liability insurance	300,524	-	300,524	281,963	18,561

(Continued)

Town of Stonington, Connecticut

General Fund
Education Department
Schedule of Expenditures and Other Financing Uses -
Budget and Actual
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Communication	\$ 144,468	\$ -	\$ 144,468	\$ 187,716	\$ (43,248)
Advertising	2,500	-	2,500	4,563	(2,063)
Printing and binding	12,000	-	12,000	6,645	5,355
Tuition	2,505,726	-	2,505,726	2,348,399	157,327
Public tuition	-	-	-	614,869	(614,869)
Conferences	57,400	-	57,400	37,509	19,891
Noninstructional supplies	90,473	-	90,473	72,848	17,625
Instructional supplies	291,100	-	291,100	280,392	10,708
Technical supplies	1,600	-	1,600	1,544	56
Maintenance supplies	258,000	-	258,000	213,162	44,838
Transportation fuel	169,513	-	169,513	85,027	84,486
Heat energy	397,054	-	397,054	232,222	164,832
Bid supplies	70,000	-	70,000	61,770	8,230
Classroom books	44,612	-	44,612	31,948	12,664
Library and media books	12,000	-	12,000	11,093	907
Media supplies	1,000	-	1,000	252	748
Professional materials	16,400	-	16,400	14,162	2,238
New equipment instructional	18,400	-	18,400	8,807	9,593
New equipment noninstructional	18,000	-	18,000	55,480	(37,480)
Replacement equipment instructional	66,900	-	66,900	65,902	998
Replacement equipment non-instructional	17,800	-	17,800	75,673	(57,873)
Dues and fees	71,986	-	71,986	56,576	15,410
Curriculum technical/licenses	147,094	-	147,094	147,115	(21)
Total expenditures	<u>\$ 38,335,596</u>	<u>\$ -</u>	<u>\$ 38,335,596</u>	<u>\$ 38,335,596</u>	<u>\$ -</u>

(Concluded)

Sewer Usage Fund

WPCA

Accounts for the wastewater treatment plant operations and infrastructure. It is independent in terms of its relationship to other Town functions. Its operations are financed from special assessments and direct charges to the users of the service.

Town of Stonington, Connecticut

Sewer Usage Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2022

	Sewer Usage Fund
Revenues:	
Charges for services	\$ 2,622,058
Interest and lien fees	44,112
Nitrogen credits	785
Miscellaneous	1,395
	<hr/>
Total revenues	2,668,350
	<hr/>
Expenditures:	
Salary	118,096
Contract operations - plant	2,566,862
Contract operations - MRRRA	144,709
Call before you dig - mark out	40,572
Repair and maintenance equipment	47,047
Manholes	12,105
Fees and permits	9,515
Copier	1,860
Sewer inspection and cleaning	16,013
Sewer repairs	4,274
Professional services	620
Miscellaneous	14,593
	<hr/>
Total expenditures	2,976,266
	<hr/>
Excess (deficiency) of revenues over expenditures	(307,916)
Other financing sources (uses):	
Transfers in	681,000
	<hr/>
Net change in fund balance	373,084
Fund balance - July 1, 2021	455,234
	<hr/>
Fund balance - June 30, 2022	\$ 828,318
	<hr/>

Other Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are restricted, committed, or assigned to expenditures for particular purposes.

Fund	Funding Source	Function
Sewer Assessment Fund	Charges for services	Sewer maintenance
Shellfish Fund	Charges for services	Fund costs for recreation programs
Town Aid Road Fund	State grants	Public works programs
Dog License Fund	Licenses and fees	Animal control program
SNEFLA Reserve Fund	Charges for services	Town dock maintenance
Youth Service Activity Fund	Charges for services	Youth programs
Community Development Block Grant Fund	State and Federal grants	Housing programs
Planning and Development Grant Fund	State and Federal grants	Projects or improvements as determined by the Board of Finance
Recreation Commission Fund	Charges for services	Fund costs for recreation programs
Sewer Infiltration Fund	Use of money and property	Sewer maintenance
Sewer Development and Maintenance Fund	Charges for services	Sewer maintenance
Human Services Grant Fund	State and Federal grants	Human service programs
Prepaid Education Grants Fund	State and Federal grants	Education programs
Hot Lunch Program Fund	Sale of food and grants	School lunch and breakfast program
School Activity Fund	Activity fees and contributions	Student activity funds and school scholarships
Miscellaneous Fund	Grants and charges for services	Police outside services and other grant programs
Stonington Harbor Management Fund	Charges for services	Fund costs for recreation programs
Mystic Harbor Management Fund	Charges for services	Fund costs for recreation programs

Capital Projects Funds

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

Fund	Funding Source	Function
Pre K-5 School Construction Fund	Grants and bonds	Renovation and expansion of West, Vine Street, and Deans Mill elementary schools

Town of Stonington, Connecticut

Combining Balance Sheet
Other Governmental Funds
June 30, 2022

		Special Revenue Funds						
		Sewer Assessment Fund	Shellfish Fund	Town Aid Road Fund	Dog License Fund	SNEFLA Reserve Fund	Youth Service Activity Fund	Community Development Block Grant Fund
<u>Assets</u>								
Cash	\$ 193	\$ 44,447	\$ -	\$ 8,127	\$ 140,882	\$ 519,825	\$ 279,001	
Investments	-	-	-	-	-	-	-	
Receivables (net):								
Loans	-	-	-	-	-	-	186,204	
Assessments/use charges	1,657	-	-	-	-	-	-	
Intergovernmental	-	-	-	-	-	-	221,182	
Other	-	-	-	-	-	255	-	
Due from other funds	-	-	482,824	10,530	-	5,634	-	
Total assets	<u>\$ 1,850</u>	<u>\$ 44,447</u>	<u>\$ 482,824</u>	<u>\$ 18,657</u>	<u>\$ 140,882</u>	<u>\$ 525,714</u>	<u>\$ 686,387</u>	
<u>Liabilities</u>								
Accounts payable	\$ -	\$ -	\$ -	\$ 10,751	\$ -	\$ 2,269	\$ 221,182	
Due to other funds	-	3,602	-	-	-	294,320	242,896	
Unearned revenue	-	-	-	-	-	-	-	
Total liabilities	<u>-</u>	<u>3,602</u>	<u>-</u>	<u>10,751</u>	<u>-</u>	<u>296,589</u>	<u>464,078</u>	
<u>Deferred Inflows of Resources</u>								
Unavailable revenue- assessments/use charges	<u>1,657</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>Fund Balances</u>								
Restricted	193	-	482,824	-	-	-	222,309	
Committed	-	40,845	-	7,906	140,882	229,125	-	
Total fund balances	<u>193</u>	<u>40,845</u>	<u>482,824</u>	<u>7,906</u>	<u>140,882</u>	<u>229,125</u>	<u>222,309</u>	
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,850</u>	<u>\$ 44,447</u>	<u>\$ 482,824</u>	<u>\$ 18,657</u>	<u>\$ 140,882</u>	<u>\$ 525,714</u>	<u>\$ 686,387</u>	

(Continued)

Town of Stonington, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2022

	Special Revenue Funds						
	Planning and Development Grant Fund	Recreation Commission Fund	Sewer Infiltration Fund	Sewer Development and Maintenance Fund	Human Services Grant Fund	Prepaid Education Grants Fund	Hot Lunch Program Fund
<u>Assets</u>							
Cash	\$ -	\$ 226,190	\$ 31,603	\$ 1,524,345	\$ -	\$ 410,712	\$ 380,523
Investments	-	-	-	-	-	-	-
Receivables (net):							
Loans	-	-	-	-	-	-	-
Assessments/use charges	-	-	-	-	-	-	-
Intergovernmental	19,165	-	-	-	-	1,341	216,837
Other	-	215	-	-	-	22,862	6,162
Due from other funds	1,897,216	270,236	-	1,500	61,782	-	-
Total assets	<u>\$ 1,916,381</u>	<u>\$ 496,641</u>	<u>\$ 31,603</u>	<u>\$ 1,525,845</u>	<u>\$ 61,782</u>	<u>\$ 434,915</u>	<u>\$ 603,522</u>
Accounts payable	\$ 54,119	\$ 2,382	\$ -	\$ -	\$ 3,630	\$ -	\$ -
Due to other funds	-	322,626	-	-	5,634	315,735	-
Unearned revenue	6,625	900	-	-	-	119,180	21,976
Total liabilities	60,744	325,908	-	-	9,264	434,915	21,976
<u>Deferred Inflows of Resources</u>							
Unavailable revenue- assessments/use charges	-	-	-	-	-	-	-
<u>Fund Balances</u>							
Restricted	-	-	-	1,525,845	52,518	-	581,546
Committed	1,855,637	170,733	31,603	-	-	-	-
Total fund balances	1,855,637	170,733	31,603	1,525,845	52,518	-	581,546
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,916,381</u>	<u>\$ 496,641</u>	<u>\$ 31,603</u>	<u>\$ 1,525,845</u>	<u>\$ 61,782</u>	<u>\$ 434,915</u>	<u>\$ 603,522</u>

(Continued)

Town of Stonington, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2022

Special Revenue Funds

	School Activity Fund	Miscellaneous Fund	Stonington Harbor Management Fund	Mystic Harbor Management Fund	Total	Pre K-5 School Construction Fund	Total Other Governmental Funds
<u>Assets</u>							
Cash	\$ 780,606	\$ 1,184,639	\$ 300	\$ -	\$ 5,531,393	\$ -	\$ 5,531,393
Investments	220,741	-	-	-	220,741	-	220,741
Receivables (net):							
Loans	-	-	-	-	186,204	-	186,204
Assessments/use charges	-	-	-	-	1,657	-	1,657
Intergovernmental	-	-	-	-	458,525	-	458,525
Other	-	6,992	-	-	36,486	-	36,486
Due from other funds	-	76,307	51,753	74,033	2,931,815	1,676,474	4,608,289
Total assets	<u>\$ 1,001,347</u>	<u>\$ 1,267,938</u>	<u>\$ 52,053</u>	<u>\$ 74,033</u>	<u>\$ 9,366,821</u>	<u>\$ 1,676,474</u>	<u>\$ 11,043,295</u>
<u>Liabilities</u>							
Accounts payable	\$ -	\$ 88	\$ 10,731	\$ -	\$ 305,152	\$ -	\$ 305,152
Due to other funds	-	-	-	-	1,184,813	-	1,184,813
Unearned revenue	-	27,629	-	-	176,310	-	176,310
Total liabilities	<u>-</u>	<u>27,717</u>	<u>10,731</u>	<u>-</u>	<u>1,666,275</u>	<u>-</u>	<u>1,666,275</u>
<u>Deferred Inflows of Resources</u>							
Unavailable revenue- assessments/use charges	-	-	-	-	1,657	-	1,657
<u>Fund Balances</u>							
Restricted	-	22,900	-	-	2,888,135	-	2,888,135
Committed	1,001,347	1,217,321	41,322	74,033	4,810,754	1,676,474	6,487,228
Total fund balances	<u>1,001,347</u>	<u>1,240,221</u>	<u>41,322</u>	<u>74,033</u>	<u>7,698,889</u>	<u>1,676,474</u>	<u>9,375,363</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,001,347</u>	<u>\$ 1,267,938</u>	<u>\$ 52,053</u>	<u>\$ 74,033</u>	<u>\$ 9,366,821</u>	<u>\$ 1,676,474</u>	<u>\$ 11,043,295</u>

(Concluded)

Town of Stonington, Connecticut

Other Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

	Special Revenue Funds						
	Sewer Assessment Fund	Shellfish Fund	Town Aid Road Fund	Dog License Fund	SNEFLA Reserve Fund	Youth Service Activity Fund	Community Development Block Grant Fund
Revenues:							
Intergovernmental	\$ -	\$ -	\$ 300,170	\$ -	\$ -	\$ -	\$ 247,852
Charges for services	-	13,100	-	6,555	12,500	57,426	-
Use of money and property	-	-	-	-	-	-	-
Other	-	-	-	631	-	29,173	-
Total revenues	-	13,100	300,170	7,186	12,500	86,599	247,852
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Public works	-	-	307,380	-	-	-	-
Public safety	-	-	-	19,637	-	-	-
Human services	-	-	-	-	-	83,740	247,852
Recreation	-	9,464	-	-	-	-	-
Education	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	-	9,464	307,380	19,637	-	83,740	247,852
Excess (deficiency) of revenues over expenditures	-	3,636	(7,210)	(12,451)	12,500	2,859	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	(29,500)	-	-	-	-	-	-
Net other financing sources (uses)	(29,500)	-	-	-	-	-	-
Net change in fund balances	(29,500)	3,636	(7,210)	(12,451)	12,500	2,859	-
Fund balances - July 1, 2021 (as restated)	29,693	37,209	490,034	20,357	128,382	226,266	222,309
Fund balances - June 30, 2022	\$ 193	\$ 40,845	\$ 482,824	\$ 7,906	\$ 140,882	\$ 229,125	\$ 222,309

(Continued)

Town of Stonington, Connecticut

Other Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

Special Revenue Funds

	Planning and Development Grant Fund	Recreation Commission Fund	Sewer Infiltration Fund	Sewer Development and Maintenance Fund	Human Services Grant Fund	Prepaid Education Grants Fund	Hot Lunch Program Fund
Revenues:							
Intergovernmental	\$ 19,165	\$ -	\$ -	\$ -	\$ 44,195	\$ 2,885,967	\$ 1,255,913
Charges for services	-	269,397	-	165,092	-	-	125,352
Use of money and property	-	-	-	-	-	-	-
Other	-	-	-	28,000	-	-	-
Total revenues	19,165	269,397	-	193,092	44,195	2,885,967	1,381,265
Expenditures:							
Current:							
General government	886,503	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Human services	-	-	-	-	10,150	-	-
Recreation	-	222,282	-	-	-	-	-
Education	-	-	-	-	-	2,887,345	891,090
Capital outlay	-	-	-	2,591	-	-	-
Total expenditures	886,503	222,282	-	2,591	10,150	2,887,345	891,090
Excess (deficiency) of revenues over expenditures	(867,338)	47,115	-	190,501	34,045	(1,378)	490,175
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(431,000)	-	-	-
Net other financing sources (uses)	-	-	-	(431,000)	-	-	-
Net change in fund balances	(867,338)	47,115	-	(240,499)	34,045	(1,378)	490,175
Fund balances - July 1, 2021 (as restated)	2,722,975	123,618	31,603	1,766,344	18,473	1,378	91,371
Fund balances - June 30, 2022	\$ 1,855,637	\$ 170,733	\$ 31,603	\$ 1,525,845	\$ 52,518	\$ -	\$ 581,546

(Continued)

Town of Stonington, Connecticut

Other Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

Special Revenue Funds

	School Activity Fund	Miscellaneous Fund	Stonington Harbor Management Fund	Mystic Harbor Management Fund	Total	Pre K-5 School Construction Fund	Total Other Governmental Funds
Revenues:							
Intergovernmental	\$ -	\$ 60,832	\$ -	\$ -	\$ 4,814,094	\$ -	\$ 4,814,094
Charges for services	968,938	228,000	36,025	17,100	1,899,485	-	1,899,485
Use of money and property	-	1,297	-	-	1,297	17,504	18,801
Other	-	106,708	500	-	165,012	-	165,012
Total revenues	968,938	396,837	36,525	17,100	6,879,888	17,504	6,897,392
Expenditures:							
Current:							
General government	-	39,163	-	-	925,666	-	925,666
Public works	-	-	-	-	307,380	-	307,380
Public safety	-	266,508	-	-	286,145	-	286,145
Human services	-	-	-	-	341,742	-	341,742
Recreation	-	-	54,942	6,207	292,895	-	292,895
Education	692,652	160,737	-	-	4,631,824	890	4,632,714
Capital outlay	-	-	-	-	2,591	-	2,591
Total expenditures	692,652	466,408	54,942	6,207	6,788,243	890	6,789,133
Excess (deficiency) of revenues over expenditures	276,286	(69,571)	(18,417)	10,893	91,645	16,614	108,259
Other financing sources (uses):							
Transfers in	-	47,000	-	-	47,000	-	47,000
Transfers out	-	-	-	-	(460,500)	-	(460,500)
Net other financing sources (uses)	-	47,000	-	-	(413,500)	-	(413,500)
Net change in fund balances	276,286	(22,571)	(18,417)	10,893	(321,855)	16,614	(305,241)
Fund balances - July 1, 2021 (as restated)	725,061	1,262,792	59,739	63,140	8,020,744	1,659,860	9,680,604
Fund balances - June 30, 2022	\$ 1,001,347	\$ 1,240,221	\$ 41,322	\$ 74,033	\$ 7,698,889	\$ 1,676,474	\$ 9,375,363

(Concluded)

Internal Service Funds

Internal Service funds are used to account for risk financing activities.

Fund	Function
Town Medical Fund	To account for medical claims of the Town employees.
Town Dock Fund	To account for the general liability and property damage claims for the Town's dock.

Town of Stonington, Connecticut
Internal Service Funds
Combining Schedule of Net Position
June 30, 2022

	<u>Town Medical Fund</u>	<u>Town Dock Fund</u>	<u>Total</u>
<u>Assets</u>			
Current assets:			
Cash	\$ 3,615,648	\$ 975,349	\$ 4,590,997
Due from other funds	<u>115,332</u>	<u>130,000</u>	<u>245,332</u>
Total current assets	<u>3,730,980</u>	<u>1,105,349</u>	<u>4,836,329</u>
<u>Liability</u>			
Current liability:			
Claims payable	<u>704,000</u>	<u>-</u>	<u>704,000</u>
<u>Net Position</u>			
Unrestricted	<u><u>\$ 3,026,980</u></u>	<u><u>\$ 1,105,349</u></u>	<u><u>\$ 4,132,329</u></u>

Town of Stonington, Connecticut

Internal Service Funds
Combining Schedule of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2022

	<u>Town Medical Fund</u>	<u>Town Dock Fund</u>	<u>Total</u>
Operating revenues:			
Charges for services	<u>\$ 5,907,182</u>	<u>\$ 130,000</u>	<u>\$ 6,037,182</u>
Operating expenses:			
Claims	6,705,478	-	6,705,478
Administration and insurance	<u>1,858,515</u>	<u>-</u>	<u>1,858,515</u>
Total operating expenses	<u>8,563,993</u>	<u>-</u>	<u>8,563,993</u>
Operating income (loss)	(2,656,811)	130,000	(2,526,811)
Nonoperating revenues:			
Income from investments	<u>5,554</u>	<u>1,269</u>	<u>6,823</u>
Change in net position	(2,651,257)	131,269	(2,519,988)
Net position - July 1, 2021	<u>5,678,237</u>	<u>974,080</u>	<u>6,652,317</u>
Net position - June 30, 2022	<u><u>\$ 3,026,980</u></u>	<u><u>\$ 1,105,349</u></u>	<u><u>\$ 4,132,329</u></u>

Town of Stonington, Connecticut

Internal Service Funds
Combining Schedule of Cash Flows
For the Year Ended June 30, 2022

	<u>Town Medical Fund</u>	<u>Town Dock Fund</u>	<u>Total</u>
Cash flows from (used in) operating activities:			
Cash received for premiums	\$ 6,037,403	\$ 90,000	\$ 6,127,403
Cash paid for claims	(6,383,478)	-	(6,383,478)
Cash paid for administration and insurance	(1,858,515)	-	(1,858,515)
Net cash from (used in) operating activities	(2,204,590)	90,000	(2,114,590)
Cash flows from (used in) investing activities:			
Income from investments	5,554	1,269	6,823
Net increase (decrease) in cash	(2,199,036)	91,269	(2,107,767)
Cash - July 1, 2021	5,814,684	884,080	6,698,764
Cash - June 30, 2022	<u>\$ 3,615,648</u>	<u>\$ 975,349</u>	<u>\$ 4,590,997</u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:			
Operating income (loss)	\$ (2,656,811)	\$ 130,000	\$ (2,526,811)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:			
(Increase) decrease in:			
Accounts receivable	31,630	-	31,630
Due from other funds	98,591	(40,000)	58,591
Increase (decrease) in:			
Claims payable	322,000	-	322,000
Net cash from (used in) operating activities	<u>\$ (2,204,590)</u>	<u>\$ 90,000</u>	<u>\$ (2,114,590)</u>

Trend Information

This part of the Town's annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Table	Description
Financial Trends (Tables 1-5)	These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.
Debt Capacity (Table 6)	This schedule presents information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the fiscal year.

Table 1

Town of Stonington, Connecticut

Governmental Activities
Net Position by Component
Last Ten Years
(Unaudited)

June 30

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
		(as restated)	(as restated)							
Net investment in capital assets	\$ 121,690,882	\$ 118,360,803	\$ 114,933,273	\$ 114,079,006	\$ 91,526,714	\$ 90,224,341	\$ 90,575,409	\$ 88,407,197	\$ 89,847,001	\$ 92,169,328
Restricted for:										
Public safety	22,900	21,737	25,003	9,679	9,036	7,469	5,133	5,125	5,822	5,146
Highway department	482,824	490,034	462,470	308,837	333,087	410,392	593,636	280,488	280,488	289,784
Sanitation and waste removal	2,354,356	2,251,271	2,025,740	2,154,209	1,806,219	1,130,388	888,463	181,673	215,378	203,662
Human services	52,518	18,473	14,140	15,141	8,606	8,949	10,328	10,133	8,933	18,031
Housing rehabilitation programs	222,309	222,309	222,270	222,051	2,321	-	-	-	-	-
Education	581,546	91,371	47,633	76,560	66,771	13,623	58,858	106,255	127,699	139,827
Unrestricted	21,169,469	22,989,475	16,652,354	11,584,828	32,378,538	20,367,243	22,989,475	24,812,582	21,079,550	21,431,285
Total net position	<u>\$ 146,576,804</u>	<u>\$ 144,445,473</u>	<u>\$ 134,382,883</u>	<u>\$ 128,450,311</u>	<u>\$ 126,131,292</u>	<u>\$ 112,162,405</u>	<u>\$ 115,121,302</u>	<u>\$ 113,803,453</u>	<u>\$ 111,564,871</u>	<u>\$ 114,257,063</u>

Source: Current and prior year financial statements.

Table 2

Town of Stonington, Connecticut

**Governmental Activities
Changes in Net Position
Last Ten Years
(Unaudited)**

For the Year Ended June 30

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses:										
General government	\$ 8,513,785	\$ 6,500,728	\$ 7,174,167	\$ 6,671,051	\$ 6,413,843	\$ 6,970,251	\$ 7,405,330	\$ 6,544,315	\$ 6,608,931	\$ 5,778,038
Public works	14,045,180	12,355,983	11,554,946	11,885,939	10,796,863	11,276,165	10,648,589	10,452,637	10,968,077	9,963,077
Public safety	8,445,517	8,369,450	9,002,428	13,762,509	7,554,488	5,436,321	6,772,583	5,665,553	5,422,414	5,521,224
Human services	1,171,932	957,182	548,536	635,426	647,978	1,357,983	664,788	471,882	494,100	509,893
Social services	378,495	365,000	347,892	320,180	311,925	294,958	271,266	255,329	231,229	210,131
Recreation	437,060	320,485	348,942	426,209	311,665	250,966	274,055	185,163	171,977	174,252
Libraries	446,500	446,500	346,500	330,500	330,500	329,500	319,500	304,810	284,810	284,810
Education	54,081,835	45,796,551	47,386,880	48,294,352	47,503,219	44,882,290	42,323,983	42,278,343	40,881,875	38,918,207
Interest	1,940,950	2,312,194	2,778,496	2,276,018	2,317,055	2,112,956	1,290,904	1,494,879	1,326,010	1,473,813
Total expenses	89,461,254	77,424,073	79,488,787	84,602,184	76,187,536	72,911,390	69,970,998	67,652,911	66,389,423	62,833,445
Program revenues:										
Charges for services:										
General government	1,454,768	1,524,354	1,096,361	1,101,618	1,067,646	888,589	1,154,923	729,068	851,715	750,359
Public works	5,708,726	5,152,965	4,926,378	5,179,984	4,318,929	4,386,139	4,331,319	4,245,079	4,123,054	4,290,346
Public safety	279,699	458,484	721,416	542,641	512,811	400,093	420,309	49,590	113,262	112,167
Human services	-	-	-	-	-	-	97,750	79,759	96,818	74,649
Recreation	322,522	251,713	147,756	276,539	257,906	149,830	137,230	111,142	127,833	96,406
Education	1,188,366	662,798	427,260	539,896	546,508	605,623	503,657	526,982	607,743	675,144
Operating grants and contributions	10,718,262	9,494,376	9,428,116	8,966,367	10,719,048	7,911,926	6,731,104	6,542,596	8,208,821	7,746,843
Capital grants and contributions	594,652	3,092,704	1,307,490	5,744,491	10,284,845	1,676,993	427,362	200,392	403,710	647,508
Total program revenues	20,266,995	20,637,394	18,054,777	22,351,536	27,707,693	16,019,193	13,803,654	12,484,608	14,532,956	14,393,422
Net expenses	(69,194,259)	(56,786,679)	(61,434,010)	(62,250,648)	(48,479,843)	(56,892,197)	(56,167,344)	(55,168,303)	(51,856,467)	(48,440,023)
General revenues:										
Property taxes	69,390,296	66,413,590	65,709,951	63,416,118	61,540,895	58,995,604	56,279,632	53,659,623	51,881,485	50,686,298
Grants and contributions not restricted to specific programs	482,719	285,767	300,052	337,430	322,486	461,343	357,458	294,518	417,790	-
Income from investments	142,789	146,057	543,545	765,680	481,983	155,775	138,095	194,228	196,867	171,959
Other	166,407	3,855	103,159	50,439	103,366	42,828	48,953	16,464	58,151	13,969
Total general revenues	70,182,211	66,849,269	66,656,707	64,569,667	62,448,730	59,655,550	56,824,138	54,164,833	52,554,293	50,872,226
Change in net position	\$ 987,952	\$ 10,062,590	\$ 5,222,697	\$ 2,319,019	\$ 13,968,887	\$ 2,763,353	\$ 656,794	\$ (1,003,470)	\$ 697,826	\$ 2,432,203

Source: Current and prior year financial statements.

Town of Stonington, Connecticut

Governmental Funds
Fund Balances
Last Ten Years
(Modified Accrual Basis Accounting)
(Unaudited)

June 30

	2022	2021 (as restated)	2020	2019	2018	2017	2016	2015	2014	2013
General fund:										
Nonspendable	\$ -	\$ -	\$ 561,080	\$ -	\$ -	\$ 606,341	\$ -	\$ -	\$ -	\$ -
Assigned	2,059,415	1,235,771	742,662	3,589,316	3,917,866	2,223,432	854,412	431,163	427,574	1,665,601
Unassigned	19,069,830	17,128,373	14,414,195	12,944,361	14,028,605	13,694,592	14,334,927	13,540,162	12,637,386	12,144,077
Total general fund	21,129,245	18,364,144	15,717,937	16,533,677	17,946,471	16,524,365	15,189,339	13,971,325	13,064,960	13,809,678
All other governmental funds:										
Nonspendable	-	-	-	-	224,200	-	-	-	-	-
Restricted	3,716,453	3,095,195	2,797,256	2,786,477	2,226,040	2,238,320	1,556,418	583,674	638,320	656,450
Committed	20,443,581	21,908,973	8,475,608	8,336,413	21,338,034	17,259,157	4,045,248	4,734,566	7,691,791	6,300,112
Assigned	-	-	1,502,127	1,411,803	1,276,851	1,162,533	974,480	2,253,670	2,013,287	1,520,961
Unassigned	-	-	(49,926)	-	-	(2,331)	-	-	-	-
Total all other governmental funds	24,160,034	25,004,168	12,725,065	12,534,693	25,065,125	20,657,679	6,576,146	7,571,910	10,343,398	8,477,523
Grand total	<u>\$ 45,289,279</u>	<u>\$ 43,368,312</u>	<u>\$ 28,443,002</u>	<u>\$ 29,068,370</u>	<u>\$ 43,011,596</u>	<u>\$ 37,182,044</u>	<u>\$ 21,765,485</u>	<u>\$ 21,543,235</u>	<u>\$ 23,408,358</u>	<u>\$ 22,287,201</u>

Source: Current and prior year financial statements.

Notes:

General fund:

Assigned Increased due to fund balance assigned for subsequent year's budget of \$1,500,000

Unassigned Increased due to positive operations

All other governmental funds:

Restricted Increased due to positive operations in the Sewer Usage Fund

Committed Decreased due to deficit operations in the Bonded Projects Fund and Capital Nonrecurring Fund

Town of Stonington, Connecticut

General Fund (Budgetary Basis)
Changes in Fund Balances
Last Ten Years
(Unaudited)

For the Year Ended June 30

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Property taxes	\$ 69,207,276	\$ 66,693,136	\$ 65,588,819	\$ 63,288,219	\$ 61,609,175	\$ 59,233,240	\$ 56,448,889	\$ 53,836,879	\$ 51,736,929	\$ 50,793,373
Intergovernmental	1,650,598	1,483,619	1,635,261	1,668,519	1,748,768	2,152,136	2,360,642	2,332,701	2,753,590	2,616,721
Charges for services	4,233,015	3,910,700	3,528,921	3,453,632	3,361,262	2,947,780	3,427,219	2,746,774	2,902,421	2,851,363
Use of money and property	109,981	109,400	337,567	465,373	233,808	141,033	127,388	189,134	195,066	167,220
Total revenues	75,200,870	72,196,855	71,090,568	68,875,743	66,953,013	64,474,189	62,364,138	59,105,488	57,588,006	56,428,677
Expenditures										
Current										
General government	7,704,982	7,599,962	6,926,304	7,535,581	6,586,948	6,542,926	6,902,443	6,330,862	6,383,053	6,170,071
Public works	7,105,542	6,588,362	6,229,422	6,123,062	5,857,109	5,797,415	5,663,350	5,783,263	5,484,391	5,452,132
Public safety	6,465,864	5,872,375	5,953,364	5,693,514	5,345,573	5,043,119	4,920,117	4,617,634	4,375,109	4,406,245
Human services	543,622	446,853	404,303	435,920	422,784	401,274	376,811	346,337	341,953	362,341
Social services	378,495	365,000	347,892	320,180	311,925	294,958	271,266	255,329	231,229	210,131
Recreation	144,165	138,060	129,388	121,425	112,830	99,579	96,547	86,893	96,423	92,531
Libraries	446,500	446,500	346,500	330,500	330,500	329,500	319,500	304,810	284,810	284,810
Payments to other civic divisions	251,583	267,828	206,885	192,950	187,677	197,370	172,177	175,700	221,747	153,473
Education	38,335,596	37,316,909	37,004,394	37,846,903	37,020,623	35,991,573	35,283,536	34,237,211	33,709,980	32,953,922
Debt service	7,571,383	8,066,702	8,883,160	8,140,981	6,358,706	5,004,612	5,129,384	4,738,573	4,631,674	4,689,081
Total expenditures	68,947,732	67,108,551	66,431,612	66,741,016	62,534,675	59,702,326	59,135,131	56,876,612	55,760,369	54,774,737
Excess (deficiency) of revenues over expenditures	6,253,138	5,088,304	4,658,956	2,134,727	4,418,338	4,771,863	3,229,007	2,228,876	1,827,637	1,653,940
Other financing sources (uses)										
Cancellation of prior year encumbrances	120,352	17,863	257,377	93,845	12,066	55,235	17,919	65,020	36,884	40,439
Sale of capital assets	-	-	200	500	-	-	-	-	-	-
Transfers in	111,384	31,794	-	45,000	45,000	45,000	45,000	45,000	-	45,000
Transfers out	(3,100,319)	(3,417,353)	(5,551,116)	(3,142,819)	(3,791,032)	(3,562,792)	(2,149,561)	(1,665,122)	(2,453,712)	(1,263,733)
Net other financing sources (uses)	(2,868,583)	(3,367,696)	(5,293,539)	(3,003,474)	(3,733,966)	(3,462,557)	(2,086,642)	(1,555,102)	(2,416,828)	(1,178,294)
Net change in fund balances	\$ 3,384,555	\$ 1,720,608	\$ (634,583)	\$ (868,747)	\$ 684,372	\$ 1,309,306	\$ 1,142,365	\$ 673,774	\$ (589,191)	\$ 475,646
Debt service as a percentage of expenditures	10.98%	12.02%	13.37%	12.20%	10.17%	8.38%	8.67%	8.33%	8.31%	8.56%

Source: Current and prior year financial statements.

Table 5**Town of Stonington, Connecticut****Property Tax Rates, Levies and Collections
Last Ten Years
(Unaudited)**

<u>Year Ended June 30</u>	<u>Grand List of October 1,</u>	<u>(1) Tax Rate in Mills</u>	<u>Total Adjusted Tax Levy</u>	<u>Net Tax Collections</u>	<u>Percent of Levy Collected</u>
2013	2011	15.89	\$ 50,579,257	\$ 50,005,838	98.87%
2014	2012	19.88	51,505,144	50,986,927	98.99%
2015	2013	20.43	53,310,452	52,721,144	98.89%
2016	2014	21.32	56,039,548	55,329,813	98.73%
2017	2015	22.31	58,791,362	58,263,288	99.10%
2018	2016	22.98	61,137,740	60,734,560	99.34%
2019	2017	22.68	63,007,353	62,690,691	99.50%
2020	2018	23.36	65,491,378	65,043,188	99.32%
2021	2019	23.36	66,157,574	65,966,464	99.71%
2022	2020	23.36	69,086,001	68,774,744	99.55%

Source: Tax Collector and current and prior year financial statements

Notes:

(1) Tax levy is per \$1,000 of the assessed value of taxable property.

Table 6

Town of Stonington, Connecticut
Schedule of Debt Limitation
Connecticut General Statutes, Section 7-374 (b)
As of and for the year ended June 30, 2022
(Unaudited)

Base:

Total tax collections (including interest and lien fees) for prior year \$ 66,628,651

Total tax collections (including interest and lien fees) for prior year
of the Borough and all other taxing districts within the Town 6,140,394

Base for debt limitation computation \$ 72,769,045

Debt limitation:	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
2 1/4 times base	\$ 163,730,351	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	327,460,703	-	-	-
3 3/4 times base	-	-	272,883,919	-	-
3 1/4 times base	-	-	-	236,499,396	-
3 times base	-	-	-	-	218,307,135
Total debt limitation	<u>163,730,351</u>	<u>327,460,703</u>	<u>272,883,919</u>	<u>236,499,396</u>	<u>218,307,135</u>
Indebtedness:					
Bonds payable	5,571,926	42,605,074	18,908,000	-	-
Fire district debt	<u>1,674,059</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net indebtedness	<u>7,245,985</u>	<u>42,605,074</u>	<u>18,908,000</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding debt	<u>\$ 156,484,366</u>	<u>\$ 284,855,629</u>	<u>\$ 253,975,919</u>	<u>\$ 236,499,396</u>	<u>\$ 218,307,135</u>
The total of the above net indebtedness amounts to:					<u>\$ 68,759,059</u>
In no event shall total indebtedness exceed seven times the base for debt limitation computation:					<u>\$ 509,383,315</u>

Source: Current and prior year financial statements.