

2021-  
2022

ANNUAL REPORT OF THE TOWN  
OF SALEM, CONNECTICUT





In Dedication to  
**Joan M. Golubeck**



**December 20, 1943 – February 22, 2023**

Joan Golubeck, 79, passed from this life into eternal life with God while surrounded by her devoted family.

After graduating from nursing school in 1966, Joan served for more than 40 years as a registered nurse and retired as a local Elementary School Nurse. In retirement, Joan and her husband Jack enjoyed maintaining their Salem family farm where they cared for their horses, goats and animals. Joan also enjoyed gardening, crafting, quilting and sewing. Joan loved spending time with her beloved Jack and with family and friends.

Joan was actively involved in our community and served in many capacities including:

- as a eucharistic minister at Our Lady of the Lakes Church
- as a Salem Boy Scout Troop Leader and Committee Member
- as an Eagle Scout Mentor and Advisor
- as a Cub Scout Leader
- as an active member of the Salem Seniors Group
- volunteered her nursing skills to provide blood pressure screenings

Besides her husband Jack, Joan will be missed by her daughter Janet Acosta, granddaughter Jessica Raffone and grandsons Joseph Zona and Joshua Lopez. Joan was very proud of Joshua who achieved the rank of Eagle Scout while a member of Salem Troop 123 and who currently serves as a Sergeant and Military Police Officer in the United States Army where he is a candidate for Army Ranger School.

Joan was predeceased by her daughter Sandra Golubeck and granddaughter Jacqueline Raffone.

Joan left a lasting memory on everyone she met and her selfless service has made Salem a better place to live.

Respectfully submitted,

Ed Chmielewski



In Dedication to

# Brian Whitlatch



**1969 – 2022**

Brian born on March 3, 1969, went home to be with the Lord November 5, 2022. Brian Whitlatch was a kind family man, neighbor, friend, who had a heart of gold and was always there to serve others. He was a great asset to the Town of Salem. His love for his family was remarkable. Married for 33 years to his wife Toni, two lovely daughters, their spouses and his first grandson.

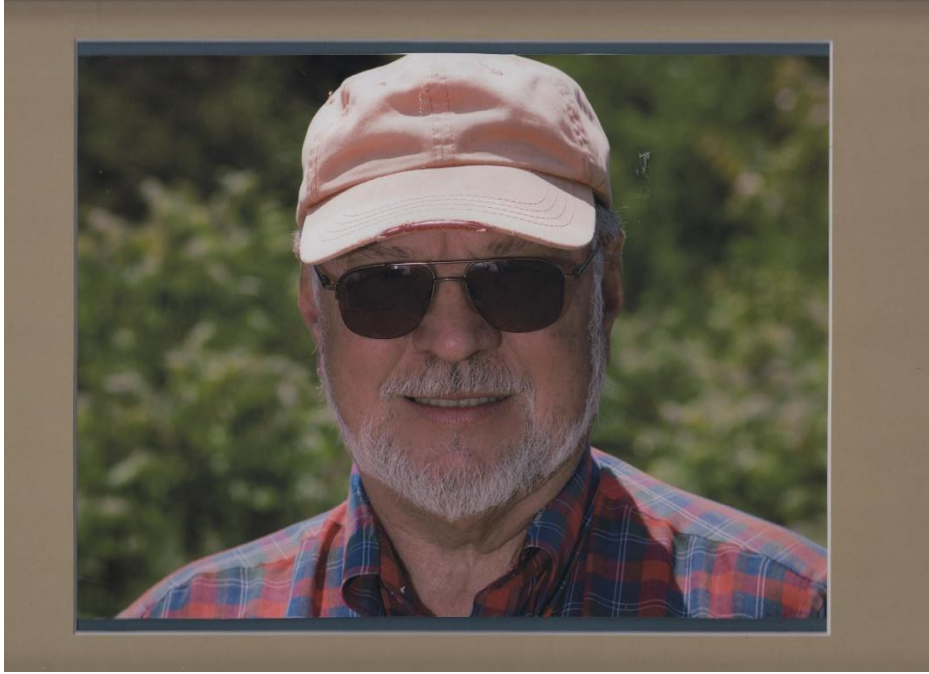
Brian served our country and was a veteran of the U.S. Navy. Brian served the Town of Salem as a member of the Salem Volunteer Fire Company. He joined the company on June 6, 1991 and he held positions of Lt. and Fire Captain. Brian enjoyed responding to calls, attending training, and working with junior members. He loved working on the equipment and getting the trucks ready for parades. Most important to Brian were the people and friendships that lasted a lifetime.

Brian's love for being a mechanic and love for racing allowed him to follow his passion as he assisted as part of a pit crew and enjoyed watching NASCAR on Sunday afternoons. He loved camping and having people over, hanging out at the campfire, fishing on the lake, cruising around on his golf cart with Mia (his dog), and visiting with everyone. Brian always had a smile on his face, a smile which lit up the room.

Respectfully submitted,  
Board of Finance



In Dedication to  
**William A. Schultz**



**January 15, 1936 - February 10, 2023**

William “Bill” Schultz enjoyed hunting, fishing, and archeology. He volunteered for many organizations, including the Boy Scouts of America, Gardner Lake Volunteer Fire Department Board and the Salem Historical Society Board, sharing his interests and knowledge with them. For years, he organized speakers and other events for the Historical Society. He delivered his multi-media talks on local history to countless Salem School students. Based on his work with the state archeologist, he organized “digs” to teach the students about archeology. He helped to locate several ancient Salem graves. He assisted in the preparation of the Salem Plan of Conservation and Development. Bill was named a Salem Unsung Hero in 2022. His positive energy, hard work and lasting impact on the town and its people are a wonderful example of what a good citizen is.

Respectfully submitted,  
Board of Finance





# **ANNUAL REPORT**

## **OF THE OFFICERS OF THE**

# **TOWN OF SALEM**



**AND**

**Audit of Town Records  
From July 1, 2021  
to June 30, 2022**



## **TABLE OF CONTENTS**

<b>TOWN GOVERNMENT</b>	<b>13</b>
<b>ELECTED TOWN OFFICIALS</b>	<b>14</b>
Board of Selectmen	14
Town Clerk	14
Treasurer	14
Tax Collector	14
Board of Finance	14
Board of Education	14
Planning & Zoning Commission	15
Zoning Board of Appeals	15
Library Board of Trustees	15
Board of Assessment Appeals	15
Registrar of Voters	15
<b>APPOINTED TOWN OFFICIALS</b>	<b>16</b>
Inland Wetlands and Conservation Commission	16
Civil Preparedness	16
Recreation Commission	16
Economic Development Commission	16
Southeastern Connecticut Council of Governments	17
Salem Green Cemetery	17
Southeastern Connecticut Water Advisory Board	17
<b>PUBLIC OFFICIALS</b>	<b>18</b>
<b>FIRST SELECTMAN REPORT</b>	<b>19</b>
<b>TOWN CLERK REPORT</b>	<b>20</b>
Town Meetings	21
Justice Of The Peace	28
Notary Public	29
<b>TOWN REPORTS</b>	<b>19</b>

<b>TREASURER REPORT</b>	<b>31</b>
<b>BOARD OF FINANCE REPORT</b>	<b>32</b>
<b>TAX COLLECTOR REPORT</b>	<b>33</b>
<b>REGISTRARS OF VOTER REPORT</b>	<b>34</b>
<b>PLANNING AND ZONING REPORT</b>	<b>35</b>
<b>SALEM RECREATION COMMISSION REPORT</b>	<b>36</b>
<b>INLAND WETLANDS AND CONSERVATION COMMISSION REPORT</b>	<b>37</b>
<b>ECONOMIC DEVELOPMENT COMMISSION REPORT</b>	<b>38</b>
<b>ASSESSOR REPORT</b>	<b>39</b>
<b>BUILDING OFFICIALS REPORT</b>	<b>40</b>
<b>SALEM FREE PUBLIC LIBRARY ANNUAL REPORT</b>	<b>41</b>
<b>SALEM SENIOR CITIZEN REPORT</b>	<b>42</b>
<b>SALEM VOLUNTEER FIRE COMPANY, INC. REPORT</b>	<b>43</b>
<b>GARDNER LAKE VOLUNTEER FIRE COMPANY, INC. REPORT</b>	<b>44</b>
<b>SALEM HISTORICAL SOCIETY REPORT</b>	<b>45</b>
<b>GARDNER LAKE AUTHORITY REPORT</b>	<b>46</b>
<b>SALEM GREEN CEMETERY ASSOCIATION REPORT</b>	<b>47</b>
 <b>APPENDIX 1</b>	
<b>REPORT OF THE BOARD OF EDUCATION AND SUPERINTENDENT OF SCHOOLS</b>	<b>49</b>
 <b>APPENDIX II</b>	
<b>ANNUAL FINANCIAL REPORT OF THE TOWN OF SALEM</b>	<b>58</b>

# **TOWN GOVERNMENT**

**T**he 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 Finance, First Selectman, Town Clerk and Tax Office are available during regular hours.

The Registrar of Voters, located within the Town Office Building, is available during the following office hours:

Tuesday	9:00 AM to 11:00 AM
Wednesday-Monday	Closed

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

Monday	1:00 PM to 5:00 PM
Tuesday	8:00 AM to 5:00 PM
Wednesday	8:00 AM to 1:00 PM
Thursday	8:00 AM to 6:00 PM
Friday-Sunday	Closed

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

Monday-Administrative Assistant	3:00 PM to 7:00 PM
Monday- Building Officials	5:00 PM to 7:00 PM
Thursday-Administrative Assistant	3:00 PM to 7:00 PM
Thursday-Building Officials	5:00 PM to 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](http://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	10:00 AM to 6:00 PM
Tuesday-Wednesday	12:00 PM to 8:00 PM
Thursday	10:00 AM to 6:00 PM
Friday	10:00 AM to 4:00 PM
Saturday	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 2020/2022. 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 2021/2022.

## **Board Of Selectmen**

Ed Chmielewski, First Selectman (2023) – 2 yr. term  
TJ Butcher (2025) – 4 yr. term  
Kevin Lyden (2023) – 2 yr. term  
Ron LaBonte (2023) – 4 yr. term  
Pam Munro (2025) – 4 yr. term

## **Town Clerk**

Linda Flugrad (2024)

## **Treasurer**

Pamela Henry (2023)

## **Tax Collector**

Vivian Waters (2023)

## **Board of Finance**

William “Skip” Dickson, Chairman (2025)

Deborah Cadwell (2027)  
Janet S. Griggs (2027)  
Corinne (Cory) Bourgeois (2025)  
Marshall Collins (2023)  
Matt Rucci (2023)  
John Bernier, Alt. (2027)  
Maryann Casciano, Alt. (2025)  
Kate Belleville, Alt. (2023)

## **Board of Education**

Sean Reith, Chairman (2023)  
Ryan Little, Treasurer (2023)  
Jennifer Rucci, Secretary (2025)

Dan Marsh (2027)  
LaVan Norwood (2025)  
Sue Spang (2023)

Tiffany Cunningham (2027)  
Christina Fontaine (2025)  
Kelly Francis (2023)

### **Planning and Zoning Commission**

Vernon Smith, *Chairman* (2025)

Walter Volberg (2027)	Diba Khan-Bureau (2027)
Thomas Reith (2025)	John Gadbois (2025)
Carl Fontneau (2023)	Jennifer Lindo (2023)
Steven Shelley, Alt.. (2027)	Dave Knopf, Alt.. (2025)
Gary Closius, Alt.. (2023)	

### **Zoning Board of Appeals**

Charlie Dutch, *Chairman* (2027)

Denise Orsini, *Vice-Chairman* (2023)

Ken Bondi (2025)	Emil Casciano (2025)
Elbert Burr (2023)	True Smith Alt. (2027)
Rebecca Nortz, Alt. (2025)	Larry Benedict, Alt.(2023)

### **Library Board of Trustees**

Diane Robillard, *Chairman* (2025)

Dee Doolittle (2027)	Maureen Collins (2027)
Mary Cikatz (2025)	Julie Stoken (2023)
Alan Benkert (2023)	

### **Board of Assessment Appeals**

Robert M. Green, *Chairman* (2025)

Dianne Woronik (2023)	Kay Zak (2023)
-----------------------	----------------

### **Registrar Of Voters**

Betsy Butts (D - 2027)	John Butts, Deputy
Athena Sartori (R – 2027)	Doris Burr, Deputy

# **APPOINTED TOWN OFFICIALS**

## **Inland Wetlands and Conservation Commission**

Diba A. Khan-Bureau (2023), *Chairman*

Roger Phillips (2023), <i>Secretary</i>	Jim Mulholland (2023)
Ed Natoli, Jr. (2024)	Dean Wojcik (2027)
Jennifer Messervy (2027)	Jim Miller (2027)
Michael Smith, Alt. (2027)	Larry Moore, Alt. (2025)
Lisa MarcAurele, Alt. (2028)	Matt Allen, WEO

## **Emergency Preparedness Agency**

Michael Bednarz, *Director*

Corinne (Cory) Bourgeois (2026)	Erik Trotter (2025)
Eva Agathos (2025)	Peter Lynch (2025)
Christina Martin, Staff	Rick Martin, Staff

## **Recreation Commission**

Mary Durkee, *Chairman* (2024)

Alexandra Marsh (2027)	Dave Knopf (2027)
Agnes Valentini (2027)	Debbie Delorimiere(2027)
Eric McGlone (2027)	Lisa MarcAurele (2027)
Casey Crafton (2027)	Steven Włodarczyk (2027)

## **Economic Development**

Steven Shelley, *Chairman* (2025)

John Houchin (2026)	Melissa Beers (2026)
Victoria Knopf (2026)	Carl Fontneau (2025)
Alexandra Marsh, Alt. (2026)	John Gilbert, Alt. (2026)



## **Southeastern Connecticut Council of Governments**

Ed Chmielewski, First Selectman

### **Salem Green Cemetery**

Linda Parker, *President*

Cathy Benedict, *Vice-President & Sexton*

Monica McIntyre, *Treasurer*

Kathleen Lyden, *Secretary*

Jonathan Chechile

Hugh McKenney

Michael Teel, *Asst. Sexton*

### **Gardner Lake Authority**

Jim Miller

Christino Rios

Tony Lasaracina

## **Southeastern Connecticut Water Advisory Board**

Lesley Hotary

Hugh McKenney

# **PUBLIC OFFICIALS**

<b>Agent for the Elderly</b>	Agnes Miyuki
<b>Animal Control Officer</b>	Christian Swanson, Montville ACO
<b>Assessor</b>	Michael Kapinos, CCMA II
<b>Assistant Tax Collector</b>	Athena Sartori
<b>Assistant Town Clerk</b>	Agnes Miyuki
<b>Building Department/Sanitarian Admin. Asst. Building Inspector</b>	Agnes Miyuki
<b>Democrat Town Committee Chair</b>	Vernon D. Vesey II
<b>Director of Emergency Management (Civil Preparedness)</b>	T.J. Butcher, Chairman
<b>Executive Assistant to the First Selectman</b>	Michael Bednarz
<b>Finance Director</b>	Alesha Brothers
<b>Finance Assistant</b>	Lisa Jablonski
<b>Fire Inspector</b>	Meliza Jimenez
<b>Fire Marshal</b>	Jeffrey W. Standish
<b>Health Director</b>	Tom Main
<b>Human Resources</b>	Uncas Health District
<b>Human Resources Assistant</b>	Lisa Jablonski
<b>Municipal Historian</b>	Alesha Brothers
<b>Purchasing Agent</b>	Dave Wordell
<b>Recreation Program Director</b>	Ed Chmielewski
<b>Republican Town Committee Chair</b>	Agnes Miyuki
<b>Resident State Troopers</b>	Vernon Smith
<b>Sanitarian</b>	Trooper Ben Duffy, Trooper Kevin Crosby
<b>Superintendent of Schools</b>	Uncas Health District
<b>Town Planner</b>	Brian Hendrickson
<b>Tree Warden</b>	Nicole Haggerty, (SECCOG)
<b>Zoning and Wetlands Enforcement Officer</b>	Tony Gallicchio
	Matt Allen

# **TOWN REPORTS**

## **FIRST SELECTMAN'S REPORT**

The Fiscal Year ending June 30, 2022, has provided our Town with many opportunities for positive change. The Town of Salem continues to be in strong financial health. This has continued to be recognized by Moody's Investment Service as they have maintained our Bond Rating as Aa2.

Revenues were \$499,322 greater than expected due to a higher than anticipated collection of property taxes and building fees.

Due to strong Fiscal controls and a concerted effort of Fiscal responsibility by all departments, expenditures ended the year at \$246,562 less than was budgeted.

The General Funds balanced increased by \$129,516 during the current Fiscal year.

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,

Ed Chmielewski  
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.

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.

The Municipal election was held November 2, 2021. 1,416 names, approximately 48 of registered voters, were checked as having voted. For our budget referendum held May 11, 2022, 172 people or 6% cast their votes, for a budget of \$16,724,301.

## Activity Summary

Land Records 934  
Births 55  
Marriages 54  
Deaths 55

Trade Names 17  
Dog Licenses 298  
Dog Kennels 5

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 received from the State of Connecticut Historic Document Preservation Program for the fiscal year 2022-2023 \$5,500 in grant funds which we used to backfill several decades of land records onto the computer.

I would like to extend a huge thank you to Agnes Miyuki, 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

**TOWN OF SALEM  
SPECIAL TOWN MEETING  
TUESDAY, FEBRUARY 28, 2022 – 6:00 P.M.  
SALEM TOWN HALL, CONFERENCE ROOM 1**

**CALL TO ORDER**

First Selectman Ed Chmielewski called the meeting to order at 6:00 p.m.

**ELECTION OF MODERATOR**

**M/S/C: V. Waters /L. Flugrad, to elect Selectman Kevin Lyden as the Moderator for this Special Town Meeting. Discussion: None. Voice vote, all in favor. The motion carries.**

**Selectman Lyden welcomed and introduced Town Attorney Brian Estep to our meeting.**

**Town Clerk Linda Flugrad read the Warning and Notice of this Special Town Meeting.**

Selectman Lyden explained the history and what the American Rescue Plan Act (ARPA) funding is for and how it can be used. Every municipality is receiving funding; we are getting a total of \$1.2 million. We are required to report to the State how our funding is being spent. This money will be audited and have the same procedures as any other money we have in town. We will abide by our purchasing policy. Approved purchases have to be signed by two selectmen and our treasurer. Our auditor comes in monthly to review these purchases. ARPA funds will be audited. This is money coming to the Town. It will not be taken out of taxes. Additional requests came in for funding after the first half (\$604,000.00) of the expenditures were decided. The items listed here qualify for the funding. The money must be spent by December, 2024.

\$15,000 of the total \$604,000 (the first half of the funding) was expended on Uncas Health District, Conference Room 1 Video/Audio upgrades and SCCOG-ARPA funds advisor. For explanation of the remaining \$589,000 (see attached), TVCCA provides oil assistance and other services for the Townspeople; Safe Futures was formerly known as the Women's Center; Care & Share Food Bank services our Town; the Homeless Shelter is located in New London and is available for Salem townspeople; (7) cleaning supplies are for the town office building, Library, Public Works and the Center School; the Salem benevolent fund is currently supported only by donations; (16) Ambulance additional nominal fees: \$50,000 had been budget, but that money has already been expended, the additional \$36,000 will cover additional expenses through this fiscal year; (17) AED replacement was on the Capital budget. The Board of Finance suggested we use ARPA funding. (18) Repurpose Old Salem Library. Upgrades will include a new septic system, handicap bathroom and electrical work. (20) Generator replacement at Salem School for designated shelter. We are required to have a shelter available; this generator is for the gym, lower-level classrooms and bathrooms. The Board of Finance requested ARPA funding be used for the Emergency Operations

Services and Upgrades, the Generator Replacement at the School for Designated Shelter, and the Record Service Management, which totals \$237,000.

## **PUBLIC COMMENTS**

Questions arose:

If funding for this first half issued is not expended within the allotted time frame, do we have to give it back, to which Selectman Lyden replied that the funds can be reallocated and used for another qualified project.

Will any money be allocated for a Senior van? Selectman Lyden replied we can currently use the ECTC van if there is enough interest.

Regarding item (17): an individual stated she thinks we need equipment and training for lifting handicapped individuals.

Item (2): Is New London not able to give enough money to Safe Futures? Selectman Lyden answered that they are not able to fund the entire budget of this regional resource.

The question was raised as to whether any of this money can be used for salary for someone to work with social service issues. At this time, we have not budgeted for that; however, it may be looked at in the future.

L. Hotary spoke on behalf of the Democratic Town Committee that they support the proposal. The two requests they have is if the benevolent fund can be audited and what is the process for establishing a more diverse group of townspeople in determining where the second half of the funding will be spent. It was suggested that the Town solicit a call for ideas from other Townspeople.

Regarding the trails, M. Sturgeon is concerned about safety on the trails. Selectman Lyden encouraged her to fill out citizen comment forms for specific concerns.

The question was reiterated as to what happens to the funding if it is not expended by 2024? A resident who has done some research said he believes the funds must be allocated by December 31, 2024, but expended by December 31, 2026.

Another resident commented that most of these items on the list have to be done anyway so he felt it should be approved.

V. Smith spoke for the Republican Town Committee stating that they support the plan.

J. Rucci was dismayed that there was no Board of Education input. She is hoping they will be asked for input with the second half of the funding. When asked by a resident how much the school is getting from ARPA, J. Rucci indicated that she did not know the exact amount; however, thought it was around \$300,000 and most had to be earmarked for specific purposes.

Regarding item (12), a resident stated that not much is being allocated for small businesses. Selectman Lyden responded that the Economic Development Commission asked for less than what has been allocated, but the ARPA committee decided on more support. The Town did a great deal of business within the community during the height of the COVID pandemic.

There was no further discussion.

**M/S/C: B. Ross/G. Closius, to act on American Rescue Plan Act (ARPA) Committee approved requests of \$589,000 by a yes or no vote.** By a show of hands, there were 50 yes votes and 2 no votes. The Motion carries.

## **ADJOURNMENT**

**M/S/C: G. Closius/V. Vesey, to adjourn the meeting at 7:01 p.m. Voice vote, all in favor. The motion carries.**

Respectfully Submitted by:

Linda Flugrad, Town Clerk

Town of Salem  
Annual Town Meeting  
Salem School  
May 4, 2022 at 7:00 p.m.

First Selectman Ed Chmielewski called the meeting to order at 7:07 p.m.

**M/S/C:** to elect Kevin Lyden as moderator for this meeting. **TJ Butcher/P. Robillard**  
The motion passed.

Per Section 4.05C of the Town Charter, Linda Flugrad, CCTC, Town Clerk was appointed Clerk of the meeting, and proceeded to read the notice and warning of the meeting.

Moderator Selectman Lyden explained we have three items to vote on.

1. 10-year Capital Budget Plan.

Motion: Motion to approve the Capital Budget plan as presented. **M/S/C: T J Butcher, H. McKenney.**

Moderator Selectman Lyden called for discussion and hearing none, the motion passed with one opposition.

2. General Government Budget. Selectman Lyden explained that the budget cannot be raised at this meeting. It can be lowered by line item in the General Government Budget or by total amount for the Board of Education Budget.

First Selectman Ed Chmielewski asked for questions on Department 100.

Resident, F. Hwang, 148 Old Colchester Road, created a chart (see attached) and explained how, in her opinion, with our current significant and excessive spending and shrinking revenues, this budget is not sustainable over the long haul.

First Selectman Chmielewski asked for any additional questions on the General Government Budget. There were some who spoke in support of the budget.

3. Board of Education Budget.

Selectman Lyden asked for questions on the School budget. None were expressed.

**Motion:** to move the budget to referendum in the amount of General Government budget of \$4,405,508, Board of Education \$11,327,158, Capital Expenditures \$998,830, for a total budget of \$16,731,496. **M/S/C: TJ Butcher/G. Closius, carried;** however, the amount in the motion was the proposed amount presented at the Public Hearing on April 13, 2022, which was changed.

**Amended Motion:** to move the budget to referendum in the amount of General Government budget of \$4,398,313, Board of Education \$11,327,158, Capital Expenses \$998,830, for a total of budget of \$16,724,301. **M/S/C: TJ Butcher/G. Closius, passed with three in opposition.**

Additional Discussion: There was a lengthy discussion on the new legislation regarding the Town receiving a 5-cent surcharge on the sale of "Nips" alcohol bottles; and what would and could be done with that revenue. Incentive ideas for cleaning up the Nips litter bottles from around Town were given.

There was also discussion regarding looking into bringing a marijuana dispensary into the Town. It could be another revenue source in Town. First Selectman Chmielewski said this would be a good discussion for the boards and commissions.

Motion to Adjourn: **P. Robillard/C. Weston** at 7:50.

Respectfully submitted,

Linda Flugrad, CCTC, Town Clerk



TOWN OF SALEM, CT

11 MAY 2022

REFERENDUM RESULTS


"SHALL THE TOWN OF SALEM APPROVE THE PROPOSED MUNICIPAL BUDGET FOR FISCAL YEAR 2022/2023 IN THE AMOUNT OF \$16,724,301?"

YES 112 NO 59

These results have been certified as being correct by the following election officials:

  
Stephen E. Buck – Moderator

5/11/22  
Date

  
Betsy B. Butts – Registrar of Voters

5/11/2022  
Date

  
Doris C. Burr – Registrar of Voters

5/11/22  
Date

Total 2,932 voters

Page 1 of 2

  
RECEIVED  
TOWN OF SALEM, CT  
2022 MAY 12 A 9:29

TOWN OF SALEM, CT

11 MAY 2022

ADVISORY QUESTION RESULTS

1. "IN YOUR OPINION IS THE GENERAL GOVERNMENT BUDGET IN THE AMOUNT OF \$4,398,313 FOR FISCAL YEAR 2022/2023 TOO LOW, ABOUT RIGHT OR TOO HIGH?"

TOO LOW	<u>7</u>
ABOUT RIGHT	<u><del>84</del> 94</u>
TOO HIGH	<u>48</u>

2. "IN YOUR OPINION IS THE BOARD OF EDUCATION BUDGET IN THE AMOUNT OF \$11,327,158 FOR FISCAL YEAR 2022/2023 TOO LOW, ABOUT RIGHT OR TOO HIGH?"

TOO LOW	<u>33</u>
ABOUT RIGHT	<u>61</u>
TOO HIGH	<u>56</u>

3. "IN YOUR OPINION IS THE CAPITAL EXPENDITURES BUDGET IN THE AMOUNT OF \$998,830 FOR FISCAL YEAR 2022/2023 TOO LOW, ABOUT RIGHT OR TOO HIGH?"

TOO LOW	<u>14</u>
ABOUT RIGHT	<u>96</u>
TOO HIGH	<u>33</u>

These results have been certified as being correct by the following election officials:

  
Stephen E. Buck – Moderator

5/11/2022  
Date

  
Betsy B. Buits – Registrar of Voters

5/11/2022  
Date

  
Doris C. Burr – Registrar of Voters

5/11/2022  
Date

State of Connecticut  
Official Ballot



Salem, Connecticut

Municipal  
Election

November 2, 2021

District  
1

TURN BALLOT OVER AND VOTE BOTH SIDES

Be sure to read instructions to vote.

OFFICE		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
PARTY		First Selectman Vote for One	Selectmen Full Term Vote for Up to Two		Selectman To Fill Vacancy for Two Years Vote for One	Town Clerk Vote for One	Town Treasurer Vote for One	Tax Collector Vote for One	Board of Finance Full Term Vote for Up to Two		Board of Finance To Fill Vacancy for Four Years Vote for One	Board of Finance To Fill Vacancy for Two Years Vote for One	Board of Finance Alternate Full Term Vote for One	Board of Finance Alternate To Fill Vacancy for Four Years Vote for One	Board of Finance Alternate To Fill Vacancy for Two Years Vote for One	Board of Education Full Term Vote for Up to Two		Board of Education To Fill Vacancy for Four Years Vote for One
		1A	2A	3A	4A	5A	6A	7A	8A	9A	10A	11A	12A	13A	14A	15A	16A	17A
DEMOCRATIC PARTY		Hugh E. McKenney	John F. Houchin Sr.	T.J. Butcher		Linda Flugrad	Pamela Henry	Danielle Mauri	David B. Bingham	Janet Griggs		Matt Rucci				Tiffany B. Cunningham	Tamara Morocco	Will Butler
REPUBLICAN PARTY		1B	2B	3B	4B	5B	6B	7B	8B	9B	10B	11B	12B	13B	14B	15B	16B	17B
		Ed Chmielewski	Pamela Munro	William "Skip" Dickson	Kevin Lyden	Linda Flugrad	Pamela Henry	Vivian Waters	Deborah Cadwell		Cory Bourgeois		John Bernier	Maryann Casciano		Maum Rehrig	Dan Marsh	Christina Fontaine
WRITE-IN VOTES		1C	2C	3C	4C	5C	6C	7C	8C	9C	10C	11C	12C	13C	14C	15C	16C	17C

State of Connecticut  
Official Ballot



Salem, Connecticut

Municipal  
Election

November 2, 2021

TURN BALLOT OVER AND VOTE BOTH SIDES

Be sure to read instructions to vote.

<div>OFFICE</div> <div>PARTY</div>		18	19	20	21	22	23	24	25	26	27	28	29	30
		Board of Assessment Appeals Vote for One	Planning and Zoning Commission Full Term Vote for Up to Two		Planning and Zoning Commission To Fill Vacancy for Four Years Vote for One	Planning and Zoning Commission To Fill Vacancy for Two Years Vote for One	Planning and Zoning Commission Alternate Vote for One	Planning and Zoning Commission Alternate To Fill Vacancy for Four Years Vote for One	Planning and Zoning Commission Alternate To Fill Vacancy for Two Years Vote for One	Zoning Board of Appeals Vote for One	Zoning Board of Appeals To Fill Vacancy for Two Years Vote for One	Zoning Board of Appeals Alternate Vote for One	Library Trustees Vote for Up to Two	
DEMOCRATIC PARTY		18A Debra Gernhardt	19A Diba Khan Bureau	20A	21A Jennifer Lindo	22A Gary Closius	23A Sue Spang	24A Ruth L. Saville	25A	26A Charles R. Dutch	27A Rebecca A. Nortz	28A	29A Elaine Jansen	30A Dne Doolittle
REPUBLICAN PARTY		18B Robert Green	19B Walter Volberg	20B	21B John Gadbois	22B Carl Fontneau	23B Steven Shelley	24B Dave Knopf	25B	26B	27B Elbert Burr	28B True Smith	29B Maureen O. Collins	30B
WRITE-IN VOTES		18C	19C	20C	21C	22C	23C	24C	25C	26C	27C	28C	29C	30C

## **JUSTICE OF THE PEACE**

### Contact

NAME	
Balavender, Gale J.	860-859-2174 or 860-917-9024
Bondi, Ken	860-425-0887
Burr, Elbert	44 Emerald Glen Ln., 860-887-9510, elbyburr@comcast.net
Butcher, TJ	860-859-1012
Butts, Betsy B.	860-859-0788
Chmielewski, Edward	860-859-3873
Griggs, Janet S.	<a href="mailto:jsgriggs@comcast.net">jsgriggs@comcast.net</a>
Houchin, John Sr.	<a href="mailto:johnhousr@me.com">johnhousr@me.com</a>
Len, Darrell	860-884-2754 or darrell_len@yahoo.com
Maiorano, Eugene R.	860-859-0558
Maiorano, Marcella	860-859-0558
McGannon-Kollman, Mary L.	860-859-3036 or mcgkol@yahoo.com
McKenney, Hugh	860-303-0042
Munro, Pamela R.	<a href="mailto:pmunro@sbcglobal.net">pmunro@sbcglobal.net</a>
Nortz, Michael F.	860-992-7952
Nortz, Rebecca A.	860-992-9545
Phillips, Linda F.	860-443-4367 or linda@naturesartvillage.com
Ross, Robert T.	270 Hartford Rd.
Rowthorn, Anne	860-961-3949 or annerowthorn@gmail.com
Rucci, Matt	860-501-9191
Sabowski, Maryanne	<a href="mailto:sunflr345@aol.com">sunflr345@aol.com</a>
Shapere, Alfreda B.	860-859-1760
Sielman, Peter F.	369 West Rd.
Spang, Susan G.	<a href="mailto:suespang58@gmail.com">suespang58@gmail.com</a>
Weinschenker, Denise M.	<a href="mailto:dweinschenker@yahoo.com">dweinschenker@yahoo.com</a>
Wojcik, Dean	860-887-2216

## **NOTARY PUBLIC**

NAME	ADDRESS	TERM
Alfonso, Diane M.	295 Rattlesnake Ledge Rd.	02/29/2020 - 02/28/2025
Armstrong, Colleen M.	684 Old Colchester Rd., #12	06/01/2019 - 05/31/2024
Basley, Deana L.	220 Round Hill Rd.	05/01/2022 - 04/30/2027
Bennett, Suzanne	223 Old New London Rd.	11/01/2022 - 10/31/2027
Bond, Austin	83A Horse Pond Rd.	01/01/2021 - 12/31/2025
Brick, Marion	745 Hartford Rd.	09/01/2019 - 08/31/2024
Brinkman, Jennifer L.	91 Buckley Rd.	06/01/2018 - 05/31/2023
Burke, Tina M.	9 Witter Rd.	01/11/2019 - 01/31/2024
Butts, Betsy B.	376 Hartford Rd.	12/01/2019 - 11/30/2024
Champion, Barbara	496 Norwich Rd.	10/01/2022 - 09/30/2027
Cooper, Camille R.	107 Buckley Rd.	08/10/2018 - 08/31/2023
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
Ferris, Heidi C.	332 Rattlesnake Ledge Rd.	02/29/2020 - 02/28/2025
Flugrad, Linda	270 Hartford Rd.	05/01/2020 - 04/30/2025
Fox Chelsea T.	210 West Rd.	12/30/2020 - 12/31/2025
Gnade, Meagan Plante	3 Salem Ridge Drive	02/29/2020 - 02/28/2025
Gray, Jackie	235 Buckley Rd.	07/01/2019 - 06/30/2024
Horvath, Nancy L.	163 Old New London Rd.	12/01/2019 - 11/30/2024
Huhtala, Janet A.	245 Buckley Rd.	12/01/2019 - 11/30/2024
Hutchings, Gina J.	29 Cedar Hill Lane	10/01/2019 - 09/30/2024
Kennedy, Lillian	330 Round Hill Rd.	10/01/2020 - 09/30/2025
Kodym, Patricia L.	113 Sullivan Rd.	08/01/2021 - 07/31/2026
Kutrolli, Anisa	129 Sullivan Rd.	06/23/2021 - 06/30/2026
Larensen, Kim M.	509 Old Colchester Rd.	11/01/2020 - 10/31/2025
Lindo, Jennifer	348 New London Rd., Unit B	11/01/2020 - 10/31/2025
Maiorano, Marcella C.	799 West Rd.	02/01/2022 - 01/31/2027
Maynard, Barb	270 Old New London Rd	12/01/2022 - 11/30/2027
Moore, Barbara S.	62 Forest Drive	04/01/2021 - 03/31/2026
Neumann, Lori B.	519 Norwich Rd.	01/01/2019 - 12/31/2023
Nortz, Michael F.	66 Skyline Drive	11/01/2022 - 10/31/2027
Pallozzi, Mary	10 LakeView Ave.	06/01/2018 - 05/31/2023
Patterson, Karen A.	106 Sullivan Rd.	01/19/2021 - 01/31/2026
Piper, Doreen	235 Witter Rd.	08/20/2020 - 08/31/2025
Robitaille, Kevin K.	28 Pheasant Hill Rd.	12/10/2019 - 12/31/2024
Ruttkamp, Deborah A.	10 Salem Hollow Lane	10/01/2018 - 09/30/2023
Schroeder, Katherine	83C Horse Pond Rd.	05/19/2021 - 05/31/2026
Scott, Rebecca J	680 West Rd.	05/01/2021 - 04/30/2026
Sheehan, Deborah	92 Valley Dr.	06/01/2018 - 05/31/2023
Shewokis, Sarah J.	723 Hartford Rd.	12/27/2019 - 12/31/2024
Sistare, Natasha	330 Buckley Rd.	10/09/2018 - 10/31/2023
Stankoski, Tabatha	269 Old Colchester Rd.	03/19/2020 - 03/31/2025
Stevenson, Michelle A.	623 Hartford Rd.	05/01/2020 - 04/30/2025

Stewart, William R.	1 Bayberry Place	12/22/2020 - 12/31/2026
Swider, Sandra D.	59 Mill Lane	06/01/2022 - 05/31/2027
Tallman, Timothy L. Jr.	82 Lakeview Avenue	04/01/2018 - 03/31/2023
Turner, Tammie A.	185 Old Colchester Rd.	05/01/2021 - 04/30/2026
Waters, Vivian A.	136 Old Colchester Rd.	10/07/2020 - 10/31/2025
Weimer, Christopher	460 West Rd.	11/07/2019 - 11/30/2024
Weston, Diane E.	47 Meadow Lane	03/01/2021 - 02/28/2026
Wittig, Vera Ann C.	200 West Rd.	04/01/2019 - 03/31/2024



Submitted by Lisa Jablonski

## **TREASURER'S REPORT**

Town of Salem, Fiscal Year 22, ending June 30, 2022 - Total Governmental Funds balance with asset and liability activities each totaling \$12,963,147 respectively. See Balance Sheet Governmental Funds June 30, 2022 on page 13 of the *Town of Salem, Connecticut: Annual Financial Statements for the Year Ending June 30, 2022* (Independent Auditor's Report).

Revenues for the fiscal year Total Governmental Funds total \$18,151,481. This includes property taxes, grant income, licenses & permits, charges for services, income from investments and miscellaneous revenues. For more detail of funds and revenues, see page 15 of the *Town of Salem, Connecticut: Annual Financial Statements for the Year Ending June 30, 2022* (Independent Auditor's Report).

*Financial Statements and Supplementary Information* for Year Ended June 30, 2022 inquiries, please submit request to the Town Clerk's office or view on the Town of Salem website – Town Government section. [www.salemct.gov](http://www.salemct.gov)

Thank you for your confidence while I respectfully serve our wonderful community as the Treasurer for the Town of Salem.

Pamela T. Henry  
Treasurer





## **BOARD OF FINANCE REPORT**

The 2021-2022 fiscal year began with the adoption, by town referendum, of the Town's budget in the amount of \$16,373,682. The proposed expenditures were as follows:

General Government	\$ 4,191,824
Board of Education	\$11,650,886
Capital Improvements	\$ 1,130,972

The Board of Finance approved a mill rate of 32.2 mills to provide funding for the 2021-2022 budget.

The Unassigned Fund balance as of July 1, 2021, was \$2,560,193.

The 2022-2023 fiscal year budgets in the amount of \$16,724,301 was approved at the Annual Town Meeting. The proposed expenditures were as follows:

General Government	\$ 4,398,313
Board of Education	\$11,327,158
Capital Improvements	\$ 998,830

The Board of Finance approved a mill rate 28.8 mills to provide funding for the 2022-2023 fiscal year.

The unassigned fund balance as of June 30, 2022, was \$3,079,606.

Respectfully submitted,

Skip Dickson, Chairman



Zemko Pond - Submitted by Lisa Jablonski



## **TAX COLLECTOR'S REPORT**

In July, 8440 bills were sent to taxpayers. This total was comprised of 1933 Real Estate bills, 4806 Motor Vehicle bills and 993 Personal Property tax bills. Additionally, 708 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, 2020 to June 30, 2021, this office collected and turned over to the town treasurer \$12,868,310.62. A breakdown of this figure includes \$12,811,878.84 in taxes and \$56,431.78 in interest and lien fees.

No 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. Leaving 11 current liens.

Vivian A Waters  
Tax Collector



Horse Pond

# **REGISTRARS OF VOTER REPORT**

July 1, 2021 – June 30, 2022

<b>Active List</b>	<b><u>Party</u></b>	<b><u>District 1</u></b>	<b><u>District 2</u></b>	<b><u>Total Voters</u></b>
	Democratic	321	498	819
	Republican	282	477	759
	Unaffiliated	503	813	1316
	Other	16	26	42
	<b>Total Active List</b>	<b>1122</b>	<b>1814</b>	<b>2936</b>

<b>Inactive List</b>	<b><u>Party</u></b>	<b><u>District 1</u></b>	<b><u>District 2</u></b>	<b><u>Total Voters</u></b>
	Democratic	17	41	58
	Republican	26	42	68
	Unaffiliated	45	77	122
	Other	2	0	2
	<b>Total Inactive List</b>	<b>90</b>	<b>160</b>	<b>250</b>

Federal law mandates that election district lines be reconfigured every ten years based on population statistics from the Federal Census. At the end of 2021, Salem was divided into two State legislative districts – the 34<sup>th</sup> and the 37<sup>th</sup>. These districts are referred to as District 1 (34<sup>th</sup>) and District 2 (37<sup>th</sup>). The majority of streets are within a single voting district, but some streets are divided between the districts. Street numbers are the determining factor in these cases. This arrangement is in effect for the next ten years. Voting for both districts takes place at Salem Town Hall in the main conference room. Voters are directed to the proper line based on their residence address.

If you change your address or move out of town, the Registrars should be informed as soon as possible. We must receive a signed statement from a voter in order to remove that person from the active registry list. An in-town change of address, name change, party change or a new voter registration can be submitted online at the CT Secretary of the State's website, [www.ct.gov/sots](http://www.ct.gov/sots), under "Elections & Voting." Paper forms are available at Town Hall and can be submitted in person or by mail.

Athena G. Sartori was appointed Republican Deputy Registrar of Voters in January 2022.

Betsy B. Butts

Doris Burr/Athena G. Sartori

## **PLANNING AND ZONING COMMISSION REPORT**

The Salem Planning and Zoning Commission held 24 public meetings during the 2021-2022 fiscal year, which was four more meetings than in the year previous. After primarily utilizing Zoom web-conferencing software during the 2020-2021 fiscal year, the Commission returned to meeting in person at Salem Town Hall. The Commission held four public hearings throughout the fiscal year, with various actions taken as described below.

The Commission had a very productive year, working steadily on the update to the Plan of Conservation and Development. A portion of each meeting was dedicated to the discussion of progress on the update to the POCD. The Commission also worked on the creation of the Town's first Affordable Housing Plan, in accordance with new state requirements that mandated adoption of such plan by June 2022. The plan was adopted in September 2021, and the Commission will be required to update the plan every five years with the next adoption date set prior to September 2026.

The Commission approved the Special Exception and Site Plan application from Northwest Development, LLC, C/O Bob Kaufman to construct a three-unit multi-family dwelling at 116 Old Colchester Road. The Commission denied a Special Exception application from the Salem Volunteer Fire Company for a digital freestanding sign, due to the fact that the Zoning Regulations do not allow digital signs with blinking, flashing, or fluttering lights. The Commission hopes to take a look at the Zoning Regulations in the near future and may propose amendments to the regulations that are appropriate for the Town of Salem and in line with the POCD.

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 2021-2022 was \$19,500, however actual expenditures totaled \$22,898. The approved budgeted versus actual expenses for the year were as follows: Legal Services \$10,000/\$20,309.45; ZEO Mileage \$1,000/\$0; Other Expenses (Seminars, Training, Membership Dues, etc.) \$1,500/\$1,397; Engineering \$2,000/\$1,192; and POCD Development \$5000/\$807.

The following individuals were members of the Commission during 2021-2022: Vernon Smith, Chair; John Gadbois, Vice-Chair; Margaret Caron, Secretary through October 2021; Walter Volberg, Secretary following his appointment to the role in December 2021; Carl Fontneau; Diba-Khan-Bureau; and Jennifer Lindo, following her appointment in November 2021. Alternate Members were Tom Reith; Dave Knopf; and Gary Closius following his appointment in 2021.

Commission staff members were Justin LaFountain, Town Planner (until November 2022); Nicole Haggerty, Town Planner (after November 2022); Matt Allen, Zoning Enforcement Officers; and Agnes Miyuki, Recording Secretary.

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. The board welcomed eight new members this past year. We thank Alan Maziarz and the previous commissioners for their hard work and dedication. They brought a zest for new projects and endeavors which prompted creative expansion to the recreational offerings for the town.

Tradition continues in Salem as the board continued to support holiday activities with the Christmas Tree Lighting and the Memorial Day Bike Contest. In partnership with the Gardner Lake Firehouse and the Salem Lions Club, we co-sponsored the Trunk or Treat and Easter Egg Hunt.

Salem Pavilion Park became the hub of many activities for our townspeople. As well as being a favorite spot for dog walkers, we added a sand pit volleyball court which we plan to improve and finalize this year. The Salem Summer Concert Series was expanded to two concerts in 2022 and was well received and attended. We thank the Gardner Lake and Salem Volunteer Fire Co Fire Police for traffic control and providing fire truck activities for the children. We are planning to host two concerts the summer of 2023 with the help of sponsors and local food trucks. We are looking to collaborate on a CELEBRATE SALEM DAY in July with The Salem Economic Development Commission.

Volunteer Park on Forsyth Road is beginning to get more activity as well. The Salem Disc Golf Course has been redesigned and will be located at 24 Forsyth Road. Safety enhancements have been made and we are looking to complete the changes and open in the coming year. I am also happy to say that the soccer fields at Volunteer Park are once again getting use, as the Salem Middle School soccer teams continue to play their home matches there. These soccer fields will be named after Bob Appleby, a valued member of the Salem Recreation Commission, who passed away in 2021. Bob was a strong advocate for Salem soccer and spearheaded the building of these fields at Forsyth Road. We will hold a celebration ceremony in May 2023 to honor this moment.

We are working on resurrecting Salem Youth Soccer and Salem Basketball by recruiting volunteers to run these programs. Currently our youth play in surrounding towns to enable the kids to get exposure to the games and competitive experiences. We partner with surrounding towns for basketball to offer gym time on weeknights and weekends as we have approximately 87 youth participating in their program. We continue to support Salem Youth Baseball and the program is thriving. Approximately 150 boys and girls participate at all levels. Shout out to Salem Softball Girls who won the 10 and 12 year old 2022 All Stars District 10 Championships. A special thank you to all recreation volunteers for their time and dedication to the programs, they would not run without you.

We continue to offer Recreation Sports Youth Fee Based Programs throughout the year. We utilize the school during the winter for walking, and adult co-ed pick-up games – volleyball, basketball, and pickleball. As interest in pickleball begins to grow, we purchased indoor nets to support the game year-round.

Recreation has generously been awarded ARPA funding. We are investigating bathroom facility upgrades at the Lou Ulffer's Sports Complex, Round Hill Road. In addition, there are plans for funds to be allocated for the Disc Golf Course improvements and signage and emergency trail markers for the Multi-PurposePath/HarrisBrook Trail.

We thank Foreman Tony Gallicchio and the Public Works Team for the maintenance and upkeep of our pristine fields and tennis courts. We constantly receive compliments on the condition of our facilities as one of the best in the area.

We look forward to 2023 with excitement and a commitment to maintaining and upgrading our facilities, improving our trails, and providing recreational programs to give a great experience for all. With our warmest appreciation, the commission would like to recognize and acknowledge Agnes Miyuki, Recreation Director, for her extensive commitment and support to the Salem Recreation Commission.

Recreation Commission Members: Casey Crafton, Debra Delorimiere, Dave Knopf, Lisa MarcAurele, Alexandra Marsh, Eric McGlone, Agnes Valentini, Steven Wlodarczyk.

Respectfully submitted,  
Mary Durkee, Chair

## **INLAND WETLANDS AND CONSERVATION COMMISSION REPORT**

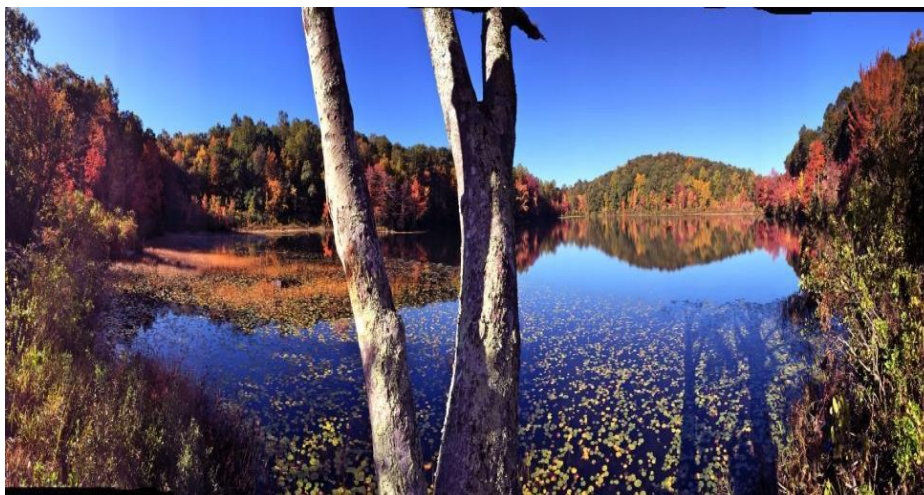
Upon the expiration of Kim Bradley's term in September, Jim Miller (alternate) was promoted to full member, and Lisa MarcAurele was appointed as a new alternate member. In December, Diba Kahn-Bureau was elected chair, Ed Natoli was elected vice chair, and Roger Phillips was elected secretary. The Commission is currently full with no vacancies.

The Commission approved six applications over the course of the year. In December, the Commission amended Sec. 2 of the Wetlands Regulations to change the Upland Review Area from 75' to 100' as well as Sec. 12 – Action of Duly Authorized Agent. These changes were made in order to mirror current state statutes and guidance.

Diba Khan-Bureau (chair)  
Roger Phillips (vice chair)  
Edward Natoli, Jr. (secretary)  
Jim Mulholland  
Jennifer Messervy  
Dean Wojcik  
Jim Miller  
Michael Smith (alternate)  
Larry Moore (alternate)  
Lisa MarcAurele (alternate)

Respectfully submitted,

Matthew T. Allen, wetlands official



Horse Pond -Submitted by Lisa Jablonski

# **ECONOMIC DEVELOPMENT COMMISSION REPORT**

Members: Steven Shelley (Chairman); Carl S. Fontneau (Member); Melissa Beers (Member); John Houchin (Member); Victoria Knopf (Member); John Gilbert (Alternate); Alexandra Marsh (Alternate)

As an advisory commission to the Town of Salem, by way of the Board of Selectman, the Economic Development Commission (EDC) is responsible for developing an economic strategy including long-range strategies for economic development prosperity. Further, the commissioners recommend economic development policies and programs to the Board of Selectman and various town commissions, to promote the town, attract economic growth and development, and retain businesses in our community.

Members of the Salem Economic Development Commission (EDC) worked diligently to assist and support existing Salem businesses while recruiting, encouraging and welcoming new prospective business partners to Salem. We also continually strove to work cooperatively with town hall staff, elected officials, fellow town commissions, business leaders and service providers to overcome roadblocks presented to us in this Post-COVID era.

During this past year EDC Commissioners collaborated with community organizers and stakeholders to maintain an environment sympathetic to business growth and local prosperity, in keeping with a “shop local” mentality. The EDC, in conjunction with other boards/commissions, has adopted new initiatives to help promote the retention of businesses, while simultaneously supporting their economic health and their contribution to the needs of town citizens. Such initiatives included “buy local” branding, tourism brochures, and a Businesses and Services Directory, to make all residents and recipients, aware of the diverse array of businesses within our community.

Additionally, the EDC commissioners worked collaboratively with a number of the other town commissions and boards. We worked diligently to provide dedicated assistance in the development, review and approval of the town’s Plan of Conservation and Development (POCD). Specifically, the EDC reworked the goals and action steps that will guide the municipality’s economic development activity. The Commission has recommended four goals with specific action steps which are detailed in Chapter 6 of the POCD: (1) To increase availability and attractiveness of commercial land in Salem; (2) To conduct periodic inventories of Salem businesses; (3) Encourage cooperation of Salem businesses; and (4) Encourage Town citizens to support the local businesses.

The EDC would like to thank Agnes Miyuki, our incredibly talented and knowledgeable recording secretary, without whom our vision and efforts would have not taken form. Additionally, the EDC worked hand in hand with First Selectman Ed Chmielewski, Town Clerk Linda Flugrad, Assessor Michael Kapinos, Planning and Zoning Chairman Vernon Smith, and Town Planner Justin LaFountain, and would like to thank them for their dedication to the Town of Salem and their roles in assisting the Economic Development Commission’s success.

Respectfully submitted on behalf of my fellow Commissioners,

Steven M. Shelley

Chairman, Salem Economic Development Commission.

## **ASSESSOR REPORT**

<b>REAL ESTATE</b>	<b>PERSONAL PROPERTY</b>	<b>MOTOR VEHICLE</b>	<b>TOTAL NET 2020GL</b>
\$329,752,120	\$25,567,793	\$40,371,505	\$395,691,418

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 1<sup>st</sup> to May 15<sup>th</sup>
- Local Option Homeowner's (means tested) applications – Filing Period – February 1<sup>st</sup> to May 15<sup>th</sup>
- Additional Veteran's Exemption (means tested) – Filing Period – February 1<sup>st</sup> to October 1<sup>st</sup>

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 1<sup>st</sup>.
- Totally Disabled Exemptions (not means tested) completed application with proof of eligibility.  
Application due October 1<sup>st</sup>.
- Veterans must file his/her honorable discharge (DD214) with the Town Clerk by September 30<sup>th</sup>.
- 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 Servicemen stationed in Connecticut. Form filed with the Assessor's office – No deadline / Statute of Limitations.
- Active Duty CT Resident Servicemen – One CT registered motor vehicle – property tax exemption. Application to be filed with the 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 1<sup>st</sup>.
- Tax exemption on handicap modified motor vehicle due November 1<sup>st</sup>.
- PA490 Farm & Forest Land completed applications – Filing Period – September 1<sup>st</sup> to October 31<sup>st</sup>.  
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 1<sup>st</sup>. Personal Property Declarations are due November 1<sup>st</sup> to avoid a 25% penalty for "failure to file".

Respectfully submitted,

Michael Kapinos CCMA II

## **BUILDING DEPARTMENT REPORT**

	<b>2020-2021</b>		<b>2021-2022</b>	
<b>Residential:</b>	<b>Value</b>	<b>Units</b>	<b>Value</b>	<b>Units</b>
Foundation	\$0.00	0	\$5,000.00	1
New Homes	\$6,847,577.00	15	\$1,389,581.00	5
Additions	\$152,310.00	2	\$511,858.00	11
Alterations	\$941,279.00	89	\$1,436,474.00	98
Trades	\$2,560,788.13	253	\$1,722,209.03	191
Garages	\$107,108.00	2	\$86,286.00	2
Pools	\$176,970.00	10	\$104,618.00	7
Sheds/Barns	\$152,939.00	9	\$78,010.00	5
Decks/Porches	\$142,437.00	10	\$59,627.00	8
<b>Commercial:</b>				
Foundation	\$0.00	0	\$0.00	0
New Commercial Building	\$0.00	0	\$0.00	0
Additions	\$0.00	0	\$78,450.00	1
Alterations	\$5,600.00	1	\$96,000.00	8
Trades	\$254,521.62	16	\$516,367.16	29
Demolitions	\$6,500.00	1	\$0.00	0
Tents	\$7,789.00	2	\$3,375.00	4
<b>Total Permits Issued:</b>	<b>410</b>		<b>370</b>	
<b>Total Construction Value:</b>	<b>\$11,355,818.75</b>		<b>\$6,087,855.19</b>	
<b>Total Permit Fees Collected:</b>	<b>\$139,713.12</b>		<b>\$80,756.78</b>	

Vernon C. Vesey II, *Building Official*

Agnes T. Miyuki, *Administrative Assistant*



# **SALEM FREE PUBLIC LIBRARY ANNUAL REPORT**



Photo submitted by Vicki Coffin

## **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.”

The 2021-2022 fiscal year began at the library with the Summer Reading theme: “Tails and Tales” sponsored by The Friends of the Salem Free Public Library (FOSL). We had 86 patrons (children and teens) register for our Summer Reading Program (SRP) on the read Squared platform, 190 patrons attend SRP events, and 657 books were read. We also corresponded with the UCONN/New London County Extension office to provide take home STEM (Science, Technology, Engineering, and Math) kits for children and teens.

Library programs (both virtual and in-person) and take-home craft kits were quite popular with the community this year. The library offered 189 programs to children, teens, and adults. There were 732 participants in the virtual and in-person library programs provided by the library. The library held a virtual program titled Wicked Apothecary with a virtual tour of the Stabler-Leadbeater Apothecary museum, and Mother/Daughter duo The Grounded Goodwife presented an author talk on their new book Dare to be a Green Witch, where they discussed growing an herb garden and preparing herbal remedies at home. In addition, teens and adults enjoyed creating cinnamon heart Valentine ornaments, Zinnia garden kits, and Sunflower house kits.

For children, the library offered a wide variety of take-and-make craft kits and in-person programs, as well. Holiday themed kits were popular, including a leprechaun trap kit, seasonal ornaments, dough activity mat craft kits for the winter and holidays, wooden gingerbread house kits, and paint a snowman kits. The library also offered family programs, to engage participants of all ages. These included the Pollinator and Milkweed Seed Bomb Workshop, the Pumpkin Patch where families could select a pumpkin and were provided a variety of decorations, and create a fairy garden workshop, and in celebrations of Make Music Day, the library held a program Sailor’s Sea Chest for children concert and Music of the Sea for families, through Mystic Seaport. The library also distributed harmonica kits for children, with instructional books. The Children’s Playroom was opened in May, as it had been closed during the height of the pandemic and was the temporary home for Circulation.

The library is generously supported year-round by The Friends of the Salem Free Public Library. Total library funding from FOSL totaled \$9,500 in FY 2021-2022, which was used to support the library’s collection, virtual programming, tank-and-make craft kits, museum passes, and Summer Reading initiatives. Many thanks are also due to the community for continued membership in FOSL, as well as donations in memory of Carole Eckart, a long-time library supporter and advocate.

Over the summer, the library collaborated with the Town of Salem’s Recreation Department with the installation of a Family Fun Trail along the Harris Brook trail. Signs along the path challenged participants to explore nature while enjoying numerous activities along the path. If participants finished and emailed us a picture, they received a gift certificate to Salem Valley Farms Ice Cream.

The library owns over 34,000 items, comprised of books magazines, movies, audio book, e-books, and downloadable audio books. In addition, through our consortium, we have over 4,000 e-books and downloadable audio books available. The library also has a membership with Hoopla, which provides a variety of movies, TV shows, books and magazines available for patrons to use. We have also been working with the Middletown State Library Service Center to borrow more large print and audiobooks to add to our collection on a temporary basis.

The library staff have been phenomenal in their actions to fulfill the library’s mission statement. Sharon Geer continues to develop and orchestrate a wide range of programming, in-tune with the community’s interests and requests. It has been an extraordinary year for programming here, and I am truly excited with our plans for the New Year!

Respectfully submitted: Shannon Henson, Library Director

## **SALEM SENIOR CITIZENS REPORT**

The Town of Salem works with the Salem Seniors Group and various regional organizations, including TVCCA (Thames Valley Council for Community Action, Inc.), United Way, American Red Cross, and Veterans Affairs, to offer several services and activities to help keep our seniors healthy, active and engaged in their community.

The Salem Seniors Group, which boasts a strong and growing membership, meets on the second Tuesday of every month at 10:30 a.m. at the Salem Volunteer Fire Company. The group was able to resume in-person meetings as the pandemic began to wind down. During the meetings, seniors are provided with updates and information about the various happenings within the town as well as throughout the region and state from our town's First Selectman, Resident State Troopers, and Fire Companies. In addition, guest speakers are invited to provide senior-related information to help keep them apprised of the available services and issues that many seniors might be faced with. Free weekly blood pressure screenings and annual flu shot clinics are also offered. Immediately following each of the meetings, seniors are invited to enjoy lunch from Two Brothers Pizza Restaurant and Pub. Special event presentations and lunches are also hosted by the Salem Volunteer Fire Company and Salem School, among others, throughout the year.

The Town of Salem also subsidizes lunches for our town's seniors at Two Brothers Pizza Restaurant and Pub on the first and third Tuesday of each month. All seniors are more than welcome to enjoy the company of their neighboring seniors through these informal social lunches.

In conjunction with the Recreation Commission, the Salem Free Public Library offers weekly fun and games for seniors, including Wii, Sorry, Pitch, Setback, 9 Hole Golf, and dice games. The Library also hosts the Busy Bee Quilters, Clam Shell Quilters, and a knitting and crocheting circle.

The Recreation Commission and Salem School also welcome seniors to stay fit and healthy during the colder seasons with safe indoor walking at Salem School three to four mornings a week.

Adults, aged 50 and over, are welcome and encouraged to join the Salem Seniors Group. The annual membership is \$5.00 per year. It's a great way to socialize, forge new friendships, and, perhaps, reconnect with old friends and acquaintances as well as gather pertinent information.

Much gratitude is extended to the First Selectman, Town Hall and Library staff, Salem Volunteer Fire Company, Salem Resident State Troopers and Career Firefighters/EMTs, Salem School, Salem Health Mart, and the many volunteers who dedicate their space, time, energy, and support.

Seniors in need of any assistance or those assisting our adult population should feel free to contact me.

Respectfully submitted,

Agnes T. Miyuki  
Municipal Agent for the Aging  
(860) 859-3873, ext. 275

### **Officers of the Salem Seniors Group**

Gary Closius President  
Mary Cikatz Vice President  
Jeanette Girard Secretary  
Michelle Horan Treasurer  
Activities Coordinator Kay Zak  
Communications Liaison Joan Gaynor  
Newsletter Editor Joan Gaynor / Gary Closius

# **SALEM VOLUNTEER FIRE COMPANY REPORT**

The Salem Volunteer Fire Company, Inc currently operates five pieces of firefighting equipment and three pieces of medical, rescue equipment. A 1985 Chevy 4-wheel drive brush truck, 2012 Ford F-350 4-wheel drive service truck, 2008 Ferrara 77' heavy duty aerial, 2019 Pierce attach pumper, 1999 Freightliner Tanker, 2001 Ford F350 4- wheel drive (Medical Truck), 2019 Ford F350 4-wheel drive personnel transport and traffic control vehicle for fire police. We also have a 2010 6x6 Polaris Ranger for off road emergencies, which was purchased through fund raising and donations. The fire company continues to support local organizations such as the Salem Youth Baseball League, Salem soccer Leagues, Lions Club, Salem Rec committee, Salem PTO and the Senior Citizens. We also have supported the Connecticut Burn Care Foundations over the years. Volunteers, in a town the size of Salem, help to offset the town budget by not having to have a full complement of paid firefighters on duty 24 hours, 7 days a week. Saying this we are in need of members for all aspects of the fire and medical services, such as firefighters, emergency medical technicians and fire police who are willing to take the training and then keep up-to-date with training requirements. We have company meetings on the first Thursday of each month with trainings and other functions being held the following Thursdays of each month. Anyone interested in joining or for more information, please stop into the station or call the station at 860-859-0942.

## **Officers**

Chief Chip Weston \*

Deputy Chief Gene Maiorano \*

Assistant Chief Rob Oloski

Fire Captain Rescue Captain Deb Cadwell \*

Fire Police Captain John Atkinson

Secretary Ryan Teixeira

Treasurer Marcella C. Maiorano \*

Appropriated Treasurer Eugene Maiorano \*

Chief Engineer Al Wlodarczyk \*

Engineers Jeff Martin, Tanner Martin, Tyler Martin, Ethan Rybak

\* Life Members (20 years or more of active service)

Respectively Submitted:

Chip Weston, Chief Salem Volunteer Fire Co., Inc

## **GARDNER LAKE VOLUNTEER FIRE COMPANY REPORT**

In 1849, French writer Jean-Baptiste Alphonse Karr wrote, “the more things change, the more they stay the same.” Since its inception in 1956 with the ever evolving world outside around us, The Gardner Lake Volunteer Fire Company has remained a staple of the community, here to help the residents of Salem and the surrounding areas with just about anything they need including Fire incidents, EMS calls, or any calls of help/support that they may need. We will continue to do this out of love, respect and the desire to serve our community to the best of our ability.

In 2022 we responded to a total of 706 calls. Of those calls 201 were fire/other related, and 505 were EMS. To handle all of these calls the towns 2 Fire Departments rely on the career staff of the town who are scheduled Monday through Friday 7am-5pm, however the vast majority of the calls are handled by our volunteers, just like yourself who dedicate their time to help anyone in need when the occasion arises. Staffing challenges of volunteers for the town of Salem are not unique to just us, many departments around the country are seeing a decline in membership. Thankfully our town has a core group of members that are always willing to step up. However, that doesn't mean we aren't always looking to recruit new members, there is always a job to be done and chances are we have one for you! Recruiting is an important part of the volunteer fire service to continuously maintain staffing for volunteers. The Gardner Lake Volunteer Fire Company has gained several new members over this past year, these members include Firefighters, EMT's (emergency medical technicians), EMR's (emergency medical responders), Fire Police, and also support members that help with general station duties, fundraising, event coordination, etc. We have also gained so much interest from the younger generation that we have revamped the Cadet program (members aged 14-18) and have 4 young minds eager to learn what it takes to be a first responder.

Gardner Lake Volunteer Fire Company is also home of the 2022 Volunteer of the Year awarded by the CT EMS Council, Retired Deputy Chief and Life Member Joseph Danao. Joe has served with the department since 1991, and has been an intricate part of its success. We congratulate Joe on this amazing achievement and wish him nothing but the best in his retirement. Joe's wealth of knowledge and expertise in multiple facets of Firefighting and EMS leaves a hole in the department that 2 members have stepped up to fill. We recently promoted a new Deputy Chief and Assistant Chief to keep our department running smoothly and efficiently, which is led by Chief Pete Silva.

Gardner Lake Volunteer Fire Company hosts many public events throughout the year, these events include the wildly popular Monster Mash, a Halloween party event held in October. We also host several public CPR, AED, Stop The Bleed, Narcan, and First Aid classes, which allow the public to learn lifesaving skills they can benefit from. We are home to Venture Crew, Boy Scouts, and Southeastern CT Camera Club, and many other organizations use our facility to host events such as the Regional and New London County Fire Chief's, Unsung Heroes, state boating class, Salem Seniors for dances, regional fire police meetings, State of CT fire Marshal office & building officials, Lions club, Salem Youth Baseball, and the recreation commission. Our facility is also available to any Salem resident to use for a funeral reception.

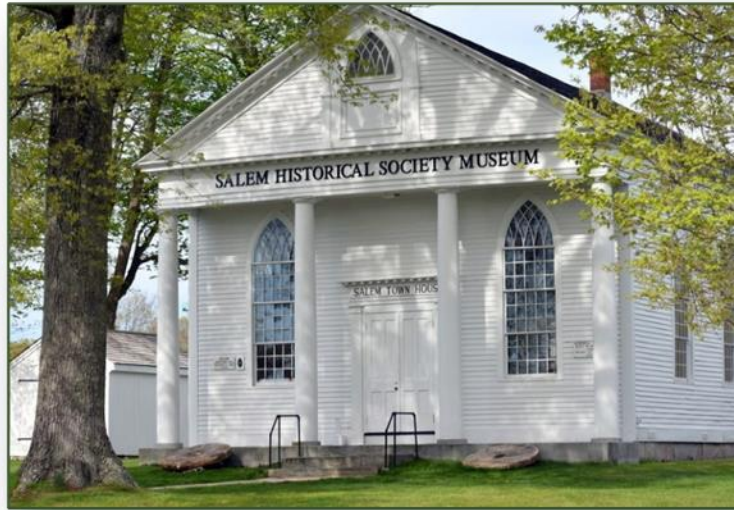
Gardner Lake and Salem Fire Departments frequently train together to better the service we provide to you, the residents. When we come together, we function as one, think of it as a heart, without each side the heart does not function efficiently. This past year we trained in extrication, hazmat, propane emergencies, rope rescue and also hold monthly EMS trainings. We also train with our mutual aid partners (surrounding town Fire Depts) to establish smooth operation in the event of an emergency. Mutual Aid is a relationship between Departments that allows a department to "fill in" when a call arises and the town of origin may be out dealing with another emergency. Gardner Lake Ambulance 527 is often the ambulance of choice to get called to our mutual aid areas to provide assistance, as it is staffed 24/7/365 by a crew of exceptional volunteers and career staff. This reliability provides comfort to our partners knowing that when they are out helping and can't handle everything, they have us to come in and fill that gap.

We thank you, the residents of the Town of Salem, and its Town leadership for the opportunity to serve proudly and will continue to do so for many years to come.

Sincerely,

Peter Silva, Chief  
Gardner Lake Volunteer Fire Company

# SALEM HISTORICAL SOCIETY



## Annual Report for Fiscal 2021-2022

The Salem Historical Society Museum continued during this period of mutating viruses to collect pieces of the town's history. Much of what is collected dates back to the early 1800's. The Museum building itself, as you can see, has a history of its own. The original structure was built in 1748 and after a long colonial history was disassembled and moved to Salem. We have recently completed a reorganization of many of the Museum's items that could not be displayed on the previous floor format. Using newly donated glass display cases, we have given the Museum's floor layout a beautiful and fresh upgrade. As summer approaches, a schedule of opening times will be posted on the Museum's front yard sign.

The Museum's focus is adding to its current historical collection, and reaching out to its town Historians for their support. If you have something you feel might be of historical interest, you can arrange to drop it off by calling 860-887-9510 or leaving a note in our mailbox in Town Hall.

I sadly must report that in early February of 2023 we lost our very talented and amicable Museum director William Schultz. William's most recent work can be seen in the Museum's clean and fresh-looking displays.

Our Museum has been under repair in various areas for years, and we thank all our volunteers who give of their time to make the Museum visit pleasant and inspiring.

All donations are appreciated and are tax free, as we are incorporated as a 501(c)3 organization. They can be sent to the Salem Historical Society, 270 Hartford Rd., Salem, CT 06420.

Elbert Burr, President

### Officers

President, Elbert Burr  
Vice President, Ed Chmielewski  
Treasurer, Michelle Horan  
Secretary, Pamela Munro

Museum Director, William Schultz  
Museum Curator, Elaine Sloan  
Building & Grounds, Bob Needo

## **2022 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 Energy and Environmental Protection's (DEEP) managed drawdowns, and study and make recommendations concerning water management.

Ecosystem Consulting Service, Inc. (ECS), under its parent company GZA Environmental, was contracted to conduct water quality sampling, diagnostic review of data collected by ECS and GLA, aquatic plant life assessment and preparation & presentation of this year's Qualitative Macrophyte Review. This year data loggers were installed in the deep hole off Minnie Island to record temperature and dissolved oxygen concentrations hourly from June to September. Loss of oxygen, or anoxia, which causes water quality issues and internal nutrient loading from lake sediments, did occur from July to September, but remained contained. Likewise, high cyanobacteria densities occurred by late summer but were also contained within the deep hole. Despite drought conditions during a portion of the season, Gardner Lake conditions remained favorable and healthy throughout the main waterbody.

GLA continues to participate in a volunteer client monitoring program with ECS/GZA. This includes checking water clarity, collecting samples from the deep hole and stormwater runoff from the five streams flowing into Gardner Lake. These samples are then sent to UConn's Center for Environmental Sciences & Engineering (CESE) for lab analysis. The results are then forwarded to ECS/GZA for inclusion in their annual report.

In March GLA members met with a local resident and several representatives from CT's Department of Energy and Environmental Protection (DEEP) to address issues pertaining to the drawdowns and dam management. In partnership, GLA is working closely with DEEP to address the situation and to restore the drawdowns which support invasive weed control. Area residents reported increased spread of nuisance aquatic plants this year.

GLA and DEEP continue to seek a balance between environmental stewardship of Gardner Lake and public use, including boating and fishing. Boats traveling from waterbody to waterbody for fishing tournaments continue to present a hazard to CT's waters through the transportation of invasive aquatic plants on boats and trailers.

This year's patrol contract was awarded to DEEP. Their Environmental Conservation Police (Encon) management attended several GLA meetings, providing regular updates on conditions. The Encon program will be expanding in 2023 with the hiring of additional officers to cover the state waterbodies. In addition to safety checks, Encon reported thirteen infractions, eight written warnings and twenty-five verbal warnings.

The Eastern Connecticut Conservation District applied for an Aquatic Invasive Species (AIS) grant, in partnership with GLA, to train members and disseminate information to area residents on the importance of managing phosphorus runoff into the lake; and to provide education on recognizing the presence of cyanobacteria. A very competitive source of funding, the grant application was not approved.

GLA would like to thank our local legislators for their interest and support of Gardner Lake, and for their active role in working together with GLA to insure environmental protection of Gardner Lake.

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 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:	Chris Rios, Vice Chair; Tony Lasaracina, Jim Smith

## **SALEM GREEN CEMETERY ASSOCIATION REPORT**

The Salem Green Cemetery Association (SGCA) is responsible for managing the 5.2 acre parcel owned by the Town of Salem.

Board of Directors meet every other month on the third Tuesday at 2:00 pm at the Salem Town Hall. (February, April, June, August, October, December)

Members: President, Linda Parker; Vice-President/Sexton, Cathy Benedict; Secretary, Kathleen Lyden; Treasurer, Monica McIntyre; Pastor Jonathan Chechile; Hugh McKenney.

During 2022 the By-Laws and Rules and Regulations were updated and new copies were distributed. All new plot purchasers are given the booklet, which describes the history of the cemetery along with the By-Laws and Rules and Regulations.

In the Spring and Fall, the committee members meet for cleanup of the grounds. Dead flower arrangements, leaves and other debris are removed. The Memory Garden and the sign post planter will be maintained by Burnett's Landscaping.

The water pump is located in the back of the Grange building and a new walkway was installed by the Town. Funds from the American Rescue Plan Act (ARPA) were approved on December 19, 2022 and will enable us to have pavers installed on the walkway, benches put in place and some landscaping and miscellaneous improvements done.

There were eight new interments during 2022.

Total interments to date: 211 (full sized plots); 1 (infant section); 4 (cremation plots)

For more information visit the Salem Town Web Site.

Respectfully submitted,

Linda Parker, President





## **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**

**2021 – 2022**



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

**SALEM SCHOOL DISTRICT  
SALEM CONNECTICUT**

**REPORT OF THE SUPERINTENDENT OF SCHOOLS FOR 2021-2022**

AND

The Board of Education: Sean Reith, Chairperson; Sue Spang, Vice-Chairperson; Jen Rucci, Secretary; Ryan Little, Treasurer; LaVan Norwood; Jennifer D’Aiuto (term ended 11/21); Tiffany Cunningham; Tamara Morocco (term ended 11/21); Will Butler (term ended 11/21), Maura Rehrig-Gibbons (term started 11/21 – resigned 7/13/22), Kelly Francis (appointed 8/15/22), Christina Fontaine (term started 11/21), Dan Marsh (term started 11/21)

(In compliance with C.G.S. § 10-224)

**I. GRADUATES - JUNE 2022**

**Salem School: - Grade 8:**

Alyssa Augustitus	Gabriel Hanney	Michael Perry
Evren Aydin	Elizabeth Henry	Brandon Porter
Samantha Bednarz	Noah Howard-Howe	Christopher Regan
Leah Bergeron	Ryan Hutchings	Alexa Rideout
Luke Bergman	Jaheim JeanPaul	Alaina Sartori
Liam Collis-Doyon	Brouwer Kenney	Ryder Sullivan
Zachary D’Aiuto	Hazen Libby	Harrison Thompson
Brighton DeSandre	Oliver Lopez	Laurel Tierney
Teagan Dunne	Kaiden Mariani	Stephen Trapp
Silas Fischer	Jalen McCusker	Susanna Trapp
Leah Francis	Jackson Mikolinski	Everett Trusler
Ryan Gallagher	Julia Morcos	Michelle Yu
Brooke Hales	Brooke Ostrowski	Jessica Yu

**East Lyme High School:**

Alaric Anderson	Benjamin England	Cailyn Maiolo
Assala Benjdid	David England	Lilly Mallory
Tristan Blais	Delanie Fresco-Hawes	Hanna McIntyre
Malarie Buller	Sara Gilman	Tyler McShane
Benjamin Caron	Amarilys Gonzalez-Hall	Kathryn Monarca
Kate Clark	Abigail Hanney	Gregory Morgan
Alexa Cummings	Madison Johnston	Jesse Oloski
Kailey Dalton	Laraib Khan	Dean Palermo
Kyla Diaz	McKYLE Khan	David Stankowski
Adelena Donovan	Delaney Libby	Colby Van Dusen
Margaret Dunne	Evan Lombardo	Alanah White

## **II. FISCAL DATA**

### **A. Budget Management**

1. The Business Manager in collaboration with the Superintendent and the Board of Education developed and monitored the 2021-2022 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 2021-2022 included the following state and federal funding:

<b><u>Funding</u></b>	<b><u>Amount</u></b>
Educational Equalization	\$2,570,032
Transportation	0
Public School Building Grant	0
Adult Education	\$3,864
School-wide Entitlement (ESEA/REAP)	\$53,851
Services for the blind	0
Excess Cost (Special Education)	\$161,836
Special Education Grants (IDEA, etc.)	\$143,050
Tuition from another district	\$17,174
CARES Act	0
COVID Relief Funding	\$105,917
<b>Total Education Receipts</b>	<b>\$3,055,724</b>

## B. Current Expenditures

Board of Education expenditures for 2021-2022, as reported on the State Department of Education EFS, were \$10,944,234 and distributed as follows:

<u>Expenditures</u>	<u>Amount</u>
Debt Service East Lyme	0
Salaries	\$4,373,232
Benefits	\$1,013,302
Purchased Services	\$1,678,202
Tuition	\$3,358,077
Supplies/Property	\$511,384
Adult Education	\$10,037
<b>Total Expenditures</b>	<b>\$10,944,234</b>

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

<u></u>	<u>Amount</u>
Elementary School	\$6,693,494
High School	\$2,330,796
Special Education	\$1,919,944
<b>Total</b>	<b>\$10,944,234</b>

<u></u>	<u>Amount</u>
Central Administration	\$938,051
East Lyme H.S. (9-12)	\$3,058,300
Out Placements (PK-12)	\$971,947
Salem School (PK-8)	\$5,975,936
<b>Total</b>	<b>\$10,944,234</b>

## **SHARED SERVICES WITH THE TOWN OF 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 King, King and Associates. 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 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 is responsible for plowing the school parking lots and sanding 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 no allocation of charges from the town to the Board's budget. However, these charges are reported as in-kind services on the District's annual EFS submission.

The District uses the old "dirt 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 Town.

### **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. The one exception is banking. 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. In addition to satisfying the separation of duties requirement, it is also a cost savings. If this function were done by the District, another employee would be needed which would be an additional expense in the Board's budget. The Town does not allocate charges to the District for this function. However, these charges are reported as in-kind services on the District's annual EFS submission.



## **PROGRAMS AND SUPPORT ACTIVITIES**

The Board of Education approved the following Goals for the 2021-22 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:** This subcommittee meets to develop policy in accordance with the law, 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:** 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, and shared services.

**Personnel/Contract Negotiations:** 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 as required.

**Budget/Finance:** This subcommittee meets to assist in the development of the annual budget, including the BOF budget presentations and budget presentations for the Public Hearing/Town Meeting. This subcommittee meets during budget development.

## **APPENDIX II**

### **ANNUAL FINANCIAL REPORT OF THE TOWN OF SALEM**



---

# **TOWN OF SALEM, CONNECTICUT**

---

Annual Financial Statements

For the Year Ended June 30, 2022

**TOWN OF SALEM, CONNECTICUT**  
Table of Contents  
For the Year Ended June 30, 2022

---

	<u>Page</u>
<b>INDEPENDENT AUDITOR’S REPORT</b>	1
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS</b>	4
<b>BASIC FINANCIAL STATEMENTS:</b>	
<i>Government-Wide Financial Statements:</i>	
Statement of Net Position	11
Statement of Activities	12
<i>Fund Financial Statements:</i>	
<b>Governmental Funds</b>	
Balance Sheet	13
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	14
Statement of Revenues, Expenditures, and Changes in Fund Balances	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Notes to the Financial Statements	17
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
<b>General Fund</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual (Budgetary Basis)	41
Notes to Required Supplementary Information	45
<b>Pension and OPEB Plans</b>	
State Teacher’s Retirement System:	
Proportionate Share of Net Pension Liability	47
Other Post-Employment Benefits (OPEB) Plan:	
Schedule of Changes in Total OPEB Liability	48
State Teacher’s Retirement System:	
Proportionate Share of Net OPEB Liability	49

**TOWN OF SALEM, CONNECTICUT**  
Table of Contents  
For the Year Ended June 30, 2022

---

	<u>Page</u>
<b>SUPPLEMENTAL, COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES</b>	
<b>Nonmajor Governmental Funds</b>	
Combining Balance Sheet	50
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	52
<b>Supplemental Schedules</b>	
Schedule of Property Taxes Levied, Collected, and Outstanding	54
 <b>TREND INFORMATION</b>	
<u>Table</u>	
1 Changes in Fund Balances, General Fund (Budgetary Basis)	55
2 Property Tax Rates, Levies, and Collections	56
3 Schedule of Debt Limitation	57

# **Financial Section**



## INDEPENDENT AUDITOR'S REPORT

To the Board of Finance  
Town of Salem, Connecticut

### Report on the Audit of the Financial Statements

#### **Opinions**

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Salem, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

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

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

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



## ***Auditor's Responsibility for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the pension and OPEB schedules on pages 4-10, 41-44, and 47-49 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

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


### **Other Information**

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2022, on our consideration of the Town of Salem's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Salem's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Salem's internal control over financial reporting and compliance.



King, King & Associates, P.C., CPAs  
Winsted, CT  
December 16, 2022

**TOWN OF SALEM, CONNECTICUT**  
Management's Discussion and Analysis  
June 30, 2022

---

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

## **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the Town of Salem, CT exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$25,425,109 (*net position*). Of this amount, \$6,469,765 (*unrestricted net position*) may be used to meet the Town's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the Town of Salem, CT's governmental funds reported combined ending fund balances of \$7,943,545, a decrease of \$186,136 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,079,606 or 18.8 percent of total General Fund budgeted expenditures and transfers out.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

Both of the government-wide financial statements distinguish functions of the Town of Salem, CT that are principally supported by intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The Town has no business-type activities. The governmental activities of the Town of Salem, CT include general government, public safety, public works, sanitation, and education. Property taxes, state and federal grants, and local revenues such as fees and licenses finance most of these activities.

**TOWN OF SALEM, CONNECTICUT**  
Management's Discussion and Analysis  
June 30, 2022

---

The government-wide financial statements can be found on pages 11-12 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 of Salem, CT, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Salem, CT can be divided into one category: governmental funds.

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

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

The Town of Salem, CT, maintains a number of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Education Grants Fund, Town Grants Fund, and Capital Nonrecurring Fund. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town of Salem, CT, adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 13-16 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17-40 of this report.

**TOWN OF SALEM, CONNECTICUT**  
Management's Discussion and Analysis  
June 30, 2022

---

**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 of Salem, CT, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$25,425,109 at the close of the most recent fiscal year.

**SUMMARY STATEMENT OF NET POSITION**

	2022	2021	Variance
Current and Other Assets	\$ 9,581,054	\$ 10,441,571	\$ (860,517)
Capital Assets	22,103,514	21,531,231	572,283
Total Assets	<u>31,684,568</u>	<u>31,972,802</u>	<u>(288,234)</u>
 Deferred Outflows of Resources	 <u>35,636</u>	 <u>40,090</u>	 <u>(4,454)</u>
 Other Liabilities	 1,592,885	 2,273,983	 (681,098)
Long-Term Liabilities	<u>4,691,534</u>	<u>4,918,886</u>	<u>(227,352)</u>
Total Liabilities	<u>6,284,419</u>	<u>7,192,869</u>	<u>(908,450)</u>
 Deferred Inflows of Resources	 <u>10,676</u>	 <u>10,676</u>	 <u>-</u>
 Net Position:			
Net Investment in Capital Assets	18,432,283	17,473,216	959,067
Restricted	523,061	478,598	44,463
Unrestricted	<u>6,469,765</u>	<u>6,857,533</u>	<u>(387,768)</u>
Total Net Position	<u>\$ 25,425,109</u>	<u>\$ 24,809,347</u>	<u>\$ 615,762</u>

The largest portion of the Town's net position reflects its investment in capital assets (land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure assets such as roads and bridges) less any related debt used to acquire those assets that is still outstanding. The Town uses these assets to provide services to its citizens; consequently, these assets are not available for 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.

The Town's restricted net position of \$523,061 increased by \$44,463 compared to last years restricted net position of \$478,598.

The Town's unrestricted net position of \$6,469,765 decreased by \$387,768 compared to last years unrestricted net position of \$6,857,533. 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.

**TOWN OF SALEM, CONNECTICUT**  
Management's Discussion and Analysis  
June 30, 2022

---

STATEMENT OF CHANGES IN NET POSITION

	2022	2021	Variance
<b>REVENUES</b>			
<i>Program:</i>			
Charges for services	\$ 367,134	\$ 410,111	\$ (42,977)
Operating grants and contributions	4,315,091	5,653,079	(1,337,988)
Capital grants and contributions	193,018	193,274	(256)
<i>General:</i>			
Property taxes	12,897,144	12,367,272	529,872
Grants and contributions, not restricted to specific programs	97,353	63,029	34,324
Unrestricted investment earnings	22,426	10,487	11,939
Other	-	37,781	(37,781)
Total Revenues	<u>17,892,166</u>	<u>18,735,033</u>	<u>(842,867)</u>
<b>EXPENSES</b>			
<i>Governmental Activities:</i>			
General Government	2,200,968	1,861,220	339,748
Public Safety	1,100,498	1,062,339	38,159
Public Works	1,012,004	948,157	63,847
Sanitation	186,115	184,894	1,221
Education	12,680,332	14,932,650	(2,252,318)
Interest on long-term debt	96,487	217,254	(120,767)
Total Expenses	<u>17,276,404</u>	<u>19,206,514</u>	<u>(1,930,110)</u>
Change in Net Position	615,762	(471,481)	<u>\$ 1,087,243</u>
Beginning Net Position, Restated	<u>24,809,347</u>	<u>25,265,233</u>	
Ending Net Position	<u>\$ 25,425,109</u>	<u>\$ 24,793,752</u>	

**Governmental activities.** Governmental activities increased the Town of Salem, CT's net position by \$615,762.

Seventy-two percent (72%) of the revenues of the Town were derived from property taxes, followed by twenty-four percent (24%) from grants and contributions, two percent (2%) from charges for services and two percent (2%) of the Town's revenue in the fiscal year was derived from investment and other income.

Seventy-three percent (73%) of the expenses of the Town were related to education, followed by thirteen percent (13%) related to general government, six percent (6%) related to public safety and eight percent (8%) related to the remainder of the government's expenses.

There was a decrease in both the operating grants and contributions revenues and the education expenses due to a decrease in the on-behalf pension and OPEB benefits recognized by the Town in connection with its participation in the State Teachers Retirement System.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

As noted earlier, the Town of Salem, CT uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the Town of Salem, CT's governmental funds reported combined ending fund balances of \$7,943,545, a decrease of \$186,136 in comparison with the prior year. Thirty nine percent (39%) of this total amount constitutes *unassigned fund balance*, which is available for spending at the government's discretion.

**General Fund.** The General Fund is the chief operating fund of the Town of Salem, CT. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,079,606. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 18.8 percent of total General Fund budgetary basis expenditures and transfers out.

The fund balance of the Town of Salem, CT's General Fund increased by \$129,516 during the current fiscal year. Key factors in this increase are as follows:

- The Town budgeted to use \$693,376 from fund balance in its original budget.
- Expenditures coming in less than budgeted.
- Greater than anticipated tax collections.

**Town Grants Fund.** The fund balance of the Town Grants Fund decreased by \$37,115 during the current fiscal year. The fund also has unearned revenue in the amount of \$457,143 due to the money received from the American Rescue Plan Act that has not yet been spent.

**Education Grants Fund.** This fund accounts for financial resources to be used for educational purposes. The primary source of revenues is federal and state grants. At the end of the current fiscal year the fund reported an ending fund balance of \$7,991.

**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 fund balance of the Capital Projects Fund decreased by \$288,779 during the current fiscal year.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget for the General Fund included the use of fund balance of \$693,376. The actual use of fund balance of the General Fund to balance the budget was \$0. Budgetary revenues were \$499,322 greater than expected due primarily to higher than anticipated collection of property taxes. Budgetary expenditures were \$246,562 less than expected due primarily to savings in the general government, public safety, and education lines.

**TOWN OF SALEM, CONNECTICUT**  
Management's Discussion and Analysis  
June 30, 2022

---

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** The Town of Salem, CT's reported value in capital assets for its governmental activities as of June 30, 2022, amounts to \$22,103,514 (net of accumulated depreciation). This reported value in capital assets includes land, construction in progress, buildings and improvements, machinery, equipment and vehicles, and infrastructure assets such as roads and bridges. The total increase in the Town's investment in capital assets for the current fiscal year was \$572,283, which consisted of capital additions of \$1,317,851 offset by current year depreciation of \$745,568.

	2022	2021
Land	\$ 1,840,216	\$ 1,840,216
Construction in Progress	452,786	257,728
Land improvements	2,040,465	2,040,465
Buildings and Systems	16,922,408	16,704,688
Machinery and Equipment	2,438,966	2,353,488
Infrastructure	4,648,563	4,069,007
Vehicles	4,140,849	3,900,810
Less: Accumulated Depreciation	(10,380,739)	(9,635,171)
Total	<u>\$ 22,103,514</u>	<u>\$ 21,531,231</u>

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

- 2022 Freightliner
- Fuel Tanks
- Bucket Truck

Additional information on the Town of Salem, CT's capital assets can be found in Note 5 on page 26 of this report.

**Long-term debt.** At the end of the current fiscal year, the Town of Salem, CT had long-term debt and long-term liabilities outstanding of \$4,691,534.

	2022	2021
G.O. Bonds	\$ 2,835,000	\$ 3,160,000
Unamortized Premium	499,147	554,608
Equipment Financing Note	292,720	383,497
Compensated Absences	40,240	41,353
Loan Payable	80,000	-
Post Closure Landfill Costs	7,500	10,000
OPEB Liability	936,927	769,428
Total	<u>\$ 4,691,534</u>	<u>\$ 4,918,886</u>

The Town of Salem, CT's total long-term debt and long-term liabilities decreased by \$227,352 during the current fiscal year primarily due to the repayment of GO Bonds and equipment financing notes. Additional information on the Town of Salem, CT's long-term debt can be found in Note 6 on pages 27-28 of this report.

The town currently maintains a bond rating of "Aa2" by Moody's.



## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

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

- The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which from time to time will affect the amount of intergovernmental revenues the Town will receive.
- Increased threat of losing State funding will continue to be a variable in our local budget.

All of these factors were considered in preparing the Town of Salem, CT's budget for the 2023 fiscal year.

The Town has assigned \$829,814 of fund balance of the General Fund for spending in the 2023 fiscal year budget.

## **REQUEST FOR INFORMATION**

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

June 30, 2022

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 8,343,720
Restricted Cash	14,453
Investments	50,568
Receivables, Net	530,295
Prepays	641,208
Other Assets	810
Capital Assets:	
Assets Not Being Depreciated	2,293,002
Assets Being Depreciated, Net	19,810,512
<b>Total Assets</b>	<b>31,684,568</b>
<b>Deferred Outflows of Resources</b>	
Deferred Amount on Refunding	35,636
<b>Liabilities</b>	
Accounts Payable and Accrued Items	1,043,358
Accrued Interest Payable	70,875
Unearned Revenue	464,199
Performance Bonds	14,453
Noncurrent Liabilities:	
Due Within One Year	582,365
Due In More Than One Year	4,109,169
<b>Total Liabilities</b>	<b>6,284,419</b>
<b>Deferred Inflows of Resources</b>	
Prepaid Property Taxes	10,676
<b>Net Position</b>	
Net Investment in Capital Assets	18,432,283
Restricted for:	
Endowment/Perpetual Care:	
Nonexpendable	1,997
Expendable	6,488
General Government	98,921
Residential Rehabilitation Program	307,217
Town Clerk Documents	46,593
Education	61,845
Unrestricted	6,469,765
<b>Total Net Position</b>	<b>\$ 25,425,109</b>

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

# TOWN OF SALEM, CONNECTICUT

Statement of Activities  
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General Government	\$ 2,200,968	\$ 251,822	\$ 316,733	\$ -	\$ (1,632,413)
Public Safety	1,100,498	3,812	-	-	(1,096,686)
Public Works	1,012,004	-	-	193,018	(818,986)
Sanitation	186,115	55,338	-	-	(130,777)
Education	12,680,332	56,162	3,998,358	-	(8,625,812)
Interest on Long-Term Debt	96,487	-	-	-	(96,487)
Total Governmental Activities	<u>\$ 17,276,404</u>	<u>\$ 367,134</u>	<u>\$ 4,315,091</u>	<u>\$ 193,018</u>	<u>(12,401,161)</u>
General Revenues:					
Property Taxes					12,897,144
Grants and Contributions not Restricted to Specific Programs					97,353
Unrestricted Investment Earnings					<u>22,426</u>
Total General Revenues					<u>13,016,923</u>
Change in Net Position					615,762
Net Position - Beginning of Year, Restated					<u>24,809,347</u>
Net Position - End of Year					<u>\$ 25,425,109</u>

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

**TOWN OF SALEM, CONNECTICUT**

Balance Sheet  
Governmental Funds  
June 30, 2022

	General Fund	Education Grants Fund	Capital Nonrecurring Fund	Town Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and Cash Equivalents	\$ 7,520,005	\$ 484,320	\$ -	\$ 22,671	\$ 316,724	\$ 8,343,720
Restricted Cash	14,453	-	-	-	-	14,453
Investments	5,844	-	2,400	-	42,324	50,568
Receivables, Net of Allowance	191,532	44,078	-	-	294,685	530,295
Prepays	641,208	-	-	-	-	641,208
Other	-	-	-	-	810	810
Due from Other Funds	518,269	1,322	1,495,493	506,901	860,108	3,382,093
<b>Total Assets</b>	<u>\$ 8,891,311</u>	<u>\$ 529,720</u>	<u>\$ 1,497,893</u>	<u>\$ 529,572</u>	<u>\$ 1,514,651</u>	<u>\$ 12,963,147</u>
<b>Liabilities</b>						
Accounts Payable and Accrued Items	\$ 1,029,711	\$ 2,768	\$ -	\$ -	\$ 10,879	\$ 1,043,358
Unearned Revenue	10	1,338	-	457,143	5,708	464,199
Performance Bonds	14,453	-	-	-	-	14,453
Due to Other Funds	2,712,059	517,623	117,454	34,311	646	3,382,093
<b>Total Liabilities</b>	<u>3,756,233</u>	<u>521,729</u>	<u>117,454</u>	<u>491,454</u>	<u>17,233</u>	<u>4,904,103</u>
<b>Deferred Inflows of Resources</b>						
Unearned Revenue:						
Prepaid Property Taxes	10,676	-	-	-	-	10,676
Unavailable Revenues:						
Property Taxes and Interest	104,823	-	-	-	-	104,823
<b>Total Deferred Inflows of Resources</b>	<u>115,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,499</u>
<b>Fund Balances</b>						
Nonspendable	641,208	-	-	-	1,997	643,205
Restricted	46,593	7,991	-	33,806	432,674	521,064
Committed	-	-	854,021	4,312	1,062,747	1,921,080
Assigned	1,252,172	-	526,418	-	-	1,778,590
Unassigned	3,079,606	-	-	-	-	3,079,606
<b>Total Fund Balances</b>	<u>5,019,579</u>	<u>7,991</u>	<u>1,380,439</u>	<u>38,118</u>	<u>1,497,418</u>	<u>7,943,545</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 8,891,311</u>	<u>\$ 529,720</u>	<u>\$ 1,497,893</u>	<u>\$ 529,572</u>	<u>\$ 1,514,651</u>	<u>\$ 12,963,147</u>

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

## TOWN OF SALEM, CONNECTICUT

### Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2022

---

<b>Fund balances reported in governmental funds Balance Sheet</b>	<b>\$ 7,943,545</b>
---	---------------------

**Amounts reported for governmental activities in the Statement  
of Net Position are different because:**

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

<i>Capital Assets</i>	32,484,253
<i>Depreciation</i>	(10,380,739)

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

<i>Property taxes, interest and liens receivable greater than 60 days</i>	104,823
---	---------

Governmental funds report the effects of premiums, deferred charges and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Net Position.

<i>Deferred Charges on Refunding</i>	35,636
<i>Unamortized Bond Premium</i>	(499,147)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements.

<i>Accrued Interest Payable</i>	(70,875)
<i>Bonds Payable</i>	(2,835,000)
<i>Loans Payable</i>	(80,000)
<i>Equipment Financing Notes</i>	(292,720)
<i>Postclosure Landfill Costs</i>	(7,500)
<i>Compensated Absences</i>	(40,240)
<i>OPEB Liability</i>	<u>(936,927)</u>

<b>Net position of governmental activities</b>	<b><u>\$ 25,425,109</u></b>
--	-----------------------------

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

**TOWN OF SALEM, CONNECTICUT**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2022

	General Fund	Education Grants Fund	Capital Nonrecurring Fund	Town Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Property Taxes, Interest and Lien Fees	\$ 12,872,102	\$ -	\$ -	\$ -	\$ -	\$ 12,872,102
Intergovernmental Revenues	4,115,267	303,932	-	183,611	260,801	4,863,611
Charges for Services	241,456	26,150	-	-	33,824	301,430
Investment Income	22,126	-	21	-	279	22,426
Other Revenue	75,219	14,643	-	-	2,050	91,912
Total Revenues	<u>17,326,170</u>	<u>344,725</u>	<u>21</u>	<u>183,611</u>	<u>296,954</u>	<u>18,151,481</u>
<b>Expenditures</b>						
Current:						
General Government	1,843,635	-	-	220,726	7,430	2,071,791
Public Safety	939,486	-	-	-	3,389	942,875
Public Works	730,287	-	-	-	-	730,287
Sanitation	171,371	-	-	-	-	171,371
Education	11,974,328	344,583	-	-	238,254	12,557,165
Debt Service	402,375	-	104,790	-	37,781	544,946
Capital Outlay	-	-	1,399,182	-	-	1,399,182
Total Expenditures	<u>16,061,482</u>	<u>344,583</u>	<u>1,503,972</u>	<u>220,726</u>	<u>286,854</u>	<u>18,417,617</u>
Excess/(Deficiency) of Revenues over Expenditures	1,264,688	142	(1,503,951)	(37,115)	10,100	(266,136)
<b>Other Financing Sources/(Uses)</b>						
Proceeds from the Issuance of Loans	-	-	80,000	-	-	80,000
Transfers In	-	-	1,135,172	-	-	1,135,172
Transfers Out	<u>(1,135,172)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,135,172)</u>
Total Other Financing Sources/(Uses)	<u>(1,135,172)</u>	<u>-</u>	<u>1,215,172</u>	<u>-</u>	<u>-</u>	<u>80,000</u>
Net Change in Fund Balances	129,516	142	(288,779)	(37,115)	10,100	(186,136)
Fund Balances at Beginning of Year, Restated	<u>4,890,063</u>	<u>7,849</u>	<u>1,669,218</u>	<u>75,233</u>	<u>1,487,318</u>	<u>8,129,681</u>
Fund Balances at End of Year	<u>\$ 5,019,579</u>	<u>\$ 7,991</u>	<u>\$ 1,380,439</u>	<u>\$ 38,118</u>	<u>\$ 1,497,418</u>	<u>\$ 7,943,545</u>

The notes to the 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 the Statement of Activities For the Year Ended June 30, 2022

---

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ (186,136)</b>
---	---------------------

**Amounts reported for governmental activities in the Statement of Activities  
are different because:**

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

<i>Capital outlay</i>	1,425,910
<i>Depreciation expense</i>	(845,558)
<i>Loss on disposal</i>	(8,069)

Revenues in the Statement of Activities that do not provide current  
financial resources are not reported as revenue in the funds

<i>Property taxes, interest and liens collected accrual basis change</i>	25,042
--	--------

Debt proceeds provide current financial resources to governmental funds, but  
issuing debt increases long-term liabilities in the statement of net position.  
Repayment of debt principal is an expenditure in the governmental funds, but  
the repayment reduces long-term liabilities in the Statement of Net Position.

<i>Principal payments on long-term debt - general obligation bonds</i>	325,000
<i>Proceeds from long-term debt - equipment financing notes</i>	90,777
<i>Issuance of long-term debt - loans payable</i>	(80,000)
<i>Amortization of bond premiums</i>	55,461
<i>Amortization of deferred amount on refunding</i>	(4,454)

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  
the governmental funds.

<i>Accrued Interest</i>	(18,325)
<i>Postclosure Landfill Costs</i>	2,500
<i>Compensated Absences</i>	1,113
<i>OPEB Liability</i>	<u>(167,499)</u>

<b>Change in net position of governmental activities</b>	<b><u>\$ 615,762</u></b>
--	--------------------------

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



## **TOWN OF SALEM, CONNECTICUT**

### **Notes to the Financial Statements**

---

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

##### **Reporting Entity**

The Town is a municipal corporation incorporated in 1819. The Town is governed by a Selectman-Town Meeting form of government. Under this form of government, the Town Meeting is 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 oversees the public school system. The elected Board of Finance is the budget making authority and supervises the Town financial matters.

The Town's financial statements include the accounts of all Town controlled operations. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Town of Salem (the primary government) and its component units. The basic criteria for inclusion of a component unit in a governmental unit's reporting entity for financial reporting is the exercise of oversight responsibility. Oversight responsibility is determined on the basis of financial interdependence, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters and scope of public service. Currently, there are no entities considered component units of the Town. The Town includes all funds, agencies, boards, commissions, and authorities that are controlled by or dependent on the Town's executive and legislative branches. The financial statements presented herein do not include agencies which have been formed under applicable State laws or separate and distinct units of government apart from the Town of Salem.

##### **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 non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in the demonstrating compliance with finance related legal and contractual provisions. The Town maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column.

## TOWN OF SALEM, CONNECTICUT

### Notes to the Financial Statements

---

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation.

#### **Measurement Focus, Basis of Accounting, and Financial Statements Presentation**

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Their revenues are recognized when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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 are generally recorded when a liability is incurred. Exceptions to this general rule include: compensated absences, debt service, capital leases, other post-employment benefit obligations, and claims and judgments that are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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.

Governmental funds are those through which most governmental functions typically are financed. The following are the Town's major governmental funds:

- The *General Fund* is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another manner.
- The *Town Grants Fund* is used to account for and report financial resources that are restricted or committed for general government programs, this fund is mainly grant funded.
- 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 expenditures. These funds are required by State Statute to be accounted for separately from the General Fund.

#### **Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

## TOWN OF SALEM, CONNECTICUT

### Notes to the Financial Statements

---

#### **Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity**

*Cash and Cash Equivalents* – The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

*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, 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. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short-Term Investment Fund. Trust funds are able to invest in a wider range of investments. Investments are stated at fair value, based on quoted market prices. Certificates of Deposit are reported at cost.

The Short-Term Investment Fund ("STIF") is a money market investment pool managed by the Cash Management Division of the State Treasurer's Office created by Section 3-27 of the Connecticut General Statutes ("CGS"). Pursuant to CGS 3-27a through 3-27f, the State, municipal entities, and political subdivisions of the State are eligible to invest in the fund. The fund is considered a "2a7-like" pool and, as such, reports its investments at amortized cost (which approximates fair value). A 2a7-like pool is not necessarily registered with the Security and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940 that allows money market mutual funds to use the amortized cost to report net assets. The pool is overseen by the Office of the State Treasurer. The pool is rated AAAM by Standard & Poor's. This is the highest rating for money market funds and investment pools. The pooled investment funds' risk category cannot be determined since the Town does not own identifiable securities but invests as a shareholder of the investment pool. The fair value of the position in the pool is the same as the value of the pool shares.

*Due From/To Other Funds* - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables and payables. They arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

*Taxes Receivable*- All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The Town has established an allowance for estimated uncollectible motor vehicle and personal property taxes and interest in the amount of \$8,000. Property taxes are assessed as of October 1 and billed the following July. Real property bills are payable in two installments, July 1 and January 1. Motor vehicle and personal property taxes are payable in one installment on July 1, with the motor vehicle supplemental bills payable on January 1. Assessments for real and personal property, including motor vehicles, are computed at seventy percent of the market value. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date.

*Loans Receivable* – Loans receivable 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. As of June 30, 2022, loans receivable totaled \$247,381 under this program.

**TOWN OF SALEM, CONNECTICUT**  
Notes to the Financial Statements

---

*Capital Assets* - Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than 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 assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Land Improvements	10 - 40
Buildings and Systems	15 -100
Machinery and Equipment	10 - 50
Infrastructure	20 - 50
Vehicles	10 - 25

*Unearned Revenues* - Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In the government-wide financial statements, unearned revenues consist of revenue received in advance and/or amounts from grants received before the eligibility requirements have been met.

*Long-term obligations* - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the 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. Bond issuance costs are recognized as an expense in the period they are incurred.

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, and debt payments, are reported as debt service expenditures.

*Compensated absences* - Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement.

## TOWN OF SALEM, CONNECTICUT

### Notes to the Financial Statements

---

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

In addition to liabilities, the statement of financial 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 unavailable revenue from property taxes and related interest in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Town reports advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated.

*Fund equity and net position* – Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. In the government-wide statement of net position, net position is classified in the following categories:

*Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

*Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

*Unrestricted Net Position* – This category represents the net position of the Town, which is not restricted for any project or other purpose.

When both restricted and unrestricted resources are available for certain expenses, the Town expends restricted resources first and uses unrestricted resources when the restricted funds are depleted.

In the fund financial statements, fund balances of governmental funds are classified in the following five separate categories:

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

*Restricted Fund Balance* – Indicates amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance* – Indicates amounts that can be used only for specific purposes pursuant to constraints imposed by formal budgetary action of the Board of Finance and Town Meeting in accordance with provisions of the Connecticut General Statutes.

## TOWN OF SALEM, CONNECTICUT

### Notes to the Financial Statements

---

*Assigned Fund Balance* – Indicates amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the approval of a resolution by the Board of Finance or by a properly approved purchase order (encumbrance).

*Unassigned Fund Balance* – Represents the remaining fund balance after amounts are set aside for all other classifications. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit.

The Town does not have a formal policy over the use of fund balance. When both restricted and unrestricted (committed, assigned, unassigned) amounts of fund balance are available for use for expenditures incurred, it is assumed that the Town will use restricted fund balance first if the expenditure meets the restricted purpose, followed by committed, assigned and unassigned amounts.

The Board of Finance has adopted a minimum fund balance policy for the General Fund. The policy is to maintain an unassigned fund balance between 15% and 20% of budgeted expenditures, with a goal of 18% of budgeted expenditures in the General Fund. If the unassigned fund balance exceeds the 18% target, the use of such excess funds could be for capital projects and other onetime uses, to avoid creating a gap in the subsequent fiscal year budget. If the fund balance goes below the 15% minimum, then the Board of Finance will endeavor to replenish reserves during the budget process to minimum levels within 3 years.

*Encumbrances* – In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are reported as assigned fund balance since they do not constitute expenditures or liabilities.

#### **Fair Value of Financial Instruments**

In accordance with GASB Statement No. 72, the Town is required to measure the fair value of its assets and liabilities under a three-level hierarchy, as follows:

**Level 1:** Quoted market prices for identical assets or liabilities to which an entity has access to at the measurement date.

**Level 2:** Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets in markets that are not active;
- c. Observable inputs other than quoted prices for the assets or liability;
- d. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

**Level 3:** Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

*Observable inputs* reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting entity; and *unobservable inputs* reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Certificates of Deposit are reported at amortized cost and are excluded from the fair value disclosures.

**TOWN OF SALEM, CONNECTICUT**  
Notes to the Financial Statements

---

**NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS**

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by Statute or in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an “out of state bank” as defined by the Statutes, which is not a “qualified public depository”. The following is a summary of cash and cash equivalents at June 30, 2022.

	Governmental Funds
Cash and Cash Equivalents	\$ 8,343,720
Restricted Cash	14,453
	<u>\$ 8,358,173</u>

*Custodial Credit Risk - Deposits:* Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank’s risk-based capital ratio. The following is a reconciliation of the Town’s deposits subject to custodial credit risk:

Cash and Restricted Cash	\$ 8,358,173
Less: Cash Equivalents (STIF)	(5,805,782)
Plus: Investments (CDs)	50,568
	<u>\$ 2,602,959</u>

At year-end, the Town’s carrying amount of deposits subject to custodial credit risk was \$2,602,959 and the bank balance was \$2,945,245. Of the bank balance, the Federal Depository Insurance Corporation insured \$751,409.

As of June 30, 2022, \$2,193,836 of the Town’s bank balance of \$2,945,245 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 1,899,452
Uninsured and collateral held by pledging bank's Trust department not in the Town's name	294,384
Total	<u>\$ 2,193,836</u>

**Cash Equivalents**

At June 30, 2022, the Town’s cash equivalents (Short-Term Investment Fund “STIF”) amounted to \$5,805,782. STIF is rated AAAM by Standard and Poor’s and has an average maturity of under 60 days.

**Investments**

The following is a summary of investments at June 30, 2022:

	Governmental Funds
Certificates of Deposit	<u>\$ 50,568</u>

*Custodial Credit Risk -* This is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Town does not have a policy for custodial credit risk.

**TOWN OF SALEM, CONNECTICUT**  
Notes to the Financial Statements

*Credit Risk* – The Town does not have an investment policy that limits investment choices further than the Connecticut General Statutes. Generally, credit risk is defined as the risk that an issuer of a debt type investment will not fulfill its obligation to the holder. This is measured by assignment of a rating by a nationally recognized rating organization.

*Concentrations of Credit Risk* – The Town places no limit on the amount of investment in any one issuer.

*Interest Rate Risk* - The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of June 30, 2022, the Town had the following investments subject to interest rate risk:

	Total	Investment Maturities (In Years)		
		Less Than 1	1 - 5	6 - 10
Certificates of Deposit	\$ 50,568	\$ 32,125	\$ 18,443	\$ -

**NOTE 3 – RECEIVABLES**

Receivables as of year-end for the Town's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Education Grants Fund	Nonmajor and Other Funds	Total
Receivables:				
Property Taxes	\$ 131,655	\$ -	\$ -	\$ 131,655
Interest, Liens, and Fees	22,208	-	-	22,208
Loans	-		247,381	247,381
Intergovernmental	-	44,078	47,304	91,382
Accounts	45,669	-	-	45,669
Gross Receivables	<u>199,532</u>	<u>44,078</u>	<u>294,685</u>	<u>538,295</u>
Less Allowance for				
Uncollectibles:				
Property Taxes	(7,000)	-	-	(7,000)
Interest, Liens, and Fees	<u>(1,000)</u>	<u>-</u>	<u>-</u>	<u>(1,000)</u>
Total Allowance	<u>(8,000)</u>	<u>-</u>	<u>-</u>	<u>(8,000)</u>
Net Total Receivables	<u>\$ 191,532</u>	<u>\$ 44,078</u>	<u>\$ 294,685</u>	<u>\$ 530,295</u>

The loans receivable in the nonmajor governmental funds of \$247,381 are long term receivables and are not expected to be collected within one year.



**TOWN OF SALEM, CONNECTICUT****Notes to the Financial Statements**

Governmental funds report unavailable revenue in connection with receivables that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

	Governmental Funds
Town Grants Fund:	
Advances on Grants	\$ 457,143
General Fund:	
Fees Collected in Advance	10
Education Grants Fund	
Advances on Grants	1,338
Nonmajor Funds:	
Advances on Grants	5,708
Total Unearned Revenue	<u>\$ 464,199</u>

**NOTE 4 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made. At June 30, 2022, the outstanding balances between funds were:

Payable Fund	Receivable Fund	Total
General Fund	Nonmajor Governmental Funds	\$ 742,654
General Fund	Town Grants Fund	506,901
General Fund	Capital Nonrecurring Fund	1,462,504
Town Grants	Education Grants Fund	1,322
Education Grants Fund	General Fund	517,623
Nonmajor Governmental Funds	General Fund	646
Capital Nonrecurring Fund	Nonmajor Governmental Funds	117,454
Town Grants	Capital Nonrecurring Fund	32,989
		<u>\$ 3,382,093</u>

**TOWN OF SALEM, CONNECTICUT**  
Notes to the Financial Statements

Fund transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and 2) to account for unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers during the year ended June 30, 2022 were as follows:

Transfers In:	Transfers Out:	Total
Capital Nonrecurring Fund	General Fund	<u>\$ 1,135,172</u>

**NOTE 5 – CAPITAL ASSETS**

The following is a summary of the change in capital assets as of June 30, 2022:

	Beginning Balance	Increases	Decreases	Ending Balances
<b>Governmental Activities</b>				
Capital assets, not being depreciated				
Land	\$ 1,840,216	\$ -	\$ -	\$ 1,840,216
Construction in Progress	257,728	239,158	(44,100)	452,786
Total capital assets, not being depreciated	<u>2,097,944</u>	<u>239,158</u>	<u>(44,100)</u>	<u>2,293,002</u>
Capital assets, being depreciated				
Land Improvements	2,040,465	-	-	2,040,465
Buildings and Systems	16,704,688	217,720	-	16,922,408
Machinery and Equipment	2,353,488	85,478	-	2,438,966
Infrastructure	4,069,007	579,556	-	4,648,563
Vehicles	3,900,810	348,098	(108,059)	4,140,849
Total capital assets, being depreciated	<u>29,068,458</u>	<u>1,230,852</u>	<u>(108,059)</u>	<u>30,191,251</u>
Less accumulated depreciation for:				
Land Improvements	789,088	86,529	-	875,617
Buildings and Improvements	4,032,131	310,448	-	4,342,579
Machinery and Equipment	1,401,673	98,048	-	1,499,721
Infrastructure	1,338,441	210,531	-	1,548,972
Vehicles	2,073,838	140,002	(99,990)	2,113,850
Total accumulated depreciation	<u>9,635,171</u>	<u>845,558</u>	<u>(99,990)</u>	<u>10,380,739</u>
Total capital assets, being depreciated, net	<u>19,433,287</u>	<u>385,294</u>	<u>(8,069)</u>	<u>19,810,512</u>
Capital assets, net	<u>\$ 21,531,231</u>	<u>\$ 624,452</u>	<u>\$ (52,169)</u>	<u>\$ 22,103,514</u>

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

General Government	\$ 130,290
Public Safety	157,623
Public Works	300,376
Sanitation	17,244
Education	240,025
Total	<u>\$ 845,558</u>

# TOWN OF SALEM, CONNECTICUT

## Notes to the Financial Statements

### NOTE 6 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2022 was as follows:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Bonds Payable:</b>					
General Obligation Bonds	\$ 3,160,000	\$ -	\$ 325,000	\$ 2,835,000	\$ 330,000
Unamortized Premium	<u>554,608</u>	<u>-</u>	<u>55,461</u>	<u>499,147</u>	<u>55,461</u>
Total Bonds Payable	3,714,608	-	380,461	3,334,147	385,461
Loan Payable	-	80,000	-	80,000	80,000
Equipment Financing Note	383,497	-	90,777	292,720	94,094
Compensated Absences	41,353	-	1,113	40,240	20,310
Post Closure Landfill Costs	10,000	-	2,500	7,500	2,500
OPEB Liability	<u>769,428</u>	<u>167,499</u>	<u>-</u>	<u>936,927</u>	<u>-</u>
Total	<u>\$ 4,918,886</u>	<u>\$ 247,499</u>	<u>\$ 474,851</u>	<u>\$ 4,691,534</u>	<u>\$ 582,365</u>

Long-term obligations, other than equipment financing notes, have typically been liquidated by the General Fund. Equipment financing notes are typically liquidated by the Capital Nonrecurring Fund.

#### General Obligation Bonds

The Town issues general obligation bonds to provide financing for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the Town and pledge the full faith and credit of the Town. General obligation bonds outstanding as of June 30, 2022 consisted of the following:

<b>Bond Issue</b>	<b>Year of Issue</b>	<b>Original Amount</b>	<b>Interest Rates</b>	<b>Final Maturity</b>	<b>Outstanding June 30, 2022</b>
General Obligation	2021	\$ 550,000	5.00%	2030	\$ 550,000
General Obligation*	2021	2,285,000	5.00%	2031	<u>2,285,000</u>
					<u>\$ 2,835,000</u>

#### \*Refunding Bonds

The annual debt service requirements of the Town's general obligation bonds and loan payable are as follows:

<b>Year(s)</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 410,000	\$ 136,765	\$ 546,765
2024	335,000	116,875	451,875
2025	340,000	100,000	440,000
2026	345,000	82,875	427,875
2027	350,000	65,500	415,500
2028-2031	<u>1,135,000</u>	<u>92,375</u>	<u>1,227,375</u>
Total	<u>\$ 2,915,000</u>	<u>\$ 594,390</u>	<u>\$ 3,509,390</u>

Interest paid and expensed on general obligation bonds for the year ended June 30, 2022 totaled \$123,425.

## TOWN OF SALEM, CONNECTICUT

### Notes to the Financial Statements

#### Bonds Authorized and Unissued

At June 30, 2022, there was \$550,000 of authorized and unissued bonds for Salem School Roof and HVAC Project.

#### Loan Payable

The Town has entered into a Loan Payable Agreement for the purchase of a large snowplow truck. The final cost of the truck was higher than expected and additional funds were necessary to make up the difference to total \$80,000. The Loan was entered into on August 26, 2021 and will mature in one year on August 26, 2022 with an interest rate of 3.95%.

#### Equipment Financing Notes

The Town has entered into equipment financing notes for the acquisition of a fire truck.

Equipment	Year of Issue	Original Amount	Interest Rate	Final Maturity	Principal Outstanding June 30, 2022
Pierce Enforcer Pumper	2019	\$ 555,563	3.594%	7/1/2024	\$ 292,721

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as follows:

Year(s)	Principal	Interest	Total
2023	\$ 94,094	\$ 10,696	\$ 104,790
2024	97,532	7,258	104,790
2025	101,095	3,694	104,789
Total	<u>\$ 292,721</u>	<u>\$ 21,648</u>	<u>\$ 314,369</u>

#### Advance Refunding

The Town had advance refunded general obligation bonds in prior years. The Town advance refunded the bonds to reduce its total debt service payments by \$180,867 and to obtain an economic gain (difference between the present values of the debt service payments of the old and new bonds) of \$175,252. The difference between the reacquisition price (the amount placed in escrow) and the net carrying amount of the refunded bonds resulted in a deferred amount on refunding of \$40,090. These amounts, net of accumulated amortization of \$4,454 have been presented as deferred outflows of resources in the government-wide financial statements.

#### Compensated Absences

Vacation time earned during the fiscal year can be carried over to the succeeding year, subject to limitations as provided in the respective collective bargaining agreements. Employees are entitled to accumulate sick leave up to a maximum amount stipulated in each contract. Payment for accumulated sick leave is dependent upon the length of service and accumulated days. The value of all compensated absences has been reflected in the government-wide financial statements.

**TOWN OF SALEM, CONNECTICUT**  
Notes to the Financial Statements

**NOTE 7 – FUND BALANCE COMPONENTS**

The components of fund balance for the governmental funds at June 30, 2022 are as follows:

	General Fund	Town Grants Fund	Capital Nonrecurring Fund	Education Grants Fund	Nonmajor Governmental Funds	Total
<b>Fund Balances:</b>						
<b>Nonspendable:</b>						
Cemetery Maintenance	\$ -	\$ -	\$ -	\$ -	\$ 1,997	\$ 1,997
Prepays	641,208	-	-	-	-	641,208
<b>Total Nonspendable</b>	<b>\$ 641,208</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,997</b>	<b>\$ 643,205</b>
<b>Restricted for:</b>						
General Government	\$ -	\$ 33,806	\$ -	\$ -	\$ 48,896	\$ 82,702
Cemetery Maintenance	-	-	-	-	6,488	6,488
Residential Rehabilitation	-	-	-	-	307,217	307,217
Town Clerk Documents	46,593	-	-	-	-	46,593
Education	-	-	-	7,991	70,073	78,064
<b>Total Restricted</b>	<b>\$ 46,593</b>	<b>\$ 33,806</b>	<b>\$ -</b>	<b>\$ 7,991</b>	<b>\$ 432,674</b>	<b>\$ 521,064</b>
<b>Committed to:</b>						
General Government	\$ -	\$ 4,312	\$ -	\$ -	\$ 1,409	\$ 5,721
Public Safety	-	-	-	-	78	78
Capital	-	-	854,021	-	1,061,260	1,915,281
<b>Total Committed</b>	<b>\$ -</b>	<b>\$ 4,312</b>	<b>\$ 854,021</b>	<b>\$ -</b>	<b>\$ 1,062,747</b>	<b>\$ 1,921,080</b>
<b>Assigned:</b>						
Encumbrances	\$ 43,338	\$ -	\$ -	\$ -	\$ -	\$ 43,338
Capital	379,020	-	526,418	-	-	905,438
Subsequent Budget	829,814	-	-	-	-	829,814
<b>Total Assigned</b>	<b>\$ 1,252,172</b>	<b>\$ -</b>	<b>\$ 526,418</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,778,590</b>
<b>Unassigned:</b>	<b>\$ 3,079,606</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,079,606</b>

**TOWN OF SALEM, CONNECTICUT**  
Notes to the Financial Statements

---

**NOTE 8 – RETIREMENT BENEFITS**

**Defined Contribution Retirement Plan**

The town established a single employer defined contribution plan called The Town of Salem Deferred Compensation Plan (the “Plan”) to provide retirement benefits for all of its full-time employees. Under provisions of the Plan, all full-time employees (except those covered under a comparable employer plan) may participate. The Town is required to contribute an amount equal to 3% of employee covered payroll. Plan participants are not required to contribute to the plan. The Plan does not issue stand alone financial statements and is not a part of the Town’s financial reporting entity since the Town has no trustee responsibilities related to the participant accounts which contain employer contributions. Employer contributions to the Plan totaled \$53,715 for the year ended June 30, 2022.

**Connecticut State Teacher’s Retirement System**

*Plan Description:* Teachers, principals, superintendents, or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers’ Retirement System (the “System”). The System is a cost sharing multiple-employer defined benefit pension plan administered by the Connecticut State Teachers’ Retirement Board (CTRB). Chapter 167a of the State Statutes grants authority to establish and amend the benefited terms to the CTRB Board. The CTRB issues a publicly available financial report that can be obtained at [www.ct.gov](http://www.ct.gov), or by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

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

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

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

*Disability Retirement:* Employees are eligible for service-related disability regardless of length of service. Five years of credited service is required for non-service-related disability or eligibility. Disability benefits are calculated as 2% per year of service times the average of the highest three years of pensionable salary, as defined per the plan, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

*Contributions:* Per Connecticut General Studies Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended, and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

*Employer (School Districts):* School District employers are not required to make contributions to the plan. The statutes require the State of Connecticut to contribute 100% of each school districts’ required contributions, which are actuarially determined as an amount, that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

**TOWN OF SALEM, CONNECTICUT**  
Notes to the Financial Statements

---

*Employees:* Participants are required to contribute 7% of their annual salary to the System as required by the CGS Section 10-183b(7). For the year ended June 30, 2022 the certified teachers' contribution to the Connecticut Teachers Retirement Board was \$235,004. Covered payroll for the Town for the year ended June 30, 2022 was approximately \$3,357,203.

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

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>11,295,002</u>
Total	<u>\$ 11,295,002</u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2022, the Town had no proportionate share of the net pension liability.

For the year ended June 30, 2022, the Town recognized benefits expense and contribution revenue of \$945,779 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$729,119 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

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

Inflation	2.50 Percent
Salary increases, including inflation	3.00-6.50 Percent
Long-term investment rate of return, net of pension investment expense, including inflation.	6.90 Percent

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

**TOWN OF SALEM, CONNECTICUT**  
Notes to the Financial Statements

---

Future cost-of-living increases for members who retired prior to September 1, 1992, 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 investments was determined using a log-normal distributions analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

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

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

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate:* The Town's proportionate share of the net pension liability is \$0 and therefore the change in the discount rate would only impact the amount recorded by the State of Connecticut.



## TOWN OF SALEM, CONNECTICUT

### Notes to the Financial Statements

---

#### Other Post-Employment Benefits

*Plan Description:* The Town administers a single-employer defined benefit healthcare plan (the "Plan") for certain Town and Board of Education employees in accordance with various collective bargaining agreements.

The plan does not issue a publicly available financial report and is not included in the financial statements of another entity. The plan does not have assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

*Benefit Provisions:* The OPEB Plan provides for medical benefits for certain retired employees and all retired teachers. Benefits and contributions are established by contract and may be amended by union negotiations. Town and Board of Education Employees are eligible to retire under this plan upon attainment of 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.

*Employees Covered by Benefit Terms:* At July 1, 2022, the following employees were covered by the benefit terms:

Retirees, beneficiaries, and dependents currently receiving benefits	6
Active participants	44
	<hr/>
	50

*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.

*Total OPEB Liability:* The Town's total OPEB liability of \$936,927, was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs:* Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend rate. Amounts determined regarding the funded status of the plan, and the annual required contributions of the employer, are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The information presented was determined as part of the actuarial valuation. Additional information as of the last actuarial valuation follows:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage
Amortization Period	20 years
Discount Rate	2.18%
Salary Increases	2.50%
Healthcare Cost Trend Rate	Ranges from 4.2%-4.8%

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

Mortality rates for board of education-certified were based on the RP-2014 White Collar Employer & Healthy Annuitant tables projected to 2020 using Scale BB.

**TOWN OF SALEM, CONNECTICUT**  
Notes to the Financial Statements

Mortality rates for general employees & board of education-noncertified were based on the RP-2014 (adjusted back to 2006) Headcount-Weighted, projected generationally with Scale MP-2017.

**Changes in the Total OPEB Liability:**

	Total OPEB Liability
Balance at 6/30/21	\$ 769,428
Changes for the year:	
Service Cost	21,642
Interest	17,245
Differences Between Expected and Actual Experience	128,612
Changes in Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	-
Net Changes	167,499
Balance at 6/30/22	\$ 936,927

Changes of assumptions primarily reflects a change in the salary increases from 3.00% to 2.50%.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:* The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.18%) or 1-percentage-point higher (3.18%) than the current discount rate:

	1% Decrease 1.18%	Current Discount Rate 2.18%	1% Increase 3.18%
Total OPEB Liability	\$ 1,120,410	\$ 936,927	\$ 792,565

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

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	\$ 765,458	\$ 936,927	\$ 1,159,553

**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended June 30, 2022, the Town recognized OPEB expense of \$167,499. As of June 30, 2022, the Town reported no deferred outflows and inflows of resources related to OPEB due to using the Alternative Measurement Method.

**Connecticut Teachers' Retirement System - OPEB**

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

**TOWN OF SALEM, CONNECTICUT**  
Notes to the Financial Statements

---

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

Any member that is not currently participating in Medicare Parts A & B is eligible to continue healthcare 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. 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. 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.

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

School district employers are not required to make contributions to the Plan. The State of Connecticut's estimated allocated contribution to the Plan on behalf of the Town was \$22,256.

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

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

Inflation	2.50%
Real Wage Growth	0.50%
Wage Inflation	3.00%
Salary increases	3.00-6.50%, including inflation
Long-term investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
<u>Municipal bond index rate:</u>	
Measurement Date	2.17%
Prior Measurement Date	2.21%

The projected fiduciary net position is projected to be depleted in 2023.

**TOWN OF SALEM, CONNECTICUT**  
Notes to the Financial Statements

---

Single equivalent interest rate

Measurement Date	2.17%, net of OPEB plan investment expense, including price inflation
Prior Measurement Date	2.21%, net of OPEB plan investment expense, Including price inflation

Healthcare cost trend rates:

Medicare	5.125% for 2020 decreasing to an ultimate Rate of 4.50% by 2023
----------	--

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

*Long-Term Rate of Return* - The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class.

The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

Asset Class	Target Allocation	Expected 10-Year Geometric Real Rate of Return	Standard Deviation
U.S. Treasuries (Cash Equivalents)	100.0%	-0.42%	1.78%
Price inflation		2.50%	
Expected rate of return (Rounded nearest 0.25%)		2.00%	

*Discount Rate* - The discount rate used to measure the total OPEB liability was 2.17%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of June 30, 2020. In addition to the actuarial methods and assumptions of the June 30, 2020 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

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

**TOWN OF SALEM, CONNECTICUT**  
Notes to the Financial Statements

- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

Based on those assumptions, the plan's fiduciary net position was projected to be depleted in 2023 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

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

	1% Lower Trend Rates	Current Trend Rates	1% Higher Trend Rates
Initial Healthcare Cost Trend Rate	4.125%	5.125%	6.125%
Ultimate Healthcare Cost Trend Rate	3.50%	4.50%	5.50%
Total OPEB Liability	\$ 1,030,669	\$ 1,230,570	\$ 1,503,930

*Sensitivity of the Net OPEB Liability to Changes in Discount Rates* - The following presents the net OPEB liability, calculated using the current discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (1.17%)	Current Discount Rate (2.17%)	1% Increase (3.17%)
Net OPEB liability	\$ 1,506,175	\$ 1,230,570	\$ 1,015,743

*Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions:* At June 30, 2022 the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Town were as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>1,230,570</u>
Total	<u>\$ 1,230,570</u>

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. At June 30, 2022, the Town had no proportionate share of the net OPEB liability.

## **TOWN OF SALEM, CONNECTICUT**

### **Notes to the Financial Statements**

---

For the year ended June 30, 2022, the Town recognized OPEB expense and revenue of \$22,256 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized (\$45,441) for OPEB expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

#### **NOTE 9 – RISK MANAGEMENT**

The Town is exposed to various risks of loss involving torts, theft of, damage to and destruction of assets, errors and omissions, injuries of employees, natural disaster and public official liabilities. The Town purchases commercial insurance for all risks of loss except workers' compensation and liability-automobile-property insurance for which it participates in risk sharing pools. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage during the past three years. In addition, there have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies that was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering interlocal risk management programs.

##### **Workers Compensation Pool**

The Town is 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 incurred loss retrospective rating plan, and losses incurred in the coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. The premium is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence.

##### **Liability-Automobile-Property Pool**

The Town is a member of CIRMA's Liability-Automobile-Property Pool, a risk-sharing pool. The Liability-Automobile-Property Pool provides 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.

#### **NOTE 10 – LITIGATION AND CONTINGENCIES**

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

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

**TOWN OF SALEM, CONNECTICUT**  
Notes to the Financial Statements

---

**NOTE 11 – 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 \$1,994,080 in regular education tuition and \$671,209 in special education tuition to the Town of East Lyme, Connecticut.
- 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, Connecticut a per student fee.
- The Town will pay the Town of East Lyme, Connecticut 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.

**NOTE 12 – UPCOMING PRONOUNCEMENTS**

**GASB Pronouncements Issued, But Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

GASB Statement No. 91 – *Conduit Debt Obligations* – The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022.

GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022.

# TOWN OF SALEM, CONNECTICUT

## Notes to the Financial Statements

GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements* – This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this statement are effective for the Town’s reporting period beginning July 1, 2022.

GASB Statement No. 99 – *Omnibus 2022* - The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for the Town’s reporting period beginning July 1, 2022. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the Town’s reporting period beginning July 1, 2023.

GASB Statement No. 100 – *Accounting Changes and Error Corrections* - The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for the Town’s reporting period beginning July 1, 2023.

GASB Statement No. 101 – *Compensated Absences* - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for the Town’s reporting period beginning July 1, 2024.

### NOTE 13 –PRIOR PERIOD RESTATEMENTS

The Town previously reported the activities of the Student Activity Fund as fiduciary activities. As of July 1, 2021, the Town made the following reporting change: the Student Activities Fund is now reported as a special revenue fund. The results of the changes to the fund balance and net position are as follows:

	Governmental Activities	Nonmajor Governmental Funds	Custodial Funds
Net position/fund balance as reported at June 30, 2021	\$ 24,793,752	\$ 860,191	\$ 15,595
Reclassify to proper fund type	15,595	15,595	(15,595)
Net position/fund balance as restated at July 1, 2021	\$ 24,809,347	\$ 875,786	\$ -



# **Required Supplementary Information**

**TOWN OF SALEM, CONNECTICUT**

Page 1 of 4

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Budgetary Basis	Variance
	Original	Amended		
<b>REVENUES</b>				
<b>Property Taxes</b>				
Property Taxes	\$ 12,303,718	\$ 12,303,718	\$ 12,537,772	\$ 234,054
Prior Year Tax Collections	50,000	50,000	89,654	39,654
Supplemental Motor Vehicle Tax Collections	72,000	72,000	178,901	106,901
Interest on Property Taxes	40,000	40,000	62,562	22,562
Interest on Supplemental Motor Vehicles	500	500	2,505	2,005
Liens on Property Taxes	500	500	708	208
<b>Total Property Taxes</b>	<u>12,466,718</u>	<u>12,466,718</u>	<u>12,872,102</u>	<u>405,384</u>
<b>Intergovernmental</b>				
State/Federal Grants for Education				
Education Equalization	2,525,078	2,525,078	2,570,032	44,954
Adult Education	3,672	3,672	3,864	192
Total State/Federal Grants for Education	<u>2,528,750</u>	<u>2,528,750</u>	<u>2,573,896</u>	<u>45,146</u>
Other State/Federal Grants				
Town Aid Road (TAR)	193,274	193,274	193,018	(256)
State Property in Lieu of Taxes	35,653	35,653	56,966	21,313
Local Capital Improvement	33,443	33,443	-	(33,443)
Mashantucket Pequot Grant	7,370	7,370	7,370	-
Veterans' Tax Relief	2,834	2,834	2,834	-
Tax Relief for the Disabled	-	-	339	339
Telephone Access Line	4,965	4,965	6,846	1,881
OPM Grant	4,699	4,699	4,699	-
Miscellaneous	55,906	55,906	5,570	(50,336)
Municipal Stabilization Grant	132,694	132,694	132,694	-
Total Other State/Federal Grants	<u>470,838</u>	<u>470,838</u>	<u>410,336</u>	<u>(60,502)</u>
<b>Total Intergovernmental</b>	<u>2,999,588</u>	<u>2,999,588</u>	<u>2,984,232</u>	<u>(15,356)</u>
<b>Charges for Services</b>				
Licenses and Permits				
Garbage Bag Revenue	32,000	32,000	43,928	11,928
Conveyance Tax	65,000	65,000	71,704	6,704
Building Permits	36,000	36,000	50,629	14,629
Tipping and Hauling Fees	-	-	1,855	1,855
Landfill Fees - Bulky Waste	7,000	7,000	9,555	2,555
Heating	5,600	5,600	7,362	1,762
Electrical	7,500	7,500	7,350	(150)
Plumbing	2,000	2,000	905	(1,095)
Zoning Compliance	500	500	625	125
Miscellaneous Permits and Fees	1,000	1,000	1,060	60
Pistol Permits/Sport Licenses	1,000	1,000	2,310	1,310
Total Licenses and Permits	<u>157,600</u>	<u>157,600</u>	<u>197,283</u>	<u>39,683</u>

See accountant's report.

**TOWN OF SALEM, CONNECTICUT**

Page 2 of 4

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	
	Original	Amended	Budgetary	Variance
			Basis	
<b>Charges for Services (Continued)</b>				
Charges for Current Services				
Recording Fees	\$ 16,000	\$ 16,000	\$ 23,061	\$ 7,061
Sale of Maps	50	50	132	82
Sale of Copies	900	900	4,906	4,006
Planning and Zoning Commission Fees	1,000	1,000	-	(1,000)
CFC Evacuation Fees	750	750	3,240	2,490
Zoning Board of Appeals Fees	-	-	400	400
Inland/Wetland Commission Fees	200	200	80	(120)
Electronic Registration Fees	4,000	4,000	6,982	2,982
Total Charges for Current Services	22,900	22,900	38,801	15,901
<b>Total Charges for Services</b>	180,500	180,500	236,084	55,584
<b>Investment Income</b>	6,000	6,000	22,126	16,126
<b>Other</b>				
Recreation Fee Based Activity	3,000	3,000	12,796	9,796
Library Fees/Fines	9,500	9,500	10,152	652
Miscellaneous	10,000	10,000	30,571	20,571
Insurance Claims and Refunds	5,000	5,000	11,565	6,565
<b>Total Other</b>	27,500	27,500	65,084	37,584
<b>Total Revenues</b>	15,680,306	15,680,306	16,179,628	499,322
<b>Other Financing Sources</b>				
Appropriation of Fund Balance	693,376	693,376	-	(693,376)
Transfers In	-	-	-	-
<b>Total Other Financing Sources</b>	693,376	693,376	-	(693,376)
<b>Total Revenues and Other Financing Sources</b>	16,373,682	16,373,682	16,179,628	(194,054)
<b>EXPENDITURES</b>				
<b>General Government</b>				
Selectman's Department	7,570	7,570	7,570	-
Salaries	654,877	654,877	663,034	(8,157)
Building Official, Sanitarian	4,292	4,292	3,726	566
Town Clerk	16,883	16,883	16,883	-
Treasurer, Auditor, Board of Finance	38,369	38,369	38,369	-
Assessor	21,100	21,100	21,100	-
Tax Collector	13,500	13,500	9,250	4,250
Registrar	10,802	10,802	10,138	664
Town Counsel	39,000	71,563	71,563	-
Town Office Operations	106,310	106,310	106,278	32
Municipal Building Maintenance	52,700	58,700	55,567	3,133
Employee Benefits	434,410	434,410	386,220	48,190

See accountant's report.

**TOWN OF SALEM, CONNECTICUT**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2022

Page 3 of 4

	Budgeted Amounts		Actual	
	Original	Amended	Budgetary	Variance
			Basis	
<b>General Government (Continued)</b>				
Utilities	\$ 60,660	\$ 62,060	\$ 54,099	\$ 7,961
Town Services	115,050	115,050	113,986	1,064
Regional Services	12,203	12,203	11,380	823
Economic Development	1,900	1,900	348	1,552
Inland Wetlands, Conservation Commission	3,350	3,350	1,199	2,151
Planning and Zoning Commission	19,500	22,898	22,898	-
Zoning Board of Appeals	800	800	414	386
Recreation Commission	47,100	47,100	46,471	629
Municipal Insurance	135,648	135,648	124,703	10,945
Unanticipated Expenditures	1,000	1,000	1,000	-
Library	38,210	38,210	37,999	211
<b>Total General Government</b>	<u>1,835,234</u>	<u>1,878,595</u>	<u>1,804,195</u>	<u>74,400</u>
<b>Public Safety</b>				
Salaries	242,460	242,460	229,153	13,307
Security	366,100	339,982	310,281	29,701
Utilities	49,900	50,457	54,639	(4,182)
Gardner Lake Fire Department	2,500	2,500	502	1,998
Salem Fire Department	171,610	171,610	172,574	(964)
Ambulance	46,685	46,685	46,069	616
Public Safety	126,650	126,650	126,268	382
<b>Total Public Safety</b>	<u>1,005,905</u>	<u>980,344</u>	<u>939,486</u>	<u>40,858</u>
<b>Public Works</b>				
Salaries	432,328	432,328	418,723	13,605
Utilities	45,032	45,032	48,811	(3,779)
Public Works	266,160	266,160	262,753	3,407
<b>Total Public Works</b>	<u>743,520</u>	<u>743,520</u>	<u>730,287</u>	<u>13,233</u>
<b>Sanitation</b>				
Transfer Station	178,100	178,100	171,371	6,729
<b>Debt Service</b>				
Interest Payments	82,063	82,063	77,375	4,688
Principal Payments	325,000	325,000	325,000	-
<b>Total Debt Service</b>	<u>407,063</u>	<u>407,063</u>	<u>402,375</u>	<u>4,688</u>
<b>Capital Outlay</b>				
Capital Reserve Account	1	1	-	1
Open Space Land Acquisition	1	1	-	1
<b>Total Capital Outlay</b>	<u>2</u>	<u>2</u>	<u>-</u>	<u>2</u>
<b>Revaluation</b>	22,000	-	-	-
<b>Education</b>	11,050,886	11,050,886	10,944,234	106,652
<b>Total Expenditures</b>	<u>15,242,710</u>	<u>15,238,510</u>	<u>14,991,948</u>	<u>246,562</u>

See accountant's report.

**TOWN OF SALEM, CONNECTICUT**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2022

Page 4 of 4

	Budgeted Amounts		Actual Budgetary Basis	Variance
	Original	Amended		
<b>Other Financing Uses</b>				
Transfers Out	\$ 1,130,972	\$ 1,135,172	<b>\$ 1,135,172</b>	\$ -
<b>Total Expenditures and Other Financing Uses</b>	<u>16,373,682</u>	<u>16,373,682</u>	<u><b>16,127,120</b></u>	<u>246,562</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses - Budgetary Basis</b>	<u>\$ -</u>	<u>\$ -</u>	<u><b>\$ 52,508</b></u>	<u><b>\$ 52,508</b></u>

See accountant's report.

**TOWN OF SALEM, CONNECTICUT**  
Notes to Required Supplementary Information

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

***Budgetary Information and Accounting***

A formal, legally approved, annual budget is adopted for the General Fund only.

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 amounts for the State Teachers' pension and OPEB contributed by the State of Connecticut on the Town's behalf.
2. Certain grants are net with expenditures on the budgetary basis.
3. Town Clerk expenditures and revenues are not reported on the budgetary basis.
4. Encumbrances are reported as expenditures for the budgetary basis of accounting.
5. 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.

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.

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 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 all information on the past year, current year estimates, and requested appropriations for 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 they desire to 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, a referendum is held and, if passed, the Board of Finance meets to levy a tax on the grand list that will be sufficient to cover, together with other revenue, the amounts appropriated.

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

**TOWN OF SALEM, CONNECTICUT**  
**Notes to Required Supplementary Information**

---

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 a referendum at a time set by the Board of Selectmen.

There were no additional appropriations made during the year.

A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2022:

	<b>Total Revenues</b>	<b>Total Expenditures</b>	<b>Other Financing Sources (Uses)</b>
Budgetary Basis	\$ 16,179,628	\$ 14,991,948	\$ (1,135,172)
"On-behalf" payments -			
State Teachers Retirement Fund	968,035	968,035	-
Other Grants	161,836	161,836	-
Adjustment for Encumbrances	-	35,674	-
Other	11,299	11,299	-
Town Clerk Fees and Expenses	5,372	3,766	-
East Lyme Adjustment	-	(111,076)	-
GAAP Basis	<u>\$ 17,326,170</u>	<u>\$ 16,061,482</u>	<u>\$ (1,135,172)</u>

**TOWN OF SALEM, CONNECTICUT**  
State Teacher's Retirement System  
Proportionate Share of Net Pension Liability  
Last Eight Fiscal Years\*

**Schedule of Proportionate Share of Net Pension Liability**

	2022	2021	2020	2019	2018	2017	2016	2015
Town's percentage of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension liability associated with the Town	11,295,002	14,261,213	13,025,364	10,043,313	9,960,033	10,507,911	8,877,646	8,205,604
Total	\$ 11,295,002	\$ 14,261,213	\$ 13,025,364	\$ 10,043,313	\$ 9,960,033	\$ 10,507,911	\$ 8,877,646	\$ 8,205,604
Town's covered payroll	\$ 3,357,203	\$ 3,237,497	\$ 3,025,325	\$ 2,938,193	\$ 2,884,579	(1)	(1)	(1)
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

**Notes to Schedule**

Actuarial cost method	Entry Age
Amortization method	Level percent of pay closed, grading to a level dollar amortization method for the June 30, 2024 valuation.
Single equivalent amortization period	30 years
Asset valuation method	4-year smoothed market
Inflation	2.50%
Salary increases	3.25% - 6.50% average, including inflation
Investment rate of return	6.90% net of investment related expense

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

(1) - Data for fiscal years 2017 and prior not provided.

See accountant's report.



**TOWN OF SALEM, CONNECTICUT**  
Other Post-Employment Benefits (OPEB) Plan - Education  
Schedule of Changes in Total OPEB Liability  
Last Five Fiscal Years\*

	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>					
Service Cost	\$ 21,642	\$ 19,469	\$ 16,015	\$ 15,788	\$ 13,225
Interest	17,245	15,161	17,096	20,454	16,550
Differences Between Expected and Actual Experience	128,612	124,859	(21,696)	(76,006)	(16,123)
Changes in Assumptions	-	59,445	82,831	69,071	58,731
Benefit Payments, Including Refunds of Member Contributions	-	-	-	-	-
<b>Net Change in Total OPEB Liability</b>	167,499	218,934	94,246	29,307	72,383
<b>Total OPEB Liability - Beginning</b>	<u>769,428</u>	<u>550,494</u>	<u>456,248</u>	<u>426,941</u>	<u>354,558</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 936,927</u>	<u>\$ 769,428</u>	<u>\$ 550,494</u>	<u>\$ 456,248</u>	<u>\$ 426,941</u>
 <b>Covered-Employee Payroll</b>	 N/A	 N/A	 N/A	 N/A	 N/A
 <b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	 N/A	 N/A	 N/A	 N/A	 N/A

**Notes to Schedule**

Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Discount Rate	2.18%
Salary Increases	2.50%

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

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

N/A - Not Available

See accountant's report.

**TOWN OF SALEM, CONNECTICUT**  
State Teacher's Retirement System  
Proportionate Share of Net OPEB Liability  
Last Five Fiscal Years\*

**Schedule of Proportionate Share of Net OPEB Liability**

	2022	2021	2020	2019	2018
Town's percentage of the net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	1,230,570	2,127,060	2,031,378	2,007,734	2,563,588
Total	\$ 1,230,570	\$ 2,127,060	\$ 2,031,378	\$ 2,007,734	\$ 2,563,588
Town's covered-employee payroll	\$ 3,357,203	\$ 3,237,497	\$ 3,025,325	\$ 2,938,193	\$ 2,884,579
Town's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll.	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	6.11%	2.50%	2.08%	1.49%	1.79%

**Notes to Schedule**

Actuarial Cost Method	Entry age
Amortization Method	Level percent of payroll over an open period
Remaining Amortization Period	30 years
Asset Valuation Method	Market Value of Assets
Investment Rate of Return	3.00%, net of investment related expense
Price Inflation	2.50%

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

See accountant's report.

# **Supplemental, Combining and Individual Fund Statements and Schedules**

# TOWN OF SALEM, CONNECTICUT

Page 1 of 2

## Combining Balance Sheet Nonmajor Governmental Funds June 30, 2022

	<b>SPECIAL REVENUE FUNDS</b>					
	Senior Citizens Fund	Dog Fund	School Cafeteria Fund	Community Foundation Grant Fund	Needy Fund	Student Activity Fund
<b>Assets</b>						
Cash and Cash Equivalents	\$ -	\$ -	\$ 19,984	\$ -	\$ 11,733	\$ 16,219
Investments	32,125	-	-	-	-	-
Receivables, Net	-	-	47,304	-	-	-
Other	-	-	-	-	810	-
Due from Other Funds	-	2,479	752	2,500	-	-
<b>Total Assets</b>	<u>\$ 32,125</u>	<u>\$ 2,479</u>	<u>\$ 68,040</u>	<u>\$ 2,500</u>	<u>\$ 12,543</u>	<u>\$ 16,219</u>
<b>Liabilities and Fund Balances</b>						
Liabilities:						
Accounts Payable and Accrued Items	\$ -	\$ 2,401	\$ 8,478	\$ -	\$ -	\$ -
Unearned Revenue	-	-	5,708	-	-	-
Due to Other Funds	-	-	-	-	646	-
<b>Total Liabilities</b>	<u>-</u>	<u>2,401</u>	<u>14,186</u>	<u>-</u>	<u>646</u>	<u>-</u>
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	32,125	-	53,854	2,500	11,897	16,219
Committed	-	78	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>Total Fund Balances</b>	<u>32,125</u>	<u>78</u>	<u>53,854</u>	<u>2,500</u>	<u>11,897</u>	<u>16,219</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 32,125</u>	<u>\$ 2,479</u>	<u>\$ 68,040</u>	<u>\$ 2,500</u>	<u>\$ 12,543</u>	<u>\$ 16,219</u>

See accountant's report.

# TOWN OF SALEM, CONNECTICUT

Page 2 of 2

## Combining Balance Sheet Nonmajor Governmental Funds June 30, 2022

	<b><u>SPECIAL REVENUE FUNDS</u></b>		<b><u>CAPITAL PROJECT FUNDS</u></b>			<b><u>PERMANENT FUND</u></b>	
	Public Health Nursing Fund	Small Cities Grant Fund	Open Space Land Acquisition Fund	Land Acquisition Fund	School Construction Fund	Memorial and Cemetery Fund	Total
<b>Assets</b>							
Cash and Cash Equivalents	\$ -	\$ 59,836	\$ 578	\$ 831	\$ 206,883	\$ 660	\$ 316,724
Investments	2,374	-	-	-	-	7,825	42,324
Receivables, Net	-	247,381	-	-	-	-	294,685
Other	-	-	-	-	-	-	810
Due from Other Funds	-	-	-	-	854,377	-	860,108
<b>Total Assets</b>	<b><u>\$ 2,374</u></b>	<b><u>\$ 307,217</u></b>	<b><u>\$ 578</u></b>	<b><u>\$ 831</u></b>	<b><u>\$ 1,061,260</u></b>	<b><u>\$ 8,485</u></b>	<b><u>\$ 1,514,651</u></b>
<b>Liabilities and Fund Balances</b>							
Liabilities:							
Accounts Payable and Accrued Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,879
Unearned Revenue	-	-	-	-	-	-	5,708
Due to Other Funds	-	-	-	-	-	-	646
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>17,233</u></b>
Fund Balances:							
Nonspendable	-	-	-	-	-	1,997	1,997
Restricted	2,374	307,217	-	-	-	6,488	432,674
Committed	-	-	578	831	1,061,260	-	1,062,747
Unassigned	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b><u>2,374</u></b>	<b><u>307,217</u></b>	<b><u>578</u></b>	<b><u>831</u></b>	<b><u>1,061,260</u></b>	<b><u>8,485</u></b>	<b><u>1,497,418</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 2,374</u></b>	<b><u>\$ 307,217</u></b>	<b><u>\$ 578</u></b>	<b><u>\$ 831</u></b>	<b><u>\$ 1,061,260</u></b>	<b><u>\$ 8,485</u></b>	<b><u>\$ 1,514,651</u></b>

See accountant's report.

**TOWN OF SALEM, CONNECTICUT**

Page 1 of 2

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

	<b>SPECIAL REVENUE FUNDS</b>					
	Senior Citizens Fund	Dog Fund	School Cafeteria Fund	Community Foundation Grant Fund	Needy Fund	Student Activity Fund
<b>Revenues</b>						
Intergovernmental Revenues	\$ -	\$ -	\$ 260,373	\$ 428	\$ -	\$ -
Charges for Services	-	3,812	2,166	-	-	27,846
Investment Income	207	-	-	-	-	-
Other Revenue	-	-	-	-	2,050	-
Total Revenues	<u>207</u>	<u>3,812</u>	<u>262,539</u>	<u>428</u>	<u>2,050</u>	<u>27,846</u>
<b>Expenditures</b>						
Current:						
General Government	-	-	-	3,297	3,633	-
Public Safety	-	3,389	-	-	-	-
Education	-	-	211,032	-	-	27,222
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>3,389</u>	<u>211,032</u>	<u>3,297</u>	<u>3,633</u>	<u>27,222</u>
Excess/(Deficiency) of Revenues Over Expenditures	207	423	51,507	(2,869)	(1,583)	624
<b>Other Financing Sources/(Uses)</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	207	423	51,507	(2,869)	(1,583)	624
Fund Balances at Beginning of Year, Restated	<u>31,918</u>	<u>(345)</u>	<u>2,347</u>	<u>5,369</u>	<u>13,480</u>	<u>15,595</u>
Fund Balances at End of Year	<u>\$ 32,125</u>	<u>\$ 78</u>	<u>\$ 53,854</u>	<u>\$ 2,500</u>	<u>\$ 11,897</u>	<u>\$ 16,219</u>

See accountant's report.

**TOWN OF SALEM, CONNECTICUT**

Page 2 of 2

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

	<b>SPECIAL REVENUE FUNDS</b>		<b>CAPITAL PROJECT FUNDS</b>			<b>PERMANENT FUND</b>	
	Public Health Nursing Fund	Small Cities Grant Fund	Open Space Land Acquisition Fund	Land Acquisition Fund	School Construction Fund	Memorial and Cemetery Fund	Total
<b>Revenues</b>							
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 260,801
Charges for Services	-	-	-	-	-	-	33,824
Investment Income	19	-	-	1	-	52	279
Other Revenue	-	-	-	-	-	-	2,050
Total Revenues	<u>19</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>52</u>	<u>296,954</u>
<b>Expenditures</b>							
Current:							
General Government	-	500	-	-	-	-	7,430
Public Safety	-	-	-	-	-	-	3,389
Education	-	-	-	-	-	-	238,254
Debt Service	-	-	-	-	37,781	-	37,781
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>37,781</u>	<u>-</u>	<u>286,854</u>
Excess/(Deficiency) of Revenues Over Expenditures	19	(500)	-	1	(37,781)	52	10,100
<b>Other Financing Sources/(Uses)</b>							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	19	(500)	-	1	(37,781)	52	10,100
Fund Balances at Beginning of Year, Restated	<u>2,355</u>	<u>307,717</u>	<u>578</u>	<u>830</u>	<u>1,099,041</u>	<u>8,433</u>	<u>1,487,318</u>
Fund Balances at End of Year	<u>\$ 2,374</u>	<u>\$ 307,217</u>	<u>\$ 578</u>	<u>\$ 831</u>	<u>\$ 1,061,260</u>	<u>\$ 8,485</u>	<u>\$ 1,497,418</u>

See accountant's report.

**TOWN OF SALEM, CONNECTICUT**  
Schedule of Property Taxes Levied, Collected, and Outstanding  
For the Year Ended June 30, 2022

List of 10/1:	Outstanding July 1, 2021	Current Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections During the Year				Outstanding June 30, 2022
			Additions	Deductions			Taxes	Interest	Liens & Fees	Total	
2020		\$ 12,858,499	\$ 12,128	\$ 79,762	\$ -	\$ 12,790,865	\$ 12,695,143	\$ 41,240	\$ 138	\$ 12,736,521	\$ 95,722
2019	\$ 92,567	-	747	5,557	-	87,757	51,840	9,650	414	61,904	35,917
2018	19,620	-	-	-	1,671	17,949	17,949	4,457	114	22,520	-
2017	861	-	-	-	178	683	667	350	24	1,041	16
2016	650	-	-	-	650	-	-	-	-	-	-
	<b>\$ 113,698</b>		<b>\$ 12,875</b>	<b>\$ 85,319</b>	<b>\$ 2,499</b>	<b>\$ 12,897,254</b>	<b>12,765,599</b>	<b>55,697</b>	<b>690</b>	<b>12,821,986</b>	<b>\$ 131,655</b>
Net Grand List - October 1, 2020					Total Suspense Collections		30,824	11,106	-	41,930	
Tax Rate: 32.20 mills					Total Collections		<b>\$ 12,796,423</b>	<b>\$ 66,803</b>	<b>\$ 690</b>	<b>\$ 12,863,916</b>	

See accountant's report.



# Trend Information

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

## **Contents**

### **Financial Trends (Tables 1-2)**

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

### **Debt Capacity (Table 3)**

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

**TOWN OF SALEM, CONNECTICUT**  
Changes in Fund Balances, General Fund (Budgetary Basis)  
Last Ten Fiscal Years

Table 1

	2022	2021	2020	2019	2018	2017 (1)	2016	2015	2014	2013
<b>Revenues</b>										
Property Taxes	\$ 12,872,102	\$ 12,417,843	\$ 12,106,515	\$ 12,071,358	\$ 12,007,172	\$ 11,944,985	\$ 11,659,288	\$ 11,340,498	\$ 10,971,381	\$ 10,829,411
Intergovernmental	2,984,232	2,902,182	3,153,076	3,146,231	2,915,235	3,658,369	3,565,089	3,507,841	3,742,610	3,418,599
Charges for Services	236,084	331,939	214,892	209,198	310,267	293,425	278,364	259,674	264,906	269,259
Income from Investments	22,126	10,142	83,176	94,198	67,390	24,011	11,616	7,239	6,877	6,101
Other	65,084	49,091	54,746	53,959	-	-	-	-	-	-
<b>Total Revenues</b>	<b>16,179,628</b>	<b>15,711,197</b>	<b>15,612,405</b>	<b>15,574,944</b>	<b>15,300,064</b>	<b>15,920,790</b>	<b>15,514,357</b>	<b>15,115,252</b>	<b>14,985,774</b>	<b>14,523,370</b>
<b>Expenditures</b>										
Current:										
General Government	1,804,195	1,749,002	1,556,227	1,555,122	1,509,063	3,031,833	3,005,746	3,025,509	2,992,458	2,890,369
Public Safety	939,486	882,472	843,644	839,372	802,481	-	-	-	-	-
Public Works	730,287	640,341	628,348	650,531	646,737	-	-	-	-	-
Sanitation	171,371	170,150	163,847	149,191	156,710	-	-	-	-	-
Education	10,944,234	10,951,710	10,369,875	10,376,941	10,513,444	10,634,019	10,634,350	10,348,792	10,294,268	10,118,255
Debt Service	402,375	420,063	519,768	532,767	436,664	527,768	363,237	438,937	304,706	417,353
<b>Total Expenditures</b>	<b>14,991,948</b>	<b>14,813,738</b>	<b>14,081,709</b>	<b>14,103,924</b>	<b>14,065,099</b>	<b>14,193,620</b>	<b>14,003,333</b>	<b>13,813,238</b>	<b>13,591,432</b>	<b>13,425,977</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>1,187,680</b>	<b>897,459</b>	<b>1,530,696</b>	<b>1,471,020</b>	<b>1,234,965</b>	<b>1,727,170</b>	<b>1,511,024</b>	<b>1,302,014</b>	<b>1,394,342</b>	<b>1,097,393</b>
<b>Other Financing Sources (Uses)</b>										
Proceeds from Bond Premiums	-	-	-	-	-	-	-	166,018	-	-
Transfers In	-	2,252	130,568	-	-	63,879	8,718	-	142,687	90,312
Transfers Out	(1,135,172)	(1,226,143)	(1,010,210)	(895,974)	(838,232)	(864,890)	(1,333,852)	(802,550)	(933,675)	(1,244,230)
<b>Net Other Financing Sources (Uses)</b>	<b>(1,135,172)</b>	<b>(1,223,891)</b>	<b>(879,642)</b>	<b>(895,974)</b>	<b>(838,232)</b>	<b>(801,011)</b>	<b>(1,325,134)</b>	<b>(636,532)</b>	<b>(790,988)</b>	<b>(1,153,918)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 52,508</b>	<b>\$ (326,432)</b>	<b>\$ 651,054</b>	<b>\$ 575,046</b>	<b>\$ 396,733</b>	<b>\$ 926,159</b>	<b>\$ 185,890</b>	<b>\$ 665,482</b>	<b>\$ 603,354</b>	<b>\$ (56,525)</b>
<b>Debt Service as a Percentage of Expenditures</b>	<b>2.68%</b>	<b>2.84%</b>	<b>3.69%</b>	<b>3.78%</b>	<b>3.10%</b>	<b>3.72%</b>	<b>2.59%</b>	<b>3.18%</b>	<b>2.24%</b>	<b>3.11%</b>

(1) Expenditures have not been reclassified prior to 2018

See accountant's report.  
(Unaudited)

**TOWN OF SALEM, CONNECTICUT**  
Property Tax Rates, Levies, and Collections  
Last Ten Fiscal Years

Table 2

<b>Fiscal Year Ended June 30,</b>	<b>Tax Rate in Mills</b>	<b>Grand List October 1,</b>	<b>Total Adjusted Tax Levy (1)</b>	<b>Net Tax Collections in Year of Levy</b>	<b>Percent of Current Levy Collected</b>
2022	32.20	2020	\$ 12,790,865	\$ 12,695,143	99.25%
2021	32.20	2019	12,265,467	12,172,900	99.25%
2020	32.20	2018	12,117,743	11,983,578	98.89%
2019	32.20	2017	11,958,782	11,878,155	99.33%
2018	32.20	2016	11,926,763	11,773,958	98.72%
2017	31.70	2015	11,742,938	11,625,064	99.00%
2016	31.70	2014	11,595,874	11,447,970	98.72%
2015	31.10	2013	11,299,052	11,129,352	98.50%
2014	30.10	2012	10,882,351	10,641,781	97.79%
2013	29.60	2011	10,647,549	10,428,402	97.94%

Source: Tax Collector's Office and Assessor's Office, Town of Salem

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

See accountant's report.  
(Unaudited)

# TOWN OF SALEM, CONNECTICUT

## Schedule of Debt Limitation

June 30, 2022

Table 3

Total Tax Collections, Including Interest and Lien Fees - Prior Fiscal Year \$ 12,394,841

Reimbursement for Revenue Loss on:

Tax Relief for Elderly - Prior Fiscal Year	349
Base	<u>\$ 12,395,190</u>

	General Purposes (2.25 x base)	Schools (4.50 x base)	Sewers (3.75 x base)	Urban Renewal (3.25 x base)	Pension Deficit (3.00 x base)
Debt Limitation:					
Statutory Debt Limits by Function	<u>\$ 27,889,178</u>	<u>\$ 55,778,355</u>	<u>\$ 46,481,963</u>	<u>\$ 40,284,368</u>	<u>\$ 37,185,570</u>
Indebtedness:					
Bonds Payable	-	2,835,000	-	-	-
Total Indebtedness	<u>-</u>	<u>2,835,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Debt*	<u>\$ 27,889,178</u>	<u>\$ 52,943,355</u>	<u>\$ 46,481,963</u>	<u>\$ 40,284,368</u>	<u>\$ 37,185,570</u>

\*In no event shall total debt exceed seven times annual receipts from base. The maximum amount permitted under this formula would be approximately \$86,766,330.

See accountant's report.  
(Unaudited)