

2018-
2019

ANNUAL REPORT OF THE TOWN
OF SALEM, CONNECTICUT



In Dedication to



Kimberly & Michael (Mike) Siebert

Kim and Mike Siebert have been a great asset to the Town of Salem and a great inspiration through their time and dedication to Salem's youth. They moved to Salem in October of 1983 where they built their home and raised their 4 children Meghann, Amanda, Garrett and Heather. Kim worked as the Salem Town Treasurer for 20 years while Mike worked at Millstone/Dominion in Waterford from January 1983 to December 2017. They both spent endless time, energy and efforts inspiring youth. Mike and Kim love the outdoors they have spent many hours hiking and enjoying the beauty of nature.

Mike was very involved in the Town of Salem and cared deeply and gave freely. He worked hard for the children of Salem through both Scouting and the Board of Education (BOE). On the board he strove to find the balance between what was good for the school and what the town could afford. He was very logical and managed to be respected by members of the Board of Finance in addition to the Board of Education.

Mike was a member of 1st Town Charter Committee and became a member of the Board of Education in November 1997 and served for many years. During his tenure on the Board of Ed, Mike served as chairman for several years. Mike was an active member of the Board of Education all the way up to the time of his passing.

Mike was always very involved in scouting and as a young man, he attained the rank of Eagle Scout. He loved teaching and passing on his knowledge to young Scouts and parents. When Garrett crossed over from Cub to Boy Scouts, he became a Scout leader and then Scout Master for Troop 123 from 2002 to 2008. Mike soon became involved again with Scouts and Venturing Crew. He led two Boy Scout crews (2007 and 2012) and one Venturing crew (2009) to Philmont in New Mexico, one to Sea Base in Florida, and many years of snowshoe trips to the Mount Washington area.

Shortly after Mike had retired from Millstone/Dominion in December 2017, Mike and Kim continued their passion to lead Scouts. They took on the leadership of planning a trip to take 7 high school Venturing Crew Scouts to Philmont High Adventure Camp at the Philmont Scout Ranch in New Mexico for a two week backpacking adventure in the summer of 2018. Kim and Mike spent

their early retirement days planning the trip and training with high school Venturing Crew Scouts to prepare for the journey. Less than 4 weeks before they were supposed to leave for Philmont there were wildfires which spread throughout the region and Philmont was closed, so the trip had to be cancelled. Kim and Mike refused to let the wildfires cancel the trip. In a very short amount of time Mike planned a new trip for the Venturing Crew to take which was referred to by the Venturing Crew as the “Fake Philmont trip”. This trip was a two-week trip to the Utah/Nevada/Arizona area where the Venturing Crew was led by Kim and Mike. On this trip, they hiked Bryce, Zion Canyons as well as the North rim of the Grand Canyon. They also toured the Hoover Dam and traveled and hiked other awesome locations. This trip was an experience of a lifetime for the high schoolers who attended. During this trip Kim and Mike celebrated their anniversary with a bunch of high school kids. Their dedication to the youth was remarkable and an inspiration to all.

Together Kim and Mike have brightened Salem through their time, efforts, positive outlook and their love and passion to continue to expand the dreams of many young people. They have helped make Salem a better place. Thank you, Kim and Mike, for everything you have done for the Town of Salem.



ANNUAL REPORT

OF THE OFFICERS OF THE

TOWN OF SALEM



AND

**Audit of Town Records
From July 1, 2018
to June 30, 2019**

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TOWN GOVERNMENT

The Salem Town Office Building is located at 270 Hartford Road. The office hours are:

Monday-Wednesday	8:00 AM to 5:00 PM
Thursday	8:00 AM to 6:00 PM
Friday-Sunday	Closed

The First Selectman, Town Clerk, and Finance Office are available during regular hours.

The Tax Collector's Department, located within the Town Office Building, is available during the following office hours:

Monday-Wednesday	8:00 AM to 5:00 PM
Thursday	8:00 AM – 6:00 PM
Friday	Closed

The Assessor's Department located within the Town Office Building is available during the following office hours.

Monday-Wednesday	8:00 AM to 5:00 PM
Thursday	8:00 AM – 6:00 PM
Friday	Closed

The Building Department, located within the Town Office Building, maintains the following office hours.

Monday-Administrative Assistant	3:00 PM - 7:00 PM
Monday- Building Officials	5:00 PM - 7:00 PM
Thursday-Administrative Assistant	3:00 PM - 7:00 PM
Thursday-Building Officials	5:00 PM - 7:00 PM
Friday-Sunday	Closed

The Building Official, Public Works Director and Zoning and Wetlands Enforcement Officer are available during the Monday and Thursday evening hours. Please call the Town Office Building at 860-859-3873 or go to www.salemct.gov for the hours of additional departments.

The Salem Free Public Library is located at 264 Hartford Road, just south of the Town Office Building. It is open as follows:

Monday-Wednesday	12:00 PM to 7:30 PM
Thursday	10:00 AM to 7:30 PM
Friday	10:00 AM to 6:00 PM
Saturday- (Sept-June)	10:00 AM to 4:00 PM
Saturday- (July-August)	10:00 AM to 2:00 PM

Salem operates under a chartered Selectman-Town Meeting form of government, which permits maximum participation of the registered voters and property owners. Most significant to this form of government is the adoption of the annual budget by referendum and approval by the Town Meeting of ordinances under which Salem is governed. This is your town, the Town Meeting is the governing body, and your participation in the governing process is encouraged.

ELECTED TOWN OFFICIALS

This Town Report covers Fiscal year 2018/2019. However, the following list of officials has been updated to reflect any significant changes that may have occurred prior to printing. Expiration dates of elective terms are noted in parenthesis. Reports of Boards and Commissions were in most cases authored by the incumbent chair for FY 2018/2019.

Board Of Selectmen

Kevin Lyden, *First Selectman* (2019) – 2 yr. term
David Kennedy (2019) – 4 yr. term
Ron LaBonte (2019) – 4 yr. term
Edward Chmielewski (2021) – 4 yr. term
Hugh McKenney (2021) – 4 yr. term

Town Clerk

Linda Flugrad (2020)

Treasurer

Pamela Henry (2019)

Tax Collector

Cheryl A. Philopena (2019)

Board of Finance

William “Skip” Dickson, *Chairman* (2019)

Marshall Collins (2023)
Deborah Cadwell (2021)
Janet S. Griggs (2021)
Hernan Salas (2019)
John Houchin (2019)
Michael Jensen, Alt. (2021)
Corinne (Cory) Bourgeois, Alt. (2019)
Mary Ann Casciano, Alt. (2019)

Board of Education

Sean Reith, *Chairman* (2023)
Pamela Munro, *Secretary* (2019)
Ryan Little, *Treasurer* (2023)

Jennifer D’Aiuto (2021)
Tamara Morocco (2019)
Jennifer Rucci (2019)

Tiffany B. Cunningham (2021)
Sam Rindell (2019)
Sue Spang (2019)

Planning and Zoning Commission

Ruth Savalle, *Chairman* (2021)

Vernon Smith, *Vice-Chairman* (2019)

Eric Wenzel (2023)

John Gadbois (2021)

David Miller (2019)

Ray Gionet, Alt (2019)

Margaret Caron (2023)

Terri Salas (2019)

Diba Khan-Bureau, Alt. (2023)

LaVan Norwood, Alt. (2019)

Zoning Board of Appeals

Charlie Dutch, *Chairman* (2021)

Denise Orsini, *Vice-Chairman* (2023)

Michael Flugrad (2023)

Emil Casciano (2019)

Larry Benedict, Alt. (2019)

Ken Bondi (2019)

Becky Nortz Alt. (2019)

Joshua Rehrig, Alt. (2019)

Library Board of Trustees

Susan Butler, *Chairman* (2021)

Robin Jensen (2021)

Carole Eckart (2019)

Nan Trusler (2019)

Wendy Ortega (2019)

Mary Cikatz (2019)

Board of Assessment Appeals

Robert M. Green, *Chairman* (2021)

Dianne Woronik (2019) Debra Gernhardt (2019)

Registrar Of Voters

Betsy Butts (D - 2023)

Georgia Pech (R – 2023)

Barbara Jewett, Deputy

Doris Burr, Deputy

APPOINTED TOWN OFFICIALS

Inland Wetlands and Conservation Commission

Ed Natoli, Jr. (2024), *Chairman*

Roger Phillips (2023)	Diba A. Khan-Bureau (2023)
Jim Mulholland (2023)	Kimberly Bradley (2022)
Gale J. Balavender (2020)	Linda Wildrick (2020)
Frank Abetti, Alt (2018)	Lou Allen, Alt. (2024)
Vacancy, Alt.	Matt Allen, WEO

Civil Preparedness

Donald W. Bourdeau, Jr. *Director*

Charlie Dutch	Chip Weston
John Cunningham	James Miller
Christina Martin	Rick Martin

Recreation Commission

Teri Natoli, *Chairman* (2021)

Doug Morrow (2019)	Robert Appleby (2019)
Crispin Fresco-Hawes (2020)	Alan Maziarz (2022)
Art Bergman (2022)	Jessica Villar-Fletcher (2023)
Vacancy	Vacancy

Economic Development

Ed Chmielewski, *Vice-Chairman* (2018)

Paul Robillard	Ron LaBonte
Terri Salas	Joshua Rehrig
Vacancy, Alt.	Vacancy, Alt.

Salem Volunteer Fire Police

Kevin Walton, *Captain*

Marcella Maiorano

Kyle Burke

Mitch Williams

Jen Oloski

Warren Wright

John Atkinson

Gardner Lake Volunteer Fire Police

Joseph Ploszaj, *Lieutenant*

Roman Kachorowsky

Katrina Zickwolf

Ralph Boles

Southeastern Connecticut Council of Governments

Kevin Lyden

Salem Green Cemetery

Catherine Teel, *President*

Monica McIntyre, *Treasurer*

Kathleen Lyden, *Secretary*

Cathy Benedict, *Sexton*

Michael Teel, *Asst. Sexton*

Nancy Dytko

Betsy Butts

Evelyn Cunningham

Helen Woronik

Gardner Lake Authority

Robert J. Neddo

Suzanne Bennett

Christino Rios

Southeastern Connecticut Water Advisory Board

James Fogarty

George Jackson

PUBLIC OFFICIALS

Administrative Asst. Finance/Human Resources	Lisa Jablonski
Administrative Asst. First Selectman	Meredith Eisenberg
Agent for the Elderly	Pamela Henry
Animal Control Officer	Christian Swanson, Montville ACO
Assessor	Michael Kapinos
Assistant Assessor	Meliza Jimenez
Assistant Tax Collector	Cindy Noe
Assistant Town Clerk	Holly Alligood
Building Department/Sanitarian Admin. Asst	Agnes Miyuki
Building Inspector	Vernon D. Vesey II
Democratic Town Committee Chair	John Houchin, Vice Chairman
Deputy Fire Marshal	John Cunningham, Michael Bednarz
Fire Inspector	Jeffrey W. Standish
Fire Marshal & Director of Civil Preparedness	Donald Bourdeau, Jr.
Health Director	Uncas Health District
Municipal Historian	Dave Wordell
Purchasing Agent	Kevin Lyden
Recreation Program Director	Agnes Miyuki
Republican Town Committee Chair	Vernon Smith
Resident State Troopers	Christopher Pariseau Luke LaRue
Sanitarian	Uncas Health District
Superintendent of Schools	Joseph Onofrio II
Town Planner	Justin LaFountain, (SECCOG)
Tree Warden	Donald Bourdeau Jr.
Zoning and Wetlands Enforcement Officer	Matt Allen

TOWN REPORTS

FIRST SELECTMAN REPORT

The Fiscal Year ending June 30, 2019, has provided our Town with many opportunities for positive change. The Town of Salem continues to be in strong financial health. This has been recognized by Moody's Investment Service as they have upgraded our Bond Rating from A1 to an Aa3 rating last year.

The combined net position of our Municipal Government increased by \$938,359.

Due to strong Fiscal controls and a concerted effort of Fiscal responsibility by all departments, expenditures ended the year at \$121,745 less than was budgeted.

Current and other assets increased by \$856,705 as a result of an increase in cash and investments.

With the help of many volunteers, Salem continues to shine with community spirit. Our active community donates countless hours to our Boards and Commissions, Emergency Services, Sports Programs, Library and many other areas to make Salem a very special place to live.

Respectfully,

Kevin Lyden
First Selectman
Salem, Connecticut



Town Clerk's Report

The Salem Town Clerk is elected for a two-year term and serves as both Town Clerk and Registrar of Vital Statistics. Office hours for the Town Clerk's office are Monday through Wednesday, 8:00 a.m. - 5:00 p.m. and Thursday, 8:00 a.m. - 6:00 p.m. except legal holidays.

The Town Clerk is the custodian of Town records and the Town seal. Connecticut General Statutes and the Town Charter charge the staff with many functions including, but not limited to, recording and maintaining land records, permanent record books, trade name certificates, liquor permits and Veteran's Discharge documentation, processing notary appointments and Justices of the Peace certifications and appointments for Town residents, maintaining and posting Boards' and Commissions' agendas and minutes, registering dogs, and a myriad of other duties.

We provide information on all property transfers and sales to the Assessor and Building departments.

The Clerk's office is by Statute heavily involved with all elections with responsibilities including preparing the list of offices and list of candidates to forward to the Secretary of the State, preparing and issuing absentee ballots, informing the Secretary of the State of vacancies and appointments in any elective office, retaining campaign finance materials, giving the oath of office to newly elected and appointed officials, and additional duties.

Elections held during fiscal year 2018-2019 were the Democratic and Republican primaries held in August, 2018, and the State election held November 6, 2018. 2,078 names, approximately 76% of registered voters, were checked as having voted in the November election. We also held our budget referendum on May 9, 2018 when 7% of our registered voters cast votes to approve the budget.

We processed 761 documents on the land records, 12 notary public certificates, 3 liquor permits, 13 business trade name certificates, 6 Veterans' Discharge documents, and 7 mylar maps were recorded. \$47,958.76 was collected for town conveyance taxes.

June is the month to renew dog licenses. All puppies must be registered by 6 months of age. Older dogs must be licensed within 30 days of obtaining them. Rabies and spay/neuter certificates are required to register your dogs. We issued 294 dog licenses during the fiscal year and 9 dog kennel licenses.

During fiscal year 2018/2019 there were 40 births, 25 marriages, and 27 deaths registered in the Vital Records of the Town of Salem. 16 marriage licenses were issued.

We received from the State of Connecticut Historic Document Preservation Program for the fiscal year 2018-2019 \$4,500 in grant funds which we utilized to preserve our Boards of Selectmen, Finance and Planning and Zoning Commissions minutes.

I would like to extend a huge thanks to Holly Alligood, our Assistant Town Clerk and Assistant Registrar of Vital Statistics, for all that she has done to serve the Town of Salem in the Town Clerk's office this year.

Linda Flugrad, CCTC, Town Clerk

ANNUAL TOWN MEETING

WEDNESDAY, MAY 1, 2019 – 7:00 P.M.

SALEM SCHOOL

First Selectman Kevin Lyden opened the meeting with a brief historical dissertation, welcomed the townspeople, and called the meeting to order at 7:10 p.m. He introduced and accepted a motion to elect Attorney Thor Holth, Esq. as the Moderator for this evening's Town Meeting.

M/S/C: Hugh McKenney/Marshall Collins, to elect Attorney Thor Holth, Esq., as the Moderator for the 2019 Annual Town Meeting. Voice vote, all in favor.

Per Section 4.05(c) of the Salem Town Charter, Moderator Atty. Holth designated Agnes Miyuki as the Clerk for the Town Meeting in the absence of the Town Clerk.

The Clerk recited the Warning and Public Notice of the Meeting.

Moderator Atty. Holth explained the process and reviewed the FY2019/20 Budget, inviting any questions or comments.

First Selectman Lyden reviewed the town's Ten-Year Capital Plan. There being no questions or comments, the item was voted upon:

M/S/C: James Savalle/Hugh McKenney, to approve the Ten-Year Capital Plan in the amount of \$1,010,210.00 for FY2019/20, as proposed. Discussion: None. Voice vote, all in favor.

The Local Capital Improvement Plan (LoCIP) funds are provided by the State and must be formally approved upon by the townspeople in order to access the funds. Following the expenditure of the funds, the town submits the paid bills to the State for reimbursement. There being no questions or comments, the item was voted upon:

M/S/C: Pat Crisanti/Janet Griggs, to approve the Local Capital Improvement Plan (LoCIP) Funds in the amount of \$136,085 for FY2019/20 for Town Aid Road construction renovation, repair, and resurfacing, as proposed. Discussion: None. Voice vote, all in favor.

The General Government Budget was reviewed by department.

T.J. Butcher questioned Line Item 5-105-106, Assessor, under Department 105 – Salaries. First Selectman Lyden explained that the increase is due to staffing changes within the department. Assessor Mike Kapinos, CCMA (Certified CT Municipal Assessor) I and II, has been promoted as the town's assessor replacing recently-retired Assessor Barbara Perry. Assessor Kapinos has been working for the town for the past six years.

There being no additional questions or comments, the item was voted upon:

M/S/C: James Savalle/Hugh McKenney, to approve General Government Budget in the amount of \$3,916,004.00 for FY2019/20, as proposed. Discussion: None. Voice vote, all in favor.

Board of Education Chairman Sean Reith reviewed each of the categories within the Board of Education Budget, which is organized by the following four (4) sites: Salem School, Salem School District Central Office, East Lyme High School Program, and Out of District Services. There being no questions and/or comments, the item was voted upon:

M/S/C: James Savalle/Hugh McKenney, to approve the Board of Education Budget in the amount of \$10,425,292.00 for FY2019/20, as proposed. Discussion: None. Voice vote, all in favor.

M/S/C: Gene Maiorano/James Savalle, to adjourn the meeting at 7:33 p.m. Voice vote, all in favor.

Respectfully Submitted by:

Agnes T. Miyuki, Recording Secretary for the Town of Salem



Submitted by Lisa Jablonski

**OFFICIAL BALLOT
BUDGET REFERENDUM VOTE
SALEM, CONNECTICUT
MAY 8, 2019**

INSTRUCTIONS TO VOTERS

To vote, fill in the oval completely next to your choice, like this .

QUESTION 1

"SHALL THE TOWN OF SALEM APPROVE THE PROPOSED MUNICIPAL BUDGET IN THE AMOUNT OF \$15,351,506?"

130 **YES**
69 **NO**

**QUESTION 2
ADVISORY VOTE (Non-Binding)**

"IN YOUR OPINION IS THE GENERAL GOVERNMENT AND CAPITAL BUDGET IN THE AMOUNT OF \$4,926,214 FOR FISCAL YEAR 2019/2020 TOO LOW, ABOUT RIGHT OR TOO HIGH?"

34 **TOO LOW**
134 **ABOUT RIGHT**
25 **TOO HIGH**

**QUESTION 3
ADVISORY VOTE (Non-Binding)**

"IN YOUR OPINION IS THE BOARD OF EDUCATION BUDGET IN THE AMOUNT OF \$10,425,292 FOR FISCAL YEAR 2019/2020 TOO LOW, ABOUT RIGHT OR TOO HIGH?"

86 **TOO LOW**
52 **ABOUT RIGHT**
57 **TOO HIGH**

TOTAL VOTERS
2715

TOTAL VOTES CAST
199

PERCENT VOTED
7.3%

SPECIAL TOWN MEETING MINUTES

**SALEM TOWN HALL, ROOM 1
JUNE 20, 2019 7:00 p.m.**

First Selectman K. Lyden called the meeting to order at 7:04 p.m.

M/S/C: B. Green/H. McKenney: Motion to appoint Mr. Bill Kollman as moderator of tonight's meeting.

Town Clerk Linda Flugrad, as Clerk of the meeting, read the Warning and Notice for this Special Town Meeting.

M/S/C: E. Chmielewski/B. Green: Motion to approve a supplemental appropriation of \$100,000 to the Board of Education FY 2018/2019.

Discussion: The question arose as to why the notice read "To consider and act upon a supplemental appropriation of up to \$110,000 to the Board of Education for FY 2018/2019" yet the motion was for a supplemental appropriation of \$100,000. First Selectman Lyden explained that the BOE presented the need to the Board of Selectmen in June, who then moved the need to the Board of Finance. Per our charter, if a supplemental appropriation is 2/10th of 1% of our budget which is approximately \$30,000, it has to go to Town Meeting and anything totaling \$150,000 or more would have to go to referendum. First Selectman Lyden further explained our CPA verified the bills with the School finance office and confirmed the \$96,000 invoices now due were for one-to-one aides for special needs students and related services as a result of an increase from one to four students needing those services. Because of the increase in students, the services were invoiced as opposed to being included in reconciliation. The School finance office was able to unencumber \$10,000 of payroll that was encumbered toward the \$110,000. The request and motion is therefore \$100,000. There were other unexpected maintenance costs and other special education costs that resulted in the Board of Education anticipating being over budget for this year. This is a valid expense that has to be paid for fiscal year 2018-2019.

A question was raised as to where the money would come from and First Selectman Lyden responded that it is not part of the motion, however, unofficially the money will come probably from our unassigned fund balance.

Sean Reith, Board of Education Chairman, explained that on May 16th East Lyme High School business manager notified the Salem administration that there was an issue and a week later presented 7 specific invoices totaling \$96,090.14 outstanding. Four of those invoices totaling approximately \$77,000 were for one-on-one aides for special needs students being served at East Lyme High School. The other three invoices totaling approximately \$19,000 were vendor billing errors because they were inadvertently sent to ELHS rather than Salem, which is the established past practice. Historically that \$77,000 would not have been billed to Salem this fiscal year but rather rolled into the end of year reconciliation process. At the end of the year during the reconciliation process, East Lyme business manager noted that these specific invoices were for students who had moved to Salem during the school year. Had this been caught by the East Lyme business office and the bills presented to the Board of Education earlier in the fiscal year, some of the cost could have been covered in this year's Board of Education budget. The bills were not given to our Board of Education until May. It is advantageous to pay these fees this year as opposed to rolling them into next year. Pam Munro, Board of Education member, stated that if we don't reconcile now, the tuition fee will increase going forward. Chairman Reith indicated that this error discreetly gives us just the cost for the services provided to the students of Salem versus bundling all services together, dividing and us paying a share of the total bill. Following past years' practices the \$77,000 would have been rolled into the next fiscal year, however, this year they are not doing that. The Co-op agreement had ambiguous language as to how to properly handling these invoices.

Frustration was expressed as to why this issue seems to reoccur and has the ambiguous language in the Co-op agreement with East Lyme High School been clarified. Chairman Reith explained that the language is

now being clarified to prevent this from continuing to happen. Joe Onofrio, Superintendent of Salem School, said the Co-op agreement with East Lyme High School has been modified and a third set of edits was sent today to the business office at East Lyme for review by both Board attorneys. A new MOU will be crafted with the anticipation that it will be effective July 1, 2019, for the next 20 years.

Selectman Hugh McKenney and Selectman Ed Chmielewski have both had the opportunity to monitor the Board of Education over the years and assured residents that this is not an issue with our Town's practices; the Board of Education, School Superintendent, his staff, and our First Selectman are working hard to make this issue very transparent to the Town and resolve the issue. Both Selectmen encouraged residents to vote in favor of this supplemental appropriation.

Responding to the question as to whether these bills are for the entire school year, First Selectman Lyden clarified that these bills were pro-rated from the time the students moved to Salem.

Several residents expressed growing frustration with the East Lyme Business Office for repeatedly waiting until this late in the year to find these invoicing errors.

In response to the question as to whether if presented earlier in the year, could these bills have been absorbed by the Board of Ed in this current budget, Chairman Reith stated that he could not conclusively answer but he does know that they would have had at least five more months to plan for it. Bills were presented this fiscal year for approximately \$261,000 expended but not budgeted for in this fiscal year starting back in September for a mold remediation from a weather-related incident that happened last summer and additional costs incurred by special education students moving into town that were not budgeted for yet dealt with within the budget.

M/S/C: E. Chmielewski/D. Kennedy Motion to move the motion to approve a supplemental appropriation of \$100,000 to the Board of Education FY 2018/2019. The motion was verbally carried unanimously.

The question arose as to whether this goes to referendum. It does not.

M/S/C: N. Rabe/B. Green Motion to adjourn at 7:37 p.m.

Respectfully submitted,

Linda Flugrad, Town Clerk



Norman Rockwell Town Meeting

JUSTICE OF THE PEACE

Contact

<u>NAME</u>	
Alligood, Gary	860-859-1779
Balavender, Gale J.	860-859-2174 or 860-917-9024
Bourdeau, Donald W. Jr.	860-859-3189
Buckley, Karen H.	khopb@aol.com
Burr, Elbert	44 Emerald Glen Ln., 860-887-9510, elbyburr@comcast.net
Butcher, Thomas J.	860-859-1012
Butts, Betsy B.	860-859-0788
Chmielewski, Edward	
Evanson, William	860-859-0792
Griggs, Janet S.	jsgriggs@comcast.net
Houchin, John	johnhour@me.com
Jackson, George	860-859-0433
Kennedy, David L.	330 Round Hill Rd., Salem, CT 06420
Kollman, Mary L.	860-859-3036 or mcgkol@yahoo.com
Len, Darrell	860-884-2754 or darrell_len@yahoo.com
Maiorano, Eugene R.	860-859-0558
Maiorano, Marcella C.	860-859-0558
McKenney, Hugh	860-303-0042
Munro, Pamela R.	pmunro@sbcglobal.net
Nortz, Michael F.	860-992-7952
Nortz, Rebecca A.	860-992-9545
Pech, Georgia M.	860-859-3112
Petersen, Tamara L.	
Phillips, Linda F.	860-443-4367 or linda@naturesartvillage.com
Robillard, Paul H.	860-892-0018
Ross, Robert T.	270 Hartford Rd.
Rowthorn, Anne	860-961-3949 or annerowthorn@gmail.com
Rucci, Matt	860-501-9191
Sabowski, Maryanne	sunflr345@aol.com
Schroeder, Linda K.	lschroeder@snet.net
Shapere, Alfreda B.	860-859-1760
Sielman, Peter F.	369 West Rd.
Spang, Susan G.	suespang58@gmail.com
Weinschenker, Denise M.	dweinschenker@yahoo.com
Ziegra, Roberta M.	860-326-6575

NOTARY PUBLIC

<u>NAME</u>	<u>ADDRESS</u>	<u>TERM</u>
Alfonso, Diane M.	295 Rattlesnake Ledge Rd.	03/01/2015 - 02/28/2020
Armstrong, Colleen M.	684 Old Colchester Rd., #12	06/01/2019 - 05/31/2024
Baranello, Juli	519 Norwich Rd.	12/01/2017 - 11/30/2022
Basley, Deana L.	220 Round Hill Rd.	05/01/2017 - 04/30/2022
Bennett, Suzanne	223 Old New London Rd.	11/01/2017 - 10/31/2022
Bond, Austin	83A Horse Pond Rd.	12/21/2015 - 12/31/2020
Boutin, Elizabeth D.	85F Horse Pond Rd.	09/01/2015 - 08/31/2020
Brick, Marion	745 Hartford Rd.	09/01/2009 - 08/31/2019
Brinkman, Jennifer L.	91 Buckley Rd.	06/01/2018 - 05/31/2023
Butts, Betsy B.	376 Hartford Rd.	12/01/2014 - 11/30/2019
Champion, Barbara	496 Norwich Rd.	10/01/2017 - 09/30/2022
Cooper, Camille R.	107 Buckley Rd.	08/10/2018 - 08/31/2023
Corman, Michael L.	32 Cedar Hill Lane	07/01/2014 - 06/30/2019
Crisanti, Patricia J.	195 Old New London Rd.	04/01/2019 - 03/31/2024
Cuadro, Rosemarie D.	149 Forsyth Rd.	04/01/2018 - 03/31/2023
Dashnaw, Jennifer Lindo	37 Forest Drive	11/01/2015 - 10/31/2020
Dubois, Sandra J.	97 Mill Lane	06/01/2015 - 05/31/2020
Flugrad, Linda	72 E. Haddam Rd.	05-01-2015 - 04/30/2020
George, Nancy M.	4 Salem Ridge Drive	07/01/2016 - 06/30/2021
Gnade, Meagan Plante	3 Salem Ridge Dr.	02/24/2015 - 02/29/2020
Gray, Jackie	235 Buckley Rd.	07/01/2019 - 06/30/2024
Harrington, Lawrence B.	306 Old Colchester Rd.	08/01/2016 - 07/31/2021
Henry, Bruce	306 Old Colchester Rd.	09/08/2016 - 09/30/2021
Henry, James H.	21 Skyline Drive	12/01/2014 - 11/30/2019
Huhtala, Janet A.	245 Buckley Rd.	12/01/2014 - 11/30/2019
Hutchings, Gina J.	29 Cedar Hill Lane	09/11/2014 - 09/30/2019
Kennedy, Lillian	330 Round Hill Rd.	10/01/2015 - 09/30/2020
Kodym, Patricia L.	113 Sullivan Rd.	08/01/2016 - 07/31/2021
Larsen, Kim M.	509 Old Colchester Rd.	11/01/2015 - 10/31/2020
Maiorano, Marcella C.	799 West Rd.	02/01/2017 - 01/31/2022
Moore, Barbara S.	62 Forest Drive	04/01/2016 - 03/31/2021
Mullin, Donald B.	46 Skyline Drive	03/01/2017 - 02/28/2022
Murphy, Carrie	65 Forsyth Rd.	05/01/2017 - 05/31/2022
Neumann, Lori B.	519 Norwich Rd.	01/01/2019 - 12/31/2023
Nortz, Michael F.	66 Skyline Drive	11/01/2017 - 10/31/2022
O'Brien, John J.	77 Skyline Drive	06/01/2017 - 05/31/2022
Pallozzi, Mary	10 LakeView Ave.	06/01/2018 - 05/31/2023
Paradis, Katelyn	170 Rattlesnake Ledge Rd.	08/15/2016 - 08/31/2021
Philopena, Cheryl A.	309 Rattlesnake Ledge Rd.	11/01/2014 - 10/31/2019
Ruttkamp, Deborah A.	10 Salem Hollow Lane	10/01/2018 - 09/30/2023

Salas, Theresa K.	99 Sullivan Rd.	09/01/2018 - 08/31/2023
Scott, Rebecca J	680 West Rd.	04/06/2016 - 04/30/2021
Sistare, Natasha	330 Buckley Rd.	10/09/2018 - 10/31/2023
Stevens, Lawrence J.	182 Forsyth Rd.	05/21/2015 - 05/31/2020
Stevenson, Michelle A.	623 Hartford Rd.	05/01/2015 - 04/30/2020
Surprenant, April A.	43 Buckley Rd.	04/01/2016 - 03/31/2021
Swider, Sandra D.	59 Mill Lane	06/01/2017 - 05/31/2022
Tallman, Timothy L. Jr.	82 Lakeview Avenue	04/01/2018 - 03/31/2023
Tripp, Margaret E	324 Rattlesnake Ledge Rd.	11/01/2014 - 10/31/2019
Turner, Tammie A.	185 Old Colchester Rd.	05/01/2016 - 04/30/2021
Weston, Diane E.	47 Meadow Lane	03/01/2016 - 02/28/2021
Wittig, Vera Ann C.	200 West Rd.	04/01/2019 - 03/31/2024



Submitted by Lisa Jablonski

TREASURER'S REPORT

The fiscal year ended on June 30, 2019 - Total Governmental Funds balance with asset and liability activities each totaling \$10,346,562 respectively. See exhibit C on page 15 of the *Annual Financial Report of the Town of Salem, Connecticut for the Year Ending June 30, 2019* (Independent Auditor's Report).

Revenues for the fiscal year Total Governmental Funds total \$17,216,619. This includes property taxes, grants, licenses & permits, charges for services, income from investments and miscellaneous revenues. For more detail of funds and revenues see exhibit D & E beginning on page 17 of June 30, 2019 *Annual Financial Report of the Town of Salem, Connecticut for the Year Ended June 30, 2019* (Independent Auditor's Report).

Financial Statements and Supplementary Information for Year Ended June 30, 2019 inquiries may be requested at the Town Clerk's office during regular office hours or viewed on the Town of Salem website in the Town Government section. www.salemct.gov

Thank you for the opportunity to serve our community as the Treasurer for the Town of Salem.

Respectfully submitted,

Pam Henry
Treasurer



BOARD OF FINANCE

The 2018-2019 fiscal year began with the adoption, by town referendum, of the Town's budget in the amount of \$14,989,478. The proposed expenditures were as follows:

General Government	\$ 3,769,209
Board of Education	\$10,324,295
Capital Improvements	\$ 895,974

The Board of Finance approved a mill rate of 32.2 mills to provide funding for the 2018-2019 budget.

The Unassigned Fund balance as of July 1, 2018, was \$3,347,517.

The 2019-2020 fiscal year budgets in the amount of \$15,351,506 were presented to the Town for adoption at referendum. The proposed expenditures were as follows:

General Government	\$ 3,916,004
Board of Education	\$10,425,292
Capital Improvements	\$ 1,010,210

The proposed budget was ADOPTED at referendum on May 8, 2019, by a vote of:

130-YES 69-NO

The Board of Finance approved a mill rate of 32.2 mills to provide funding for the 2019-2020 fiscal year.

The unassigned fund balance as of June 30, 2019, was \$3,344,660.

Respectfully submitted,

Skip Dickson, Chairman



Zemko Pond - Submitted by Lisa Jablonski

TAX COLLECTOR REPORT

In July, 7670 bills were sent to taxpayers. This total was comprised of 1935 Real Estate bills, 4884 Motor Vehicle bills and 84 Personal Property tax bills. Additionally, 871 Supplemental Motor Vehicle bills were mailed to taxpayers in January.

The bills for real estate and personal property are split into two installments; the first is due July 1 and the second due January 1 of each year; bills under \$100 are due in one installment on July 1. Tax bills are mailed out once per year in June and have two installment stubs, July and January. We do not re-bill for the January installment.

Motor Vehicle taxes are paid in one installment. Regular motor vehicle bills are mailed in June due July 1. Supplemental motor vehicle bills (for vehicles registered from Oct 2 to July 31) are mailed in December and due January 1.

From July 1, 2018 to June 30, 2019, this office collected and turned over to the town treasurer \$12,173,729.59. A breakdown of this figure includes \$12,077,746.82 in taxes and \$94,398.77 in interest and lien fees.

In June, 28 new Real Estate Tax liens were placed on properties in the Town of Salem. Liens are required, by Connecticut General Statutes, to be placed on Real Estate accounts that have not been paid by June 30th. These liens are placed to secure the interest of the Town in case the property is sold. There have been 33 liens released, leaving 16 current liens.

Joshua Rehrig, MBA, PMP
Tax Collector

Cindy Noe C.C.M.C.
Assistant Tax Collector



Horse Pond

REGISTRARS OF VOTER REPORT

July 1, 2018 – June 30, 2019

Active List	<u>Party</u>	<u>Number of Voters</u>
	Democratic	812
	Republican	692
	Unaffiliated	1187
	Other	33
	Total on Active List	2724

Inactive List	<u>Party</u>	<u>Number of Voters</u>
	Democratic	51
	Republican	51
	Unaffiliated	107
	Other	4
	Total on Inactive List	213

If you have changed your address, or if you are moving out of town, and you have not notified us, we need to know as soon as possible. Please complete a new registration form and either deliver it to Town Hall or mail it to the Registrar's office. Forms are available at the Registrar's office, the Town Clerk's office, and online at the CT Secretary of the State's website, www.ct.gov/sots, under "Elections & Voting." We must receive a signed statement from a voter in order to remove such person from the active registry list.

The Registrars of Voters are always looking for people willing to work at the polls during elections. Training is provided for all positions, as well as a stipend for the time worked. We also need people who are willing to become certified moderators. If you are interested in assisting us, please contact us at the Town Hall at 860-859-3873, ext. 230. The office is open weekly on Tuesday mornings from 9:30 until 11:30.

Georgia M. Pech

Betsy B. Butts

Planning and Zoning Commission

The Salem Planning and Zoning Commission held 11 public meetings during the 2018-2019 fiscal year. The Commission approved a site plan for Dollar General, a retail store at 4 Centre Street, in January of 2019. The store is now open. The Commission also had several guest speakers to talk about various issues: Patricia Young of the Eightmile River Wild & Scenic Coordinating Committee to discuss the Eightmile River; Town Attorney Steven Byrne to provide training to the Commission; and Assistant Director Amanda Kennedy of the Southeastern Connecticut Council of Governments with Susy Hurlbert and Robert Fusari of the Southeastern Connecticut Housing Alliance to present about housing needs in the region.

The Commission actively reviewed numerous sections of the Zoning Regulations. The Commission reviewed the Riparian Corridor Overlay Zone regulations to determine the effectiveness of the section and to discuss ways to improve the clarity of the regulation. The Commission also reviewed a number of other sections, regarding topics such as non-conforming uses and site plan requirements, to bring the Regulations into conformance with the Plan of Conservation and Development and State Statutes. A public hearing for these amendments was set for September of 2019 (and the proposals were approved at that time). The Commission also proposed the inclusion of tables of zoning requirements for easier access by the public.

Renewal permits for four quarry operations with excavation totals of less than 5,000 cubic yards per year were granted by the Commission. Additionally, and in coordination with the Uncas Health District, certifications for four campgrounds operating in Salem were also approved.

The Planning and Zoning Commission fiscal year budget for 2018-2019 was \$14,500. The approved budgeted versus actual expenses for the year were as follows: Legal Services \$10,000/\$8,910; ZEO Mileage \$1,000/\$854; Other Expenses (Seminars, Training, Membership Dues, etc.) \$1,500/\$1,587; and Engineering \$2,000/\$2,078. The Commission came in under budget for the fiscal year by \$1,071. Income for the year consisted of \$1,312 in compliance fees and \$1,847 in Commission application fees.

The following individuals were members of the Commission during 2018-2019: Joseph Duncan, Chair (through January 2019); Ruth Savalle, Chair (commencing January 2019); Vernon Smith, Vice-Chair; John Gadbois, Secretary; Margaret Caron, David Miller, Terri Salas (appointed to full member in May of 2019 to take the vacancy left by Joseph Duncan upon his resignation), and Eric Wenzel. Alternate members were: Ray Gionet, Diba Khan-Bureau, LaVan Norwood (appointed June 2019) and Terri Salas. The Board of Selectmen Liaison was David Kennedy. Commission staff members were Justin LaFountain, Town Planner; Matt Allen (commencing January 2019), and Liz Burdick (through January 2019); Zoning Enforcement Officers; and Agnes Miyuki, Recording Secretary.

The Commission would like to honor David Miller, who sadly passed away on December 23, 2019 while serving his term on the Planning and Zoning Commission. David had been a devoted commissioner since his initial election to the Commission in 2017. Thank you for your service to the Town of Salem, David. We will miss you. May God's peace be with David's family and friends.

Respectfully submitted,

Vernon Smith, Chair

SALEM RECREATION COMMISSION REPORT

The Salem Recreation Commission is dedicated to providing and enhancing the recreational opportunities and facilities of our town. Salem's parks, recreational fields, and trails are some of the most beautiful and professionally maintained recreation sites in South Eastern Connecticut. During 2019 the commission has worked diligently to enhance and expand recreational offerings to the town as well as facilities and trails.

This past year we were pleased to have Mary Durkee and Mary Jane Blezard appointed to the commission. The spirit and enthusiasm of our newcomers as well as veteran members has helped the commission to align and achieve new objectives, develop future goals, and establish annual activities for all to enjoy. We also had a change in roles as Teri Natoli resigned as Chair and Alan Maziarz was voted in as her replacement. We are super grateful for all of Teri's guidance and leadership as commissioner and we are even more grateful to have her stay onboard the commission.

The 2019 Holiday activities allowed our close-knit community to get together and celebrate. As has been in past years, Trick or Trunk was another huge success thanks largely to Deb Cadwell, Witch Meadow Campground and the Salem Volunteer Fire Company. Deb offered her facility for the third year in a row and provided games and refreshments to over 200 children and their families. We had many great costumes and it was great to see young and old dressed for the occasion. We are indebted to Deb's generosity and commitment to the children and families of Salem. Although we had some wet weather, that did not stop the annual tree lighting. We celebrated our new tree this year which was made even brighter by the biodegradable ornaments the children made as well as the cookies provided by the Salem Girl Scouts. Our Salem School Middle School Junior National Honor Society members and student volunteers served hot cocoa and cookies to the group. And to top it off we had our annual visit from Santa chaperoned by the Salem Volunteer Fire Company. The Bicentennial Committee used the tree lighting ceremony to say a few words and to close out Salem's 200th birthday celebration.

We continued our partnership with the Red House Cultural Arts Center in creating "Find Your Footprint" during "Walktober". This event has been a huge success and twenty-five more ceramic medallions were made by Kim Ford, stamped with footprints and 2019 were placed on 5 trails for adventurous hikers to find. The Town of Salem webpage has a link for hikers to share photos of their discoveries. Go check out this and past year's photos!

We continue to be thankful to those who volunteer their time coaching, supporting, and enhancing recreation in Salem. All sports activities enjoyed by our children could not exist without the dedication and hard work of our volunteers. Thank you to all who help Salem recreation programs grow and thrive!

The capital improvements to the Forsyth Volunteer Park has been reenergized and new information will be shared in 2020. These include new plans for the pavilion and the elimination of the septic and well portions of the project. We also have submitted plans to bring disc golf to Salem which will provide a new form of recreation to our community and can be shared by all.

The commission is forever grateful to the Public Works department for all of the hard work and many hours they put forth in mowing, maintaining and preparing our fields and courts for all to enjoy.

Lastly, the commission sends our deepest gratitude to Agnes Myuki for all of her dedication, attention to detail, and support of our mission. Thank you, Agnes!

Recreation Commission Members: Mary Jane Blezard, Mary Durkee, Bob Appleby, Jessica Fletcher, Crispin Fresco-Hawes, Teri Natoli, and Art Bergman

Respectfully submitted,
Alan Maziarz, Chair

INLAND WETLANDS AND CONSERVATION COMMISSION REPORT

During this fiscal year we had nine regular meetings. The April meeting was canceled due to a lack of a quorum. This fiscal year, much of the board's time was taken up by two violations on Gardner Lake.

One required a reclamation plan which was not fully in place by the end of the fiscal year and the second required a storm water management plan which was permitted and implemented.

During this time Matt Allen was hired as the Wetlands Enforcement Agent. Matt has been a great help in dealing with the above wetland violations as well as the day-to-day activities of the commission.

Ed Natoli Jr. (Chairman)
Diba Khan-Bureau (Vice Chairman)
Roger Phillips (Secretary)
Gale Balavender
Linda Wildrick
Kimberly Bradley
Jim Mulholland
Hank Horn (Alternate)
Lou Allen Jr. (Alternate)
Larry Moore (Alternate)

Respectively submitted,

Ed Natoli Chairman



Horse Pond -Submitted by Lisa Jablonski

ECONOMIC DEVELOPMENT COMMISSION REPORT

During the Fiscal Year 2018/2019, members of the Salem Economic Development Commission (EDC) worked diligently to assist and support existing Salem businesses while recruiting, encouraging and welcoming prospective new businesses partners to “Our Town Salem”.

EDC Commissioners are appointed by the Board of Selectman. We volunteer our time and expertise to serve as Salem business goodwill ambassadors and advocates. Special thanks go to Agnes Miyuki, our cheerful Town Hall liaison.

During this period, EDC Commissioners and First Selectman Kevin Lyden collaborated with many stakeholders to sustain a ripe environment for business growth and opportunity. We also championed Salem appropriate Senior Citizen friendly housing proposals to help our oldest residents in retirement.

Town wide hospitality and a sense of safety are key ingredients of good economic development and growth. Salem residents are friendly, welcoming and hospitable. We look out for each other; we support our local businesses and we partner with our town hall staff, our Police and our Volunteer Fire Fighters. Our elected officials are happy to serve the public. The Salem Town hall is customer service friendly. Staff are dedicated, cheerful and welcoming.

Commissioners worked with First Selectman Lyden, with State Senator Paul Formica and with Representative Holly Cheeseman to advocate for statewide business-friendly legislation, recognizing that small to medium sized businesses in towns like Salem are the backbone of our economy.

Commissioners also partnered with members of the Board of Selectmen, Board of Finance, Planning and Zoning, and town hall staff. Town Clerk Linda Flugrad reported that 13 new Business Trade name Certificates were filed during this period. Assessor Michael Kapinos Jr., reported positive personal property grand list growth by using various methods of discovery and business owner correspondence. Building official Vernon Vesey reported that his department assisted homeowners and new businesses like the new Dollar General Store, to issue building permits, while reviewing and inspecting for code compliance and safety. Zoning Enforcement Officer Matt Allen, Town Planner Justin LaFountain, Finance Specialist Lisa Jablonski, Town Treasurer Pam Henry, Assistant Tax Collector Cindy Noe and all town hall staff played an important role in welcoming and assisting the public with inquiries regarding potential business opportunities and sustainability.

During this period, the EDC proudly produced two publications.

The “**Salem Connecticut 2019-2020 Business and Services Directory**” was distributed to all Salem residents and lists more than 100 Salem businesses! It was primarily funded by paid advertisement. Many business owners have reported that the directory has helped promote their business by bringing in new customers. Many residents have marveled at the size and diversity of the Salem Business community and are happy to support Salem businesses.

The second publication was the “**Surprising Salem Connecticut**” tourism pamphlet that was requested by the Connecticut office of Tourism. This publication highlights our tourist attractions and can be found at Connecticut rest areas and at many of our local businesses.

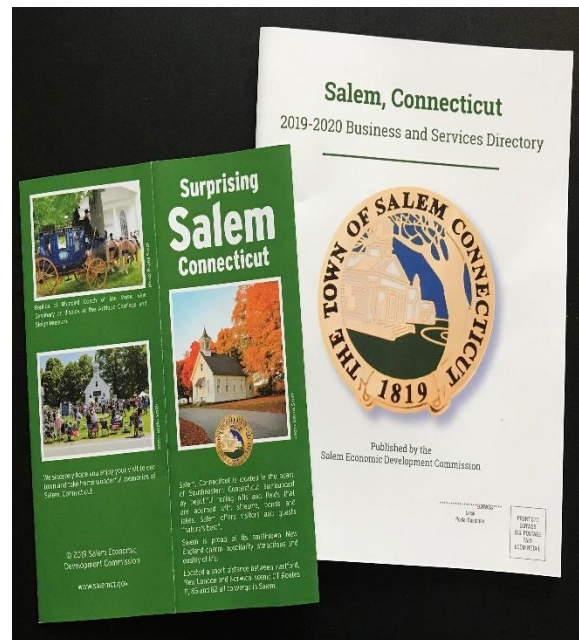
Salem is a great place to live, to work and to retire in.

The best is yet to come!

Respectfully submitted on behalf of my fellow Commissioners,

Ed Chmielewski

Chairman, Salem Economic Development Commission



Salem Economic Development Commission

First Selectman Kevin T. Lyden – Ex-Officio

Selectman Ed Chmielewski – Chairman

Selectwoman Terri Salas – Treasurer

Tax Collector Joshua Rehrig – Secretary

Paul Robillard – Publications Manager

Assessor Report

Real Estate	Personal Property	Motor Vehicle	Total Net 2018 GL
\$324,247,570	\$15,027,531	\$35,106,704	\$374,381,805

In addition to compiling a Grand List each year the following programs are administered by the Assessor's office:

- Totally Disabled / Elderly Homeowner's Program (means tested) applications biennially.
Filing Period - February 1st to May 15th
- Local Option Homeowners applications (means tested) applications annually
Filing Period - February 1st to May 15th
- Additional Veterans Exemption (means tested) – Filing Period - February 1st to October 1st

The following exemptions are administered by the Assessor's office:

- Blind Persons- Certificate of Blindness from the State of Connecticut plus a completed application filed with the Assessor's office by October 1st.
- Totally Disabled Exemptions (not means tested) completed application with proof of eligibility. Application due October 1st.
- Veterans must file his/her honorable discharge (DD214) with the Town Clerk by September 30th.
- Veterans with service related disabilities – File a copy of award letter from the Veteran's Administration with the Assessor's office. Form must be filed only once unless rating changes.
- Federal Soldier's and Sailor's Civil Relief Act – Active Duty Non-Resident Serviceman stationed in Connecticut. Form filed with the Assessor's office. No Statute of Limitations as to when filed.
- Active Duty CT Resident Serviceman – One CT registered motor vehicle – property tax exemption. Application to be filed with Assessor's office not later than the thirty-first day of December next following the date the property tax is due.
- Solar Energy Systems Applications due by November 1st.
- Tax exemption on Motor Vehicle for Handicapped due by November 1st.
- Farm and Forest Land (PA490) completed applications – Filing Period – September 1st to October 31st
Contact the Assessor's office for more information.

All persons conducting business or having taxable personal property as defined by CT State Statutes in the Town of Salem must file with the Assessor's Office a complete and accurate declaration of all tangible personal property as of October 1st. Personal Property Declarations due November 1st to avoid a 25% penalty for "failure to file".

Respectfully Submitted,

Michael Kapinos Jr. CCMA II
Town Assessor

BUILDING DEPARTMENT REPORT

Residential:	2017-2018		2018-2019	
	Value	Units	Value	Units
Foundation			\$0.00	0
New Homes	\$3,284,478.00	8	\$2,130,709.00	7
Duplexes	\$0.00	0	\$0.00	0
Additions	\$80,322.00	2	\$357,957.00	9
Alterations	\$604,167.00	54	\$567,957.00	69
Trades	\$594,878.92	183	\$908,026.78	181
Garages	\$315,074.00	7	\$159,705.01	5
Pools	\$158,289.00	11	\$40,989.00	3
Sheds/Barns	\$167,818.00	8	\$98,849.00	10
Decks/Porches	\$97,822.00	8	\$86,816.00	7
Membrane	\$0.00	0	\$0.00	0

Commercial:

Foundation	\$46,000.00	1	\$25,500.00	1
New Commercial Building	\$9,500.00	1	\$614,000.00	2
Additions	\$39,500.00	5	\$4,300.00	2
Alterations	\$80,161.00	19	\$162,200.00	2
Trades	\$6,900.00	1	\$209,054.00	15
Extension	\$0.00	0	\$0.00	0

Demolitions	\$0.00	0	\$125,700.00	1
Tents	\$5,484,909.92	308	\$15,595.00	3

Total Permits Issued:		308		317
Total Construction Value:		\$5,484,909.92		\$5,507,357.79
Total Permit Fees Collected:		\$73,143.75		\$69,665.27

Vernon C. Vesey II, *Building Official*

Agnes T. Miyuki, *Administrative Assistant*

SALEM FREE PUBLIC LIBRARY ANNUAL REPORT

Mission Statement:

“The Salem Free Public Library improves the quality of life for the public by providing resources that build a sense of community and contribute to individual knowledge, enlightenment, and enjoyment.”

It was a busy year at the library with 32,301 visits by the public. Through funding from the Friends of the Salem Free Public Library (FOSL), the library sponsored 117 programs for all ages, for a total attendance of 1,447 participants. The Summer Reading theme of “Libraries Rock” was a huge hit with 128 children registered and 1387 books read! Some of the programs held over the summer included: “Rock’n Nature” presented by the Denison Pequotsepos Nature Center, “Nature Rocks” by Animal Embassy, “African Drumming” by Felicia Hurley, “The Science of Sound” by Caryn Lin, and many more! Other exciting programs throughout the year for children, teens, and adults included: story time, author visits, drop-in crafts, flower arranging, an Irish Step Dancing demonstration, photography workshops, flower painting, Alice and the Mad Hatter tea party, a stuffed animal workshop, programs about Queen Victoria and America’s First Ladies, as well as musical concerts featuring: Irish music by: North Sea Gas, the West African Kora Harp by: Sean Gaskell, folk music by: Hungrytown, bluegrass music by: The Eight Mile River Band, plus much more. In addition, the library also promoted a Winter Reading initiative, “Take Your Child to the Library Day”, and participated in the CT Author Trail, featuring Author Patrick J. Lynch and his book, *A Field Guide to Long Island Sound: Coastal Habitats, Plant Life, Fish, Seabirds, Marine Mammals, and Other Wildlife*.

The library is generously supported year-round by The Friends of the Salem Free Public Library. Volunteers spend countless hours sorting materials and staffing the Annual Friends of the Salem Free Public Library Fall Book Sale, holding an Annual Spring Plant and Children’s Book Sale, as well as providing very generous monetary donations which totaled \$14,800 for use by the library this past year. The money raised by the FOSL is used to support the library’s collections, programming, story hour, museum passes, and Summer & Winter Reading initiatives. Many thanks are also due to the following donors:

Salem Library Knitters	Urbanik Fund
Clamshell Quilters	Semmelrock Foundation
Propbusters	Salem Valley Farms Ice Cream
Sharon Sanders	Donations in Memory of Judy Rabe

In an on-going effort to promote literacy among our youngest patrons, the library teamed with Scholastic Literacy Partnerships to purchase new books to distribute for free in our “Ready to Read” bags to families with children ages 5 and under. This initiative was made possible by funding from the Friends of Salem Library.

As always, our collections were a huge draw for patrons. The library owns 26,125 print materials and 7,370 non-print items, which include DVDs, CDs, and Books-on-CD. In total, the library circulated 32,400 physical items and 2,057 electronic items, which include eBooks and other downloadable materials. Although the Salem Free Public Library’s collection of materials is large, it is not exhaustive. Through cooperative agreements with other Connecticut libraries, our patrons borrowed 2,158 items from other libraries, and the SFPL loaned 3,333 items to other libraries for their patrons’ needs. In addition, all of the Salem Free Public Library’s 2,081 active library card holders were eligible to take advantage of the millions of articles in the state-sponsored researchIT CT databases. All of the library’s electronic resources can be accessed through our public Internet computers which were used 2,787 times during the year.

Respectfully submitted,
Vicky M. Coffin, Library Director

Salem Free Public Library Board of Trustees

Susan Butler, Chairperson

Robin Jensen, Secretary

Wendy Ortega, Treasurer

Carole Eckart

Nanette Trusler

Mary Cikat

Friends of Salem Free Public Library Executive Board

Carl Nawrocki, President

Heidi Preston, Vice President

Martha Giegel, Secretary

Bartolo Drennen, Treasurer



Submitted by Vicky Coffin

Salem Senior Citizens Group Report

During the Fiscal Year 2018/2019, members of the Salem Seniors Group held well-attended meetings on the second Tuesday of every month at 10:30am. Most meetings were held at the Salem Volunteer Fire Department, 424 Hartford Road (RT 85). As in past years, the seniors met once at the Salem School, once at the Salem Library and once at the Witch Meadow Campground. Meetings were not held in the winter months of January and February.

Our meetings included town wide updates from First Selectman Kevin Lyden, Senior specified updates from our Municipal Agent for the Aging Pamela Henry, police related safety updates from Connecticut State Police Resident Troopers Chris Pariseau and Luke LaRue, fire and home safety updates from Salem Volunteer Fire Department Chief Gene Mariano and Firefighter Ryan Teixeira. Other guest speakers presented valuable and timely information. At most meetings, a nurse from the VNA took blood pressure readings and the Salem Health Mart offered flu shots in the fall. Meetings always included a delicious member's lunch from Two Brothers Pizza. The Seniors Group collaborated with the Recreation Department and offered many other recreational activities, safety programs and social events that were requested by our members.

During this period, Seniors met for an informal lunch and get-together at Two Brothers Pizza, on the first and third Tuesday of each month at 11:00 am. They also met at the Salem Library each Tuesday from 12:00 to 4:00 pm. for friendship, fun, games and more. Thank you to the staff at Two Brothers Pizza and the Salem Library.

Salem Agent for the Aging Pam Henry is our official "Guardian Angel". With a smile on her face and a spring in her step, she orchestrated the programs and services our members need, want and request. Pam was always willing to assist our senior citizens when life threw that curve ball. Thank you, Pam, for your tireless efforts, for your kindness and for your compassion. You are truly valued, well respected and much appreciated!

Special thanks go out to our First Selectman Kevin Lyden for his unwavering support for our senior citizens. Kevin worked hard with our elected officials to keep our taxes down and level, while maintaining services. Still, some of our senior citizens who have lived in town for many years expressed challenges and hardships, some indicating that what was once manageable while raising a family has become challenging with a limited, fixed income. With this in mind, First Selectman Lyden, the Economic Development Commission, the Planning and Zoning Commission and others advocated for Salem appropriate, senior citizen friendly housing opportunities. This is a work in progress.

Thanks goes to Deb Cadwell and her staff at the Witch Meadow Campground for hosting our summer picnic and to Fire Chief Gene Maiorano and the Salem Volunteer Fire Department for their generosity in donating and preparing the picnic food and for hosting our monthly meetings.

Thank you, Salem Superintendent Joe Onofrio and Principal Joan Phillips, for your support in welcoming seniors at Salem school for indoor walking every Monday, Wednesday and Friday from 7:00 am to 8:00 am when school was in session and Saturday from 8 am to 10 am when it is not a holiday weekend. (A valid ID card and office sign-in is required). In addition, the Salem Seniors met once at Salem School where our towns oldest residents were entertained by our youngest students. Salem pre-school children led by music teacher Chris Hebert and the Salem School pre-school teaching staff performed a well-practiced and choreographed musical show. Seniors were then treated to a tasty, homemade, well balanced lunch prepared by Salem Schools very own in-house Chef!

Together, our members and officers have created and maintained an organization that is strong, successful and sustainable. Thank you all for your friendship and for your service leadership!

Consider joining the Salem Seniors Group where you will enjoy good friendship, good support, good fun, good food and thanks to the "joke of the day" by Vice President Jean Ann Scaduto, good laughs!

Salem Seniors in need of assistance should feel free to contact Salem Agent for the Aging Pam Henry at Town Hall (860) 859-3873 (extension 125) or email; pam.henry@salemct.gov

Respectfully submitted on behalf of our members,

Ed Chmielewski
President, Salem Senior Citizens Group

Salem Seniors Officers

Ed Chmielewski - President
Jean Ann Scaduto - Vice President
Michelle Horan - Treasurer
Jeanette Girard - Secretary
Nancy Dytko - Outgoing President
Gary Soler - Outgoing Treasurer
Irene Jarvis - Outgoing Secretary

Salem Volunteer Fire Company, Inc.

The Salem Volunteer Fire Company, Inc. currently operates firefighting equipment and medical rescue, these include a 1985 Chevy 4X4 brush truck, 2012 Ford F-350 4-wheel drive service truck, 2008 Ferrara 77' Heavy Duty Aerial, 2019 Pierce attack pumper, 1999 Freightliner Tanker, 2001 Ford F350 4X4 R-1 Vehicle (Medical Truck), 2019 Ford F350 4x4 used as a personnel and traffic sign carrier for Fire Police, and a 2010 6x6 Polaris Ranger for off road emergencies which was purchased thru fundraisers and donations.

The Fire Company continues to support local organizations such as the Salem Youth Baseball League, Salem Soccer League, Lions Club, Salem Rec, Salem PTO and the Senior Citizens. We also have supported the Connecticut Burns Care Foundation over the years.

Volunteering in a town the size of Salem helps to offset the Town budget by not having to have a paid staff on duty 24 hours 7 days a week. We are in need of members for all aspects of the fire service, such as firefighters, emergency medical technicians, and fire police, who are willing to keep up-to-date with the OSHA training requirements. Senior members must be at least 18 years old. We also have a junior membership starting at age 13.

Our Company meetings on the first Thursday of each month with trainings and other functions being held on the following Thursdays of each month. Anyone interested in joining or for more information, please stop into the Station or phone the Station at 860-859-0942.

On August 15th 2020, the Fire Company will be holding its annual Chicken and Rib Barbecue starting at 5pm. This will be our eight year holding the barbecue, and every year it has grown. The Barbecue seems to have become the "social event" of the year as many Towns people come, enjoy their meals, and stay to visit with each other. The company hopes to see all of our townspeople at the station this year for the event. Advance ticket sales are needed, and you can get the information through our web site. <http://www.salemfireco.com> or by calling the station at 860-859-0942.

Chief	Eugene R. Maiorano
Deputy Chief	Chip Weston
Assistant Chief	Ronnie Przech
Fire Captain	Rob Oloski
Safety Officer	James Rybak
Rescue Captain	Deb Cadwell
Fire Police Captain	Kevin Walton
Secretary	Lisa Martin
Treasurer	Marcella C. Maiorano
Appropriated Treasurer	Eugene Maiorano
Lieutenants	K. Burke, Jeff Martin, Tyler Martin, Emily Weston and Al Wlodarczyk

Respectfully Submitted:
Eugene R. Maiorano, Chief
Salem Volunteer Fire Co, Inc.

GARDNER LAKE VOLUNTEER FIRE COMPANY INC.

Serving Our Town of Salem since 1956

We will continue to support with the use of our community hall, organizations such as: Salem Recreation Commission, Girl Scouts, Brownies, Boy Scouts, Cub Scouts and Venture Crew, Salem Land Trust, Salem Senior Citizens, State of Connecticut Department of Administrative Services (DAS) Building Officials & Fire Marshals, Volunteer Workforce Solutions (VWS) and Connecticut State Police and ARC of New London County

Our Community hall is open free of charge to any town resident for the purpose of a funeral reception. Please call the company President at 860-859-1743 between 9:00 am and 5:00 pm weekdays for scheduling. The Community Hall is used very often. We will do our very best to accommodate everyone in their time of need.

We will continue to offer classes for Cardio Pulmonary Resuscitation (CPR) and Automated External Defibrillator (AED) for the Heart Saver Program covering the Public, Town Boards and Commissions, Town Hall, Library and Public Works Employees and other organizations in town with a recovery cost of materials for the class. To date, we have 25 defibrillators throughout our town. To date, we currently have 956 certified students and Taxpayers in CPR & AED. We are proud to note that we have provided each of our Resident Troopers with Defibrillators.

The Officers and Members wish to thank the taxpayers for the privilege in serving the Town of Salem since 1956.

Chief	James Savalle **	FF / EMT	President	Cheryl Philopena **	EMT
Deputy Chief	Joseph Danao, II	FF /EMT	Treasurer	Christine Lindo **	PAST EMT
Assistant Chief	Jeffrey Savalle **	FF / EMR			
			Secretary	Ruth Savalle	SUPPORT
Fire Captain	Steve Philopena **	FF	Board Member	Herb Zickwolf	FF
EMS Captain	Stephanie Philopena	EMT-P-RT	Board Member	Stephanie Philopena	EMT-P-RT
			Board Member	Stephen Philopena**	FF
			Chief	James Savalle **	FF/ EMT
Lieutenant	William Tinnel **	EMT			

DENOTES LIFE MEMBER 20 YEARS + SERVICE **

Respectfully,

Chief, James B. Savalle

SALEM HISTORICAL SOCIETY

Founded in 1969, the Salem Historical Society maintains memorabilia, farm tools, artifacts, books, documents, pictures, and furniture associated with Salem's history. Programs are presented each year.

Officers:

President	Elbert Burr	Newsletter	Pamela Munro
Vice President	Ed Chmielewski	Buildings & Grounds	Robert Neddo
Curator	Elaine Marvin Sloan	Membership	Pamela Munro
Treasurer	Don Urbanik	Museum Director	William Schultz
Secretary	Pamela Munro		

Vision: Bring history alive through revival, restoration, preservation, and education.

Mission: The mission of the Salem Historical Society is to bring the history of Salem, Connecticut, alive by educating the community through programs featuring exhibitions, superbly restored and preserved, and to encourage and enlighten researchers and revivalists to explore Salem's many treasures.

The 2019 season opened with the Annual Strawberry Festival as part of the Salem Memorial Day celebration. Programs included Jim Littlefield author and speaker on local history and antebellum slavery, David Wordell on the 1969 Salem Sesquicentennial and Salem's 1975 reenactment of the Battle of Lexington. The Society showed the PBS video on Machu Pichu discovered by Salem's Hiram Bingham III. August saw daytime archaeological digs for students in grades 5 through 8. The excavation covered Revolutionary period homes, people, and their artifacts. Dr. Nicholas Bellantoni, Connecticut's Emeritus State Archaeologist, spoke on "The Lost Bulkeley Tomb of Colchester".

The Society supported the Salem Bicentennial preparations and sold hundreds of Salem Bicentennial Coins. A raffle was held at Applefest pulling coin numbers; several valuable prizes were awarded.

The Salem Historical Society Museum saw continued improvements and added educational exhibits with accompanying signage. Preservation is ongoing. The Society opens the Salem Town House periodically after Memorial Day until the season closes at the end of October. Salem residents and others are encouraged to support the Historical Society through membership and donations.

The Society meets with staff at Salem School and encourages coordination of Salem history, memorabilia, artifacts and member expertise, as well as with local community groups. The Salem Historical Society is featured in newspaper articles, family genealogy sites and maintains the Society website (in progress) and Facebook page below.

[www.SalemHistorical SocietyCT.org](http://www.SalemHistoricalSocietyCT.org)



Facebook: Salem Historical Society

Pamela R. Munro
Secretary

2019 Gardner Lake Authority Annual Report

Mission Statement: The Gardner Lake Authority (GLA) is established with the Towns of Bozrah, Montville and Salem to govern the body of water known as Gardner Lake. The Authority shall act as agent for the Towns, cooperating with the State Boating Commission, in the enforcement of boating laws on Gardner Lake. The Authority shall also control and abate algae and aquatic weeds through the CT Department of Environmental Protection's (DEEP) managed drawdowns, and study and make recommendations concerning water management.

GLA hired a consulting service to continue the lake sampling and assess aquatic plant life. In October, limnologist Dr. Robert Kortmann, owner of Ecosystem Consulting Service, Inc. (ECS), presented this year's results of the lake's chemistry and aquatic plant study, with comparisons to prior year studies conducted by ECS.

Due to higher precipitation levels over the fall and winter seasons, the water level remained much higher than normal during the drawdown period. Early spring brought an onset of filamentous green algae in the northern end of the lake, which mostly dissipated over the summer months. Fanwort and fragmented variable-leaf milfoil were still present this year, along with small colonies of phragmites. Native pondweed appeared at the northwestern end of the lake early in the season.

GLA's Volunteer Cooperative Client Monitoring Program continues to conduct its own water sampling in collaboration with ECS. Samples are analyzed at the University of Connecticut lab and data is provided to ECS to be combined and assessed along with the study that they perform. Monthly sampling in the deep hole at the northern side of the island produced data showing dissolved oxygen and turbidity (clarity) levels were good, indicating that the water between the surface and six meters was well mixed.

This year DEEP's Dam Safety staffing was restructured. GLA fielded many concerns about the 2018-2019 dam gate opening and worked diligently with DEEP personnel to express the importance of Gardner Lake's dam management. The annual drawdown manages the invasive weed populations, controls stormwater flooding downstream of the lake, reduces shoreline erosion and supports shoreline repair. Although the gate was opened somewhat later, higher than normal precipitation amounts impacted winter water levels.

This year DEEP provided the water patrol. Due to budgeting, the water patrol started on the 4th of July, which saw its share of difficulties that day. GLA wishes to thank DEEP's EnCon officers, DEEP's water patrol, the CT State Police and the Salem resident troopers for managing the excessive crowds at the beach and the influx of out-of-town jet skiers; and also the eight towing companies that were called in to handle the illegal parking. Their efforts set the tone for a more managed remainder of the season. Montville Police Dept. returned their patrol boat to the lake and is hoping to re-establish a crew of water patrol officers.

The difficulties experienced on the 4th of July resulted in the re-establishment of the *Friends of Gardner Lake*, a locally led group of citizens concerned about the well-being of Gardner Lake.

GLA supported this year's Boater Safety Course by distributing announcements of the course offered by the Gardner Lake Volunteer Fire Company. There were 49 course registration signups.

This year we remember long-time GLA member Jim McArdle who passed away in August after a brief battle with pancreatic cancer. Rest in peace Jim.

The Gardner Lake Authority meets the second Thursday of the month from March through November (no meetings are scheduled for December, January and February). The location is on a rotating basis beginning at the Bozrah Senior Center/Maples Farm in March, Montville's Town Hall/Public Safety Building in April, Salem Town Hall in May, then the cycle rotates twice more.

The public is invited to attend the 7:00 p.m. meetings.

Respectfully submitted,
The Gardner Lake Authority

Bozrah: Henry Granger, Chair; Scott Soderberg, Treasurer
Montville: Bill Wrobel, Kate Johnson, Secretary; Mike Magliano
Salem: Bob Neddo, Chris Rios, Suzanne Bennett, Vice Chair

SALEM GREEN CEMETERY ASSOCIATION

The Salem Green Cemetery Association (SGCA) is responsible for managing this 5.2 acre parcel owned by the Town of Salem. The SGCA coordinates all activities related to cemetery plot sales, issuance of deeds, opening/closing of graves, placement of grave markers, and funding major capital projects relating to improvement of the cemetery grounds. Mowing, trimming and plowing of the active portions of the cemetery are under the supervision of the Town of Salem. Our goal is to provide a uniform and neatly ordered area, which dignifies this as a resting place for Salem residents and others with close family ties to Salem residents.

A task was accomplished by the town workers in that the fence consisting of granite posts and chains has been installed to delineate the Cemetery from the Church property. There is a plan to finish off the posts and chains on the rest of the cemetery property that is behind the Center School and the Historical Society. This gives a definitive boundary for the properties and is a nice addition to the grounds. The “memory” garden and main sign planter bed continues to be beautifully maintained by Linda Turner.

Description:	Section I	Section IV	Total
Total Full-sized 4' x 10' plots in section	329	286	615
Full-sized plots deeded (to be deeded) during reporting period	0	15	15
Full-sized plots available for purchase as of 6/30/2018	0	160	160
Full-sized plots on reserve* as of 6/30/2018	5	NA	5
Total Cremains 3' x 3' plots in section	27	NA	27
Cremains plots deeded during reporting period	0	NA	0
Cremains plots available for purchase as of 6/30/2018	23	NA	23
Total Infant 2' x 5' plots in section	12	NA	12
Infant plots deeded during reporting period	0	NA	0
Infant plots available	11	NA	11
Burials (Interments, Inurnments)	8	0	8

*Reserve plots (for the poor and destitute of Salem)

Account summary for period beginning July 1, 2018 and ending June 30, 2019.

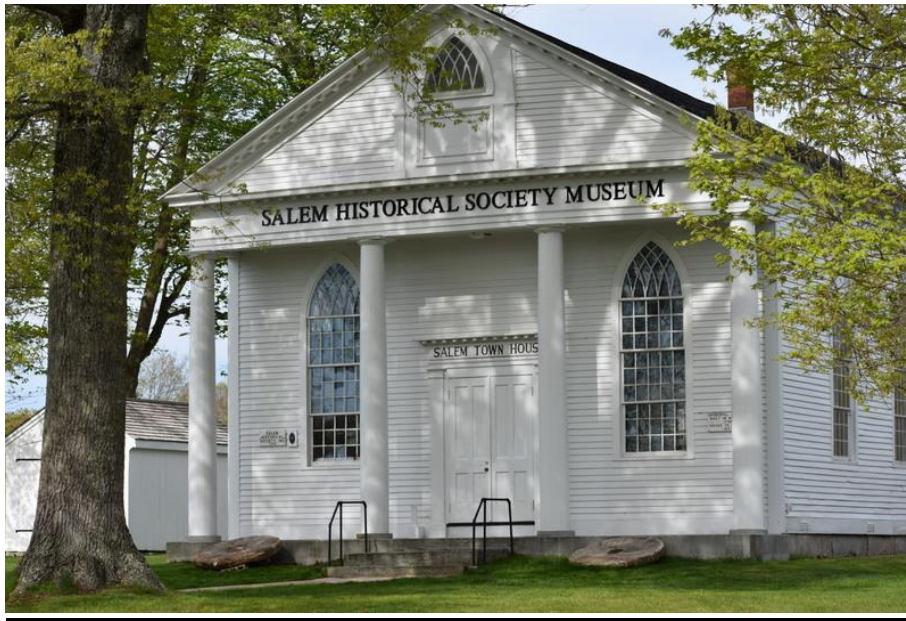
Account Description	July 1, 2017 balance	June 30, 2018 balance	Net gain
Regular Savings	17,832.84	25862.14	8029.30
Perpetual Care Savings	4,348.48	8713.15	4364.67
Regular Checking	3,869.44	973.24	(2,896.20)
Perpetual Care Checking	764.59	764.59	0.00
Total – All Accounts	26,815.35	36,313.12	9,497.77

Breakdown of Revenues/Expenses:

Beginning Balance:	17,832.84	*Expense Details:	
Revenue from Plot Sales:	11,650.00	Tulsa Chain	1070.49
Interest earned:	6.52	Plantasia (Gardens):	1,145.00
Less Expenses*:	<u>- 2,343.20</u>	Cathy Benedict (Director)	100.06
		Monica McIntyre	<u>27.65</u>
Ending Balance:	\$27,146.16	Total Expenses:	\$2,343.20

Long Term CD's:

In addition to the active checking/savings accounts, the Salem Green Cemetery Association maintains three (3) Long Term CD's at the Liberty Bank, each valued at 5,277.02 (as of Dec. 30, 2019).



Submitted by Elbert Burr

APPENDIX 1

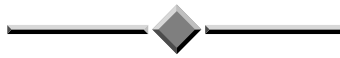
REPORT OF THE BOARD OF EDUCATION AND SUPERINTENDENT OF SCHOOLS

**SALEM SCHOOL DISTRICT
SALEM, CONNECTICUT**



**REPORT OF THE SUPERINTENDENT OF SCHOOLS
and Board of Education**

2018 – 2019



“Salem inspires learning, creativity, critical thinking, personal integrity, and citizenship.”

**SALEM SCHOOL DISTRICT
SALEM CONNECTICUT**

REPORT OF THE SUPERINTENDENT OF SCHOOLS FOR 2018-2019

AND

The Board of Education: Sean Reith, Chairperson; Michael Siebert, Vice-Chairperson (through 3/19); Pamela Munro, Secretary; Ryan Little, Treasurer; George Jackson; Jennifer D’Aiuto; Tiffany Cunningham; Sue Spang; Tamara Morocco (4/19)

The Statutes of the State of Connecticut, particularly Section 10-157 and Section 10-224 of the laws relating to education, prescribe that the Superintendent of Schools shall report annually on the condition of the District’s schools to both the local and state Boards of Education. The following data and comments are considered pertinent to the annual report as required.

I. Salem School Staff

1. Administrative Personnel

<u>Title</u>	<u>Staff</u>
Superintendent (0.45 FTE)	Joseph Onofrio II
Director of Student Services (0.45 FTE)	Donna Gittleman
School Principal	Joan Phillips
Assistant Principal	Kim Fentress

2. Related Arts/Special Education Personnel

<u>Class</u>	<u>Teacher</u>
Art	Susan Miller
IT Specialist (0.60 FTE)	Sharon Osga-Dugger
Technology Literacy	Sue Bennett
Guidance Counselor	Marissa Kach
Health/PE	Barbara Bashelor
Library/Media Specialist (0.60 FTE)	Sarah Kateley
Music	Christopher Hebert
Music/Band	James Gerrard
Physical Education	Christopher Pugliese
Math Interventionist	Christina Holth
ELA Interventionist	Michelle Seward
School Psychologist	Sun Meunier
Special Education	Jennifer Werb
Special Education	Cheryl Carroll
Special Education	Sarah Alessio
Special Education	Melissa Quinn
Special Education	Scott Gordon
Special Education	Kelly Ferman
Speech and Language Pathologist	Catherine Conover
World Language – French (0.45 FTE)	Barbara Senges
World Language – Spanish	Lisbeth Gonzalez

3. Teachers - Certified

Class	Teacher
Pre-School	Mary Roth
Kindergarten	Carla Oscarson
Kindergarten	Emily Ochse
Grade One	Dale Mainville
Grade One	Sara St. Pierre
Grade Two	Judy Butterworth
Grade Two	Gretchen Leming
Grade Two	Maria Tomon
Grade Three	Nicole Hecklinger
Grade Three	Barbara Leyden
Grade Four	Heather Meisenzahl
Grade Four	Jill MacLachlan
Grade Five	Daniel Pagnataro
Grade Five	Michael Kane
Grade Six	Mary Barone
Grade Six	Robert Swan
Grade Seven/Eight - Math	Kim Carlone
Grade Seven/Eight - Science	Laura Runkle
Grade Seven/Eight - Social Studies	Brian Fleming
Grade Seven/Eight - Language Arts	Ryan Gray

4. Office and School Health Personnel

Position	Staff
Business Manager	Kim Gadaree
Executive Assistant to the Superintendent	Jennifer Kayser
School Secretary	Laurie Barberi
10-mo School Secretary (PT)	Melissa Paquet
Administrative Assistant to the Dir. Of Student Services	Patricia Wenrich
Library/Media Aide	Sue Wyand
School Nurse	Maggie Clouet
Network/IT Technician	Contracted Services
10-month School Greeter / Receptionist	Lee Wood

5. Non-Certified Support Personnel

Position	Staff
Tutor	Kelly Douglass
Tutor (PT)	Tara Ward
Tutor	Mary Sturgeon
Tutor	Ellen Javor
Tutor	Darra Ryan (11/5/18) / Dan Wilson
Tutor	Cathy Freiert
Tutor	Colleen Meese
Instructional Aide	Marissa Browning
Instructional Aide	Genevieve Little
Instructional Aide	Sally Buller
Instructional Aide	Katelyn Bojarski
Instructional Aide	Dan Wilson (12/9/18) / Stacia Wright
Instructional Aide	Kim Bosse
Instructional Aide	Cinnamon Gorman
Instructional Aide (PT)	Kathy Noel
Instructional Aide	Micheline Gugliotti
Instructional Aide	Tanya Kapiotis
Instructional Aide	Ruth Savalle

6. Lunch Aides

Position	Staff
Lunch Aide	Lisa Przybyl
Lunch Aide	Linda Rogers
Lunch Aide	Sue Evanson (10/28/18) / Alyssa Howard

7. Custodial Staff

Position	Staff
Head Custodian	Van Miller
Custodian	Richard Blackburn (1/1/19) / Gregg Shailor
Custodian	Tina Perry (6/7/19)
Custodian	Ken Bragdon
Custodian	Brenda Lariviere (3/14/19)
Custodian	Sebastian Tuccitto
Director of Facilities (0.40 FTE)	Donald Bourdeau

B. GRADUATES - JUNE 2019**1. Salem School: - Grade 8:**

Hunter Armstead	Sydney Arustei	Rosemary Barba
Keylen Bartok	Zackery Bednarz	Abigail Belleville
Hannah Bergeron	Theodore Bergman	Graison Blais
Anna Brown	Natalie Brush	Colin Bunkley
John Bureau	Nicholas Carlson	Cameron Cunningham
Emily D'Aiuto	Tenley Douglass	Hannah DuBrava
Kevin Filewich	Clark Flickinger	Jameson Foster
Giana Franco	Caroline Gilliam	Benjamin Glover
Oeyton Gorman	Patrick Gorman	Kenya Greene
Mary Haburay	Simone Hancock	Trayton Harris
Ethan Hatcher-Pecoraro	Jacob Hatt	Patricia Huang
Lacy Januszewski	Kayleigh Jensen	Jason Jiao
Jack Kelly	Cameron Laymon	Ethan Len
Anna Limburg	Jonathan Limburg	Rachel Limburg
Merric Lisnik	Xander Lopez	Maria Lundgren
Aiden Martin	Ava Mauri	Jack Mauri
Jacksen McCane	Arleen McKiernan	Natalie Murray
Isabel Pazzaglia	Cameron Pearl	Lauren Pflugbeil
Noah Poulin	Tolby Regan	Aiden Rodgers
Katie Teixeira	Dominic Tucchio	Mykhaila Whitcomb
Tucker Zeeman		

East Lyme High School:

Ian Aldrich	Marlene Anderson	Hannah Anthony
Sophie Arustei	Jesse Bogart	Mason Brimmer
Michaela Bureau	Layla Charbonnier	Katie Durkee
Kyle Erikson	Kevin Fifeld	Dalton Franco
Andrew Giegel	Reamark Harris	Jordan Howe
Nahisha Jackson	J'Naya Kelly	Caroline Knopf
Matthew Kung	Shantinique Lee-Claiborne	Nicole Marsh
Hanna McLaughlin	Brody Monarca	Alexander Moore
Eric Moore	Rebekah Ortega	Meghan O'Shaughnessy

Saiyoen Pathman	Rebecca Pierce	Aleisha Price
Maya Rivera	Owen Rodgers	Dylan Rowan
Derren Ryley	Caitlyn Sievers	Alexander Smith
Tristan Smith	Miana Spinnato	Connie Tang
Jalen Thompson	Anna Ung	Emma Vlaun
Robert Vurno	Ruby Walker	Ryan Warren
Michael Wei	Samuel Whittaker	Spencer Winakor

II. FISCAL DATA

A. Budget Management

1. The Business Manager in collaboration with the Superintendent and the Board of Education developed and monitored the 2018-19 Operating Budget. The budget expenditures and receipts are recorded in a modified accrual system of accounting licensed by Tyler Technologies. Cost analysis and sound fiscal practices have been consistently applied and participation in cooperative purchasing programs with other towns and agencies remain in place in order to contain costs.
2. The Executive Assistant to the Superintendent managed the Student Activity Account and prepared a year-end report for the Board of Education. She also applied for the school hot lunch program funds and maintained the accounts.
3. The Board of Education continued to review and revise its 10-year Capital Improvement Plan with all efforts to reduce the effects of over burdening the town's debt service.

B. Current Receipts

Support for education received into the town's general fund for the fiscal year 2018-2019 included the following state and federal funding:

<u>Funding</u>	<u>Amount</u>
Educational Equalization	\$2,727,638
Transportation	0
Public School Building Grant	0
Adult Education	\$4,757
School-wide Entitlement (ESEA/REAP)	\$192,154
Services for the blind	0
Excess Cost (Special Education)	\$169,795
Special Education Grants (IDEA, etc.)	\$86,765
Tuition from another district	\$63,409
ARRA Stabilization	0
High Quality Schools and Common Core	0
Frontier PEG Grant	0
Total Education Receipts	\$3,244,518

B. Current Expenditures

Board of Education expenditures for 2018-2019, as reported on the State Department of Education ED-001, were \$10,376,941 and distributed as follows:

<u>Expenditures</u>	<u>Amount</u>
Debt Service East Lyme	0
Salaries	\$4,378,504
Benefits	\$784,465
Purchased Services	\$1,743,263
Tuition	\$3,285,769
Supplies/Property	\$175,297
Adult Education	\$9,643
Total Expenditures	\$10,376,941

Broken down in another manner, expenditures, less non-reimbursed costs, were made as follows:

	<u>Amount</u>
Elementary School	\$6,393,518
High School	\$2,207,010
Special Education	\$1,776,413
Total	\$10,376,941

	<u>Amount</u>
Central Administration	\$784,929
East Lyme H.S. (9-12)	\$3,074,318
Out Placements (PK-12)	\$712,809
Salem School (PK-8)	\$5,804,885
Total	\$10,376,941

An additional appropriation of \$100,000.00 was received; of the increased total appropriation received \$47,354.00 was returned to the Town

SHARED SERVICES WITH THE TOWN OF SALEM

Over the last year there has been a lot of discussion about shared services in Salem. The goal of shared services is to save taxpayer funds by working more efficiently. Below is a listing of shared service opportunities that the District has participated in recent years.

Liability, Property & Workers' Compensation Insurance

The Board and Town of Salem have shared policies for liability, property and workers' compensation. This has been in effect for over ten years. The policies are with CIRMA. Allocation of expenses is determined by the Town. Each entity receives a separate bill for its portion.

Auditing Services

The Board and Town share a contract for auditing services. Our current auditor is O'Connor Davies. The bidding and award of the contract is done by the Town. Expenses are allocated between the district and town based on time spent. Each entity receives a separate bill for its portion.

Building Maintenance

In addition to taking care of the District's buildings, the Board's custodians are also responsible for cleaning the town offices and library. The Board also supplies the cleaning supplies needed to clean Town Hall and the Library. The Board does not allocate any charges to the Town for this service.

Grounds Maintenance

Maintenance of school property is shared between the Board and Town. The Town currently plows the school parking lots and sands them when necessary. Board employees are responsible for clearing the school sidewalks. Board employees also clear snow from the sidewalks in front of the school. There is currently no charge from the town to the Board's budget. However, these charges are reported as in-kind services on the District's ED001.

The District uses the Town parking lot for staff parking. The parking lot is Town property. Even though it is Town property, the District pays the electric bill for the lights from the Board budget. Eversource bills these charges separately and they are paid for by the Board.

Weekend Maintainers

Salem School is used for many public activities. These include sports activities provided by the Parks & Recreation Commission during the winter months. The District requires that there be staff on site during these functions to open and close the building and attend to any issues that may occur while the building is in use. The Board hires employees to be here on both Saturday and Sunday from November through mid-April for this purpose. These expenses are charged to the Board's budget. There is no allocation of expenses made to the Parks & Recreation Commission or Town budgets.

Medical Insurance

In 2014-15 the Board voted to allow the Town employees to become part of our insurance group under Anthem BCBS. This allowed the Town to reduce their medical insurance premiums.

Co-Operative Purchasing, Consortiums & RESCs

The District purchases heating oil and diesel fuel through a consortium of school districts throughout Connecticut. The consortium allows small districts to purchase fuel at a savings, because of the combined purchasing power of all members. We can choose to purchase fuel as needed or we can lock into a specific price and purchase a set number of gallons. The Town also participates in this consortium. However, the decision is an individual one. The school communicates to the Town when we lock in a purchase, but that does not obligate the Town to do the same.

The District purchases copier paper through another consortium run by CREC (a RESC). The vendors used by the consortium members are picked via bid requests received from CREC annually. We purchase directly from the vendors, but pricing is based on the expected volumes from the consortium bid awards. The Town may also purchase through this consortium.

There is also a consortium of school districts that purchase electricity. Salem school is part of the consortium. Again, this allows us to lock into an electric rate for a set period of time. Since the pricing is based on a number of districts within the state purchasing as a unit, we are able to get more favorable pricing than would be possible if we were on our own.

All Districts are required to offer adult education opportunities. Salem partners with Norwich Adult Education Co-operative to offer these services. This is more economical than if we were to offer the service on our own in Salem.

The District also purchases supplies from vendors under state contracts or from vendors offering educational pricing.

Finance Services

The District's finances are the responsibility of the Business Manager and the Town Treasurer. Banking/cash flow is the responsibility of the Town Treasurer. The Business Manager works with the Treasurer to make sure that there are sufficient funds to cover payroll and payables. The bank reconciliation for the account is also completed by the Treasurer. The Town does not currently charge the District for this function. However, these charges are reported as in-kind services on the District's ED001.

PROGRAMS AND SUPPORT ACTIVITIES

The Board of Education approved the following Goals for the 2018-19 school year.

- 1.) To increase understanding of ways Salem School accomplishes our Mission Statement.
- 2.) To collaborate with stakeholders to develop a strategic plan for Salem School District (PreK-21).

The District and School established initiatives, related to these goals. The progress made toward attaining these initiatives was monitored and reviewed throughout the year.

Board of Education Standing Subcommittees

Policy – Pamela Munro (Chair): This subcommittee meets to develop policy upon the recommendation of the Board, to review existing policy and to eliminate, revise and/or develop new policies, as necessary. The subcommittee also, for adopted policies, invites the Superintendent to apprise the subcommittee of the procedures developed by the Superintendent and the administrative team to implement the Board’s policy.

Long-Range Educational Planning – George Jackson (Chair): This subcommittee meets to develop and monitor the implementation of effective long-range planning for the school district's instructional programs, facilities, technology services, and educational support functions. It shall be an advocate for and play a leadership role in long-range planning initiatives and shall promote a long-term commitment to keeping all school district stakeholders involved and informed about the Board’s vision for the Salem School District. The subcommittee worked on the capital and technology plan, administrative structure, strategic planning, school efficiency study results/score card, and shared services. This subcommittee worked in conjunction with the Community Relations Ad-Hoc Subcommittee on the school efficiency study items and met with numerous community groups to obtain feedback about the school study prior to making any recommendations to the Board of Education.

Personnel/Contract Negotiation –Samuel Rindell (Chair): This subcommittee meets to study recommended compensation issues for administrators, professional staff and non-certified personnel. The subcommittee usually meets once a month or on an “as needed” basis during labor and/or personnel contract negotiations. The subcommittee conducts or assists with administrative position searches. The subcommittee also reviews proposed/revised job descriptions, Superintendent evaluation/sets timeline, employee grievances, and other human resources topics/issues and related legal issues.

APPENDIX II

ANNUAL FINANCIAL REPORT OF THE TOWN OF SALEM

Annual Financial Report
of the
Town of Salem, Connecticut
For the Year Ended June 30, 2019

Town of Salem, Connecticut
Annual Financial Report
For the Year Ended June 30, 2019

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Town of Salem, Connecticut
Annual Financial Report
For the Year Ended June 30, 2019

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Financial Section

Independent Auditors' Report

**Board of Finance
Town of Salem, Connecticut**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Salem, Connecticut ("Town"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Board of Finance
Town of Salem, Connecticut**

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Salem, Connecticut as of June 30, 2019, 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.

Other Matters

Required Supplementary Information

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

Supplementary and Other 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 supplemental schedules and trend information section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated in all material respects in relation to the basic financial statements as a whole

The trend information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Board of Finance
Town of Salem, Connecticut**

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2020, 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 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
January 30, 2020



Town of Salem

Town Hall 270 Hartford Road Salem, CT 06420-3809

Tel. (860) 859-3873 Fax (860) 859-1184 www.salemct.gov

Management's Discussion and Analysis For the Year Ended June 30, 2019

As management of the Town of Salem, 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, 2019.

Financial Highlights

- The Town's total net position totals \$24,695,562. Of this amount, \$6,478,381 is available (unrestricted) to finance ongoing programs.
- On a government-wide basis, the Town's total net position increased by \$938,359 for the fiscal year. The main reasons for the increase were as follows:
 - Positive operations in the General Fund of \$682,466.
 - The differences in the basis of accounting between the modified accrual basis used for the governmental funds as compared to the accrual basis used for the government wide financial statements (Exhibit E). The two most significant accounts impacted by the difference basis of accounting are capital assets and long-term liabilities. Capital outlay was in excess of depreciation expense by \$675,549 and net activity of debt activity of \$(177,201) and other long-term liabilities of \$(63,659).
- The unassigned fund balance in the General Fund was \$3,344,660 22.30% of total General Fund budgetary expenditures and transfers out.

Overview of the Basic Financial Statements

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

Government-Wide Financial Statements

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

The statement of net position presents information on all of the Town's assets, deferred outflows of resources, 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 safety, public works, sanitation, and education.

The government-wide financial statements can be found on Exhibits A and B of this report.

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 two categories: governmental funds and fiduciary funds.

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

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

For governmental funds, the Town presents 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 and Capital Nonrecurring Fund, which are considered to be major funds. The basic governmental fund financial statements can be found on Exhibits C, D and E.

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 Town's fiduciary funds include custodial funds.

The basic fiduciary fund financial statements can be found on Exhibits F and G.

Notes to financial statements

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

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension and retiree medical benefits to employees. This and other required supplementary information can be found immediately following the notes to financial statements.

The Town adopts an annual budget for its general fund. A budgetary comparison statement has been provided to demonstrate compliance with the budget (RSI-1A).

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 \$24,695,562 at the close of the most recent fiscal year.

By far the largest portion of the Town's net position (72.02%) reflects its investment in capital assets (e.g., land, construction in progress, buildings and improvements, machinery and equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position totaled \$431,318 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position totals \$6,478,381.

**Summary Statement of Net Position
June 30**

	2019	2018
Current and other assets	\$ 8,245,463	\$ 7,388,758
Capital assets (net)	22,023,950	21,352,401
Total assets	30,269,413	28,741,159
Deferred outflows of resources	-	55,468
Other liabilities outstanding	1,350,515	537,078
Long-term liabilities outstanding	4,223,336	4,487,119
Total liabilities	5,573,851	5,024,197
Deferred inflows of resources	-	15,227
Net position:		
Net investment in capital assets	17,785,863	17,351,515
Restricted	431,318	429,160
Unrestricted	6,478,381	5,976,528
Total net position	\$ 24,695,562	\$ 23,757,203

The unrestricted net position decreased by \$501,853 to a total of \$6,478,381. This portion of the net position is what may be used to meet the Town's ongoing obligations to citizens and creditors without constraints established by debt covenants, enabling legislation, or other legal requirements.

The Town's total net position increased by \$938,359. The main reasons for the increase are as follows:

- Positive operations in the General Fund of \$682,466.
- The differences in the basis of accounting between the modified accrual basis used for the governmental funds as compared to the accrual basis used for the government wide financial statements (Exhibit E). The two most significant accounts impacted by the difference basis of accounting are capital assets and long-term liabilities. Capital outlay was in excess of depreciation expense by \$675,549 and net activity of debt activity of \$(177,201) and other long-term liabilities of \$(63,659).

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

	2019	2018
Revenues:		
Program revenues:		
Charges for services	\$ 399,897	\$ 392,590
Operating grants and contributions	4,309,362	4,234,978
Capital grants and contributions	213,210	195,225
General revenues:		
Property taxes	12,043,437	12,004,609
Grants and contributions not restricted to specific programs	47,993	22,918
Income from investments	94,573	67,735
Other	-	2,211
Total revenues	17,108,472	16,920,266
Expenses:		
General government	1,688,500	1,576,276
Public safety	982,760	1,019,343
Public works	951,310	916,077
Sanitation	166,434	171,454
Education	12,179,068	12,081,286
Interest	202,041	213,327
Total expenses	16,170,113	15,977,763
Change in net position	938,359	942,503
Net position - July 1	23,757,203	22,814,700
Net position - June 30	\$ 24,695,562	\$ 23,757,203

Significant changes are as follows:

- General government expenses increased \$112,224 primarily due to an approximate \$40,000 increase in salaries and benefits.
- Education expenditures increased \$97,782 due to an approximate \$225,000 increase in education grants and related expenses offset by a \$135,000 decrease in budgetary expenditures.

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$7,329,342, an increase of \$615,817 in comparison with the prior year. \$3,344,174 of this total amount constitutes unassigned fund balance.

The remainder of fund balance is nonspendable, restricted, committed or assigned to indicate that it is not available for new spending due to the following:

1. Nonspendable for endowments/perpetual care and prepaids	\$ 715,522
2. Restricted due to grant restrictions or legal requirements	429,321
3. Committed for capital projects and other specific purposes	1,304,518
4. Assigned for specific purposes	1,535,807

General Fund. The General Fund is the operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,344,660, while total fund balance was \$5,093,456. 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 22.30% of total General Fund budgetary expenditures and transfers out, while total fund balance represents 33.96% of that same amount.

During the current fiscal year, the fund balance of the Town's General Fund increased by \$682,466. The increase was substantially attributable to revenues coming in higher than budgeted expectations by \$115,586 and expenditures coming in lower than budgeted expectations by \$121,745. These variances are discussed further in the next section. In the 2019 budget, the Town planned to add \$469,880 to fund balance.

Capital Projects Fund. This fund accounts for financial resources to be used for various capital projects. The primary source of funding is an annual appropriation from the general fund and issuance of debt. The capital project fund's expenditures exceeded its revenues, debt issuance and transfers in by \$(64,450) as a result of timing of funding and capital purchases.

General Fund Budgetary Highlights

Significant budget transfers and additional appropriations were as follows:

- Decrease of \$30,388 from employee benefits was primarily due to reduction of full-time employees.
- Increase of \$34,845 to security to cover a greater amount for State Trooper retirement than was originally projected by the State of Connecticut.
- Increase of \$30,365 to Salem fire department for major repair of fire apparatus. This includes an additional appropriation from assigned fund balance of \$17,000 for repairs and maintenance of the fire engine.
- Additional appropriation from fund balance of \$100,000 to education for anticipated additional costs for repairs and maintenance and tuition.

Significant budget variances were as follows:

- Income from investments is \$29,198 higher than budget due to higher interest rates than expected.
- General government - salaries expenditures are \$16,195 under budget due to an unfilled position for part of the year.
- Public safety – Salem fire department expenditures are \$17,021 under budget due to repairs and maintenance for vehicles not needed after additional appropriation.
- Education expenditures are \$47,354 under budget due to repairs and maintenance and tuition expenses being lower than previously anticipated after additional appropriation.

Capital Assets and Debt Administration

Capital assets

The Town's investment in capital assets amounts to \$22,023,950 (net of accumulated depreciation). This investment in capital assets is as follows:

Capital Assets, Net		
June 30		
	2019	2018
Land	\$ 1,840,216	\$ 1,840,216
Construction in progress	56,964	270,090
Land improvements	1,381,952	1,245,995
Buildings and systems	13,234,522	13,496,342
Machinery and equipment	1,060,709	1,108,299
Infrastructure	2,425,194	2,139,493
Vehicles	2,024,393	1,251,966
Total	\$ 22,023,950	\$ 21,352,401

The capital assets (net of depreciation) increased in the current year by \$671,549. The increase is due to capital additions exceeding depreciation expense. In the current year, the Town had capital asset additions totaling \$1,662,445. Major capital asset additions consisted of the following:

- Land improvements of \$218,641, including \$199,377 from construction in progress for the recreation multi-purpose path.
- Purchase of vehicles of \$893,678, including a plow truck and engine tanker.
- Infrastructure increased due to road projects of \$448,759

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

Long-term debt

All debt is backed by the full faith and credit of the Town. During the year, the Town's long-term debt increased by \$177,202. The increase is the net result of principal payments of \$378,362 and new fire truck notes payable of \$555,563. At the end of the fiscal year, the Town had total long-term debt outstanding as follows:

Long-Term Debt		
June 30		
	2019	2018
General obligation bonds	\$ 3,575,000	\$ 3,900,000
Notes and loans	603,088	100,886
Total	\$ 4,178,088	\$ 4,000,886

The Town maintains an "Aa3" credit rating from Moody's for general obligation debt.

State Statutes limit the amount of general obligation debt a governmental entity may issue to 7 times the prior year total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is \$83,918,597, 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

As of June 2019, the unemployment rate for the Town was at 3.3%, which is lower than the State's average unemployment rate of 3.9% and national average of 3.7%.

Inflationary trends in the region compare favorably to national indices.

The level of State funding continues to be of concern as it has been reduced in the past two fiscal years.

All of these factors were considered in preparing the Town's budget for the 2020 fiscal year.

CONTACTING THE GOVERNMENT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Finance or First Selectman at Town of Salem, 270 Hartford Road, Salem CT 06420.

Basic Financial Statements

Town of Salem, Connecticut

Statement of Net Position
Governmental Activities
June 30, 2019

Assets

Current assets:	
Cash	\$ 2,336,197
Investments	4,731,907
Receivables:	
Property taxes	74,673
Accounts	24,678
Intergovernmental	6,762
Loans	298,554
Prepaid and other	713,525
Total current assets	<u>8,186,296</u>
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Cash	16,863
Investments	5,591
Permanently restricted:	
Investments	1,997
Total restricted assets	<u>24,451</u>
Receivables (net):	
Property taxes	<u>34,716</u>
Capital assets (net of accumulated depreciation):	
Land	1,840,216
Construction in progress	56,964
Land improvements	1,381,952
Buildings and systems	13,234,522
Machinery and equipment	1,060,709
Infrastructure	2,425,194
Vehicles	2,024,393
Total capital assets (net of accumulated depreciation)	<u>22,023,950</u>
Total noncurrent assets	<u>22,083,117</u>
Total assets	<u>30,269,413</u>

(Continued)

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

Town of Salem, Connecticut

Statement of Net Position
Governmental Activities
June 30, 2019

Liabilities

Liabilities:

Current liabilities:

Accounts payable	\$ 684,111
Accrued payroll	46,362
Accrued interest payable	56,652
Performance bonds	16,203
Unearned revenues	7,781
Notes payable (short term)	60,000
Bonds and notes payable	457,013
Compensated absences	3,724
Post closure landfill costs	2,500
Other liabilities	16,169
	<hr/>
Total current liabilities	1,350,515
	<hr/>

Noncurrent liabilities:

Bonds and notes payable	3,721,074
Compensated absences	33,514
Post closure landfill costs	12,500
OPEB liability	456,248
	<hr/>
Total noncurrent liabilities	4,223,336
	<hr/>
Total liabilities	5,573,851
	<hr/>

Net Position

Net investment in capital assets	17,785,863
Restricted for:	
Endowment/Perpetual care:	
Nonexpendable	1,997
Expendable	6,251
General government	41,541
Residential rehabilitation program	307,648
Town clerk documents	42,191
Education	31,690
Unrestricted	6,478,381
	<hr/>
Total net position	\$ 24,695,562
	<hr/>

(Concluded)

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

Town of Salem, Connecticut

Statement of Activities
 Governmental Activities
 For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net Expenses and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General government	\$ 1,688,500	\$ 206,155	\$ 169,869	\$ -	\$ (1,312,476)
Public safety	982,760	4,881	-	-	(977,879)
Public works	951,310	2,116	-	213,210	(735,984)
Sanitation	166,434	53,746	-	-	(112,688)
Education	12,179,068	132,999	4,139,493	-	(7,906,576)
Interest	202,041	-	-	-	(202,041)
Total	\$ 16,170,113	\$ 399,897	\$ 4,309,362	\$ 213,210	(11,247,644)
General revenues:					
Property taxes					12,043,437
Grants and contributions not restricted to specific programs					47,993
Income from investments					94,573
Total general revenues					<u>12,186,003</u>
Change in net position					938,359
Net position - July 1, 2018					<u>23,757,203</u>
Net position - June 30, 2019					<u>\$ 24,695,562</u>

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

Town of Salem, Connecticut

Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Capital Non-Recurring Fund	Education Grants Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash	\$ 1,575,556	\$ -	\$ 381,565	\$ 379,736	\$ 2,336,857
Restricted cash	16,203	-	-	-	16,203
Investments	4,695,777	2,314	-	41,404	4,739,495
Receivables (net)					
Property taxes	109,389	-	-	-	109,389
Accounts	24,628	-	-	50	24,678
Intergovernmental	-	-	1,225	5,537	6,762
Loans	-	-	-	298,554	298,554
Due from other funds	377,290	1,463,251	1,323	259,235	2,101,099
Prepays	713,525	-	-	-	713,525
Total assets	<u>\$ 7,512,368</u>	<u>\$ 1,465,565</u>	<u>\$ 384,113</u>	<u>\$ 984,516</u>	<u>\$ 10,346,562</u>
<u>Liabilities</u>					
Accounts payable	\$ 681,948	\$ -	\$ 219	\$ 1,944	\$ 684,111
Accrued payroll	46,362	-	-	-	46,362
Due to other funds	1,572,044	117,453	377,290	34,312	2,101,099
Unearned revenue	691	-	7,090	-	7,781
Performance bonds	16,203	-	-	-	16,203
Notes payable	-	60,000	-	-	60,000
Other liabilities	16,169	-	-	-	16,169
Total liabilities	<u>2,333,417</u>	<u>177,453</u>	<u>384,599</u>	<u>36,256</u>	<u>2,931,725</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue - property taxes	85,495	-	-	-	85,495
<u>Fund Balances</u>					
Nonspendable	713,525	-	-	1,997	715,522
Restricted	42,191	-	-	387,130	429,321
Committed	-	821,781	-	482,737	1,304,518
Assigned	993,080	466,331	-	76,396	1,535,807
Unassigned	3,344,660	-	(486)	-	3,344,174
Total fund balances	<u>5,093,456</u>	<u>1,288,112</u>	<u>(486)</u>	<u>948,260</u>	<u>7,329,342</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,512,368</u>	<u>\$ 1,465,565</u>	<u>\$ 384,113</u>	<u>\$ 984,516</u>	<u>\$ 10,346,562</u>

(Continued)

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

Town of Salem, Connecticut

Reconciliation of Fund Balance
to Net Position of Governmental Activities
June 30, 2019

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

Total fund balance (Exhibit C, Page 1)	\$ 7,329,342
--	--------------

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

Beginning capital assets	21,352,401
Current year additions (net of construction in progress)	1,444,068
Depreciation expense	(768,519)
Disposal of assets	(4,000)

Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds:

Property tax receivable - accrual basis change	85,495
--	--------

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	(4,178,087)
Compensated absences	(37,238)
Post closure landfill costs	(15,000)
OPEB liability	(456,248)
Accrued interest payable	(56,652)

Net position (Exhibit A)	<u>\$ 24,695,562</u>
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(Concluded)

Town of Salem, Connecticut

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019**

	General Fund	Capital Non- Recurring Fund	Education Grants Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 12,071,358	\$ -	\$ -	\$ -	\$ 12,071,358
Intergovernmental	4,143,826	-	442,713	60,003	4,646,542
Charges for services	209,198	-	77,409	59,331	345,938
Contributions	-	-	249	4,000	4,249
Income from investments	94,198	32	-	343	94,573
Other	53,959	-	-	-	53,959
Total revenues	16,572,539	32	520,371	123,677	17,216,619
Expenditures:					
Current:					
General government	1,573,372	-	-	23,908	1,597,280
Public safety	839,372	-	-	-	839,372
Public works	650,531	-	-	-	650,531
Sanitation	149,191	-	-	-	149,191
Education	11,248,866	-	521,418	100,921	11,871,205
Debt service	532,767	48,971	-	-	581,738
Capital outlay	-	1,467,048	-	-	1,467,048
Total expenditures	14,994,099	1,516,019	521,418	124,829	17,156,365
Excess (deficiency) of revenues over expenditures	1,578,440	(1,515,987)	(1,047)	(1,152)	60,254
Other financing sources (uses):					
Issuance of debt	-	555,563	-	-	555,563
Transfers in	-	895,974	-	2,793	898,767
Transfers out	(895,974)	-	-	(2,793)	(898,767)
Net other financing sources (uses)	(895,974)	1,451,537	-	-	555,563
Net change in fund balances	682,466	(64,450)	(1,047)	(1,152)	615,817
Fund balances - July 1, 2018	4,410,990	1,352,562	561	949,412	6,713,525
Fund balances - June 30, 2019	\$ 5,093,456	\$ 1,288,112	\$ (486)	\$ 948,260	\$ 7,329,342

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

Town of Salem, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to Statement of Activities
For the Year Ended June 30, 2019

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

Net change in fund balances - total governmental funds (Exhibit D) \$ 615,817

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	1,444,068
Depreciation expense	<u>(768,519)</u>

Total 675,549

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

Loss on disposal of assets	<u>(4,000)</u>
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Change in property tax - accrual basis change	(27,921)
Change in long term receivable	<u>(80,226)</u>

Total (108,147)

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

Debt issued or incurred:	
Issuance of notes payable	(555,563)

Principal repayments:	
General obligation bonds and notes	<u>378,362</u>

Total (177,201)

(Continued)

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

Town of Salem, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to Statement of Activities
For the Year Ended June 30, 2019

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:	
Post closure landfill costs	\$ 2,500
Compensated absences	4,554
OPEB expense	(29,307)
Accrued interest payable	(1,165)
Amortization of deferred outflow related to OPEB	(55,468)
Amortization of deferred inflow related to OPEB	<u>15,227</u>
Total	<u>(63,659)</u>
Change in net position (Exhibit B)	<u>\$ 938,359</u>
	(Concluded)

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

Town of Salem, Connecticut

Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2019

		<u>Custodial Funds</u>
		<u>Student Activity</u>
	<u>Assets</u>	
Cash		<u>\$ 20,392</u>
	<u>Net Position</u>	
Restricted for individuals and organizations		<u>\$ 20,392</u>

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

Town of Salem, Connecticut
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2019

	Custodial Funds
	Student Activity
Additions:	
Activity fees	\$ 63,133
Deductions:	
Activities	64,335
Change in net position	(1,202)
Net position - July 1, 2018	21,594
Net position - June 30, 2019	\$ 20,392

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

Town of Salem, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019**History and organization**

The Town of Salem, Connecticut (“Town”) is a municipal corporation governed by a town charter. The charter establishes the Town Meeting as the legislative body. A Town Meeting is required to make appropriations, levy taxes and borrow money. The executive branch is led by an elected five-member board of selectmen. The selectmen oversee most of the activities not assigned specifically to another body. An elected board of education manages the public school system. The elected board of finance is the budget making authority and supervises the Town financial matters.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government; (2) organizations for which the primary government is financially accountable; and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The Town does not report any component units.

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 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 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 Salem, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019**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 tax revenues to be available if they are collected within 60 days of the end of 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 and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds.

Property taxes, expenditure reimbursement type grants, certain intergovernmental revenues, 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. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

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

The *Capital Nonrecurring Fund* is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

The *Education Grants Fund* accounts for and reports financial resources for educational purposes funded by various federal and state grants as well as preschool revenues and expenses. These funds are required by State Statute to be accounted for separately from the General Funds.

Additionally, the Town reports the following fund types:

Special Revenue Funds are used to account for and report the proceeds of specific revenue resources that are restricted, committed or assigned to expenditures for specified purposes other than debt.

Capital Project Funds are used to account for and report resources and expenditures that are restricted, committed or assigned for the acquisition and construction of capital facilities.

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

Custodial Funds account for monies held on behalf of student groups.

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.

Town of Salem, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019**B. Measurement focus, basis of accounting and financial statement presentation (continued)**

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. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 OPEB, 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 OPEB plan, 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.

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% can be invested in equity securities. Income from investment is recorded in the fund in which it was earned.

State Treasurers 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.

c. Method 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.

Town of Salem, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****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; and
- Level 3:* Unobservable inputs.

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 does not have a formal policy with respect to custodial credit 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 fund financial and government-wide financial statements, all trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 23% to 29% of outstanding receivable balances and are calculated based upon prior collections.

Town of Salem, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019

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

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

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, on July 1, and supplemental motor vehicle taxes are due in full January 1. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date.

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

3. Prepaid items

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

4. Restricted assets

The restricted assets for the Town are restricted for performance bonds and endowments. Performance bonds are restricted until the monies are returned to the vendor after satisfactory completion of the contract or the Town calls the bond for nonperformance. The trust agreement restricts the expenditure of the investment income only for the designated purpose.

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than the capitalization threshold for that asset type 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.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	<u>Capitalization Threshold</u>
Land	N/A	\$ All
Land improvements	10 - 40	20,000
Building and improvements	15 - 100	20,000
Machinery and equipment	10 - 50	5,000
Infrastructure	20 - 50	100,000
Vehicles	10 - 25	5,000

Town of Salem, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****6. Deferred outflows/inflows of resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The Town reports 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 and net difference between projected and actual earnings on plan investments. The deferred outflow or inflow related to differences between expected and actual experience and changes in assumptions 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.

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 property taxes. These amounts are recognized as an inflow of resources in the period that the amounts become available.

7. 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. A liability for these amounts has been recorded in the government-wide financial statements.

8. Long-term obligations

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

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

Town of Salem, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****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 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 restricted.

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.

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 Finance.

Town of Salem, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**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 approval of a resolution by the Board of Finance or by a properly approved purchase order (encumbrance).

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

11. Reclassifications

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

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.

Town of Salem, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019

B. Donor-restricted endowments

The Town has received certain endowments for scholarships and maintenance of the cemetery. The amounts are reflected in net position as restricted for endowments. Investment income is approved for disbursement by the Board of Education or the applicable Trustee and is included in restricted fund balance.

The Town allocates investment income of donor-restricted endowments in accordance with donor restrictions and Connecticut law, which has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). Under UPMIFA, investment income earned on donor-restricted endowment funds is considered to be unrestricted in the absence of explicit donor restrictions. Further, in the absence of explicit donor restrictions regarding investment appreciation, such appreciation is treated the same as the related investment income. Investment losses that reduce the value of endowment investments below the original principal amount serve to reduce restricted net position or unrestricted net position, depending upon the applicable donor's stipulations regarding the treatment of investment income and appreciation.

C. Capital projects authorizations

The following is a summary of certain capital projects:

<u>Project</u>	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Balance</u>
Roadway rehabilitation 2019	\$ 408,565	\$ -	\$ 408,565
School roof replacement 2019	<u>152,000</u>	<u>-</u>	<u>152,000</u>
Totals	<u>\$ 560,565</u>	<u>\$ -</u>	<u>\$ 560,565</u>

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

At year end, the Town's bank balance was \$3,032,416 and was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 1,774,312
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>758,104</u>
Total amount subject to custodial credit risk	<u>\$ 2,532,416</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 exceeded 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 Salem, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019

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) Less Than 1
Certificates of deposit	\$ 49,351	\$ 49,351
Pooled fixed income	4,690,144	4,690,144
Total	<u>\$ 4,739,495</u>	<u>\$ 4,739,495</u>

- b. The Town does not have any investments that require fair value.
- c. The Town's investments subject to credit risk had average ratings by Standard & Poor's as follows:

Type of Investment	Ratings AAA
Pooled fixed income	<u>\$ 4,690,144</u>

B. Receivables

Receivable balances have been disaggregated by type and presented separately in the financial statements. Only receivables with allowances for uncollectible accounts, including the applicable allowances for uncollectible accounts, are presented below.

	Property Taxes		
	Taxes	Interest and lien fees	Total
Current portion	<u>\$ 60,512</u>	<u>\$ 14,161</u>	<u>\$ 74,673</u>
Long-term portion	\$ 72,687	\$ 7,736	\$ 80,423
Less allowance for uncollectibles	<u>(39,254)</u>	<u>(6,453)</u>	<u>(45,707)</u>
Net long-term portion	<u>\$ 33,433</u>	<u>\$ 1,283</u>	<u>\$ 34,716</u>

Town of Salem, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2019

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

A summary of interfund balances is as follows:

<u>Major Funds</u>	<u>Corresponding Fund</u>	<u>Due From</u>	<u>Due To</u>
General Fund			
Capital Nonrecurring Fund	N/A	\$ -	\$ 1,430,262
Education Grants Fund	N/A	377,290	-
School Cafeteria Fund	N/A	-	752
Town Grants Fund	N/A	-	44,333
Community Foundation Grant Fund	N/A	-	3,126
School Construction Fund	N/A	-	93,571
Total General Fund		<u>377,290</u>	<u>1,572,044</u>
Capital Nonrecurring Fund			
School Construction Fund	N/A	-	117,453
General Fund	N/A	1,430,262	-
Town Grants Fund	N/A	32,989	-
Total Capital Nonrecurring Fund		<u>1,463,251</u>	<u>117,453</u>
Education Grants Fund			
General Fund	N/A	-	377,290
Town Grants Fund	N/A	1,323	-
Total Education Grants Fund		<u>1,323</u>	<u>377,290</u>
Other Governmental Funds			
School Cafeteria Fund	General Fund	752	-
Town Grants Fund	General Fund	44,333	-
Town Grants Fund	Capital Nonrecurring Fund	-	32,989
Town Grants Fund	Education Grants Fund	-	1,323
Community Foundation Grant Fund	General Fund	3,126	-
School Construction Fund	Capital Nonrecurring Fund	117,453	-
School Construction Fund	General Fund	93,571	-
Total Other Governmental Funds		<u>259,235</u>	<u>34,312</u>
Grand Total		<u>\$ 2,101,099</u>	<u>\$ 2,101,099</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 Salem, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2019

C. Interfund accounts (continued)

2. Interfund transfers

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

	Corresponding Fund	Transfers In	Transfers Out
General Fund			
Capital Nonrecurring Fund	N/A	\$ -	\$ 895,974
Capital Nonrecurring Fund			
General Fund	N/A	895,974	-
<u>Other Governmental Funds</u>			
Special Revenue Funds			
Community Foundation Grant Fund	Memorial and Cemetery Fund	2,793	-
Permanent Funds			
Memorial and Cemetery Fund	Community Foundation Grant Fund	-	2,793
Total Other Governmental Funds		2,793	2,793
Total		\$ 898,767	\$ 898,767

Transfers are used to move budgeted appropriations from the general fund for funding of the capital nonrecurring fund and various programs and activities in other funds.

Town of Salem, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019**D. Capital assets**

Capital asset activity for the fiscal year was as follows:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Capital Assets, Not Being Depreciated				
Land	\$ 1,840,216	\$ -	\$ -	\$ 1,840,216
Construction in progress	270,090	5,251	218,377	56,964
Total Capital Assets, Not Being Depreciated	<u>2,110,306</u>	<u>5,251</u>	<u>218,377</u>	<u>1,897,180</u>
Capital Assets, Being Depreciated				
Land improvements	1,781,364	218,641	-	2,000,005
Buildings and systems	16,609,475	45,000	-	16,654,475
Machinery and equipment	2,207,643	51,116	-	2,258,759
Infrastructure	2,920,533	448,759	-	3,369,292
Vehicles	3,085,586	893,678	168,000	3,811,264
Total Capital Assets, Being Depreciated	<u>26,604,601</u>	<u>1,657,194</u>	<u>168,000</u>	<u>28,093,795</u>
Total Capital Assets	<u>28,714,907</u>	<u>1,662,445</u>	<u>386,377</u>	<u>29,990,975</u>
Less Accumulated Depreciation For				
Land improvements	535,369	82,684	-	618,053
Building and systems	3,113,133	306,820	-	3,419,953
Machinery and equipment	1,099,344	98,706	-	1,198,050
Infrastructure	781,040	163,058	-	944,098
Vehicles	1,833,620	117,251	164,000	1,786,871
Total Accumulated Depreciation	<u>7,362,506</u>	<u>768,519</u>	<u>164,000</u>	<u>7,967,025</u>
Total Capital Assets, Being Depreciated, Net	<u>19,242,095</u>	<u>888,675</u>	<u>4,000</u>	<u>20,126,770</u>
Capital Assets, Net	<u>\$ 21,352,401</u>	<u>\$ 893,926</u>	<u>\$ 222,377</u>	<u>\$ 22,023,950</u>

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

General government	\$ 129,813
Public safety	140,491
Public works	242,657
Sanitation	17,243
Education	238,315
Total depreciation expense	<u>\$ 768,519</u>

Town of Salem, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2019

E. Short-term obligations

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

Short-term obligation activity for the fiscal year was as follows:

Type of Obligation	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019
Note payable	\$ -	\$ 60,000	\$ -	\$ 60,000

The note matures in August 2019 and carries a coupon interest rate of 3.2%.

F. Changes in long-term obligations

1. Summary of changes

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019	Current Portion	Long-Term Portion
<u>Bonds:</u>										
<u>Schools:</u>										
General obligation	\$ 4,500,000	07/02/14	07/01/29	2.25-4.00%	\$ 3,900,000	\$ -	\$ 325,000	\$ 3,575,000	\$ 325,000	\$ 3,250,000
<u>Notes payable:</u>										
Energy	34,105	06/08/15	06/30/19	0.00%	7,237	-	7,237	-	-	-
Fire department tools	182,000	07/16/15	07/06/19	2.99%	93,649	-	46,125	47,524	47,524	-
Fire truck	555,563	07/01/18	07/01/24	3.65%	-	555,563	-	555,563	84,489	471,074
Total notes payable	771,668				100,886	555,563	53,362	603,087	132,013	471,074
Total bonds and notes payable					4,000,886	555,563	378,362	4,178,087	457,013	3,721,074
Compensated absences					41,792	-	4,554	37,238	3,724	33,514
Post closure landfill costs					17,500	-	2,500	15,000	2,500	12,500
OPEB liability					426,941	105,313	76,006	456,248	-	456,248
Total long-term obligations					\$ 4,487,119	\$ 660,876	\$ 461,422	\$ 4,686,573	\$ 463,237	\$ 4,223,336

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

Town of Salem, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019

F. Changes in long-term obligations (continued)

The following is a summary of principal and interest amounts of bond and note maturities:

Year Ended June 30	Governmental Activities		
	Bond Principal	Note Principal	Total Interest
2020	\$ 325,000	\$ 132,013	\$ 129,804
2021	325,000	87,577	112,276
2022	325,000	90,777	96,076
2023	325,000	94,094	82,602
2024	325,000	97,532	71,446
2025	325,000	101,094	58,944
2026	325,000	-	45,500
2027	325,000	-	35,750
2028	325,000	-	26,000
2029	325,000	-	15,844
2030	325,000	-	5,281
	<u>\$ 3,575,000</u>	<u>\$ 603,087</u>	<u>\$ 679,523</u>

2. 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	Debit Limit	Net Indebtedness	Balance
General purpose	\$ 26,973,835	\$ 60,000	\$ 26,913,835
Schools	53,947,670	3,575,000	50,372,670
Sewers	44,956,391	-	44,956,391
Urban renewal	38,962,206	-	38,962,206
Pension deficit	35,965,113	-	35,965,113

The total overall statutory debt limit for the Town is equal to seven times prior year annual receipts from taxation, \$83,918,597.

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

3. Landfill closure and post-closure care costs

State and Federal laws and regulations require that the Town perform certain maintenance and monitoring functions at the landfill site for 30 years. Estimated total current costs of landfill post-closure care is \$15,000 which is based on the amount estimated to be paid for all equipment, facilities and services required to monitor and maintain the landfill. However, the actual cost of monitoring and other post-closure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations.

Town of Salem, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019**G. Fund balances and restricted net position**

Fund balances are composed of the following:

Fund Balance Component	General Fund	Capital Nonrecurring Fund	Education Grants Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable					
Memorial and cemetery	\$ -	\$ -	\$ -	\$ 1,997	\$ 1,997
Prepays	713,525	-	-	-	713,525
Total nonspendable	713,525	-	-	1,997	715,522
Restricted					
General government	-	-	-	41,541	41,541
Memorial and cemetery	-	-	-	6,251	6,251
Residential rehabilitation	-	-	-	307,648	307,648
Town clerk documents	42,191	-	-	-	42,191
Education	-	-	-	31,690	31,690
Total restricted	42,191	-	-	387,130	429,321
Committed					
Capital projects	-	821,781	-	482,737	1,304,518
Assigned					
General government	-	-	-	76,396	76,396
Capital projects	993,080	466,331	-	-	1,459,411
Total assigned	993,080	466,331	-	76,396	1,535,807
Unassigned	3,344,660	-	(486)	-	3,344,174
Total	<u>\$ 5,093,456</u>	<u>\$ 1,288,112</u>	<u>\$ (486)</u>	<u>\$ 948,260</u>	<u>\$ 7,329,342</u>

The amount of restricted net position, which was restricted by enabling legislation totaled \$31,690.

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

The Town is exposed to various risks of loss including torts, theft of, damage to and destruction of assets; errors or omissions; injuries to employees and natural disasters. The Town obtains commercial insurance for these risks. Settled claims have not exceeded commercial coverage in any of the past three years, and there has not been any significant reductions in insurance coverage from amounts held in prior years.

Town of Salem, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019**A. Risk management (continued)**

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.

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 a payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence and purchases reinsurance above that amount to the limit of liability of \$10,000,000 per occurrence.

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. In the opinion of the Town attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

C. Regionalization

In 1997, the Towns of Salem and East Lyme entered into a cooperative agreement to build and maintain an expansion of the East Lyme High School for the mutual benefit of both towns. This agreement has the following financial provisions:

- Tuition will be charged at a base rate per Salem's regular education students attending East Lyme High School and a premium rate, equal to 1.85 times the base rate, for special educational students. Regardless of the number of students attending East Lyme High School, Salem is required to pay the base rate for a minimum enrollment equal to 80% of the total Salem high school students enrolled in grades nine through twelve at any high school. During the year the Town paid \$1,918,114 in regular education tuition and \$789,098 in special education tuition to the Town of East Lyme.

Town of Salem, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019**C. Regionalization (continued)**

- To compensate for services, such as police, fire safety, water and sewer, paid by the Town of East Lyme on behalf of the school, the Town of Salem will reimburse the Town of East Lyme a per student fee.
- The Town will pay the Town of East Lyme a flat facilities expansion and improvement charge for 20 years. This charge is equal to 20% of the non-reimbursed construction related costs. It is payable in two equal semi-annual installments.

The tuition and other fees paid during the year are based on an estimated amount. The final costs are calculated after the end of the year and are billed, or refunded, in the second subsequent year based on the final audited amounts.

V. Pensions and other post-employment benefit plans**A. 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

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

Normal Retirement: Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

Early Retirement: Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service. Benefit amounts are reduced by 6% per year for the first 5 years preceding normal retirement age and 4% 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% per year by which retirement precedes normal retirement date.

Town of Salem, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019

A. Connecticut State Teachers' Retirement System (continued)

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

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

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

Effective January 1, 2018, each teacher is required to contribute 7% 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 of Connecticut's proportionate share of the net pension liability associated with the Town	<u>10,043,313</u>
Total	<u>\$ 10,043,313</u>

Town of Salem, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019**A. Connecticut State Teachers' Retirement System (continued)**

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The Town has no proportionate share of the net pension liability.

During the year the Town recognized pension expense and revenue of \$970,664 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, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.25-6.50%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

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% and a maximum of 5% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

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 arithmetic real rates of return for each major class are summarized in the following table:

Town of Salem, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019

A. Connecticut State Teachers' Retirement System (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large cap U.S. equities	21.0%	5.8%
Developed non-U.S. equities	18.0%	6.6%
Emerging markets (non-U.S.)	9.0%	8.3%
Real estate	7.0%	5.1%
Private equity	11.0%	7.6%
Alternative investments	8.0%	4.1%
Core fixed income	7.0%	1.3%
High yield bonds	5.0%	3.9%
Emerging market bond	5.0%	3.7%
Inflation linked bond fund	3.0%	1.0%
Cash	6.0%	0.4%
Total	100.0%	

6. Discount rate

The discount rate used to measure the total pension liability was 8.00%. 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 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 Comprehensive Annual Financial Report as of and for the year ended June 30, 2018.

Town of Salem, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019

B. Other Post-Employment Benefit Plan

1. Plan description

a. Plan administration

The Town administers a single-employer, post-retirement healthcare plan for retired certified teachers and their spouses in accordance with the Connecticut General Statutes and various collective bargaining agreements. The plan is considered to be part of the Town's financial reporting entity. The plan does not have assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue stand-alone financial reports.

b. Plan membership

As of July 1, 2018, the plans' membership consisted of:

Retirees and beneficiaries receiving benefits	2
Active members	<u>43</u>
Total	<u><u>45</u></u>

2. Benefit provisions

The Town provides certain health care benefits for retired certified teachers and their spouses through a single - employer defined benefit plan administered by the Town of Salem, Connecticut in accordance with the Connecticut General Statutes and various collective bargaining agreements.

Eligibility - Age 60 with 20 years of service or 35 years of service at any age (Normal Retirement); or age 55 with 20 years of service or 25 years of service at any age (Early Retirement). Upon reaching age 65 retired teachers and certified administrators who elect to participate in Medicare are removed from coverage.

3. Contributions

Teachers who no longer work for the Board of Education are allowed by State Statute to participate in the Town's group medical insurance plan until they formally begin receiving benefits from the State Teachers' Retirement Plan. These retirees are required to contribute the cost of the insurance to the Town.

4. OPEB liability

The Board of Education's OPEB liability of \$456,248 was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018.

Town of Salem, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019

B. Other Post-Employment Benefit Plan (continued)

5. Actuarial methods and significant assumptions:

The Town has elected to use the alternative approach to calculate OPEB related benefits. This allows financial statement preparers to use certain simplified assumptions to project benefits without the use of an actuary. The significant assumptions used to apply this method were developed by the Board of Education with the use of an outside vendor.

Other actuarial methods and significant assumptions are summarized as follows:

Valuation date	July 1, 2018
Actuarial cost method	Entry age normal
Amortization method	Level percentage
Amortization period	20 years
Discount rate	3.62%
Healthcare cost trend rate	Ranges from 4.6% - 4.8%
Salary increases	3.00%
Mortality rates	RP2000 Mortality Table for Males and Females Projected 18 years; this assumption does not include a margin for future improvements in longevity

The discount rate for the plan was based on the Standard and Poor's municipal bond 20-year high grade index as of the measurement date.

6. Changes from prior year

a. Changes in assumptions

Projected salary increases increased from 2.50% to 3.00%.

b. Changes in benefit terms

There were no changes in benefit terms.

7. Changes in the OPEB liability

Balance at July 1, 2018	<u>\$ 426,941</u>
Service cost	15,788
Interest	20,454
Differences between expected and actual experience	(76,006)
Changes in assumptions	<u>69,071</u>
Net change	<u>29,307</u>
Balance at June 30, 2019	<u><u>\$ 456,248</u></u>

Town of Salem, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019

B. Other Post-Employment Benefit Plan (continued)

8. Sensitivity of the OPEB liability to changes in the discount rate

The following presents the OPEB liability, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percent lower or 1-percent higher than the current discount rate:

	1% Decrease 2.62%	Current Discount Rate 3.62%	1% Increase 4.62%
OPEB Liability	\$ 542,305	\$ 456,248	\$ 387,177

9. Sensitivity of the OPEB liability to changes in the healthcare cost trend rate

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

	1% Decrease	Current Health Care Trend Rates	1% Increase
OPEB Liability	\$ 371,522	\$ 456,248	\$ 565,120

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

For the fiscal year, the Town recognized OPEB expense of \$29,307. There are no deferred outflows or inflows of resources related to OPEB.

C. Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan

1. Plan description

Teachers, principals, superintendents, supervisors and professional employees at State schools of higher education if they choose to be covered that are currently receiving a retirement or disability benefit 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.

2. Benefit provisions

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

- **Normal Retirement:** Eligibility - 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:** Eligibility - 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.

Town of Salem, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019**C. Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan (continued)**

- **Proratable Retirement:** Eligibility - Age 60 with 10 years of Credited Service.
- **Disability Retirement:** Eligibility - 5 years of Credited Service in Connecticut if not incurred in the performance of duty and no service requirement if incurred in the performance of duty.
- **Termination of Employment:** Eligibility - 10 or more years of Credited 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 offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare 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.

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.

Town of Salem, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019

C. Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan (continued)

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 appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (School Districts)

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

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. 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 collective net OPEB liability	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	2,007,734
Total	<u>\$ 2,007,734</u>

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The Town has no proportionate share of the net OPEB liability.

The Town recognized OPEB expense and revenue of \$26,931 for on-behalf amounts for contributions to the plan by the State.

Town of Salem, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019

C. Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan (continued)

5. Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Health care cost trend rate	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.87%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2019

Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

Changes in assumptions and inputs

As a result of the experience study for the five-year period ending June 30, 2015:

- The payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase.
- The demographic assumptions of salary growth, payroll growth, the rates of withdrawal, the rates of retirement, the rates of mortality, and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the Board.
- The discount rate has been increased from 3.56% to 3.87% based upon the increase in the municipal bond index.

Additionally, the assumed initial per capita health care costs, the assumed rates of healthcare inflation used to project the per capita costs, and the participation assumptions have been revised.

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 3.00%.

Town of Salem, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019**D. Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan (continued)****Affordable Care Act ("ACA")**

The impact of the Affordable Care Act ("ACA") was addressed in this valuation. Review of the information currently available did not identify any specific provisions of the ACA that are anticipated to significantly impact results. While the impact of certain provisions such as the excise tax on high-value health insurance plans beginning in 2020 (if applicable), mandated benefits and participation changes due to the individual mandate should be recognized in the determination of liabilities, overall future plan costs and the resulting liabilities are driven by amounts employers and retirees can afford (i.e., trend). The trend assumption forecasts the anticipated increase to initial per capita costs, taking into account health care cost inflation, increases in benefit utilization, plan changes, government-mandated benefits, and technological advances.

Given the uncertainty regarding the ACA's implementation (e.g., the impact of excise tax on high-value health insurance plans, changes in participation resulting from the implementation of state-based health insurance exchanges), continued monitoring of the ACA's impact on the Plan's liability will be required.

6. Discount rate

The discount rate used to measure the total OPEB liability was 3.87%. 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.

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 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 Comprehensive Annual Financial Report as of and for the year ended June 30, 2018.

**Required
Supplementary
Information**

Town of Salem, Connecticut
Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis) - General Fund
For the Year Ended June 30, 2019

	Original	Additional Appropriations and Transfers	Final	Actual	Variance with Final Budget
Revenues					
Property tax revenues					
Property taxes	\$ 11,642,747	\$ -	\$ 11,642,747	\$ 11,700,360	\$ 57,613
Prior year tax collections	170,000	-	170,000	150,798	(19,202)
Supplemental motor vehicle tax collections	100,000	-	100,000	135,685	35,685
Interest on property taxes	70,000	-	70,000	79,601	9,601
Interest on supplemental motor vehicles	3,000	-	3,000	3,810	810
Liens on property taxes	1,200	-	1,200	1,104	(96)
Total property tax revenues	11,986,947	-	11,986,947	12,071,358	84,411
Intergovernmental					
State/federal grants for education					
Education equalization	2,757,007	-	2,757,007	2,727,638	(29,369)
Adult education	4,126	-	4,126	5,666	1,540
Total state/federal grants for education	2,761,133	-	2,761,133	2,733,304	(27,829)
Other state/federal grants					
Town Aid Road (TAR)	193,534	-	193,534	193,591	57
Reimbursable trails grant	-	-	-	19,619	19,619
State property in lieu of taxes	35,653	-	35,653	35,653	-
Local capital improvement	40,128	-	40,128	-	(40,128)
Mashantucket Pequot grant	7,370	-	7,370	7,370	-
Tax relief for the elderly	-	-	-	333	333
Veterans' tax relief	-	-	-	4,637	4,637
Telephone access line	-	-	-	7,696	7,696
Office of policy and management grant	4,699	-	4,699	4,699	-
Miscellaneous	132,694	-	132,694	139,329	6,635
Total other state/federal grants	414,078	-	414,078	412,927	(1,151)
Total intergovernmental	3,175,211	-	3,175,211	3,146,231	(28,980)
Charges for services					
Licenses and permits					
Garbage bag revenue	38,000	-	38,000	39,933	1,933
Conveyance tax	45,000	-	45,000	55,310	10,310
Building permits	40,000	-	40,000	48,259	8,259
Tipping and hauling fees	5,000	-	5,000	6,421	1,421
Landfill fees - bulky waste	7,000	-	7,000	7,392	392
Heating	5,000	-	5,000	6,522	1,522
Electrical	8,000	-	8,000	7,354	(646)
Plumbing	2,750	-	2,750	2,116	(634)
Zoning compliance	1,500	-	1,500	1,312	(188)
Miscellaneous permits and fees	1,000	-	1,000	2,680	1,680
Pistol permits/sport licenses	2,000	-	2,000	3,010	1,010
Total licenses and permits	155,250	-	155,250	180,309	25,059

(Continued)

Town of Salem, Connecticut

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis) - General Fund
For the Year Ended June 30, 2019

	Original	Additional Appropriations and Transfers	Final	Actual	Variance with Final Budget
Charges for current services					
Recording fees	\$ 15,000	\$ -	\$ 15,000	\$ 16,720	\$ 1,720
Sale of copies	5,000	-	5,000	3,988	(1,012)
Planning and zoning commission fees	1,000	-	1,000	1,672	672
CFC evacuation fees	750	-	750	1,065	315
Sale of maps	500	-	500	518	18
Inland/wetland commission fees	300	-	300	450	150
Zoning board of appeals fees	-	-	-	1,140	1,140
Sale of zoning regulations	250	-	250	-	(250)
Electronic registration fees	3,500	-	3,500	3,336	(164)
Total charges for current services	26,300	-	26,300	28,889	2,589
Total charges for services	181,550	-	181,550	209,198	27,648
Income from investments					
General fund	65,000	-	65,000	94,198	29,198
Other					
Recreation fee based activity	20,000	-	20,000	14,427	(5,573)
Library fees/fines	14,000	-	14,000	12,897	(1,103)
Miscellaneous	5,000	-	5,000	15,281	10,281
Insurance claims and refunds	5,500	-	5,500	8,684	3,184
Use of recreation fields	3,000	-	3,000	1,950	(1,050)
Pavilion rental	3,150	-	3,150	720	(2,430)
Total other	50,650	-	50,650	53,959	3,309
Total revenues	15,459,358	-	15,459,358	15,574,944	115,586
Other financing sources					
Appropriation of fund balance	-	132,165	132,165	-	(132,165)
Total revenues and other financing sources	15,459,358	132,165	15,591,523	15,574,944	(16,579)
Expenditures					
General government					
Selectman's department	7,752	(170)	7,582	7,040	542
Salaries	591,115	3,784	594,899	578,704	16,195
Building official, sanitarian	3,803	-	3,803	1,847	1,956
Town clerk	15,645	-	15,645	15,645	-
Treasurer, auditor, board of finance	36,985	-	36,985	31,817	5,168
Assessor	16,790	-	16,790	16,790	-

(Continued)

Town of Salem, Connecticut

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis) - General Fund
For the Year Ended June 30, 2019

	Original	Additional Appropriations and Transfers	Final	Actual	Variance with Final Budget
General government (continued)					
Tax collector	\$ 13,655	\$ -	\$ 13,655	\$ 10,587	\$ 3,068
Registrar	13,515	-	13,515	13,396	119
Town counsel	20,100	6,000	26,100	23,724	2,376
Town office operations	98,000	-	98,000	97,969	31
Municipal building maintenance	48,830	-	48,830	48,696	134
Employee benefits	350,008	(30,388)	319,620	318,313	1,307
Utilities	59,416	1,818	61,234	62,877	(1,643)
Town services	107,794	(6,018)	101,776	101,775	1
Regional services	10,203	160	10,363	10,362	1
Economic development	1,500	-	1,500	1,500	-
Inland wetlands, conservation commission	1,350	1,800	3,150	2,840	310
Planning and zoning commission	14,500	-	14,500	13,429	1,071
Zoning board of appeals	800	-	800	800	-
Recreation commission	47,100	-	47,100	42,472	4,628
Municipal insurance	121,132	(1,308)	119,824	119,417	407
Unanticipated expenses	1,000	170	1,170	1,170	-
Library	34,350	-	34,350	33,952	398
Total general government	1,615,343	(24,152)	1,591,191	1,555,122	36,069
Public safety					
Salaries	223,925	-	223,925	223,925	-
Security	261,046	34,845	295,891	295,891	-
Utilities	47,910	-	47,910	46,515	1,395
Gardner lake fire department	77,470	-	77,470	70,055	7,415
Salem fire department	85,500	30,365	115,865	98,844	17,021
Ambulance	42,455	-	42,455	40,193	2,262
Public safety	64,200	-	64,200	63,949	251
Total public safety	802,506	65,210	867,716	839,372	28,344
Public works					
Salaries	358,912	-	358,912	352,507	6,405
Utilities	42,073	-	42,073	41,640	433
Public works	256,500	-	256,500	256,384	116
Total public works	657,485	-	657,485	650,531	6,954
Sanitation					
Transfer station	161,101	(8,893)	152,208	149,191	3,017

(Continued)

Town of Salem, Connecticut

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis) - General Fund
For the Year Ended June 30, 2019

	Original	Additional Appropriations and Transfers	Final	Actual	Variance with Final Budget
Debt service					
Interest payments	\$ 122,797	\$ -	\$ 122,797	\$ 122,795	\$ 2
Principal payable	409,972	-	409,972	409,972	-
Total debt service	532,769	-	532,769	532,767	2
Capital outlay					
Open space land acquisition	5	-	5	-	5
Education	10,324,295	100,000	10,424,295	10,376,941	47,354
Total expenditures	14,093,504	132,165	14,225,669	14,103,924	121,745
Other financing uses					
Transfers out	895,974	-	895,974	895,974	-
Total expenditures and other financing uses	14,989,478	132,165	15,121,643	14,999,898	121,745
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 469,880	\$ -	\$ 469,880	\$ 575,046	\$ 105,166

Reconciliation to Exhibit D

	Revenues	Expenditures
Budgetary basis- RSI-1	\$ 15,574,944	\$ 14,103,924
State Teachers' pension on behalf amount	970,664	970,664
State Teachers' OPEB on behalf amount	26,931	26,931
Liquidation of prior year encumbrances	-	18,250
Tuition true up	-	(125,670)
GAAP Basis- Exhibit D	\$ 16,572,539	\$ 14,994,099

(Concluded)

Town of Salem, Connecticut
Notes to Required Supplementary Information
Budgets and Budgetary Accounting

The District adheres to the following procedures in establishing the budgetary data included in the general fund financial statements. The general fund is the only fund for which a legal budget is adopted.

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

1. The Town does not budget for 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 reported as expenditures for the budgetary basis of accounting.
3. The Town pays and budgets for tuition to East Lyme High School based on estimated costs per student. The actual cost for each year is not determined until an audit is completed. Once the audit has been completed the cost per student is recalculated and the billing is adjusted. The adjusted costs are paid in the subsequent year for budget purposes.

Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in budgetary reports (RSI 1) as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the capital projects funds and those specifically reappropriated by the Board of Finance.

The Boards of Selectmen and Education submit requests for appropriation(s) to the Board of Finance. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations of the next fiscal year.

The Board of Finance holds a public hearing, at which itemized estimates of the expenditures of the Town for the next fiscal year are presented. At this time, individuals are able to recommend any appropriations, which they desire the Board of Finance to consider. The Board of Finance then considers the estimates and any other matters brought to their attention at a public meeting held subsequent to the public hearing and prior to the annual meeting. The Board of Finance prepares the proposed budget.

The Board of Finance's estimated and recommended budget reports are submitted at the Annual Town Meeting. The Annual Town Meeting takes action on this budget. After the Annual Town Meeting the Board of Finance meets to levy a tax on the grand list which will be sufficient to cover, together with other income or revenue surplus which is appropriated, the amounts appropriated and any revenue deficit of the Town.

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level except expenditures for education, which are, by State Statutes, appropriated as one department.

The Board of Finance, in accordance with the provisions set forth by the Town Charter, is authorized to transfer unexpended balances from one appropriation to another. The Board of Finance is subject to the following limitations when making supplemental appropriations to the budget:

All additional appropriations less than 0.2% of the annual budget require Board of Finance approval.

All additional appropriations in excess of 0.2% of the annual budget shall be submitted to a Town Meeting, which must be held no later than thirty days following the endorsement by the Board of Finance.

All additional appropriations which exceed 1% of the annual budget shall be submitted to referendum at a time set by the Board of Selectmen.

There were \$132,165 of additional appropriations made during the year.

The Board of Education is authorized under state law to make any transfers required within their budget at their discretion. Additionally, as required by the Charter, these transfers must be reported to the Board of Selectmen. Any additional appropriations must have Board of Education and Board of Selectmen approval and, if over one-half of one percent of the annual budget, Town Meeting approval.

Town of Salem, Connecticut
Required Supplementary Information
Connecticut State Teachers' Retirement System
Last Five Years (3)

2019 2018 2017 2016 2015

Schedule of Proportionate Share of the Net Pension Liability

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>
Town's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension liability associated with the Town	<u>10,043,313</u>	<u>9,960,033</u>	<u>10,507,911</u>	<u>8,877,646</u>	<u>8,205,604</u>
Total	<u>\$ 10,043,313</u>	<u>\$ 9,960,033</u>	<u>\$ 10,507,911</u>	<u>\$ 8,877,646</u>	<u>\$ 8,205,604</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 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>
Plan fiduciary net position as a percentage of the total pension liability	<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) \$ -	\$ -	\$ -	\$ -	\$ -
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 pension liability

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

Town of Salem, Connecticut

Notes to Required Supplementary Information

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

	2019	2018	2017	2016	2015
Changes of Benefit Terms	Beginning January 1, 2018, member contributions increased from 6% to 7% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2018	July 1, 2016	July 1, 2016	July 1, 2014	July 1, 2014
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 percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining Amortization Period	17.6 years	20.4 years	20.4 years	21.4 years	22.4 years
Asset Valuation Method	4 year smoothed market	4 year smoothed market	4 year smoothed market	4 year smoothed market	4 year smoothed market
Inflation	2.75%	2.75%	2.75%	3.00%	3.00%
Salary Increases	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
Investment Rate of Return	8.00%	8.00%	8.00%	8.50%	8.50%
Mortality	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale	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 they become available.

Town of Salem, Connecticut

Required Supplementary Information

Other Post-Employment Benefits Plan - Education
Last Two Years (1)

<u>Schedule of Changes in OPEB Liability</u>	<u>2019</u>	<u>2018</u>
OPEB liability:		
Service cost	\$ 15,788	\$ 13,225
Interest	20,454	16,550
Difference between expected and actual experience	(76,006)	(16,123)
Changes in assumptions	<u>69,071</u>	<u>58,731</u>
Net change in OPEB liability	29,307	72,383
OPEB liability - July 1	<u>426,941</u>	<u>354,558</u>
OPEB liability - June 30 (a) *	<u>\$ 456,248</u>	<u>\$ 426,941</u>
Covered payroll	<u>N/A</u>	<u>N/A</u>
Total OPEB liability as a percentage of cover payroll	<u>N/A</u>	<u>N/A</u>

* There are no assets that are being accumulated in a trust that meets the criteria in GASB 75 to pay benefits.

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

N/A - Not Available

Town of Salem, Connecticut
Required Supplementary Information
Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
Last Two Years (3)

	2019	2018
<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>
Town's proportionate share of the collective net OPEB liability	\$ -	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	<u>2,007,734</u>	<u>2,563,588</u>
Total	<u>\$ 2,007,734</u>	<u>\$ 2,563,588</u>
Town's covered payroll	<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>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>1.49%</u>	<u>1.79%</u>

Schedule of Contributions

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

Notes to Required Supplementary Information

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

	2019	2018
Changes of Benefit Terms	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2018	July 1, 2016
Actuarial methods and assumptions used to determine contribution rates:		
Actuarial Cost Method	Entry age	Entry age
Amortization Method	Level percentage, open	Level percentage, open
Amortization Period	30 years	30 years
Asset Valuation Method	Fair Value	Fair Value
Inflation	2.75%	2.75%
Healthcare Inflation Rate	Initial 7.25% decreasing to 5.00% (ultimate) by 2022	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary Increases	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment Rate of Return	3.00%	4.25%
Mortality Rate	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.

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(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, public works, health and welfare, parks and recreation, education, library, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

Town of Salem, Connecticut
Report of Tax Collector
For the Year Ended June 30, 2019

Grand List Year	Uncollected Taxes July 1, 2018	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections				Uncollected Taxes June 30, 2019	
			Additions	Deductions			Net Taxes Collected	Interest Liens and Other Fees	Refunds	Total		
2004	\$ 241	\$ -	\$ -	\$ -	\$ 241	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2005	1,015	-	-	-	1,015	-	-	-	-	-	-	
2006	1,287	-	-	-	1,005	282	-	-	-	-	282	
2007	861	-	-	-	606	255	-	-	-	-	255	
2008	289	-	-	-	268	21	-	-	-	-	21	
2009	2,656	-	-	-	2,464	192	-	-	-	-	192	
2010	2,146	-	-	-	1,751	395	200	271	-	471	195	
2011	3,343	-	-	-	2,652	691	609	680	-	1,289	82	
2012	1,768	-	-	181	717	870	802	340	181	1,323	249	
2013	8,659	-	-	187	1,467	7,005	6,710	4,173	187	11,070	482	
2014	18,508	-	-	190	3,812	14,506	12,189	5,426	190	17,805	2,507	
2015	36,702	-	87	765	9,642	26,382	20,402	7,082	190	27,674	6,170	
2016	<u>151,423</u>	<u>-</u>	<u>826</u>	<u>1,611</u>	<u>11,628</u>	<u>139,010</u>	<u>117,770</u>	<u>23,531</u>	<u>708</u>	<u>142,009</u>	<u>21,948</u>	
Total Prior Years	228,898	-	913	2,934	37,268	189,609	158,682	41,503	1,456	201,641	32,383	
2017	<u>-</u>	<u>12,014,126</u>	<u>19,501</u>	<u>60,324</u>	<u>14,521</u>	<u>11,958,782</u>	<u>11,878,155</u>	<u>66,753</u>	<u>20,189</u>	<u>11,965,097</u>	<u>100,816</u>	
Total	<u>\$ 228,898</u>	<u>\$ 12,014,126</u>	<u>\$ 20,414</u>	<u>\$ 63,258</u>	<u>\$ 51,789</u>	<u>\$ 12,148,391</u>	<u>\$ 12,036,837</u>	<u>\$ 108,256</u>	<u>\$ 21,645</u>	<u>\$ 12,166,738</u>	133,199	
											Interest receivable	21,897
											Allowance for doubtful accounts	<u>(45,707)</u>
											Net taxes receivables	<u>\$ 109,389</u>

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Other Governmental Funds

Special Revenue Funds

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

Capital Project Funds

Capital project funds are used to account for the acquisition and construction of major capital assets.

Permanent Fund

The Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the memorial scholarships and cemetery.

Town of Salem, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2019

Special Revenue Funds

	Town Grants Fund	Senior Citizens Fund	Dog Fund	School Cafeteria Fund	Community Foundation Grant Fund	Needy Fund
<u>Assets</u>						
Cash	\$ 63,259	\$ -	\$ 3,652	\$ 25,401	\$ -	\$ 4,549
Investments	-	31,506	-	-	-	2,310
Receivables						
Accounts	-	-	-	-	-	50
Intergovernmental	-	-	-	5,537	-	-
Loans	-	-	-	-	-	-
Due from other funds	44,333	-	-	752	3,126	-
Total assets	<u>\$ 107,592</u>	<u>\$ 31,506</u>	<u>\$ 3,652</u>	<u>\$ 31,690</u>	<u>\$ 3,126</u>	<u>\$ 6,909</u>
<u>Liabilities</u>						
Accounts payable	\$ -	\$ -	\$ 1,944	\$ -	\$ -	\$ -
Due to other funds	34,312	-	-	-	-	-
Total liabilities	<u>34,312</u>	<u>-</u>	<u>1,944</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>						
Nonspendable	-	-	-	-	-	-
Restricted	-	31,506	-	31,690	3,126	6,909
Committed	-	-	-	-	-	-
Assigned	73,280	-	1,708	-	-	-
Total fund balances	<u>73,280</u>	<u>31,506</u>	<u>1,708</u>	<u>31,690</u>	<u>3,126</u>	<u>6,909</u>
Total liabilities and fund balances	<u>\$ 107,592</u>	<u>\$ 31,506</u>	<u>\$ 3,652</u>	<u>\$ 31,690</u>	<u>\$ 3,126</u>	<u>\$ 6,909</u>

(Continued)

Town of Salem, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2019

	Special Revenue Funds		Capital Project Funds				Permanent Fund	Total Other Governmental Funds
	Small Cities Grant Fund	Total Special Revenue Funds	Open Space Land Acquisition Fund	Land Acquisition Fund	School Construction Fund	Total Capital Project Funds	Memorial and Cemetery Fund	
<u>Assets</u>								
Cash	\$ 9,094	\$ 105,955	\$ 578	\$ 830	\$ 271,713	\$ 273,121	\$ 660	\$ 379,736
Investments	-	33,816	-	-	-	-	7,588	41,404
Receivables								
Accounts	-	50	-	-	-	-	-	50
Intergovernmental	-	5,537	-	-	-	-	-	5,537
Loans	298,554	298,554	-	-	-	-	-	298,554
Due from other funds	-	48,211	-	-	211,024	211,024	-	259,235
Total assets	\$ 307,648	\$ 492,123	\$ 578	\$ 830	\$ 482,737	\$ 484,145	\$ 8,248	\$ 984,516
<u>Liabilities</u>								
Accounts payable	\$ -	\$ 1,944	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,944
Due to other funds	-	34,312	-	-	-	-	-	34,312
Total liabilities	-	36,256	-	-	-	-	-	36,256
<u>Fund Balances</u>								
Nonspendable	-	-	-	-	-	-	1,997	1,997
Restricted	307,648	380,879	-	-	-	-	6,251	387,130
Committed	-	-	-	-	482,737	482,737	-	482,737
Assigned	-	74,988	578	830	-	1,408	-	76,396
Total fund balances	307,648	455,867	578	830	482,737	484,145	8,248	948,260
Total liabilities and fund balances	\$ 307,648	\$ 492,123	\$ 578	\$ 830	\$ 482,737	\$ 484,145	\$ 8,248	\$ 984,516

(Concluded)

Town of Salem, Connecticut

Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2019

Special Revenue Funds

	Town Grants Fund	Senior Citizens Fund	Dog Fund	School Cafeteria Fund	Community Foundation Grant Fund	Needy Fund
Revenues:						
Intergovernmental	\$ 13,445	\$ -	\$ -	\$ 45,858	\$ 700	\$ -
Charges for services	-	-	3,741	55,590	-	-
Contributions	-	-	-	-	2,350	1,650
Income from investments	-	203	-	-	-	41
Total revenues	<u>13,445</u>	<u>203</u>	<u>3,741</u>	<u>101,448</u>	<u>3,050</u>	<u>1,691</u>
Expenditures:						
Current:						
General government	15,959	-	4,748	-	2,789	-
Education	-	-	-	100,921	-	-
Total expenditures	<u>15,959</u>	<u>-</u>	<u>4,748</u>	<u>100,921</u>	<u>2,789</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(2,514)</u>	<u>203</u>	<u>(1,007)</u>	<u>527</u>	<u>261</u>	<u>1,691</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	2,793	-
Transfers out	-	-	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,793</u>	<u>-</u>
Net change in fund balances	(2,514)	203	(1,007)	527	3,054	1,691
Fund balances - July 1, 2018	<u>75,794</u>	<u>31,303</u>	<u>2,715</u>	<u>31,163</u>	<u>72</u>	<u>5,218</u>
Fund balances - June 30, 2019	<u>\$ 73,280</u>	<u>\$ 31,506</u>	<u>\$ 1,708</u>	<u>\$ 31,690</u>	<u>\$ 3,126</u>	<u>\$ 6,909</u>

(Continued)

Town of Salem, Connecticut

Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2019

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	Special Revenue Fund		Capital Project Funds				Permanent Fund	Total Other Governmental Funds
	Small Cities Grant Fund	Total Special Revenue Funds	Open Space Land Acquisition Fund	Land Acquisition Fund	School Construction Fund	Total Capital Project Funds	Memorial and Cemetery Fund	
Revenues:								
Intergovernmental	\$ -	\$ 60,003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,003
Charges for services	-	59,331	-	-	-	-	-	59,331
Income from investments	-	244	-	-	-	-	99	343
Contributions	-	4,000	-	-	-	-	-	4,000
Total revenues	-	123,578	-	-	-	-	99	123,677
Expenditures:								
Current:								
General government	412	23,908	-	-	-	-	-	23,908
Education	-	100,921	-	-	-	-	-	100,921
Total expenditures	412	124,829	-	-	-	-	-	124,829
Excess (deficiency) of revenues over expenditures	(412)	(1,251)	-	-	-	-	99	(1,152)
Other financing sources (uses):								
Transfers in	-	2,793	-	-	-	-	-	2,793
Transfers out	-	-	-	-	-	-	(2,793)	(2,793)
Net other financing sources (uses)	-	2,793	-	-	-	-	(2,793)	-
Net change in fund balances	(412)	1,542	-	-	-	-	(2,694)	(1,152)
Fund balances - July 1, 2018	308,060	454,325	578	830	482,737	484,145	10,942	949,412
Fund balances - June 30, 2019	<u>\$ 307,648</u>	<u>\$ 455,867</u>	<u>\$ 578</u>	<u>\$ 830</u>	<u>\$ 482,737</u>	<u>\$ 484,145</u>	<u>\$ 8,248</u>	<u>\$ 948,260</u>

(Concluded)

Trend Information

Town of Salem, Connecticut
Schedule of Debt Limitation
Connecticut General Statutes, Section 7-374 (b)
For the Year Ended June 30, 2019
(Unaudited)

Tax Base:

Town tax collections (including interest and lien fees) for prior year \$ 11,988,371

Debt limitation:	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
2 1/4 times base	\$ 26,973,835	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	53,947,670	-	-	-
3 3/4 times base	-	-	44,956,391	-	-
3 1/4 times base	-	-	-	38,962,206	-
3 times base	-	-	-	-	35,965,113
Total debt limitation	<u>26,973,835</u>	<u>53,947,670</u>	<u>44,956,391</u>	<u>38,962,206</u>	<u>35,965,113</u>
Indebtedness:					
Bonds payable	-	3,575,000	-	-	-
Notes payable	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total indebtedness	<u>60,000</u>	<u>3,575,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding debt	<u>\$ 26,913,835</u>	<u>\$ 50,372,670</u>	<u>\$ 44,956,391</u>	<u>\$ 38,962,206</u>	<u>\$ 35,965,113</u>
The total net indebtedness above amounts to:					<u>\$ 3,635,000</u>
In no event shall total indebtedness exceed seven time the base for debt limitation computation:					<u>\$ 83,918,597</u>