

TOWN OF MONROE, CONNECTICUT

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**



FOR THE YEAR ENDED JUNE 30, 2020

TOWN OF MONROE, CONNECTICUT

Comprehensive Annual Financial Report For the Year Ended June 30, 2020



Prepared by the Finance Department

7 Fan Hill Road
Monroe, Connecticut 06468

Town of Monroe, Connecticut
Comprehensive Annual Financial Report
For the Year Ended June 30, 2020

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Introductory Section



TOWN OF MONROE

FINANCE DEPARTMENT

7 Fan Hill Road
Monroe, CT 06468
Phone: 203-452-2818
www.monroect.org

Ron Bunovsky
Finance Director
rbunovsky@monroect.org

Heidi Meade
Deputy Finance Director
hmeade@monroect.org

February 19, 2021

To the Honorable First Selectman, Members of the Town Council, Members of the Board of Finance and Citizens of the Town of Monroe, Connecticut:

The Connecticut General Statutes require that all municipalities have their financial statements audited at least once annually. This report, published to fulfill this requirement for the fiscal year ended June 30, 2020, is prepared in conformity with generally accepted accounting principles (GAAP) and standards set forth by the Governmental Accounting Standards Board (GASB).

The responsibility for the completeness and accuracy of the information contained in this report lies with the management of the Town of Monroe, Connecticut ("Town"), based upon internal controls established to provide reasonable assurance that the financial statements are free of material misstatements.

Our auditors, PKF O'Connor Davies, LLP, have issued an unmodified (clean) opinion on the Town's financial statements for the fiscal year ended June 30, 2020. The independent auditors' report is located at the front of the financial section of this report. Immediately following the independent auditors' report is the Management's Discussion and Analysis ("MD&A") which provides an introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and one should read them in conjunction with each other.

Profile of the Town

The Town of Monroe was incorporated in 1823. It covers an area of 26.4 square miles and is located in the southwestern part of Connecticut, approximately 70 miles east of New York City. According to the Connecticut Department of Public Health, the Town's estimated population was 19,434 as of July 1, 2019. The Town has above average household income and education levels that reflect its character as a suburban bedroom community.

The Town operates under a First Selectman-Town Council form of government. The First Selectman, elected every two years, is responsible for planning, administering and supervising all municipal activities, except for education. The legislative power of the Town vests with the nine member elected Town Council. It has the power to enact, amend or repeal ordinances. All financial matters of the Town are the responsibility of the First Selectman, a six member elected Board of Finance, the Finance Department and an elected Town Treasurer.

The Finance Department, managed by the Director of Finance, maintains all of the Town's financial records. The Town Treasurer is responsible for the Town's investments. The Board of Education is independent from the municipal government in governance and operation of the school system.

The Town provides a full range of services, including police and fire protection; emergency medical service; recycling collection; snow removal; building inspections; licenses and permits; vital statistics; the construction and maintenance of roads; recreational and cultural activities; library services; and public schools through the Board of Education.

The annual budget serves as the foundation for the Town's financial planning and control. The Town maintains budgetary controls with the objectives to ensure compliance with legal provisions embodied in the annual appropriated budget, approved by the budget referendum. The Town maintains an encumbrance accounting system as one technique of accomplishing budgetary controls. As demonstrated by the budgetary schedules included in the financial section of this report, the Town continues to meet its responsibility for sound financial management. In addition to budgetary schedules, note RSI-1B in the Notes to Required Supplementary Information describes the budget process used by the Town.

The local economy and the Town's fiscal health

The economic impact of the global pandemic brought on by COVID-19 has been significant. Although a sizable increase over the Town's prior year unemployment rate of 3.60%, Monroe managed to fair better than both Connecticut and the United States. The Town's 8.80% unemployment rate for June of 2020 was below the 10.10% and 11.10% rates for the State and Nation respectively. The location of the Town within Fairfield County, the wealthiest county in Connecticut, is the most significant reason for its economic stability.

Major industries located within the Town (or in close proximity) include financial institutions, defense manufacturers, hospitals, universities and retail stores. The Town itself, including the school district, has a significant economic presence in the area, as it employs more than 640 teachers, administrators, police officers, various other professionals and support staff.

The current median household income for the Town is significantly higher than that for the State as a whole. According to the U.S. Census Bureau's 2015-2019 American Community Survey, the Town's median household income was \$118,669, as compared to \$78,444 for the State of Connecticut.

Long-term financial planning

The Town prepares an annual Capital Budget and a five-year Capital Improvement Plan ("CIP") that it updates during the budget process each year. Each department head submits their capital requests to the First Selectman and Director of Finance along with their annual operating budget. After the First Selectman's Budget passes to the Town Council, the Town Council then holds joint budget workshops as needed with the Board of Finance to ensure that the CIP addresses the majority of the capital needs of the Town in a fiscally responsible manner. The Capital Budget and CIP are both included in the Annual Town Budget that the taxpayers vote on at the Annual Budget Referendum. The CIP attempts to cover all future facility, infrastructure and equipment needs of the Town in the interest of public safety, health and welfare, education and recreation.

Pursuant to the Connecticut General Statutes, the Town is required to review its Plan of Conservation and Development ("POCD") every 10 years. The Town's 2010 POCD, adopted on December 14, 2010, was originally due to expire on December 14, 2020. However, pursuant to Executive Orders 7I (Section 19a), 9A (Section 1) & 9L (Section 1) issued by Connecticut Governor Lamont as a result of the COVID-19 pandemic, because the Town's POCD expired during the time period covered by the public health and civil preparedness emergency declaration, it was considered extended 90 days from the original expiration date. The Town's updated POCD is substantially complete and will be adopted prior to the extended due date of March 14, 2021.

The intent of the plan is to guide the conservation and development actions of the Town over a ten-year period and for the Town to implement the plan's recommendations in order to achieve its goals. The Town implements the recommendations of the POCD through zoning regulations, capital expenditures and on-going planning.

Financial policies

The Town of Monroe has adopted a comprehensive set of financial policies that we consistently applied through the fiscal year. The Town has a policy that requires it to adopt a balanced general fund operating budget each fiscal year. Because of uncertain economic circumstances while the budget was being prepared for fiscal year 2020, specifically with regard to special education costs and projected municipal aid from the State of Connecticut, the Town appropriated \$2,360,000 of unassigned fund balance to balance the budget. The Town put measures in place during the fiscal year to control expenditures in order to mitigate the use of fund balance. These measures were successful, as the Town was able to operate at breakeven for the fiscal year without the use of any fund balance.

Awards and acknowledgements

The Town of Monroe received the Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2019 from the Government Finance Officers Association (GFOA).

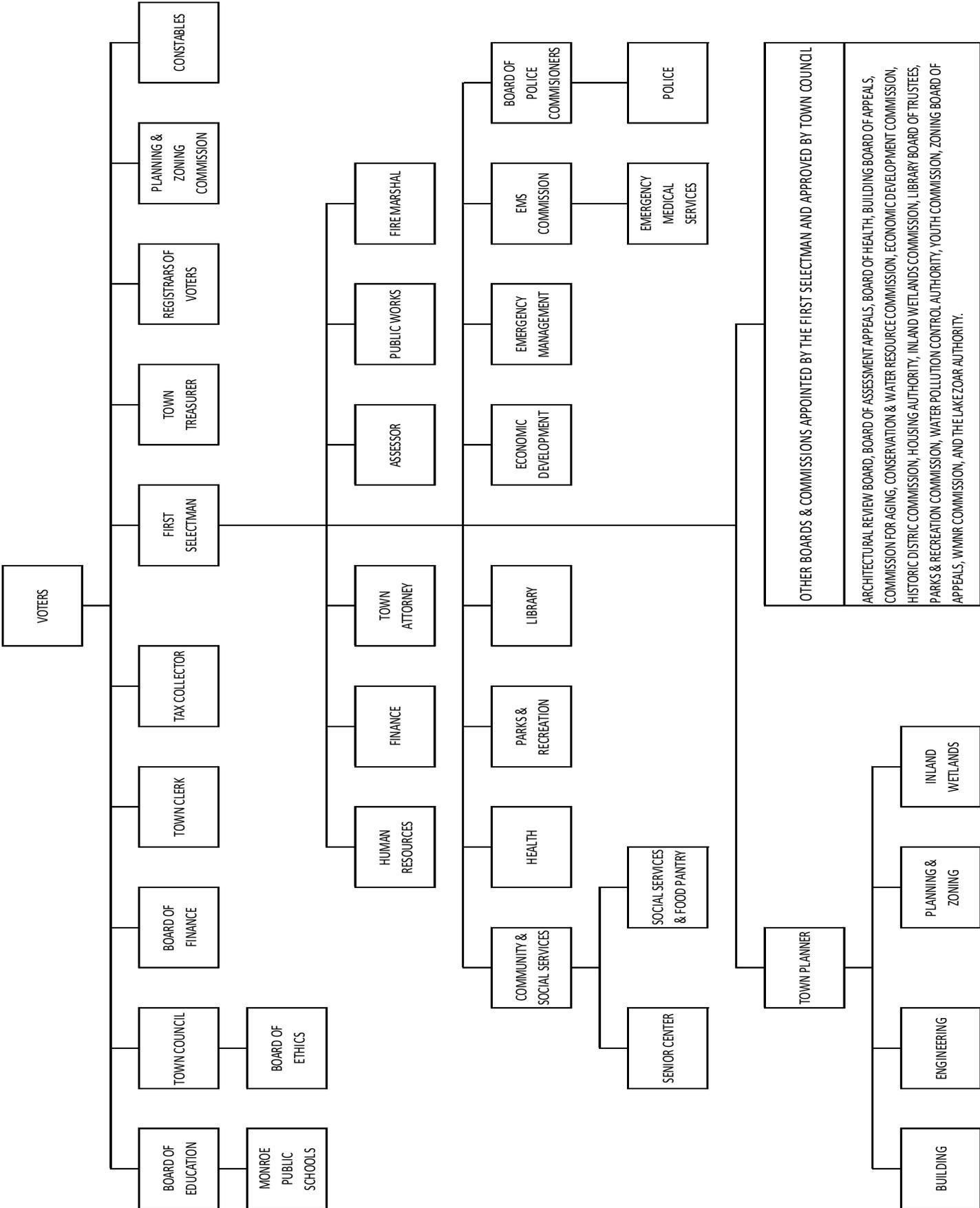
The preparation of this report would not have been possible without the effort and dedication of the Deputy Director of Finance and the entire staff of the Finance Department. I would also like to thank all departments for their assistance in providing the data necessary in the preparation of this report. Credit is also due the First Selectman, Town Council and Board of Finance for their commitment to maintaining the highest standards of professionalism in the governance of Monroe's finances.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'R. Bunovsky Jr.', is positioned above the typed name.

Ronald J. Bunovsky Jr., CPA
Director of Finance

Town of Monroe, Connecticut Organizational Chart



Town of Monroe, Connecticut

Principal Officials

Elected Officials

First Selectman	Kenneth M. Kellogg	
Town Council	Enid Lipeles, Chair Kevin Reid Jonathan Formichella Dee Dee Martin Jason Maur	Sean O'Rourke, Vice-Chair Terry Rooney Tony Scott Jennifer Aguilar
Board of Finance	Michael Manjos, Chair Dona-Lyn Wales Dane Krchnavy	John Ostaszewski, Vice-Chair Rebecca O'Donnell Steve Kirsch
Tax Collector	Deborah Heim, CCMC	
Town Clerk	Vida Stone, CCTC	
Town Treasurer	Patrick O'Hara	
Registrars of Voters	Margaret Villani (R)	Katherine Briggs (D)
Board of Education	Donna Lane, Chair Shannon Monaco, Secretary Christina Cascella Jerry Stevens Jeff Fulchino	George King III, Vice-Chair David Ferris Nick Kapoor Dr. Alan Vaglivelo

Appointed Officials

Town Attorney	Frank Lieto, Esq.
Director of Finance	Ron Bunovsky Jr., CPA
Deputy Director of Finance - Municipal	Heidi Meade
Deputy Director of Finance – School District	Linda Sementilli
Assessor	Justin Feldman, CCMA II
Chief of Police	John Salvatore
Director of Public Works	Chris Nowacki
Director of Human Resources	Craig Hirsch
Director of Parks & Recreation	Melissa Orosz
Director of Community & Social Services	Henna Ali
Director of Health	Nancy Brault, MPH, RS
Fire Marshal	William Davin
Town Planner	Rick Schultz
Town Engineer	Scott Schatzlein, P.E.
Chief Building Official	Gunnar Gaylord
Zoning Enforcement Officer	Joe Chapman
Superintendent of Schools	Joe Kobza



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Monroe
Connecticut**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

Financial Section

Independent Auditors' Report

**Board of Finance
Town of Monroe, Connecticut**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Monroe, Connecticut ("Town"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

**Board of Finance
Town of Monroe, Connecticut**

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Monroe, Connecticut, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, supplemental schedules and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

**Board of Finance
Town of Monroe, Connecticut**

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2021, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
February 19, 2021



TOWN OF MONROE

FINANCE DEPARTMENT

7 Fan Hill Road
Monroe, CT 06468
Phone: 203-452-2818
www.monroect.org

Ron Bunovsky
Finance Director
rbunovsky@monroect.org

Heidi Meade
Deputy Finance Director
hmeade@monroect.org

Management's Discussion and Analysis For the Year Ended June 30, 2020

This discussion and analysis of the financial performance for the Town of Monroe, Connecticut ("Town") provides an overview of the Town's financial activities for the fiscal year ended June 30, 2020. It should be read in conjunction with the financial statements included herein, which begin with Exhibit A.

Financial highlights

The Town's total net position decreased by \$1,494,400 from \$49,753,532 to \$48,259,132. The decrease is substantially due to the following: (See Exhibit D)

- positive operations of the General Fund of \$ 978,929
- positive operations of the Capital Reserve fund of 1,263,783

The positive operations were offset by:

- deficit operations of the Reconstruction of Pepper Street Fund of (214,670)

Conversion to accrual basis on Exhibit E:

- capital outlay net of depreciation expense of (2,276,549)
- net principal debt activity of 1,533,075
- change in landfill closure and postclosure of (1,652,500)
- change in pension liability of (2,802,154)
- change in OPEB liability of (1,756,967)
- amortization of pension/OPEB deferred outflows of 2,256,912
- amortization of pension/OPEB deferred inflows of 423,445
- amortization of premium of 1,175,452

- The unassigned fund balance for all governmental funds, which includes the Town's General Fund, ended the current fiscal year at \$6,895,488. This decreased by \$6,186,780 from the prior fiscal year. The unassigned fund balance of the General Fund of \$7,305,584 represents 8.46% of total budgetary expenditures and transfers out for the current fiscal year.

- On a budgetary basis, the Town's General Fund had \$7,348 positive operating results for the current fiscal year. \$767,620 of this increase was attributable to actual revenues greater than the budgeted amounts and expenditures \$1,723,501 under budget. This was offset by \$2,548,960 appropriated fund balance. See Exhibit RSI-1 in the Required Supplementary Information section of this financial report for additional details.
- Net capital assets decreased by \$2,276,549. This decrease is attributable to depreciation expense exceeding capital asset additions.
- The Town's total bonds and notes payable decreased by \$3,767,386 due to scheduled principal payments and refunded bonds exceeding debt issuances.

Overview of the basic financial statements

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

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. The *statement of net position* presents information on all of the Town's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the Town's financial health. Other non-financial events such as the impact of changes in the Town's tax base or infrastructure should also be considered when evaluating the Town's financial health.

The *statement of activities* presents information showing how the Town's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of when the cash is actually received or paid. Therefore, revenues and expenses are reported in this statement for some items whose cash flow may occur in a future fiscal period. Taxes uncollected but levied or vacation leave unused but earned are examples of this.

Both of the government-wide financial statements show functions of the Town that are principally supported by taxes and intergovernmental revenue (*governmental activities*). The governmental activities of the Town include general government, public safety, public works, health and welfare, culture and recreation, and education.

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

Fund financial statements

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

Governmental funds - Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. 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. This 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 to 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 a comparison between governmental funds and governmental activities.

For governmental funds, the Town presents separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and Capital Reserve Fund, both of which are considered to be major funds. The remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds - Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions.

The Town uses internal service funds to account for its Education employees and retirees' self-insured medical benefits as well as heart and hypertension costs. These services have been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on Exhibits F, G, and H.

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

The basic fiduciary fund financial statements can be found on Exhibits I and J.

Notes to financial statements

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

Required supplementary information

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

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

Other information

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

Government-wide financial analysis

As discussed earlier, the Town's net position is one useful indicator of its financial health. The Town had a total net position of \$48,259,132 at the close of the 2020 fiscal year. Our analysis below focuses on the net position and changes in net position of the Town.

**Statements of Net Position
June 30**

	2020	2019
Current and other assets	\$ 29,518,358	\$ 27,762,637
Capital assets (net)	89,137,180	91,413,729
Total assets	118,655,538	119,176,366
Deferred outflows of resources	7,104,935	5,237,866
Other liabilities	10,555,056	12,167,088
Long-term liabilities	62,883,741	59,365,135
Total liabilities	73,438,797	71,532,223
Deferred inflows of resources	4,062,544	3,128,477
Net position:		
Net investment in capital assets	54,837,885	54,444,890
Restricted	2,949,295	1,059,000
Unrestricted	(9,528,048)	(5,750,358)
Total net position	\$ 48,259,132	\$ 49,753,532

The Town's net investment in capital assets of \$54,837,885 comprises the major portion of the net position of the Town. This figure reflects its investment in capital assets (land, buildings, infrastructure, vehicles and equipment), less any outstanding debt that was used to purchase those assets. These assets are used to provide various services to the citizens of the Town and are therefore not available for any future spending. As reflected above, the Town's net investment in capital assets increased by \$392,995 over the prior fiscal year, the result of a decrease in bonds payable and other related liabilities associated with capital purchases.

The Town's restricted net position, which represents resources with externally enforceable limitations placed upon them, was \$2,949,295. The vast majority of these restricted resources are from donations accepted and received by the Town for various purposes specified (restricted) by the donor.

The balance of the Town's net position, a deficit of \$(9,528,048), was unrestricted. This deficit unrestricted net position is caused by the \$13,486,635 Education OPEB liability which does not have a trust. There is no current portion of this liability.

As detailed below, the Town's net position decreased by \$1,494,400 during the fiscal year.

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

	2020	2019
Revenues:		
Program revenues:		
Charges for services	\$ 5,846,750	\$ 6,541,935
Operating grants and contributions	16,902,216	16,773,406
Capital grants and contributions	530,412	617,347
General revenues:		
Property taxes	78,159,151	77,141,208
Grants and contributions not restricted to specific programs	487,019	487,134
Income from investments	791,761	1,032,629
Other	76,157	49,601
Total revenues	102,793,466	102,643,260
Expenses:		
General government	8,615,641	8,694,492
Public safety	10,565,580	10,017,082
Public works	7,534,360	5,578,373
Health and welfare	455,582	433,183
Culture and recreation	3,126,270	3,397,814
Education	72,942,808	72,378,312
Interest	1,047,625	953,959
Total expenses	104,287,866	101,453,215
Increase in net position	(1,494,400)	1,190,045
Net position - July 1	49,753,532	48,563,487
Net position - June 30	\$ 48,259,132	\$ 49,753,532

Significant variances were as follows:

- The \$695,185 decrease in charges for services was primarily due to decreases in recreation, police private duty, cafeteria and education program fees due to COVID-19 closures.
- The \$548,498 increase in public safety expense was primarily due to a \$500,985 increase in pension expense related to the MERS pension liability.

Management's Discussion and Analysis (continued)

- The \$1,955,987 increase in public works expense was due to an increase in the landfill closure and postclosure liability and a \$589,698 increase in Town Aid Road grant expenses, which was partially offset by a \$268,448 decrease in snow removal costs due to less snow storms during the winter.
- The \$271,544 decrease in culture and recreation expense was due to COVID-19 closures. Recreation programs decreased by \$83,243 and cultural program decreased by \$117,337.
- The \$564,496 increase in education expense was primarily due to a \$418,352 increase in budget expenditures relating to an increase in the original budget of \$712,985 which was partially offset by the budget being underspent by \$323,793, which was related to COVID-19 school closures.

Financial analysis of the Town's funds

The Town's combined fund balance for all governmental funds was \$24,611,038, an increase of \$2,050,815 over the course of the current fiscal year. The components of fund balance were as follows:

Nonspendable for endowments	\$ 2,250
Restricted	2,947,045
Committed	3,028,487
Assigned	11,737,768
Unassigned	6,895,488

The total fund balance increase is the result of the following activity:

The **General Fund** is the main operating fund of the Town. At year-end, the total fund balance was \$17,782,471, an increase of \$978,929 over the prior year. This increase in fund balance was primarily due to revenues being \$767,620 higher than expected, expenditures coming in \$1,724,981 lower than expected, offset by appropriation of fund balance of \$2,548,960 as discussed further in the next section.

The **Capital Reserve Fund** is used to account for various capital projects of the Town. It had a total fund balance of \$1,745,822 at year-end, \$1,726,325 of which was committed for specific capital projects and \$19,497 was assigned for unspecified capital projects. Fund balance increased by \$1,263,783 during the fiscal year as a result of the issuance of debt and transfers in.

General fund budgetary highlights

Below is a discussion of the original budget compared to the final budget and a discussion of the final budget compared to actual results.

Original budget compared to the final budget. Significant budget transfers included:

- The following amounts were transferred to transfers out for purposes as described below:
 - \$223,178 from human resources – fringe benefits
 - \$310,055 from police personnel
 - \$234,846 from public works snow removal

- \$1,238,180 was transferred to transfers out to fund the following significant items:
 - \$500,000 special education
 - \$500,000 emergency disaster relief
 - \$188,960 capital reserve debt service

Final budget compared to actual results. The overall budget positive operating results of \$7,348 was driven by revenues exceeding the budget by \$767,620 and expenditures coming in under budget by \$1,723,501. The budgeted appropriation of fund balance of \$2,548,960 was not needed. The most significant budget variances were as follows:

- Total property tax revenue greater than budget of \$201,949. This was largely because a conservative collection rate was used in calculating the mill rate and supplemental motor vehicle taxes came in well above budget.
- The education cost sharing grant greater than budget of \$494,482. When the budget was prepared, it was unclear as to the amount the Town would receive for the education cost sharing grant, accordingly, less grant revenue was budgeted and more fund balance was appropriated.
- Income from investments of greater than budget \$279,853. This was the result of a much higher than expected increase in the interest rate the Town received on its investments.
- General government - board of finance expenditure was under budget by \$996,393, the result of unused budgeted contingency.
- Board of education expenditure was \$323,793, largely the result of COVID-19 related closures, including decreases in transportation costs.

Capital asset and debt administration

Capital assets

**Capital Assets (Net of Depreciation)
June 30**

	2020	2019
Land	\$ 14,788,616	\$ 14,664,016
Construction in progress	2,255,715	1,703,741
Land improvements	2,838,445	3,157,477
Buildings and systems	46,342,399	49,100,399
Machinery and equipment	1,955,206	1,718,322
Vehicles	6,728,396	7,353,973
Infrastructure	14,228,403	13,715,801
Total	\$ 89,137,180	\$ 91,413,729

The capital assets (net of depreciation) decreased in the current year by \$2,276,549. The decrease is due to depreciation expense exceeding capital additions. In the current year, the Town had capital asset additions totaling \$3,457,306. Major capital asset additions consisted of the following:

Management's Discussion and Analysis (continued)

➤ Land:		
○ 883 Main Street	\$	124,600
➤ Construction in progress:		
○ Radio system replacement		405,992
○ Police CSI vehicle		118,772
○ Pepper Street reconstruction and paving		100,628
➤ Machinery and equipment:		
○ Education chromebooks		159,786
○ Fire truck outfitting equipment		211,954
➤ Vehicles:		
○ Dump truck		232,405
➤ Infrastructure:		
○ paving and drainage - various roads		1,335,790

Additional detail about the Town's capital assets is presented in Note III.D of the financial statements.

Long-term debt

**Long-Term Debt
June 30**

	<u>2020</u>	<u>2019</u>
General obligation bonds	\$ 30,265,000	\$ 33,750,000
Notes payable	<u>880,566</u>	<u>1,162,952</u>
Totals	<u>\$ 31,145,566</u>	<u>\$ 34,912,952</u>

The Town's total long-term debt outstanding as of June 30, 2020 was \$31,145,566. This was a net decrease of \$3,767,386 during the current fiscal year. This was the result of \$5,102,386 of scheduled principal payments and \$11,335,000 of refunded bonds, partially offset by the issuance of \$12,670,000 bonds. \$2,315,000 of the new bonds were general obligation bonds. The remaining balance of \$10,355,000 was refunding bonds.

The Town continues to carry a rating of "Aa2" from Moody's Investor Services, Inc. on general obligation debt outstanding. More detailed information about the Town's long-term liabilities is presented in Note III.F of the financial statements.

Economic factors and next year's budget

The Town's elected and appointed officials considered many factors in preparing the annual budget and setting the mill rate for fiscal year 2021. Some of the more significant considerations were:

- At June 2020, the unemployment rate for the Town was 8.80% as compared to the State's average unemployment rate of 10.10% and a national unemployment rate of 11.10%. The increase in the unemployment rates are due to the COVID-19 pandemic.
- Projection for an increase in the cost of health insurance based upon all available information.
- Projection for an increase in special education costs based upon recent trends.
- The status of any open collective bargaining agreements.
- The status of all lawsuits relative to assessment appeals which could have a negative impact on the grand list.
- The potential impact of the pandemic on the local economy, businesses and Town revenues is being closely monitored. The July 2020 collections were in line with the prior year. Any impact on the property tax revenues is expected to occur with the January 2021 semi-annual payment, if at all. The State of Connecticut through the Governor's executive order, required local governments to offer taxpayers/rate payers one or both of the following programs: interest rate reduction program and/or the payment deferral program through October 1, 2020. The Town implemented the interest rate reduction program. For the collection period ended July 31, 2020, collections were in line with the prior year.

For fiscal year 2021, general fund operating expenditures are trending to be comparable to prior years. However, the cafeteria fund is currently operating at a deficit due to the impact of the pandemic on revenue. Accordingly, strategies have been put into place in order to increase student meal participation and mitigate cafeteria operating costs. Although these measures are expected to reduce the cafeteria fund operating deficit, it is projected that the fund will incur a deficit between \$200,000 to \$300,000 for the fiscal year.

Contacting the Town's financial management

This comprehensive annual financial report is designed to provide our citizens, businesses and investors with a general overview of the Town's financial position and fiscal accountability. If you have questions about this report or need additional financial information, contact the Town of Monroe, Finance Department, 7 Fan Hill Road, Monroe, CT 06468.

**Basic
Financial
Statements**

Town of Monroe, Connecticut

Statement of Net Position
Governmental Activities
June 30, 2020

Assets

Current assets:	
Cash	\$ 1,471,963
Investments	24,588,213
Receivables:	
Property taxes	965,091
Accounts	389,990
Intergovernmental	101,221
Other	911
Total current assets	<u>27,517,389</u>
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Investments	1,269,234
Permanently restricted:	
Investments	2,250
Total restricted assets	<u>1,271,484</u>
Receivables (net):	
Property taxes	511,400
Loans	218,085
Total receivables (net)	<u>729,485</u>
Capital assets (net of accumulated depreciation):	
Land	14,788,616
Construction in progress	2,255,715
Land improvements	2,838,445
Buildings and systems	46,342,399
Machinery and equipment	1,955,206
Vehicles	6,728,396
Infrastructure	14,228,403
Total capital assets (net of accumulated depreciation)	<u>89,137,180</u>
Total noncurrent assets	<u>91,138,149</u>
Total assets	<u>118,655,538</u>

Deferred Outflows of Resources

Deferred outflows related to pensions	4,568,689
Deferred outflows related to OPEB	2,536,246
Total deferred outflows of resources	<u>7,104,935</u>

(Continued)

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

Town of Monroe, Connecticut

Statement of Net Position
Governmental Activities
June 30, 2020

Liabilities

Current liabilities:	
Accounts payable	\$ 2,282,099
Accrued payroll and related	582,759
Accrued interest payable	239,612
Unearned revenue	281,684
Bonds and notes payable	5,242,880
Compensated absences	535,629
Special termination benefits	1,292,839
Heart and hypertension	53,025
Other	44,529
	<hr/>
Total current liabilities	10,555,056
Noncurrent liabilities:	
Performance bonds	1,212,736
Bonds, notes, and related liabilities	27,698,903
Compensated absences	1,606,887
Special termination benefits	5,533,848
Claims payable	155,500
Heart and hypertension	232,220
Landfill closure and postclosure	1,652,500
Net pension liability	10,354,894
Net OPEB liability	14,436,253
	<hr/>
Total noncurrent liabilities	62,883,741
	<hr/>
Total liabilities	73,438,797

Deferred Inflows of Resources

Deferred charges on refunding	1,357,512
Deferred inflows related to pension	1,642,806
Deferred inflows related to OPEB	1,062,226
	<hr/>
Total deferred inflows of resources	4,062,544

Net Position

Net investment in capital assets	54,837,885
Restricted for:	
Endowments	
Nonexpendable	2,250
Expendable	56,498
Town programs	262,979
Senior center programs	371,072
Town clerk fees	115,170
Education programs	29,432
Library programs	82,244
Housing rehabilitation	222,585
Public safety programs	96,682
Public works programs	1,710,383
Unrestricted	(9,528,048)
	<hr/>
Total net position	\$ 48,259,132

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

(Concluded)

Town of Monroe, Connecticut
Statement of Activities
Governmental Activities
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Expenses and Changes in Net Position
General government	\$ 8,615,641	\$ 1,030,637	\$ 419,218	\$ -	\$ (7,165,786)
Public safety	10,565,580	1,599,242	53,098	-	(8,913,240)
Public works	7,534,360	626,883	-	530,412	(6,377,065)
Health and welfare	455,582	87,152	16,095	-	(352,335)
Culture and recreation	3,126,270	1,023,448	195,178	-	(1,907,644)
Education	72,942,808	1,479,388	16,218,627	-	(55,244,793)
Interest	1,047,625	-	-	-	(1,047,625)
Total	<u>\$ 104,287,866</u>	<u>\$ 5,846,750</u>	<u>\$ 16,902,216</u>	<u>\$ 530,412</u>	<u>(81,008,488)</u>
General revenues:					
Property taxes					78,159,151
Grants and contributions not restricted to specific programs					487,019
Income from investments					791,761
Other					<u>76,157</u>
Total general revenues					<u>79,514,088</u>
Change in net position					(1,494,400)
Net position - July 1, 2019					<u>49,753,532</u>
Net position - June 30, 2020					<u><u>\$ 48,259,132</u></u>

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

Town of Monroe, Connecticut

Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash	\$ 735,558	\$ -	\$ 662,504	\$ 1,398,062
Investments	24,377,728	-	210,485	24,588,213
Restricted investments	1,271,484	-	-	1,271,484
Receivables (net):				
Property taxes	1,476,491	-	-	1,476,491
Accounts	131,816	-	239,779	371,595
Intergovernmental	61,540	-	39,681	101,221
Loans	-	-	222,585	222,585
Due from other funds	1,813,557	1,994,260	4,773,180	8,580,997
Other	911	-	-	911
Total assets	<u>\$ 29,869,085</u>	<u>\$ 1,994,260</u>	<u>\$ 6,148,214</u>	<u>\$ 38,011,559</u>
<u>Liabilities</u>				
Accounts payable	\$ 1,574,426	\$ 248,438	\$ 459,235	\$ 2,282,099
Accrued payroll and related	582,759	-	-	582,759
Due to other funds	7,195,673	-	314,543	7,510,216
Unearned revenue	-	-	281,684	281,684
Performance bonds	1,212,736	-	-	1,212,736
Other	44,529	-	-	44,529
Total liabilities	<u>10,610,123</u>	<u>248,438</u>	<u>1,055,462</u>	<u>11,914,023</u>
<u>Deferred Inflows of Resources</u>				
Unavailable revenue				
Property taxes	1,476,491	-	-	1,476,491
Intergovernmental	-	-	10,007	10,007
Total deferred inflows of resources	<u>1,476,491</u>	<u>-</u>	<u>10,007</u>	<u>1,486,498</u>
<u>Fund Balances</u>				
Nonspendable	-	-	2,250	2,250
Restricted	371,072	-	2,575,973	2,947,045
Committed	1,000,000	1,726,325	302,162	3,028,487
Assigned	9,105,815	19,497	2,612,456	11,737,768
Unassigned	7,305,584	-	(410,096)	6,895,488
Total fund balances	<u>17,782,471</u>	<u>1,745,822</u>	<u>5,082,745</u>	<u>24,611,038</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 29,869,085</u>	<u>\$ 1,994,260</u>	<u>\$ 6,148,214</u>	<u>\$ 38,011,559</u>

(Continued)

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

Town of Monroe, Connecticut

**Reconciliation of Fund Balance to Net Position of Governmental Activities
June 30, 2020**

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

Total fund balances (Exhibit C, Page 1)	\$ 24,611,038
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Beginning capital assets	91,413,729
Current year additions (net of construction in progress decreases)	3,142,646
Depreciation expense	(5,419,195)
Other long-term assets and deferred outflows of resources are not available resources and, therefore, are not reported in the funds:	
Allowance for doubtful accounts - loans	(4,500)
Deferred outflows related to pensions	4,568,689
Deferred outflows related to OPEB	2,536,246
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds:	
Property tax - accrual basis change	1,476,491
Intergovernmental - accrual basis change	10,007
Internal service funds are used by management to charge the cost of medical and dental insurance premiums and heart and hypertension claims to individual departments:	
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	(1,263,730)
Some liabilities and deferred inflows of resources, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds and notes payable and related liabilities	(32,941,783)
Compensated absences	(2,142,516)
Special termination benefits	(6,826,687)
Claims payable	(155,500)
Landfill closure and postclosure	(1,652,500)
Net pension liability	(10,354,894)
Net OPEB liability	(14,436,253)
Accrued interest payable	(239,612)
Deferred charge on refunding	(1,357,512)
Deferred inflows related to pension	(1,642,806)
Deferred inflows related to OPEB	(1,062,226)
Net position (Exhibit A)	<u>\$ 48,259,132</u>

(Concluded)

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

Town of Monroe, Connecticut

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020**

	General Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 77,801,930	\$ -	\$ -	\$ 77,801,930
Intergovernmental	14,970,764	-	2,681,015	17,651,779
Charges for services	1,567,280	-	4,283,970	5,851,250
Contributions	13,950	-	253,918	267,868
Income from investments	786,853	-	4,908	791,761
Other	73,940	-	2,217	76,157
Total revenues	<u>95,214,717</u>	<u>-</u>	<u>7,226,028</u>	<u>102,440,745</u>
Expenditures:				
Current:				
General government	8,325,199	-	126,200	8,451,399
Public safety	7,776,663	-	728,064	8,504,727
Public works	3,337,351	-	1,326,330	4,663,681
Health and welfare	382,718	-	73,433	456,151
Culture and recreation	1,598,042	-	1,114,356	2,712,398
Education	65,807,842	-	3,363,933	69,171,775
Debt service	6,046,629	163,405	-	6,210,034
Capital outlay	2,020	1,450,733	1,611,211	3,063,964
Total expenditures	<u>93,276,464</u>	<u>1,614,138</u>	<u>8,343,527</u>	<u>103,234,129</u>
Excess (deficiency) of revenues over expenditures	<u>1,938,253</u>	<u>(1,614,138)</u>	<u>(1,117,499)</u>	<u>(793,384)</u>
Other financing sources (uses):				
Issuance of debt	-	1,298,000	1,017,000	2,315,000
Issuance of refunding bonds	-	10,355,000	-	10,355,000
Premium	-	1,588,746	-	1,588,746
Payment to refunded bond escrow agent	-	(11,417,807)	-	(11,417,807)
Sale of capital assets	3,260	-	-	3,260
Transfers in	81,927	1,053,982	58,345	1,194,254
Transfers out	(1,044,511)	-	(149,743)	(1,194,254)
Net other financing sources (uses)	<u>(959,324)</u>	<u>2,877,921</u>	<u>925,602</u>	<u>2,844,199</u>
Net change in fund balances	978,929	1,263,783	(191,897)	2,050,815
Fund balances - July 1, 2019	<u>16,803,542</u>	<u>482,039</u>	<u>5,274,642</u>	<u>22,560,223</u>
Fund balances - June 30, 2020	<u>\$ 17,782,471</u>	<u>\$ 1,745,822</u>	<u>\$ 5,082,745</u>	<u>\$ 24,611,038</u>

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

Town of Monroe, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to Statement of Activities
For the Year Ended June 30, 2020**

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

Net change in fund balances - total governmental funds (Exhibit D)	<u>\$ 2,050,815</u>
--	---------------------

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

Capital outlay	3,142,646
Depreciation expense	<u>(5,419,195)</u>
Total	<u>(2,276,549)</u>

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

Change in property tax receivable - accrual basis change	357,221
Change in loan receivable allowance for doubtful accounts	<u>(4,500)</u>
Total	<u>352,721</u>

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

Debt issued or incurred:	
Issuance of debt	(12,670,000)
Premiums	(525,939)
Deferred charge on refunding	<u>(1,708,372)</u>
Principal repayments:	
General obligation bonds and notes	5,102,386
Refunded bonds	<u>11,335,000</u>
Total	<u>1,533,075</u>

(Continued)

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

Town of Monroe, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to Statement of Activities
For the Year Ended June 30, 2020**

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Amortization of premiums	1,175,452
Change in:	
Compensated absences	(118,673)
Special termination benefits	(470,798)
Claims payable	(155,500)
Landfill closure and postclosure	(1,652,500)
Pension liability	(2,802,154)
OPEB liability	(1,756,967)
Accrued interest payable	(65,688)
Amortization of deferred charges on refunding	(38,983)
Amortization of deferred outflows of resources related to pension and OPEB	2,256,912
Amortization of deferred inflows of resources related to pension and OPEB	<u>423,445</u>
Total	<u>(3,205,454)</u>
Internal service funds are used by management to charge costs of medical insurance and heart and hypertension premiums to individual departments (change in net position)	<u>50,992</u>
Change in net position (Exhibit B)	<u>\$ (1,494,400)</u>
	(Concluded)

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

Town of Monroe, Connecticut

Statement of Net Position
Proprietary Fund
June 30, 2020

	<u>Internal Service Fund</u>
<u>Assets</u>	
Current assets:	
Cash	\$ 73,901
Accounts receivable	18,395
Due from other funds	<u>428,233</u>
Total current assets	<u>520,529</u>
<u>Liabilities</u>	
Current liabilities:	
Heart and hypertension	53,025
Due to other funds	<u>1,499,014</u>
Total current liabilities	1,552,039
Noncurrent liability:	
Heart and hypertension	<u>232,220</u>
Total liabilities	<u>1,784,259</u>
<u>Net Position</u>	
Unrestricted	<u><u>\$(1,263,730)</u></u>

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

Town of Monroe, Connecticut

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Fund
 For the Year Ended June 30, 2020

	<u>Internal Service Fund</u>
Operating revenues:	
Charges for services	\$ 96,034
Operating expenses:	
Claims and benefits	<u>45,042</u>
Change in net position	<u>50,992</u>
Net position - July 1, 2019	<u>(1,314,722)</u>
Net position - June 30, 2020	<u><u>\$ (1,263,730)</u></u>

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

Town of Monroe, Connecticut
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2020

	<u>Internal Service Funds</u>
Cash flows from (used in) operating activities:	
Cash received from charges for services	\$ 801,785
Cash paid for benefits and claims	(948,016)
Cash paid for administration	<u>(16,870)</u>
Net increase (decrease) in cash	(163,101)
Cash - July 1, 2019	<u>237,002</u>
Cash - June 30, 2020	<u><u>\$ 73,901</u></u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:	
Operating income (loss)	\$ 50,992
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:	
Changes in operating assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	(18,395)
Due from other funds	(20,000)
Increase (decrease) in:	
Accounts payable	(16,870)
Claims payable	(875,983)
Heart and hypertension	(26,991)
Due to other funds	<u>744,146</u>
Net cash from (used in) operating activities	<u><u>\$ (163,101)</u></u>

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

Town of Monroe, Connecticut
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Pension and OPEB <u>Trust Funds</u>	Private- Purpose <u>Trust Fund</u>	<u>Custodial Funds</u>
<u>Assets</u>			
Cash	\$ -	\$ 10,746	\$ 236,336
Investments:			
Mutual funds:			
Equity	16,972,971	-	-
Bond	7,133,777	-	-
Commodities	1,172,632	-	-
Bank money market	296,998	-	-
Total investments	<u>25,576,378</u>	<u>-</u>	<u>-</u>
Receivable:			
Employer contribution	<u>473,979</u>	<u>-</u>	<u>-</u>
Total assets	<u>26,050,357</u>	<u>10,746</u>	<u>236,336</u>
<u>Net Position</u>			
Restricted for:			
Pensions	24,796,360	-	-
OPEB	1,253,997	-	-
Individuals and organizations	<u>-</u>	<u>10,746</u>	<u>236,336</u>
Total net position	<u>\$ 26,050,357</u>	<u>\$ 10,746</u>	<u>\$ 236,336</u>

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

Town of Monroe, Connecticut
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020

	<u>Pension and OPEB Trust Funds</u>	<u>Private- Purpose Trust Fund</u>	<u>Custodial Funds</u>
Additions:			
Contributions:			
Employer	\$ 835,854	\$ -	\$ -
Employee	448,000	-	-
Total contributions	<u>1,283,854</u>	<u>-</u>	<u>-</u>
Activity fees	<u>-</u>	<u>-</u>	<u>581,236</u>
Investment income (loss):			
Net change in fair value of investments	(603,105)	-	-
Interest and dividends	530,585	193	-
Total investment income (loss)	(72,520)	193	-
Less investment expense	<u>52,678</u>	<u>-</u>	<u>-</u>
Net investment income (loss)	<u>(125,198)</u>	<u>193</u>	<u>-</u>
Total additions	<u>1,158,656</u>	<u>193</u>	<u>581,236</u>
Deductions:			
Benefits	1,302,942	-	-
Administration	43,990	75	-
Scholarship awards	-	600	-
Activities and events	-	-	568,329
Total deductions	<u>1,346,932</u>	<u>675</u>	<u>568,329</u>
Change in net position	(188,276)	(482)	12,907
Net position - July 1, 2019	<u>26,238,633</u>	<u>11,228</u>	<u>223,429</u>
Net position - June 30, 2020	<u><u>\$ 26,050,357</u></u>	<u><u>\$ 10,746</u></u>	<u><u>\$ 236,336</u></u>

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020**History and organization**

The Town of Monroe, Connecticut (“Town”) was incorporated in 1823. The Town operates under a First Selectman/Council form of government. The First Selectman is the chief executive officer and the Town Council (made up of nine members) is the legislative body of the Town. The Town Council may enact, amend or repeal ordinances and resolutions. The Board of Finance is responsible for financial and budgetary matters as prescribed by Connecticut General Statutes and the Town Charter. The Board of Education is responsible for operation of the school system. The Town operates under a charter and provides the following services as authorized by such: public safety, public works, health and welfare, culture and recreation, education and general administration.

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

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

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

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

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

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

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020**B. Measurement focus, basis of accounting and financial statement presentation (continued)**

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

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

The Town reports the following major governmental funds:

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

The *Capital Reserve Fund* is used to account for capital projects and acquisitions which, by their nature, occur over the course of multiple years. These projects are either funded through transfers appropriated from the General Fund or the issuance of general obligation bonds.

Additionally, the Town reports the following fund types:

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

The Capital Project Funds are used to account for and report resources and expenditures that are restricted, committed or assigned for the acquisition and construction of capital facilities, including those that are financed through special assessments.

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

The *Internal Service Fund* accounts for risk financing activities for medical and dental benefits and heart and hypertension as allowed by GASB Statement No. 10.

The *Pension Trust Funds* account for the activities of the Town Retirement Plan and Education Retirement Plan, which accumulate resources for pension benefit payments to qualified employees.

The *OPEB Trust Fund* accounts for the activities of the Police OPEB Plan which accumulates resources for OPEB benefits.

The *Private-Purpose Trust Fund* accounts for the receipt of private donations to be used for student awards.

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020**B. Measurement focus, basis of accounting and financial statement presentation (continued)**

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service fund are premiums for insurance.

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

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

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

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

b. Investments

In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. For the capital reserve fund, not more than 31% can be invested in equity securities. Investment income is recorded in the fund in which it was earned.

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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

The Town's pension and OPEB funds have adopted a formal investment policy that defines asset allocation guidelines, diversification guidelines and fixed income and cash guidelines.

The Town's pension and OPEB plan investment policy targets investments as follows:

Asset Class	Target Allocation	
	Pension	OPEB
Domestic Equity	35.00%	35.00%
International Equity	27.50%	30.00%
Fixed Income	30.00%	30.00%
Other	7.50%	5.00%
Total	100.00%	100.00%

c. Method used to value investments

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

Fair value of investments

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

Level 1	Quoted prices for identical investments in active markets
Level 2	Quoted prices for identical investments in markets that are not active. Fair values are primarily obtained from the third party pricing services for identical comparable assets
Level 3	Unobservable inputs

d. Risk policies

Interest rate risk – Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town's formalized investment policy does not specifically limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The policy does suggest that investments be undertaken in a manner to protect against the erosion of market prices from rising interest rates.

Credit risk – Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

Concentration of credit risk – Concentration of credit risk is the risk attributed to the magnitude of an entity's investments in a single issuer. The Town follows the limitations specified in the Connecticut General Statutes. Generally, the Town's deposits cannot be 75% or more of the total capital in any one depository.

Custodial credit risk – Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town does not have a formal policy with respect to custodial credit risk.

Foreign currency risk – Foreign currency risk is the risk that the value of the investment may be affected by changes in the rate of exchange. The Town does not have a formal policy with respect to the foreign currency risk.

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

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

b. Property taxes and other receivables

In the fund financial and government-wide financial statements, all trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 2% to 20% of outstanding receivable balances and are calculated based upon prior collections.

In the fund financial statements, property taxes receivable which have not been collected as of June 30, have been recorded as deferred inflows of resources, since they are not considered to be available to finance expenditures of the current year.

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

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

3. Restricted assets

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**4. Capital assets**

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than the capitalization threshold for that asset type and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

<u>Assets</u>	<u>Years</u>	<u>Capitalization Threshold</u>
Land	N/A	All
Construction in progress	N/A	\$ 5,000
Land improvements	10-30	5,000
Buildings and systems	20-40	5,000
Machinery and equipment	5-20	5,000
Vehicles	3-15	5,000
Infrastructure	25-50	5,000

5. Deferred outflows/inflows of resources

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

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

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

Deferred inflows of resources also include deferred inflows relating to advance refunding of debt. These amounts are deferred and are amortized over the life of the debt.

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

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

6. Compensated absences

Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Sick leave and vacation leave expenditures are recognized in the governmental funds in the current year to the extent they are paid during the year or the vested amount is expected to be paid with available resources. A liability for these amounts has been recorded in the government-wide financial statements.

7. Special termination benefits

Termination benefits represent the present value of future benefits to be paid to former employees. Certain Board of Education employees were granted retirement awards based on years of service and other provisions in their contracts. A liability for these amounts has been recorded in the government-wide financial statements.

8. Long-term obligations

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

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

9. Net position and fund balances

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

Net Investment in Capital Assets

This category presents the net position that reflects capital assets net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are excluded.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**Restricted Net Position

This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations).

Unrestricted Net Position

This category presents the net position of the Town which is not restricted.

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

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

Nonspendable

This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted

This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Committed

This category presents amounts that can be used only for specific purposes determined by a formal action at the highest level of decision-making authority for the Town. Commitments may be established, modified or rescinded only through resolutions approved by the Town Council.

Assigned

This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Town's fund balance policy, the Board of Finance is authorized to assign fund balance. Intent is also expressed by a properly approved purchase order (encumbrance).

Unassigned

This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

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

Minimum fund balance policy

The Board of Finance has adopted a minimum fund balance policy for the General Fund. The policy establishes the intent to maintain a level of unassigned fund balance of at least 8.33% to 16.67% of annual budgeted expenditures.

10. Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred outflows and inflows of resources including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Actual results could differ from those estimates, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic and the mitigation responses. Any such differences are not expected to be material for the year ended June 30, 2020.

11. Reclassifications

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

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

Only the General Fund has a legally adopted annual budget.

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

B. Donor-restricted endowments

The Town has received certain endowments for the improvement of the Town. The amounts are reflected in net position as restricted for endowments. Investment income is approved for disbursement by the Town Council and is included in restricted fund balance.

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

C. Capital projects authorizations

The following is a summary of certain capital projects:

Project	Project Authorization	Cumulative Expenditures	Balance
Fire apparatus	\$ 3,880,000	\$ 3,807,821	\$ 72,179
EMS facility phase 1	180,000	142,067	37,933
Radio system	1,650,000	405,992	1,244,008
Fire equipment	215,000	211,954	3,046
Totals	<u>\$ 5,925,000</u>	<u>\$ 4,567,834</u>	<u>\$ 1,357,166</u>

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

At year end, the Town's bank balance was \$14,908,960 and was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ -
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>2,684,298</u>
Total amount subject to custodial credit risk	<u>\$ 2,684,298</u>

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Cash and investments (continued)

2. Investments

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

Type of Investment	Fair Value	Investment Maturities (In Years)			
		N/A	Less Than 1	5-10 Years	Over 10
Mutual funds					
Equity	\$ 16,972,971	\$ 16,972,971	\$ -	\$ -	\$ -
Bond	7,133,777	-	1,102,509	6,031,268	-
Commodities	1,172,632	1,172,632	-	-	-
Bank money market	12,164,609	-	12,164,609	-	-
Pooled fixed income	11,964,688	-	11,964,688	-	-
US government agency securities	2,027,398	-	-	-	2,027,398
Total	\$ 51,436,075	\$ 18,145,603	\$ 25,231,806	\$ 6,031,268	\$ 2,027,398

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

Investments by Fair Value Level	Amount	Quoted Market Prices in Active Markets	Significant Observable Inputs
		Level 1	Level 2
Mutual Funds			
Equity	\$ 16,972,971	\$ 16,972,971	\$ -
Bond	7,133,777	7,133,777	-
Commodities	1,172,632	1,172,632	-
U.S. government agency securities	2,027,398	-	2,027,398
Total Investments by Fair Value Level	27,306,778	\$ 25,279,380	\$ 2,027,398
<u>Other Investments</u>			
Bank money market	12,164,609		
Pooled fixed income	11,964,688		
Total Other Investments	11,964,688		
Total Investments	\$ 39,271,466		

Level 1: Quoted prices for identical investments in active markets;

Level 2: Quoted prices for identical investments in markets that are not active. Fair values are primarily obtained from third party pricing services for identical comparable assets.

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Cash and investments (continued)

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

Type of Investment	Ratings				Total
	AAA	AA	BB	Unrated	
Mutual Funds					
Bond	\$ -	\$ 5,938,378	\$ 1,195,399	\$ -	\$ 7,133,777
Commodities	-	-	-	1,172,632	1,172,632
Pooled fixed income	11,964,688	-	-	-	11,964,688
U.S. government agency securities	2,027,398	-	-	-	2,027,398
Total	<u>\$ 13,992,086</u>	<u>\$ 5,938,378</u>	<u>\$ 1,195,399</u>	<u>\$ 1,172,632</u>	<u>\$ 22,298,495</u>

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

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

	Total	Less Insured Amounts	Amount Subject to Custodial Credit Risk
U.S. government agency securities	<u>\$ 2,027,398</u>	<u>\$ 500,000</u>	<u>\$ 1,527,398</u>

B. Receivables

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

	Property Taxes			CDBG Loans
	Taxes	Interest and lien fees	Total	
Current portion	<u>\$ 855,089</u>	<u>\$ 110,002</u>	<u>\$ 965,091</u>	<u>\$ -</u>
Long-term portion	\$ 524,087	\$ 124,313	\$ 648,400	\$ 222,585
Less allowance for uncollectibles	<u>(100,500)</u>	<u>(36,500)</u>	<u>(137,000)</u>	<u>(4,500)</u>
Net long-term portion	<u>\$ 423,587</u>	<u>\$ 87,813</u>	<u>\$ 511,400</u>	<u>\$ 218,085</u>

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Interfund accounts

1. Interfund payables and receivables

A summary of interfund balances is as follows:

	Corresponding Fund	Due From	Due To
General Fund			
Capital Reserve Fund	N/A	\$ -	\$ 1,994,260
Other Governmental Funds	N/A	314,543	4,773,180
Internal Service Funds	N/A	1,499,014	428,233
Total General Fund		<u>1,813,557</u>	<u>7,195,673</u>
Capital Reserve Fund			
General Fund	N/A	1,994,260	-
Other Governmental Funds			
Special Revenue Funds			
Library grants	General Fund	9,352	-
Wheeler library	General Fund	76,691	-
School cafeteria	General Fund	41,456	-
Education grants	General Fund	89,363	-
Education programs	General Fund	367,300	-
Police grants	General Fund	19,499	-
Police private duty	General Fund	1,066,411	-
Recreation programs	General Fund	233,566	-
Senior center grant and program	General Fund	99,598	-
Town grants and programs	General Fund	429,220	19,636
Town road grants	General Fund	1,742,883	-
Waste disposal	General Fund	84,219	-
Total Special Revenue Funds		<u>4,259,558</u>	<u>19,636</u>
Capital Projects Funds			
Plan of conservation and development	General Fund	62,183	-
Local capital improvements	General Fund	197,270	-
Reconstruction of Pepper Street	General Fund	-	294,907
Police department renovation	General Fund	104,771	-
Education reserve	General Fund	90,650	-
Total Capital Projects		<u>454,874</u>	<u>294,907</u>
Permanent Fund			
Cornelia Rogers	General Fund	58,748	-
Total Other Governmental Funds		<u>4,773,180</u>	<u>314,543</u>

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Interfund accounts (continued)

	Corresponding Fund	Due From	Due To
Internal Service Funds			
Education medical and dental	General Fund	\$ -	\$ 1,499,014
Heart and hypertension		428,233	-
Total Internal Service Funds		428,233	1,499,014
Total		<u>\$ 9,009,230</u>	<u>\$ 9,009,230</u>

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

2. Interfund transfers

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

	Corresponding Fund	Transfers In	Transfers Out
General Fund			
Capital Reserve Fund	N/A	\$ -	\$ 986,166
Other Governmental Funds	N/A	81,927	58,345
Total General Fund		81,927	1,044,511
Capital Reserve Fund			
General Fund	N/A	986,166	-
Other Governmental Funds	N/A	67,816	-
Total Capital Reserve Fund	General Fund	1,053,982	-
Other Governmental Funds			
Special Revenue Funds			
School cafeteria	General Fund	42,720	-
Police private duty	General Fund	-	81,927
Town grants and programs	General Fund	15,625	-
Total Special Revenue Funds		58,345	81,927
Capital Project Funds			
Education bonded projects	Capital Reserve Fund	-	67,816
Total Other Governmental Funds		58,345	149,743
Total		<u>\$ 1,194,254</u>	<u>\$ 1,194,254</u>

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020**D. Capital assets**

Capital asset activity for the fiscal year was as follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Capital Assets, Not Being Depreciated:				
Land	\$ 14,664,016	\$ 124,600	\$ -	\$ 14,788,616
Construction in progress	1,703,741	866,634	314,660	2,255,715
Total Capital Assets, Not Being Depreciated	<u>16,367,757</u>	<u>991,234</u>	<u>314,660</u>	<u>17,044,331</u>
Capital Assets, Being Depreciated:				
Land improvements	5,120,963	-	-	5,120,963
Buildings and systems	106,994,995	9,111	-	107,004,106
Machinery and equipment	8,644,814	576,793	149,032	9,072,575
Vehicles	15,453,128	417,123	66,830	15,803,421
Infrastructure	73,343,999	1,463,045	-	74,807,044
Total Capital Assets, Being Depreciated	<u>209,557,899</u>	<u>2,466,072</u>	<u>215,862</u>	<u>211,808,109</u>
Total Capital Assets	<u>225,925,656</u>	<u>3,457,306</u>	<u>530,522</u>	<u>228,852,440</u>
Less Accumulated Depreciation For:				
Land improvements	1,963,486	319,032	-	2,282,518
Buildings and systems	57,894,596	2,767,111	-	60,661,707
Machinery and equipment	6,926,492	339,909	149,032	7,117,369
Vehicles	8,099,155	1,042,700	66,830	9,075,025
Infrastructure	59,628,198	950,443	-	60,578,641
Total Accumulated Depreciation	<u>134,511,927</u>	<u>5,419,195</u>	<u>215,862</u>	<u>139,715,260</u>
Total Capital Assets, Being Depreciated, Net	<u>75,045,972</u>	<u>(2,953,123)</u>	<u>-</u>	<u>72,092,849</u>
Capital Assets, Net	<u>\$ 91,413,729</u>	<u>\$(1,961,889)</u>	<u>\$ 314,660</u>	<u>\$ 89,137,180</u>

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

General government	\$ 103,600
Public safety	1,077,432
Public works	1,289,318
Culture and recreation	397,694
Education	2,551,151
Total depreciation expense	<u>\$ 5,419,195</u>

E. Construction commitments

The Town has construction commitments totaling \$4,634,907 for Pepper street reconstruction.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

F. Changes in long-term obligations

1. Summary of changes

Description	Original Amount	Year of Issue	Date of Maturity	Interest Rate	Balance July 1, 2019	Additions	Deductions*	Balance June 30, 2020	Current Portion	Long-Term Portion
Bonds:										
General purpose:										
Refunding bonds	\$ 5,511,000	2009	05/01/22	2-5%	\$ 965,000	\$ -	\$ 965,000	\$ -	\$ -	\$ -
Refunding bonds	3,930,000	2012	12/15/23	2-3%	1,304,000	-	1,304,000	-	-	-
General obligation (taxable)	75,000	2012	05/15/22	2.375-3.5%	30,000	-	10,000	20,000	10,000	10,000
General obligation	1,690,000	2014	06/15/22	2-4%	375,000	-	375,000	-	-	-
General obligation	3,270,000	2015	04/15/30	2-3%	2,555,000	-	2,555,000	-	-	-
General obligation	810,000	2016	07/01/26	1.5-4%	640,000	-	80,000	560,000	80,000	480,000
Refunding bonds	6,490,000	2016	09/15/28	2-4%	5,210,000	-	685,000	4,525,000	695,000	3,830,000
General obligation	5,435,000	2018	06/15/28	3-5%	4,890,000	-	545,000	4,345,000	545,000	3,800,000
Refunding bonds	2,958,000	2018	04/01/26	3-5%	2,595,000	-	330,000	2,265,000	330,000	1,935,000
General obligation	2,315,000	2019	05/01/30	4-5%	-	2,315,000	-	2,315,000	235,000	2,080,000
Refunding bonds	2,251,000	2019	05/01/24	4-5%	-	2,251,000	435,000	1,816,000	726,000	1,090,000
Refunding bonds	2,003,000	2020	04/15/30	4-5%	-	2,003,000	-	2,003,000	129,000	1,874,000
Total general purpose	36,738,000				18,564,000	6,569,000	7,284,000	17,849,000	2,750,000	15,099,000
School bonds:										
Refunding bonds	13,464,000	2009	05/01/24	2-5%	3,885,000	-	3,885,000	-	-	-
Refunding bonds	4,855,000	2012	12/15/23	2-3%	391,000	-	391,000	-	-	-
General obligation (taxable)	385,000	2012	05/15/22	2.375-3.5%	130,000	-	40,000	90,000	45,000	45,000
General obligation	1,585,000	2014	06/15/22	2-4%	345,000	-	345,000	-	-	-
General obligation	2,950,000	2015	04/15/30	2-3%	2,310,000	-	2,310,000	-	-	-
General obligation	1,800,000	2016	07/01/26	1.5-4%	1,440,000	-	180,000	1,260,000	180,000	1,080,000
Refunding bonds	730,000	2016	09/15/28	2-4%	720,000	-	-	720,000	-	720,000
General obligation	2,650,000	2018	06/15/28	3-5%	2,385,000	-	265,000	2,120,000	265,000	1,855,000
Refunding bonds	4,082,000	2018	04/01/26	3-5%	3,580,000	-	455,000	3,125,000	455,000	2,670,000
Refunding bonds	4,289,000	2019	05/01/24	4-5%	-	4,289,000	1,000,000	3,289,000	1,144,000	2,145,000
Refunding bonds	1,812,000	2020	04/15/30	4-5%	-	1,812,000	-	1,812,000	116,000	1,696,000
Total school bonds	38,602,000				15,186,000	6,101,000	8,871,000	12,416,000	2,205,000	10,211,000
Total bonds	75,340,000				33,750,000	12,670,000	16,155,000	30,265,000	4,955,000	25,310,000
Energy financing notes	2,747,787	2013	06/26/23	1.82%	1,162,952	-	282,386	880,566	287,880	592,686
Total bonds/notes	78,087,787				34,912,952	12,670,000	16,437,386	31,145,566	5,242,880	25,902,686
Premium**					2,445,730	525,939	1,175,452	1,796,217	-	1,796,217
Total bonds/notes and related liabilities					37,358,682	13,195,939	17,612,838	32,941,783	5,242,880	27,698,903
Compensated absences					2,023,843	575,392	456,719	2,142,516	535,629	1,606,887
Special termination benefits					6,355,889	644,004	173,206	6,826,687	1,292,839	5,533,848
Claims payable					-	155,500	-	155,500	-	155,500
Heart and hypertension					312,236	38,031	65,022	285,245	53,025	232,220
Landfill closure and post closure					-	1,652,500	-	1,652,500	-	1,652,500
Net pension liability					7,552,740	3,796,240	994,086	10,354,894	-	10,354,894
Net OPEB liability					12,679,286	2,779,090	1,022,123	14,436,253	-	14,436,253
Total long-term obligations					\$66,282,676	\$22,836,696	\$20,323,994	\$ 68,795,378	\$7,124,373	\$61,671,005

* Includes \$11,335,000 of refunded bonds.

** Premium for the refunding bonds was deposited into the trust.

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

F. Changes in long-term obligations (continued)

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

Year Ended June 30,	Governmental Activities		
	Bond Principal	Note Principal	Total Interest
2021	\$ 4,955,000	\$ 287,880	\$ 1,257,104
2022	4,975,000	293,484	1,017,058
2023	4,215,000	299,202	777,640
2024	4,280,000	-	581,475
2025	3,580,000	-	409,975
2026	2,860,000	-	287,400
2027	2,240,000	-	188,650
2028	1,645,000	-	117,500
2029	855,000	-	56,100
2030	660,000	-	26,400
Total	<u>\$ 30,265,000</u>	<u>\$ 880,566</u>	<u>\$ 4,719,302</u>

2. Assets pledged as collateral

The Town's outstanding energy financing notes of \$880,566 are secured with collateral of the equipment purchased.

3. Statutory debt limitations

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

Category	Debit Limit	Net Indebtedness	Balance
General purpose	\$ 174,333,627	\$ 17,849,000	\$156,484,627
Schools	348,667,254	12,416,000	336,251,254
Sewer	290,556,045	-	290,556,045
Urban renewal	251,815,239	-	251,815,239
Pension deficit	232,444,836	-	232,444,836

The total overall statutory debt limit for the Town is equal to seven times annual receipts from prior year taxation, \$542,371,284.

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020**F. Changes in long-term obligations (continued)****4. Authorized/unissued bonds**

The amount of authorized, unissued bonds are as follows:

Police department facility, phase I	\$ 13,000
Schools carpet/asbestos and pool filter	113,920
Masuk High School renovation	157,546
Edith Wheeler Memorial Library	165,000
Pepper Street improvements	5,050,000
DPW dump truck 2018	1,000
Road construction and reconstruction phase 6	1,000
Town wide radio system	1,650,000
Vehicle replacement plan	720,000
Road construction and reconstruction phase 7	1,020,000
Fire equipment	<u>215,000</u>
Totals	<u><u>\$ 9,106,466</u></u>

5. Current year advance refunding

In December 2019 and January 2020, the Town issued \$6,540,000 and \$3,815,000 of general obligation refunding bonds with interest rates of 4.00% to 5.00%. These refunding bonds were issued to defease bonds issued in 2009 to 2015. The refunding resulted in an economic gain of \$370,375 and a total savings of \$373,828.

6. Landfill closure and post-closure care costs

State and Federal laws and regulations require that the Town place a cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The cost of landfill closure and post closure care is allocated based on landfill capacity used to date. The landfill has been converted to a transfer station facility for residents.

The Town currently has no plans to close the landfill. The estimated total current costs of landfill closure is \$1,052,500, which is based on what it would cost to perform all closure at 2020 prices with a third party performing the closure work.

Estimated total current costs of landfill post-closure care is \$600,000, which is based on the amount estimated to be paid for all equipment, facilities and services required to monitor and maintain the landfill. However, the actual cost of closure and monitoring and other post-closure care may be higher due to inflation, deflation, changes in technology or changes in landfill laws and regulations.

7. Claims and judgments

The Town, its officers and employees, are defendants in numerous lawsuits. Based upon consultation with legal counsel, the Town's management estimates that potential claims against the Town resulting from such litigation would not materially affect the financial position of the Town. The Town has recorded \$155,500, the estimated settlement costs for claims relating to lawsuits.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020**G. Fund balances and restricted net position**

Fund balances are composed of the following:

Fund Balance Component	General Fund	Capital Reserve Fund	Other Governmental Funds	Total
Nonspendable:				
Cornelia Rogers	\$ -	\$ -	\$ 2,250	\$ 2,250
Restricted:				
Town programs	-	-	319,477	319,477
Housing rehabilitation	-	-	222,585	222,585
Town clerk fees	-	-	115,170	115,170
Public safety programs	-	-	96,682	96,682
Public works	-	-	1,710,383	1,710,383
Senior center programs	371,072	-	-	371,072
Library programs	-	-	82,244	82,244
Education programs	-	-	11,755	11,755
School lunch programs	-	-	17,677	17,677
Total restricted	<u>371,072</u>	<u>-</u>	<u>2,575,973</u>	<u>2,947,045</u>
Committed:				
Public works programs	-	-	-	-
Special education	500,000	-	-	500,000
Emergency disaster relief	500,000	-	-	500,000
Capital projects	-	1,726,325	302,162	2,028,487
Total committed	<u>1,000,000</u>	<u>1,726,325</u>	<u>302,162</u>	<u>3,028,487</u>
Assigned:				
Subsequent year's budget	8,500,000	-	-	8,500,000
Education medical	500,000	-	-	500,000
Public safety programs	-	-	1,122,992	1,122,992
Public works programs	-	-	100,505	100,505
Culture and recreation programs	-	-	884,034	884,034
Education programs	-	-	442,742	442,742
Capital projects	-	19,497	62,183	81,680
Other purposes	105,815	-	-	105,815
Total assigned	<u>9,105,815</u>	<u>19,497</u>	<u>2,612,456</u>	<u>11,737,768</u>
Unassigned	<u>7,305,584</u>	<u>-</u>	<u>(410,096)</u>	<u>6,895,488</u>
Total	<u>\$ 17,782,471</u>	<u>\$ 1,745,822</u>	<u>\$ 5,082,745</u>	<u>\$ 24,611,038</u>

The amount of restricted net position, which was restricted by enabling legislation, totaled \$132,847.

H. Deficit fund balances

The Town had a deficit fund balance in the Reconstruction of Pepper Street Fund of \$410,096. The deficit will be eliminated by future grant revenues and general fund transfers.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

IV. Other information

A. Risk management

The Town is exposed to various risks of loss including torts, theft of, damage to and destruction of assets; errors or omissions; injuries to employees and natural disasters. The Town obtains commercial insurance for these risks. As of July 1, 2019, the Board of Education has obtained commercial insurance for medical and dental claims. Claims expense during the year for education, medical and dental relates only to claims incurred in prior years. Settled claims have not exceeded commercial coverage in any of the past three years, and there has not been any significant reductions in insurance coverage from amounts held in prior years.

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

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

The Town is also a member of CIRMA's Workers' Compensation Pool, a risk sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an insured loss retrospective rating plan and losses incurred in the coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. The premium is subject to a payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence and purchases reinsurance above that amount to the limit of liability of \$10,000,000 per occurrence.

By Statute, the Town is a self-insured for claims under C.G.S. 7-433c, the Heart and Hypertension Act. The death benefits liability is adjusted annually to reflect cost of living increases. The present value of benefits was computed at an assumed rate of return of three percent. The plan is funded monthly by budget appropriations and employee contributions, as required.

The Town utilizes a risk management fund (the Internal Service Fund) to account for and finance its uninsured risks of loss for Education medical and dental claims and heart and hypertension claims. The fund records all claim expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The Internal Service Fund is funded by the General Fund based on estimated cost of claim payments based on employee census, historical cost estimates of the amounts needed to pay prior and current year claims and administration. Claims liabilities include an estimate of claims incurred but not reported and are the Town's best estimate based on available information.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Risk management (continued)

The Town records all claim expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated in the government-wide statements. The claims liability reported is based upon accounting principles which require that a liability for estimated claims incurred but not reported be accrued. The amount of claim accrual is based on the ultimate costs of settling the claim, which include past experience data, inflation and other future economic and social factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

	Claims Payable July 1	Current Year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30	Current Portion	Long-Term Portion
<u>Education Medical and Dental</u>						
2018-2019	\$ 819,462	\$ 9,285,807	\$ 9,229,286	\$ 875,983	\$ 875,983	\$ -
2019-2020	875,983	7,011	882,994	-	-	-
<u>Heart and Hypertension</u>						
2018-2019	255,662	176,427	119,853	312,236	47,576	264,660
2019-2020	312,236	38,031	65,022	285,245	53,025	232,220
<u>Totals</u>						
2018-2019	<u>\$ 1,075,124</u>	<u>\$ 9,462,234</u>	<u>\$ 9,349,139</u>	<u>\$ 1,188,219</u>	<u>\$ 923,559</u>	<u>\$ 264,660</u>
2019-2020	<u>\$ 1,188,219</u>	<u>\$ 45,042</u>	<u>\$ 948,016</u>	<u>\$ 285,245</u>	<u>\$ 53,025</u>	<u>\$ 232,220</u>

B. Commitments and litigation

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

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020**C. Contingences***Coronavirus*

In March 2020, the United States declared the outbreak of Coronavirus a national emergency. Similarly, the Governor of the State of Connecticut declared a state of emergency and has since issued over 70 executive orders regarding the pandemic. One of the most significant executive orders required local governments to offer taxpayers/rate payers one or both of the following programs: interest rate reduction program and payment deferral program. The interest rate reduction program reduced the interest rate charged on delinquent taxes/user fees from 18% to 3% for the period April 1, 2020 through October 1, 2020. The payment deferral program also was effective April 1, 2020 for local governments with quarterly payments and July 1, 2020 for those with semi-annual payments. This program allowed taxpayers/rate payers to defer payment of amounts due without incurring any penalty interest until October 1, 2020. The Town implemented the interest rate reduction program. The impact of this program on property tax and user fee revenues and delinquent interest collections was not significant during this period.

The state of emergency has had a negative impact on the Town's economically sensitive revenues such as park and recreation program fees, interest earnings and certain other charges for services for the last quarter of the fiscal year and the impact continues into the 2021 fiscal year. On the expenditure side, expenditures for health and safety measures, including additional personnel costs, technology and supplies are expected to increase and may exceed adopted budgets. There continues to be uncertainty related to the duration, possible reemergence and future severity of the pandemic, as well as to what actions may be taken by the Federal government, the State of Connecticut and health care authorities to contain or mitigate its effects. This includes the nature and extent of any financial support.

The Town is continuously monitoring its financial condition and will take proactive measures as necessary to maintain operations and meet its obligations. Given this level of uncertainty, management cannot reasonably estimate the complete impact on the Town's future financial position at this time.

V. Pensions and other post-employment benefit plans**A. Pension plans****1. Plan description****a. Plan administration**

The Town is the administrator of a single employer public employee retirement system ("Plan"), the Town of Monroe Retirement Income Plan, established and administered by the Town to provide pension benefits for its general government and Board of Education employees (excluding teachers covered under the Connecticut State Teachers' Retirement System ("TRS")). The Plan is considered to be part of the Town of Monroe financial reporting entity and is included in the Town's financial statement as a pension trust fund. A separate stand-alone financial report is not issued. The Plan is administered by the Pension Committee ("Committee") which is a subcommittee of the Town Council.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Pension plans (continued)

The Plan provides retirement benefits through a single employer contributory defined benefit plan. Members include substantially all Town and Board of Education employees, except for police department employees and teachers.

The Plan is closed to all new hires in the Town employee groups.

b. Plan membership

As of July 1, 2018 for the memberships in the plan is comprised of the following:

	<u>Town</u>	<u>Education</u>
Active members	60	80
Terminated employees entitled to benefits	15	18
Retirees, disabled employees, and beneficiaries receiving benefits	<u>55</u>	<u>72</u>
Total	<u>130</u>	<u>170</u>

2. Benefit provisions

	<u>Town Employees</u>	<u>Education Employees</u>
Normal retirement	Age 65	Age 65
Service requirement	5 years	5 years
Benefit calculation	Highway employees: 1.625% of final average compensation per year of service to a maximum of 35 years	1.75% of final average compensation per year of service to a maximum of 35 years
	Clerical and non-union: 1.75% of final average compensation per year of service to a maximum of 35 years. Supplemental benefit for employees hired prior to July 1, 2015 of \$200 per month payable for the life of retiree	
	Supervisors: 1.75% of final average compensation per year of service to a maximum of 35 years	
Final average compensation	Average annual rate of pay earned during the highest 5 consecutive years out of the last 10 years	Average annual rate of pay earned during the highest 5 consecutive years out of the last 10 years
Early retirement age	55	55
Early retirement service requirement	15 years	15 years

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Pension plans (continued)

	Town Employees	Education Employees
Early retirement amount	Normal accrued benefit, reduced by 0.6% for the first 60 months and 0.3% for the remaining number of months before age 65	Normal accrued benefit, reduced by 0.6% for the first 60 months and 0.3% for the remaining number of months before age 65
Vesting - age	None	None
Vesting - service	5 years	5 years
Vesting - amount	100% of accrued benefit	100% of accrued benefit
Pre-retirement death benefit amount	100% of employee benefit who is eligible for normal or early retirement and married for 12 months	100% of employee benefit who is eligible for normal or early retirement and married for 12 months
Post-retirement death benefit amount	Lump sum: 100% of contributions plus interest made by the employee, less total benefits paid	Lump sum: 100% of contributions plus interest made by the employee, less total benefits paid
Cost of living increases	None	None

3. Contributions

Employee contributions as a percentage of annual earnings are as follows:

Town	
Highway employees	3.00%
Clerical and non-union employees	3.85%
Supplemental benefit	1.00%
Supervisors	3.85%
Education	4.75%

The Town is required to contribute the remaining amounts as determined by actuarial valuations.

Average active member contribution rate of annual base compensation was	3.71%
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Average contribution rate of covered payroll was

Town	7.36%
Education	7.22%

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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

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

The following is the Committee's adopted asset allocation policy for the plans:

<u>Asset Class</u>	<u>Target Allocation</u>
Large Cap Domestic Equity	25.00%
Small Cap Domestic Equity	10.00%
Developed International Equity	20.00%
Emerging International Equity	7.50%
Core Fixed Income	25.00%
Global Fixed income	5.00%
Global REIT	5.00%
Commodities	2.50%

b. Concentrations

There were no investments in any one organization that represented 5% or more of the pension plan's net position.

c. Rate of return

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Pension plans (continued)

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap Domestic Equity	5.55%
Small Cap Domestic Equity	6.00%
Developed International Equity	5.55%
Emerging International Equity	6.50%
Core Fixed Income	1.65%
Global Fixed income	1.85%
Global REIT	4.40%
Commodities	2.40%

Long-term expected nominal rate of return was 6.97%.

d. Annual money-weighted rate of return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows:

	<u>Town</u>	<u>Education</u>
Rate of return	-0.40%	-0.87%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

5. Net pension liability

The components of the net pension liability were as follows:

	<u>Town</u>	<u>Education</u>
Total pension liability	\$ 13,914,983	\$ 14,805,525
Plan fiduciary net position	12,447,803	12,348,557
Net pension liability	<u>\$ 1,467,180</u>	<u>\$ 2,456,968</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>89.46%</u>	<u>83.41%</u>

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Pension plans (continued)

6. Actuarial methods and significant assumptions

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

Valuation Date	July 1, 2018
Investment Rate of Return	6.75%
Inflation Rate	2.60%
Projected Salary Increases	3.75%
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of salary
Mortality Table	RP-2014 Mortality Tables adjusted to 2006 Total dataset mortality table projected to valuation date with scale MP-2018

7. Changes from prior year

a. Changes in assumptions

There were no assumptions changes during the year.

b. Changes in benefit terms

There were no benefit changes during the year.

8. Discount rate

The discount rate used to measure the total pension liability was 6.75%.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s projected fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, the long-term expected rate of return on pension plan investments was used to discount plan liabilities.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Pension plans (continued)

9. Changes in the net pension liability

The Town's net pension liability was measured at June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The changes in net pension liability were as follows:

Town	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2019	\$ 13,264,918	\$ 12,649,427	\$ 615,491
Service cost	316,466	-	316,466
Interest	898,005	-	898,005
Contributions - employer	-	291,581	(291,581)
Contributions - member	-	147,083	(147,083)
Net investment income (loss)	-	(50,772)	50,772
Benefit payments, including refunds of member contributions	(564,406)	(564,406)	-
Administration expenses	-	(25,110)	25,110
Net change	650,065	(201,624)	851,689
Balance at June 30, 2020	\$ 13,914,983	\$ 12,447,803	\$ 1,467,180

Education	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2019	\$ 14,094,088	\$ 12,584,477	\$ 1,509,611
Service cost	422,026	-	422,026
Interest	957,653	-	957,653
Contributions - employer	-	339,015	(339,015)
Contributions - member	-	216,407	(216,407)
Net investment income (loss)	-	(107,020)	107,020
Benefit payments, including refunds of member contributions	(668,242)	(668,242)	-
Administration expenses	-	(16,080)	16,080
Net change	711,437	(235,920)	947,357
Balance at June 30, 2020	\$ 14,805,525	\$ 12,348,557	\$ 2,456,968

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Pension plans (continued)**10. Sensitivity of the net pension liability to changes in the discount rate**

The following presents the net pension liability, calculated using the discount rate as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

<u>Net Pension Liability</u>	<u>1% Decrease 5.75%</u>	<u>Current Discount Rate 6.75%</u>	<u>1% Increase 7.75%</u>
Town	<u>\$ 2,993,593</u>	<u>\$ 1,467,180</u>	<u>\$ 160,371</u>
Education	<u>\$ 4,226,052</u>	<u>\$ 2,456,968</u>	<u>\$ 955,464</u>

11. Pension expense and deferred outflows and inflows of resources

The Town recognized pension expense of \$334,501 for the Town and \$420,275 for the Education Plans.

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

<u>Town</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$ -	\$ (167,835)	\$ (167,835)
Changes in assumptions	-	(244,847)	(244,847)
Net difference between projected and actual earnings on pension plan investments	<u>736,875</u>	<u>-</u>	<u>736,875</u>
Total amount of deferred outflows/inflows	<u>\$ 736,875</u>	<u>\$ (412,682)</u>	<u>\$ 324,193</u>

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Pension plans (continued)

<u>Education</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$ 1,702	\$ (206,359)	\$ (204,657)
Changes in assumptions	21,712	(338,512)	(316,800)
Net difference between projected and actual earnings on pension plan investments	<u>770,939</u>	<u>-</u>	<u>770,939</u>
Total amount of deferred outflows/ inflows	<u>\$ 794,353</u>	<u>\$ (544,871)</u>	<u>\$ 249,482</u>

Actual investment earnings below (or above) projected earnings are amortized over 5 years. Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of actives and inactive employees, which were as follows:

<u>Plan</u>	<u>Years</u>
Town Employees	4.6
Education Employees	5.7

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

<u>Year Ending June 30,</u>	<u>Town</u>	<u>Education</u>
2021	\$ (92,637)	\$ (60,619)
2022	78,957	11,088
2023	157,954	155,725
2024	<u>179,919</u>	<u>143,288</u>
Total	<u>\$ 324,193</u>	<u>\$ 249,482</u>

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020**A. Pension plans (continued)****12. Defined contribution retirement savings plan**

Certain Town and Education employees are eligible to participate in a defined contribution retirement savings plan administered by the Town known as the Town of Monroe 401(a) money purchase pension plan. This is in lieu of the defined benefit plan for certain Town and Education employees. The benefits and contribution requirements are established by approval of the Town Council. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. Employer contributions are based on union contracts. Employees may make additional contributions subject to IRS regulations. The Plan is not reported as a fiduciary fund by the Town as it does not meet the reporting criterion.

The Town matches employees' contributions up to 3% of base pay. The Town contributions for each employee are 100% vested after three years.

Voluntary contributions up to the amount allowable under IRS regulations may be made by employees to the Town's 457 plan. These contributions may be withdrawn at any time, although earned interest will not be paid until such time as benefits are otherwise payable to the employee.

During the year, the employer and employee contributions were \$160,358 and \$75,249, respectively.

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

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

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

The plan has 4 sub plans as follows:

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

B. Connecticut municipal employees' retirement system (continued)

2. Benefit provisions

Normal retirement	
General Employees	Age 55 with 5 years of continuous service, or 15 years of active aggregate service or 25 years of aggregate service
Police and Firemen	Compulsory retirement age is age 65
Benefit calculation	The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include workers' compensation and social security benefits
With social security	1.50% of the average final compensation not in excess of the year's breakpoint plus 2.00% of average final compensation in excess of the year's breakpoint, times years of service If any member covered by social security retires before age 62, the benefit until age 62 is reached or a social security disability award is received, is computed as if the member is not under social security
Early retirement	5 years of continuous service or 15 years of active aggregate service
Early retirement amount	Calculated on the basis of average final compensation and service to date of termination Deferral to normal retirement age, or an actuarially reduced allowance may begin at the time of separation
Service connected disability amount	Calculated based on compensation and service to the date of the disability with a minimum benefit (including workers' compensation benefits) of 50% of compensation at the time of disability
Non-service connected disability service requirement	10 years of service
Non-service connected disability service amount	Calculated based on compensation and service to the date of the disability
Pre-retirement death benefit amount	Lump-sum return of contributions with interest of if vested and married, the surviving spouse will receive a lifetime benefit
Cost of living increases	2.50% - 6.00% depending on retirement date and increase in CPI

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020**B. Connecticut municipal employees' retirement system (continued)****3. Contributions**Employer

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

Employees

For employees not covered by social security, each person is required to contribute 5.00% of compensation.

For employees covered by social security, each person is required to contribute 2.25% of compensation up to the social security taxable wage base plus 5.00% of compensation, if any, in excess of such base.

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

The Town reported \$6,430,746 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The Town's proportionate share of the net pension liability was based upon the Town's 2019 actuarial (expected) payroll relative to the payroll of all the participating employers as of that date. The Police's proportional share was 8.825715% for the police officers and firefighters with social security sub plan. The Town's proportional share in the subplan increased 0.836745% from the prior year.

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

B. Connecticut municipal employees' retirement system (continued)

For the fiscal year, the Town recognized pension expense of \$1,904,061. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows and Inflows
Net difference between projected and actual earnings on pension plan investments	\$ 296,696	\$ -	\$ 296,696
Change in assumptions	1,776,668	-	1,776,668
Change in proportional share	193,238	(162,021)	31,217
Difference between expected and actual experience	78,925	(523,232)	(444,307)
Contributions subsequent to measurement date	<u>691,934</u>	<u>-</u>	<u>691,934</u>
Total	<u>\$ 3,037,461</u>	<u>\$ (685,253)</u>	2,352,208
Contributions subsequent to the measurement date to be recognized as a reduction of the net pension liability in the subsequent year			<u>(691,934)</u>
Net amortized amount of deferred inflows and outflows			<u>\$1,660,274</u>

The \$691,934 amount reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

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

Year Ending June 30,	
2021	\$ 671,200
2022	389,405
2023	523,383
2024	<u>76,286</u>
Total	<u>\$1,660,274</u>

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

B. Connecticut municipal employees' retirement system (continued)

5. Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the 5 year period ended June 30, 2017.

Long-term expected rate of return

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

B. Connecticut municipal employees' retirement system (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Target Expected Real Rate of Return</u>
Domestic equity	20.00%	5.30%
Developed market international	11.00%	5.10%
Emerging market international	9.00%	7.40%
Core fixed income	16.00%	1.60%
Inflation linked bond	5.00%	1.30%
Emerging market debt	5.00%	2.90%
High yield bond	6.00%	3.40%
Real estate	10.00%	4.70%
Private equity	10.00%	7.30%
Alternative investments	7.00%	3.20%
Liquidity fund	1.00%	0.90%
Total	<u>100.00%</u>	

6. Discount rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Town's proportional share of the net pension (asset) liability of MERS, calculated using the discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
Town's proportional share of the net pension liability	<u>\$ 9,644,844</u>	<u>\$ 6,430,746</u>	<u>\$ 3,745,414</u>

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

B. Connecticut municipal employees' retirement system (continued)

8. Plan fiduciary net position

Detailed information about the MERS plan's fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2019.

C. Connecticut state teachers' retirement system

1. Plan description

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

2. Benefit provisions

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Benefit calculation	2.00% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary)
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Early retirement amount	Benefit amounts are reduced by 6.00% per year for the first 5 years preceding normal retirement age and 4.00% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.00% per year by which retirement precedes normal retirement date
Service connected disability amount	2.00% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of annual average salary

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Connecticut state teachers' retirement system (continued)

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

3. Contributions

State of Connecticut

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

Employer (school districts)

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

Employees

Each teacher is required to contribute 7% of their salary for the pension benefit.

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

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

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>114,804,732</u>
Total	<u>\$ 114,804,732</u>

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Connecticut state teachers' retirement system (continued)

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The Town has no proportionate share of the net pension liability.

During the year the Town recognized pension expense and revenue of \$8,690,107 for on-behalf amounts for contributions to the plan by the State.

5. Actuarial assumptions

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

Investment rate of return	6.90%
Inflation	2.50%
Salary increases	3.25-6.50%, including inflation
Mortality rates	Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

Future cost-of-living increases - For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3.00% and a maximum of 5.00% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 6.00% per annum. If the return on assets in the previous year was less than 8.50%, the maximum increase is 1.50%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 5.00% per annum. If the return on assets in the previous year was less than 11.50%, the maximum increase is 3.00%, and if the return on the assets in the previous year was less than 8.50%, the maximum increase is 1.00%.

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

Changes in assumptions and inputs

- The inflation assumption was decreased from 2.75% to 2.50%.
- The investment rate of return was decreased from 8.00% to 6.90%.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Connecticut state teachers' retirement system (continued)**Long-term expected rate of return**

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public equity - U.S. equity	20.00%	8.10%
Public equity - international developed equity	11.00%	8.50%
Public equity - emerging markets equity	9.00%	10.40%
Fixed income - core fixed income	16.00%	4.60%
Fixed income - inflation linked bonds	5.00%	3.60%
Fixed income - high yield	6.00%	6.50%
Fixed income - emerging market debt	5.00%	5.20%
Private equity	10.00%	9.80%
Real estate	10.00%	7.00%
Alternative investments - real assets	4.00%	8.20%
Alternative investments - hedge funds	3.00%	5.40%
Liquidity fund	<u>1.00%</u>	2.90%
Total	<u><u>100.00%</u></u>	

6. Discount rate

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Connecticut state teachers' retirement system (continued)

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

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

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2019.

D. Total pension plans

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Town Employees	\$ 1,467,180	\$ 736,875	\$ (412,682)	\$ 334,501
Education Employees	2,456,968	794,353	(544,871)	420,275
MERS	6,430,746	3,037,461	(685,253)	1,904,061
Total	<u>\$ 10,354,894</u>	<u>\$ 4,568,689</u>	<u>\$ (1,642,806)</u>	<u>\$ 2,658,837</u>

E. Other post-employment benefit ("OPEB") plan

1. Plan description

a. Plan administration

The Town provides certain health care benefits for retired police employees through a single-employer defined benefit other post-employment benefits plan administered by the Town in accordance with the police collective bargaining agreements. The plan does not issue a separate financial statement. Administration costs are financed from investment earnings.

The Town provides other post-employment benefits for retired Board of Education employees through a single-employer defined benefit plan administered by the Town in accordance with various collective bargaining agreements. The plan does not issue a separate financial statement. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

E. Other post-employment benefit (“OPEB”) plan (continued)

b. Plan membership

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

	<u>Police</u>	<u>Board of Education</u>
Active members	39	474
Retirees, disabled employees, and beneficiaries receiving benefits	<u>6</u>	<u>63</u>
Total	<u><u>45</u></u>	<u><u>537</u></u>

2. Benefit provisions

Police

The Police plan provides for medical, dental and life insurance benefits for all eligible Police retirees and their spouses. Benefits and contributions are established by contract and may be amended by union negotiations. Police with 25 years of service are eligible for pre-65 medical coverage at retirement. Coverage continues until the earlier of age 65 or 15 years of coverage at retirement.

Education

Board of Education employees are eligible for medical benefits as follows:

- Certified teachers and administrators – Retirement under the State Teachers’ Plan. Coverage goes through age 65 for those eligible for Medicare or life for those not eligible for Medicare.
- Non-certified – Age 55 with 15 years of service or age 65 with 5 years of service. Coverage is for life.

3. Contributions

Police

There are no active employee contributions to the plan. The retiree pays 25% of the cost of single coverage. The Town pays the remaining cost of coverage. The retiree pays 100% of the cost of coverage for the spouse (if applicable).

In accordance with the trust agreement, the Town shall contribute at least annually, such amounts as shall be determined by the Town. There is no contractual obligation for the Town to continue contributions to the Trust Fund and may at any time discontinue the Plan and/or contributions to the Trust Fund. Town contributions to the trust were 2.00% of covered payroll for the year.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020**E. Other post-employment benefit (“OPEB”) plan (continued)****Education**

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 less the Board of Education offset which is:

- Certified – Payable for retirement after July 1, 2011 for the earlier of 10 years or attainment of age 65. The offset is based on hire date and years of service and ranges from:
 - \$1,125 and \$3,000 for single coverage; \$3,100 and \$4,000 for administrators
 - \$2,475 and \$6,600 for two-person coverage; \$6,100 and \$8,000 for administrators
- Non-certified - \$2,400 if retired under Rule of 75, \$3,000 if retired under Rule of 85 and \$4,200 if retired under Rule of 90.

4. Investments**a. Investment policy**

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

The following was the Board's adopted asset allocation policy for the Police OPEB Plan:

<u>Asset Class</u>	<u>Target Allocation</u>
Large Cap Domestic Equity	25.00%
Small Cap Domestic Equity	10.00%
Developed International Equity	30.00%
Core Fixed Income	30.00%
Global REIT	5.00%

b. Concentrations

There were no investments in any one organization that represents 5% or more of the OPEB plan's net position.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

E. Other post-employment benefit (“OPEB”) plan (continued)

c. Rate of return

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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap Domestic Equity	4.50%
Small Cap Domestic Equity	5.00%
Developed International Equity	5.25%
Core Fixed Income	2.50%
Global REIT	4.50%
Long-Term Expected Nominal Return	6.69%

- d. The annual money-weighted rate of return on Police OPEB plan investments, net of investment expense, was 3.13%.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

5. Net OPEB liability

The components of the net OPEB liability were measured as of June 30, 2020 and were as follows:

	<u>Police</u>	<u>Education</u>
Total OPEB liability	\$ 2,203,615	\$ 13,486,635
Plan fiduciary net position	<u>1,253,997</u>	<u>-</u>
Net OPEB liability	<u>\$ 949,618</u>	<u>\$ 13,486,635</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>56.91%</u>	<u>0.00%</u>

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

E. Other post-employment benefit (“OPEB”) plan (continued)

6. Actuarial methods and significant assumptions

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

	Police	Education
Valuation date	July 1, 2018	July 1, 2018
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	6.50%	2.21%
Healthcare cost trend rate		
Initial	7.00%	7.00%
Ultimate	4.00%	4.60%
Compensation increases	3.50%	3.75%
Inflation	2.50%	2.60%
Mortality rates	RP-2014 Adjusted to 2006 Blue Collar Mortality Table projected to valuation date with Scale MP-2018	RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2018

The investment rate of return for the Board of Education plan was based on the Bond Buyer GO 20-Bond municipal index as of the measurement date.

7. Changes from prior year

a. Changes in assumptions

The Police plan had no changes in assumptions:

The Education plan had the following changes in assumptions:

- The investment interest rate of return decreased from 3.51% to 2.21%.
- Rate of compensation increased from 3.50% to 3.75%.

b. Changes in benefit terms

There were no changes in benefit terms.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

E. Other post-employment benefit ("OPEB") plan (continued)

8. Discount rate

The discount rate used to measure the total OPEB liability was:

	<u>Police</u>	<u>Education</u>
Discount rate	6.50%	2.21%

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Police OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Since the Board of Education OPEB Plan is not funded, the municipal bond index is used for the discount rate.

9. Changes in the net OPEB liability

The Town's OPEB liabilities were measured at June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2018.

Police	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2019	\$ 2,151,691	\$ 1,004,729	\$ 1,146,962
Service cost	121,080	-	121,080
Interest	145,481	-	145,481
Differences between expected and actual experience	(144,343)	-	(144,343)
Contributions - employer	-	205,258	(205,258)
Contributions - member	-	84,510	(84,510)
Net investment income	-	32,594	(32,594)
Benefit payments, including refunds of member contributions	(70,294)	(70,294)	-
Administrative expenses	-	(2,800)	2,800
Other changes - transfer in from Elected Officials Plan	-	-	-
Net change	51,924	249,268	(197,344)
Balance at June 30, 2020	\$ 2,203,615	\$ 1,253,997	\$ 949,618

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

E. Other post-employment benefit (“OPEB”) plan (continued)

<u>Education</u>	<u>Total OPEB Liability</u>
Balance at July 1, 2019	<u>\$11,532,324</u>
Service cost	425,078
Interest	414,750
Differences between expected and actual experience	(270,621)
Changes in assumptions	1,669,901
Benefit payments, including refunds of member contributions	<u>(284,797)</u>
Net change	<u>1,954,311</u>
Balance at June 30, 2020	<u><u>\$13,486,635</u></u>

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

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

<u>OPEB Liability</u>	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Police (net)	<u>\$ 1,157,821</u>	<u>\$ 949,618</u>	<u>\$ 762,943</u>
Education (total)	<u>\$15,007,042</u>	<u>\$ 13,486,635</u>	<u>\$12,175,159</u>

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

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

<u>OPEB Liability</u>	<u>Healthcare Cost Trend Rates</u>		
	<u>1% Decrease</u>	<u>Current trend rate</u>	<u>1% Increase</u>
Police (net)	<u>\$ 665,218</u>	<u>\$ 949,618</u>	<u>\$ 1,289,191</u>
Education (total)	<u>\$12,358,130</u>	<u>\$ 13,486,635</u>	<u>\$14,844,281</u>

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

E. Other post-employment benefit ("OPEB") plan (continued)

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

For the fiscal year, the Town recognized OPEB expense of \$83,083 for Police employees' and \$976,667 for Education. The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Police Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ -	\$ (496,078)	\$ (496,078)
Changes in assumptions	-	(60,124)	(60,124)
Net difference between projected and actual earnings on OPEB plan investments	<u>44,658</u>	<u>-</u>	<u>44,658</u>
Total	<u>\$ 44,658</u>	<u>\$ (556,202)</u>	<u>\$ (511,544)</u>

Education Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 619,544	\$ (265,307)	\$ 354,237
Changes in assumptions	<u>1,872,044</u>	<u>(240,717)</u>	<u>1,631,327</u>
Total	<u>\$ 2,491,588</u>	<u>\$ (506,024)</u>	<u>\$ 1,985,564</u>

Actual investment earnings below (or above) projected earnings are amortized over 5 years for both plans. Experience losses (gains) and changes in assumptions are amortized over the average remaining service period of actives and inactive, which were as follows:

Plan	Years
Police	13.3
Education	12.1

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

E. Other post-employment benefit (“OPEB”) plan (continued)

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

Year Ending June 30,	Police	Education
2021	\$ (33,847)	\$ 184,359
2022	(33,847)	184,359
2023	(40,291)	184,359
2024	(41,461)	184,359
2025	(48,526)	184,359
Thereafter	<u>(313,572)</u>	<u>1,063,769</u>
Total	<u>\$ (511,544)</u>	<u>\$ 1,985,564</u>

F. Connecticut state teachers’ retirement board retiree health insurance plan

1. Plan description

Teachers, principals, superintendents or supervisors engaged in service of public schools that are currently receiving a retirement or disability benefit through the Connecticut Teachers' Retirement System are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan (“TRS-RHIP”) - a cost sharing multiple-employer defined benefit other post-employment benefit plan administered by the Teachers’ Retirement Board (“TRB”). Chapter 167a Section 10-183t of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

2. Benefit provisions

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

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Service connected disability service requirement	No service requirement
Non-service connected disability service requirement	Five years of credited service
Vesting - service	10 years of service

Town of Monroe, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020**

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

Retiree health care coverage

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

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

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

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

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

Survivor health care coverage

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

3. Contributions

State of Connecticut

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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

Employer (school districts)

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

Employees

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

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

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

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>17,904,446</u>
Total	<u>\$ 17,904,446</u>

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The Town has no proportionate share of the net OPEB liability.

The Town recognized OPEB expense and revenue of \$237,508 for on-behalf amounts for contributions to the plan by the State.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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

5. Actuarial assumptions

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

Investment rate of return	3.00%
Inflation	2.50%
Health care cost trend rate	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Mortality rates	Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.
Year fund net position will be depleted	2020

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

Changes in assumptions and inputs

- The discount rate was decreased from 3.87% to 3.50% to reflect the change in the Municipal Bond Index rate.

Additionally, expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on January 1, 2019. Further, the expected rate of inflation was decreased and the Real Wage Growth assumption was increased.

Long-term expected rate of return

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

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected rate of return is 3.00%.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

F. Connecticut state teachers' retirement board retiree health insurance plan (continued)**6. Discount rate**

The discount rate used to measure the total OPEB liability was 3.50%. The Municipal Bond Index Rate was used in the determination in the discount rate. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that no future employer contributions were assumed to be made.

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

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

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2019.

G. Total other post-employment benefit ("OPEB") plans

	<u>Net OPEB liability</u>	<u>Deferred outflows</u>	<u>Deferred inflows</u>	<u>OPEB expense</u>
Police	\$ 949,618	\$ 44,658	\$ (556,202)	\$ 83,083
Education	<u>13,486,635</u>	<u>2,491,588</u>	<u>(506,024)</u>	<u>976,667</u>
Total	<u>\$ 14,436,253</u>	<u>\$2,536,246</u>	<u>\$ (1,062,226)</u>	<u>\$1,059,750</u>

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

H. Plan statements

Combining Statement of Fiduciary Net Position
Pension and OPEB Trust Funds
June 30, 2020

	<u>Retirement Income Plan</u>		Police Other Post- Retirement Benefits	Total Pension and OPEB Trust Funds
	<u>Town</u>	<u>Education</u>		
<u>Assets</u>				
Investments:				
Mutual funds:				
Equity	\$ 8,234,267	\$ 7,951,108	\$ 787,596	\$ 16,972,971
Bond	3,488,335	3,353,458	291,984	7,133,777
Commodities	598,089	574,543	-	1,172,632
Bank money market	127,112	130,433	39,453	296,998
Total investments	12,447,803	12,009,542	1,119,033	25,576,378
Receivable:				
Employer contribution	-	339,015	134,964	473,979
Total assets	12,447,803	12,348,557	1,253,997	26,050,357
<u>Net Position</u>				
Restricted for:				
Pensions	12,447,803	12,348,557	-	24,796,360
OPEB	-	-	1,253,997	1,253,997
Total net position	<u>\$ 12,447,803</u>	<u>\$ 12,348,557</u>	<u>\$ 1,253,997</u>	<u>\$ 26,050,357</u>

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

H. Plan statements (continued)

Combining Statement of Changes in Fiduciary Net Position
Pension and OPEB Trust Funds
For the Year Ended June 30, 2020

	Retirement Income Plan		Police Other Post- Retirement Benefits	Total Pension and OPEB Trust Funds
	Town	Education		
Additions:				
Contributions:				
Employer	\$ 291,581	\$ 339,015	\$ 205,258	\$ 835,854
Employee	147,083	216,407	84,510	448,000
Total contributions	438,664	555,422	289,768	1,283,854
Investment income (loss):				
Net change in fair value of investments	(284,487)	(331,787)	13,169	(603,105)
Interest and dividends	257,440	248,258	24,887	530,585
Total investment income (loss)	(27,047)	(83,529)	38,056	(72,520)
Less investment expense	23,725	23,491	5,462	52,678
Net investment income (loss)	(50,772)	(107,020)	32,594	(125,198)
Total additions	387,892	448,402	322,362	1,158,656
Deductions:				
Benefits	564,406	668,242	70,294	1,302,942
Administration	25,110	16,080	2,800	43,990
Total deductions	589,516	684,322	73,094	1,346,932
Change in net position	(201,624)	(235,920)	249,268	(188,276)
Net position - July 1, 2019	12,649,427	12,584,477	1,004,729	26,238,633
Net position - June 30, 2020	<u>\$12,447,803</u>	<u>\$12,348,557</u>	<u>\$ 1,253,997</u>	<u>\$ 26,050,357</u>

Required Supplementary Information

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

Town of Monroe, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues, Other Financing Sources, Expenditures and Other Financing Uses
Budget and Actual
For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Additional Appropriations and Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues					
Property taxes					
Tax levies	\$ 77,396,481	\$ (50,000)	\$ 77,346,481	\$ 77,562,128	\$ 215,647
Interest and lien fees	203,500	50,000	253,500	239,802	(13,698)
Total property taxes	<u>77,599,981</u>	<u>-</u>	<u>77,599,981</u>	<u>77,801,930</u>	<u>201,949</u>
Intergovernmental					
State and federal education grants					
Education cost sharing	4,956,479	-	4,956,479	5,450,961	494,482
Other					
Tax grant - disabled persons	-	-	-	2,001	2,001
Veteran exemption	9,000	-	9,000	9,537	537
Telephone access	25,000	-	25,000	31,758	6,758
Municipal stabilization revenue	443,723	-	443,723	443,723	-
Health grants	14,579	-	14,579	16,095	1,516
Miscellaneous grants	9,000	-	9,000	56,419	47,419
Total intergovernmental	<u>5,457,781</u>	<u>-</u>	<u>5,457,781</u>	<u>6,010,494</u>	<u>552,713</u>
Charges for services					
Police department permits	15,000	-	15,000	13,349	(1,651)
Building permits	275,000	-	275,000	206,930	(68,070)
Burning permits	3,250	-	3,250	3,270	20
Planning and zoning	36,350	-	36,350	29,547	(6,803)
Library	13,200	-	13,200	7,552	(5,648)
Refuse permits	2,000	-	2,000	2,006	6
Canine licenses	1,000	-	1,000	550	(450)
Town clerk's fees	430,000	-	430,000	466,343	36,343
Health department licenses	85,515	-	85,515	85,599	84
EMS revenue	584,500	-	584,500	585,374	874
Recreation department fees	185,800	-	185,800	94,282	(91,518)
Landfill lease	70,000	-	70,000	55,748	(14,252)
Nutrition	2,000	-	2,000	1,553	(447)
Tuition	9,000	-	9,000	7,301	(1,699)
Special police assignments	100,000	-	100,000	-	(100,000)
Inland wetland commission	19,000	-	19,000	7,876	(11,124)
Economic development commission	1,500	-	1,500	-	(1,500)
Total charges for services	<u>1,833,115</u>	<u>-</u>	<u>1,833,115</u>	<u>1,567,280</u>	<u>(265,835)</u>
Income from investments	<u>507,000</u>	<u>-</u>	<u>507,000</u>	<u>786,853</u>	<u>279,853</u>
Other	<u>75,000</u>	<u>-</u>	<u>75,000</u>	<u>73,940</u>	<u>(1,060)</u>
Total revenues	<u>85,472,877</u>	<u>-</u>	<u>85,472,877</u>	<u>86,240,497</u>	<u>767,620</u>
Other financing sources					
Appropriation of fund balance	2,548,960	-	2,548,960	-	(2,548,960)
Sale of capital assets	20,000	-	20,000	3,260	(16,740)
Transfers in	-	-	-	81,927	81,927
Total other financing sources	<u>2,568,960</u>	<u>-</u>	<u>2,568,960</u>	<u>85,187</u>	<u>(2,483,773)</u>
Total revenues and other financing sources	<u>88,041,837</u>	<u>-</u>	<u>88,041,837</u>	<u>86,325,684</u>	<u>(1,716,153)</u>

(Continued)

Town of Monroe, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues, Other Financing Sources, Expenditures and Other Financing Uses
Budget and Actual
For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Additional Appropriations and Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Expenditures					
General government					
First selectman	\$ 337,517	\$ (79,706)	\$ 257,811	\$ 257,810	\$ 1
Town council	5,200	-	5,200	4,590	610
Board of finance	1,072,680	(33,703)	1,038,977	42,584	996,393
Registrar of voters	126,000	-	126,000	93,188	32,812
Town clerk	175,438	-	175,438	171,740	3,698
Tax collector	190,278	-	190,278	183,928	6,350
Town treasurer	11,056	-	11,056	11,056	-
Boards and commissions	13,500	-	13,500	5,153	8,347
Senior citizen	276,441	-	276,441	254,688	21,753
Economic development	15,000	-	15,000	7,412	7,588
Engineering	224,866	(9,812)	215,054	212,175	2,879
Inland wetlands commission	85,422	-	85,422	82,609	2,813
Human resources - fringe benefits	5,006,938	(223,178)	4,783,760	4,770,889	12,871
Finance department	341,625	7,686	349,311	319,464	29,847
Technology	655,050	-	655,050	627,231	27,819
Assessor	249,816	(6,500)	243,316	234,046	9,270
Building inspection department	168,005	9,060	177,065	177,065	-
Planning and zoning department	296,258	1,215	297,473	282,148	15,325
Town hall maintenance	432,675	(35,167)	397,508	397,507	1
Chalk Hill School expenditures	11,000	(7,840)	3,160	3,160	-
Special programs	146,056	-	146,056	137,665	8,391
Regional programs	49,591	-	49,591	49,091	500
Total general government	9,890,412	(377,945)	9,512,467	8,325,199	1,187,268
Public safety					
Police department	430,648	9,355	440,003	435,801	4,202
Police personnel	4,777,721	(310,055)	4,467,666	4,467,662	4
Police operations	454,893	(47,006)	407,887	391,805	16,082
Animal control	147,262	-	147,262	141,173	6,089
Park ranger	78,745	-	78,745	73,761	4,984
Monroe fire department	267,428	-	267,428	267,428	-
Stevenson fire department	192,380	-	192,380	192,380	-
Stepney fire department	266,964	-	266,964	266,964	-
Water distribution system	623,190	9,836	633,026	633,026	-
Fire marshal	115,908	-	115,908	101,851	14,057
Emergency management	13,500	-	13,500	8,944	4,556
Emergency medical services	895,436	(84,767)	810,669	795,868	14,801
Total public safety	8,264,075	(422,637)	7,841,438	7,776,663	64,775
Public works					
Public works administration	325,572	(3,495)	322,077	316,216	5,861
Highway administration	1,306,354	22,052	1,328,406	1,328,406	-
Snow removal	519,400	(234,846)	284,554	284,552	2
Road and building	1,058,834	(86,019)	972,815	967,422	5,393
Sanitation - solid waste	39,839	-	39,839	31,803	8,036
Sanitation - recycling	402,866	6,086	408,952	408,952	-
Total public works	3,652,865	(296,222)	3,356,643	3,337,351	19,292
Health and welfare					
Health department	245,149	(6,397)	238,752	238,751	1
Department of social services	91,799	-	91,799	79,568	12,231
Total health and welfare	336,948	(6,397)	330,551	318,319	12,232

(Continued)

Town of Monroe, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues, Other Financing Sources, Expenditures and Other Financing Uses
Budget and Actual
For the Year Ended June 30, 2020

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
Culture and recreation					
Library	\$ 843,859	\$ (63,540)	\$ 780,319	\$ 768,738	\$ 11,581
Recreation department	915,124	(28,719)	886,405	829,304	57,101
Total culture and recreation	1,758,983	(92,259)	1,666,724	1,598,042	68,682
Capital outlay					
Special projects	3,500	-	3,500	2,020	1,480
Debt service	6,092,608	-	6,092,608	6,046,629	45,979
Board of Education	57,246,740	(42,720)	57,204,020	56,880,227	323,793
Total expenditures	87,246,131	(1,238,180)	86,007,951	84,284,450	1,723,501
Other financing uses					
Transfers out	795,706	1,238,180	2,033,886	2,033,886	-
Total expenditures and other financing uses	88,041,837	-	88,041,837	86,318,336	1,723,501
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	\$ -	\$ 7,348	\$ 7,348

(Concluded)

Town of Monroe, Connecticut

**Notes to Required Supplementary Information
For the Year Ended June 30, 2020**

Budgets and Budgetary Accounting

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

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

1. The Town does not budget for as revenue or expenditures payments made for the State Teachers' pension and OPEB by the State of Connecticut on the Town's behalf.
2. Certain funds that are required to be reported as part of the General Fund under the requirement of GASB No. 54.

<u>Reconciliation to Exhibit D</u>	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis - RSI 1	\$86,240,497	\$ 84,284,450
State Teachers' Pension on behalf amount	8,690,107	8,690,107
State Teachers' OPEB on behalf amount	237,508	237,508
COVID-19 Fund	<u>46,605</u>	<u>64,399</u>
GAAP Basis - Exhibit D	<u>\$95,214,717</u>	<u>\$ 93,276,464</u>

The First Selectman prepares the final proposed budget and submits it to the annual budget referendum, which is held on the first Tuesday in April of each year. After the budget is approved at referendum, the Board of Finance meets to levy a tax on the grand list which will be sufficient to cover, together with other income or revenue surplus which is appropriated, the amounts appropriated and any revenue deficit of the Town.

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

When an office, agency, board or commission, except for the Board of Education, needs to transfer funds in its appropriation from funds set apart for one specific purpose or another, the First Selectman makes the proposal to the Town Council who then may approve the transfer.

Upon request from the First Selectman, the Board of Finance may transfer any unencumbered appropriation, balance or portion thereof from one office, agency, board or commission to another after the First Selectman has notified the affected office or agency, board or commission. No transfers are to be made from any appropriations for debt service or other statutory charges.

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.

The Board of Finance allows additional appropriations not to exceed one half of one mil of the grand list to cover unexpected conditions and requirements. The transfers shall be approved by the First Selectman, Town Council and the Board of Finance.

During the year there were no additional appropriations.

Town of Monroe, Connecticut

Required Supplementary Information

Town Retirement Income Plan
Last Seven Years (1)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Schedule of Changes in Net Pension Liability and Related Ratios							
Total pension liability							
Service cost	\$ 316,466	\$ 347,759	\$ 339,442	\$ 320,580	\$ 279,200	\$ 268,462	\$ 258,136
Interest	898,005	879,883	835,744	933,432	880,508	802,505	760,256
Differences between expected and actual experience	-	(250,060)	-	(108,021)	32,827	(140,267)	-
Changes in assumptions	-	(134,918)	-	(687,325)	-	587,242	-
Benefit payments, including refunds of member contributions	(564,406)	(522,047)	(536,908)	(545,744)	(511,431)	(466,648)	(464,206)
Net change in total pension liability	650,065	320,617	638,278	(87,078)	681,104	1,051,294	554,186
Total pension liability - July 1	<u>13,264,918</u>	<u>12,944,301</u>	<u>12,306,023</u>	<u>12,393,101</u>	<u>11,711,997</u>	<u>10,660,703</u>	<u>10,106,517</u>
Total pension liability - June 30 (a)	<u>\$ 13,914,983</u>	<u>\$ 13,264,918</u>	<u>\$ 12,944,301</u>	<u>\$ 12,306,023</u>	<u>\$ 12,393,101</u>	<u>\$ 11,711,997</u>	<u>\$ 10,660,703</u>
Plan fiduciary net position							
Contributions - employer	\$ 291,581	\$ 360,192	\$ 355,000	\$ 390,000	\$ 383,000	\$ 391,857	\$ 341,866
Contributions - member	147,083	143,319	142,277	144,665	145,302	137,917	137,271
Net investment income (loss)	(50,772)	669,078	782,543	1,100,157	43,338	399,506	1,265,162
Benefit payments, including refunds of member contributions	(564,406)	(522,047)	(536,908)	(545,744)	(511,431)	(466,648)	(464,206)
Administration	(25,110)	(29,636)	(37,605)	(6,323)	(22,358)	(30,021)	(58,327)
Net change in plan fiduciary net position	(201,624)	620,906	705,307	1,082,755	37,851	432,611	1,221,766
Plan fiduciary net position - July 1	<u>12,649,427</u>	<u>12,028,521</u>	<u>11,323,214</u>	<u>10,240,459</u>	<u>10,202,608</u>	<u>9,769,997</u>	<u>8,548,231</u>
Plan fiduciary net position - June 30 (b)	<u>\$ 12,447,803</u>	<u>\$ 12,649,427</u>	<u>\$ 12,028,521</u>	<u>\$ 11,323,214</u>	<u>\$ 10,240,459</u>	<u>\$ 10,202,608</u>	<u>\$ 9,769,997</u>
Net pension liability - June 30 (a)-(b)	<u>\$ 1,467,180</u>	<u>\$ 615,491</u>	<u>\$ 915,780</u>	<u>\$ 982,809</u>	<u>\$ 2,152,642</u>	<u>\$ 1,509,389</u>	<u>\$ 890,706</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>89.46%</u>	<u>95.36%</u>	<u>92.93%</u>	<u>92.01%</u>	<u>82.63%</u>	<u>87.11%</u>	<u>91.64%</u>
Covered payroll	<u>\$ 3,959,755</u>	<u>\$ 3,816,631</u>	<u>\$ 3,854,118</u>	<u>\$ 3,714,813</u>	<u>\$ 3,576,586</u>	<u>\$ 3,439,025</u>	<u>\$ 3,166,740</u>
Net pension liability as a percentage of covered payroll	<u>37.05%</u>	<u>16.13%</u>	<u>23.76%</u>	<u>26.46%</u>	<u>60.19%</u>	<u>43.89%</u>	<u>28.13%</u>
Schedule of Investment Returns							
Annual money weighted rate of return, net of investment	<u>-0.40%</u>	<u>5.59%</u>	<u>6.81%</u>	<u>10.93%</u>	<u>0.43%</u>	<u>4.15%</u>	<u>15.10%</u>

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

Town of Monroe, Connecticut

Required Supplementary Information

Town Retirement Income Plan
Schedule of Contributions
Last Ten Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contributions	\$ 291,581	\$ 360,192	\$ 354,017	\$ 389,752	\$ 382,281	\$ 394,666	\$ 388,045	\$ 381,679	\$ 564,832	\$ 555,705
Contributions in relation to the actuarially determined contribution	<u>291,581</u>	<u>360,192</u>	<u>355,000</u>	<u>390,000</u>	<u>383,000</u>	<u>391,857</u>	<u>341,866</u>	<u>301,267</u>	<u>102,101</u>	<u>106,684</u>
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 983</u>	<u>\$ 248</u>	<u>\$ 719</u>	<u>\$ (2,809)</u>	<u>\$ (46,179)</u>	<u>\$ (80,412)</u>	<u>\$ (462,731)</u>	<u>\$ (449,021)</u>
Covered payroll	<u>\$3,959,755</u>	<u>\$3,816,631</u>	<u>\$3,854,118</u>	<u>\$3,714,813</u>	<u>\$3,576,586</u>	<u>\$3,439,025</u>	<u>\$3,166,740</u>	<u>\$2,732,999</u>	<u>\$3,205,710</u>	<u>\$3,205,710</u>
Contributions as a percentage of covered payroll	<u>7.36%</u>	<u>9.44%</u>	<u>9.21%</u>	<u>10.50%</u>	<u>10.71%</u>	<u>11.39%</u>	<u>10.80%</u>	<u>11.02%</u>	<u>3.18%</u>	<u>3.33%</u>

Town of Monroe, Connecticut

Notes to Required Supplementary Information

Town Retirement Income Plan
Schedule of Contributions
Last Seven Years (1)

	2020	2019	2018	2017	2016	2015	2014
Changes of Benefit Terms	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2018	July 1, 2018	July 1, 2016	July 1, 2014	July 1, 2014	July 1, 2012	July 1, 2012
Actuarial methods and assumptions used to determine contribution rates:							
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization Method	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level dollar	Level dollar
Asset Valuation Method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation	2.75%	2.75%	2.75%	3.00%	3.00%	3.00%	3.00%
Salary Increases	3.75%	3.75%	3.75%	4.00%	4.00%	4.00%	4.00%
Investment Rate of Return (net)	6.75%	6.75%	6.75%	7.50%	7.50%	7.50%	7.50%
Mortality Rate	RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2018.	RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2018.	RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2016.	RP-2000 Mortality with no collar adjustment projected to valuation date with Scale MP-2014.	RP-2000 Mortality with no collar adjustment projected to valuation date with Scale MP-2014.	RP-2000 Mortality Table projected to the valuation date with scale AA.	RP-2000 Mortality Table projected to the valuation date with scale AA.

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

Town of Monroe, Connecticut
Required Supplementary Information
Education Retirement Income Plan
Last Seven Years (1)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Schedule of Changes in Net Pension Liability and Related Ratios							
Total pension liability							
Service cost	\$ 422,026	\$ 390,732	\$ 381,387	\$ 423,345	\$ 397,551	\$ 382,260	\$ 367,558
Interest	957,653	933,269	889,277	998,818	943,960	903,638	849,759
Differences between expected and actual experience	-	(206,638)	-	(133,712)	12,337	(857,153)	-
Changes in assumptions	-	(139,041)	-	(744,769)	-	673,066	-
Benefit payments, including refunds of member contributions	<u>(668,242)</u>	<u>(629,157)</u>	<u>(627,400)</u>	<u>(660,562)</u>	<u>(636,276)</u>	<u>(524,668)</u>	<u>(503,012)</u>
Net change in total pension liability	711,437	349,165	643,264	(116,880)	717,572	577,143	714,305
Total pension liability - July 1	<u>14,094,088</u>	<u>13,744,923</u>	<u>13,101,659</u>	<u>13,218,539</u>	<u>12,500,967</u>	<u>11,923,824</u>	<u>11,209,519</u>
Total pension liability - June 30 (a)	<u>\$ 14,805,525</u>	<u>\$ 14,094,088</u>	<u>\$ 13,744,923</u>	<u>\$ 13,101,659</u>	<u>\$ 13,218,539</u>	<u>\$ 12,500,967</u>	<u>\$ 11,923,824</u>
Plan fiduciary net position							
Contributions - employer	\$ 339,015	\$ 356,474	\$ 350,342	\$ 385,429	\$ 367,541	\$ 367,541	\$ 349,519
Contributions - member	216,407	218,017	218,797	209,551	204,700	210,767	198,033
Net investment income (loss)	(107,020)	642,730	769,615	1,105,691	38,494	253,090	1,213,572
Benefit payments, including refunds of member contributions	(668,242)	(629,157)	(627,400)	(660,562)	(636,276)	(524,668)	(503,012)
Administration	(16,080)	(40,139)	(33,816)	(9,746)	(16,620)	(14,664)	-
Other	-	47,357	-	-	-	9,034	-
Net change in plan fiduciary net position	(235,920)	595,282	677,538	1,030,363	(42,161)	301,100	1,258,112
Plan fiduciary net position - July 1	<u>12,584,477</u>	<u>11,989,195</u>	<u>11,311,657</u>	<u>10,281,294</u>	<u>10,323,455</u>	<u>10,022,355</u>	<u>8,764,243</u>
Plan fiduciary net position - June 30 (b)	<u>\$ 12,348,557</u>	<u>\$ 12,584,477</u>	<u>\$ 11,989,195</u>	<u>\$ 11,311,657</u>	<u>\$ 10,281,294</u>	<u>\$ 10,323,455</u>	<u>\$ 10,022,355</u>
Net pension liability - June 30 (a)-(b)	<u>\$ 2,456,968</u>	<u>\$ 1,509,611</u>	<u>\$ 1,755,728</u>	<u>\$ 1,790,002</u>	<u>\$ 2,937,245</u>	<u>\$ 2,177,512</u>	<u>\$ 1,901,469</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>83.41%</u>	<u>89.29%</u>	<u>87.23%</u>	<u>86.34%</u>	<u>77.78%</u>	<u>82.58%</u>	<u>84.05%</u>
Covered payroll	<u>\$ 4,938,953</u>	<u>\$ 4,760,437</u>	<u>\$ 4,170,830</u>	<u>\$ 4,020,077</u>	<u>\$ 4,435,017</u>	<u>\$ 4,264,439</u>	<u>\$ 4,439,312</u>
Net pension liability as a percentage of covered payroll	<u>49.75%</u>	<u>31.71%</u>	<u>42.10%</u>	<u>44.53%</u>	<u>66.23%</u>	<u>51.06%</u>	<u>42.83%</u>
Schedule of Investment Returns							
Annual money weighted rate of return, net of investment expense	<u>-0.87%</u>	<u>5.86%</u>	<u>6.74%</u>	<u>10.91%</u>	<u>38.00%</u>	<u>2.62%</u>	<u>13.80%</u>

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

Town of Monroe, Connecticut

Required Supplementary Information

Education Retirement Income Plan
Schedule of Contributions
Last Ten Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contributions	\$ 339,015	\$ 356,475	\$ 350,452	\$ 385,429	\$ 376,663	\$ 356,619	\$ 349,519	\$ 357,276	\$ 348,507	\$ 304,258
Contributions in relation to the actuarially determined contribution	<u>339,015</u>	<u>356,474</u>	<u>350,342</u>	<u>385,429</u>	<u>367,541</u>	<u>367,541</u>	<u>349,519</u>	<u>357,276</u>	<u>357,276</u>	<u>304,258</u>
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (110)</u>	<u>\$ -</u>	<u>\$ (9,122)</u>	<u>\$ 10,922</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,769</u>	<u>\$ -</u>
Covered payroll	<u>\$ 4,938,953</u>	<u>\$ 4,760,437</u>	<u>\$ 4,170,830</u>	<u>\$ 4,020,077</u>	<u>\$ 4,435,017</u>	<u>\$ 4,264,439</u>	<u>\$ 4,439,312</u>	<u>N/A</u>	<u>\$ 3,839,606</u>	<u>\$ 3,839,606</u>
Contributions as a percentage of covered payroll	<u>6.86%</u>	<u>7.49%</u>	<u>8.40%</u>	<u>9.59%</u>	<u>8.29%</u>	<u>8.62%</u>	<u>7.87%</u>	<u>N/A</u>	<u>9.31%</u>	<u>7.92%</u>

Town of Monroe, Connecticut

Notes to Required Supplementary Information

Education Retirement Income Plan
Schedule of Contributions
Last Seven Years (1)

	2020	2019	2018	2017	2016	2015	2014
Changes of Benefit Terms	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2018	July 1, 2018	July 1, 2016	July 1, 2014	July 1, 2014	July 1, 2012	July 1, 2012
Actuarial methods and assumptions used to determine contribution rates:							
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization Method	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level dollar	Level dollar
Asset Valuation Method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation	2.75%	2.75%	2.75%	3.00%	3.00%	3.00%	3.00%
Salary Increases	3.75%	3.75%	3.75%	4.00%	4.00%	4.00%	4.00%
Investment Rate of Return (net)	6.75%	6.75%	6.75%	7.50%	7.50%	7.50%	7.50%
Mortality Rate	RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2018	RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2018	RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2016	RP-2000 Mortality with no collar adjustments projected to valuation date with Scale MP-2014	RP-2000 Mortality with no collar adjustments projected to valuation date with Scale MP-2014	RP-2000 Mortality Table projected to the valuation date with Scale AA.	RP-2000 Mortality Table projected to the valuation date with Scale AA.

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

Town of Monroe, Connecticut

Required Supplementary Information

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Schedule of Proportionate Share of the Net Pension Liability</u>						
Town's proportion of the net pension liability for the police and fire with social security sub plan	<u>8.825715%</u>	<u>7.988970%</u>	<u>8.332825%</u>	<u>8.332825%</u>	<u>8.754860%</u>	<u>8.754860%</u>
Town's proportionate share of the net pension (asset) liability	<u>\$ 6,430,746</u>	<u>\$ 5,427,638</u>	<u>\$ 3,331,755</u>	<u>\$ 3,895,673</u>	<u>\$ 2,678,744</u>	<u>\$ 2,116,810</u>
Town's covered payroll	<u>N/A</u>	<u>\$ 3,919,896</u>	<u>\$ 4,525,278</u>	<u>\$ 3,858,797</u>	<u>\$ 3,858,797</u>	<u>\$ 3,507,399</u>
Town's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	<u>N/A</u>	<u>138.46%</u>	<u>73.63%</u>	<u>100.96%</u>	<u>69.42%</u>	<u>60.35%</u>
Total plan fiduciary net position as a percentage of the total pension liability	<u>72.69%</u>	<u>73.60%</u>	<u>91.68%</u>	<u>88.29%</u>	<u>92.75%</u>	<u>90.48%</u>

Schedule of Contributions

Contractually required contribution	<u>\$ 809,775</u>	<u>\$ 706,224</u>	<u>\$ 645,577</u>	<u>\$ 645,577</u>	<u>\$ 633,992</u>	<u>\$ 608,354</u>
Contributions in relation to the contractually required contribution	<u>809,775</u>	<u>706,224</u>	<u>645,577</u>	<u>645,577</u>	<u>633,992</u>	<u>608,354</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>N/A</u>	<u>\$ 3,919,896</u>	<u>\$ 4,525,278</u>	<u>\$ 3,858,797</u>	<u>\$ 3,858,797</u>	<u>\$ 3,507,399</u>
Contributions as a percentage of covered payroll	<u>N/A</u>	<u>18.02%</u>	<u>14.27%</u>	<u>16.73%</u>	<u>16.43%</u>	<u>17.34%</u>

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

N/A - not available

Town of Monroe, Connecticut

Notes to Required Supplementary Information

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

	2020	2019	2018	2017	2016	2015
Changes of Benefit Terms	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2019	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014
Actuarial methods and assumptions used to determine contribution rates:						
Actuarial Cost Method	Entry age					
Amortization Method	Level dollar, closed					
Remaining Amortization Period	21 years	21 years	23 years	23 years	25 years	25 years
Asset Valuation Method	5 year smoothing					
Inflation	2.50%	2.50%	3.25%	3.25%	3.25%	3.25%
Salary Increases	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	4.25%-11.00%, average, including inflation			
Cost-of-Living Adjustments	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards
Social Security Wage Base	3.00%	3.00%	3.50%	3.50%	3.50%	3.50%
Investment Rate of Return (net)	7.00%	7.00%	8.00%	8.00%	8.00%	8.00%
Mortality	RP-2014 Mortality table projected to 2015 with scale MP-2017 and projected to 2022 with scale BB	RP-2014 Mortality table projected to 2015 with scale MP-2017 and projected to 2022 with scale BB	RP-2000 Mortality table	RP-2000 Mortality table	RP-2000 Mortality table	RP-2000 Mortality table

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

Town of Monroe, Connecticut

Required Supplementary Information

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Schedule of Proportionate Share of the Net Pension Liability</u>						
Town's proportion of the net pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension liability associated with the Town	<u>114,804,732</u>	<u>88,521,118</u>	<u>94,485,584</u>	<u>99,683,015</u>	<u>76,967,634</u>	<u>71,141,153</u>
Total	<u>\$ 114,804,732</u>	<u>\$ 88,521,118</u>	<u>\$ 94,485,584</u>	<u>\$ 99,683,015</u>	<u>\$ 76,967,634</u>	<u>\$ 71,141,153</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>
<u>Schedule of Contributions</u>						
Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

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

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

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

Town of Monroe, Connecticut

Notes to Required Supplementary Information

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

	2020	2019	2018	2017	2016	2015
Changes of Benefit Terms	None	Beginning January 1, 2018, member contributions increased from 6.00% to 7.00% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014
Actuarial methods and assumptions used to determine contribution rates:						
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed			
Remaining Amortization Period	17.6 years	17.6 years	20.4 years	20.4 years	21.4 years	22.4 years
Asset Valuation Method	4 year smoothed market	4 year smoothed market	4 year smoothed market			
Inflation	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%
Salary Increases	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation			
Investment Rate of Return (net)	6.90%	8.00%	8.00%	8.00%	8.00%	8.00%
Mortality	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA

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

Town of Monroe, Connecticut

Required Supplementary Information

Police Other Post-Employment Benefit ("OPEB") Plan
Last Four Years (1)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Schedule of Changes in Net OPEB Liability and Related Ratios</u>				
OPEB liability				
Service cost	\$ 121,080	\$ 141,451	\$ 134,375	\$ 130,779
Interest	145,481	167,658	153,598	138,377
Differences between expected and actual experience	(144,343)	(394,118)	(35,893)	(11,163)
Changes in assumptions	-	(70,766)	-	-
Benefit payments, including refunds of member contributions	<u>(70,294)</u>	<u>(68,687)</u>	<u>(33,631)</u>	<u>(49,256)</u>
Net change in total OPEB liability	51,924	(224,462)	218,449	208,737
OPEB liability - July 1	<u>2,151,691</u>	<u>2,376,153</u>	<u>2,157,704</u>	<u>1,948,967</u>
OPEB liability - June 30 (a)	<u>\$ 2,203,615</u>	<u>\$ 2,151,691</u>	<u>\$ 2,376,153</u>	<u>\$ 2,157,704</u>
Fiduciary net position				
Contributions - employer	205,258	256,555	223,631	189,896
Contributions - member	84,510	83,915	72,824	33,807
Net investment income (loss)	32,594	49,708	5,332	297
Benefit payments, including refunds of member contributions	(70,294)	(68,687)	(33,631)	(49,256)
Administrative expenses	<u>(2,800)</u>	<u>(12,000)</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	249,268	309,491	268,156	174,744
Plan fiduciary net position - July 1	<u>1,004,729</u>	<u>695,238</u>	<u>427,082</u>	<u>252,338</u>
Plan fiduciary net position - June 30 (b)	<u>\$ 1,253,997</u>	<u>\$ 1,004,729</u>	<u>\$ 695,238</u>	<u>\$ 427,082</u>
Net OPEB liability - June 30 (a)-(b)	<u>949,618</u>	<u>1,146,962</u>	<u>1,680,915</u>	<u>1,730,622</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>56.91%</u>	<u>46.69%</u>	<u>29.26%</u>	<u>19.79%</u>
Covered payroll	<u>\$ 3,518,717</u>	<u>\$ 3,399,727</u>	<u>\$ 3,377,844</u>	<u>\$ 3,287,439</u>
Net OPEB liability as a percentage of covered payroll	<u>26.99%</u>	<u>33.74%</u>	<u>49.76%</u>	<u>52.64%</u>
<u>Schedule of Investment Returns</u>				
Annual money-weighted rate of return, net of investment expenses	<u>3.13%</u>	<u>6.81%</u>	<u>1.60%</u>	<u>0.09%</u>

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

Town of Monroe, Connecticut

Required Supplementary Information

Police Other Post Employment Benefit ("OPEB") Plan
Schedule of Contributions
Last Ten Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contributions	\$ 134,964	\$ 187,868	\$ 186,574	\$ 109,498	\$ 106,000	\$ 179,057	\$ 175,750	\$ 162,881	\$ 159,926	\$ 112,070
Contributions in relation to the actuarially determined contribution	<u>205,258</u>	<u>256,555</u>	<u>223,631</u>	<u>189,896</u>	<u>94,479</u>	<u>27,390</u>	<u>31,212</u>	<u>46,500</u>	<u>42,515</u>	<u>45,143</u>
Contribution excess (deficiency)	<u>\$ 70,294</u>	<u>\$ 68,687</u>	<u>\$ 37,057</u>	<u>\$ 80,398</u>	<u>\$ (11,521)</u>	<u>\$ (151,667)</u>	<u>\$ (144,538)</u>	<u>\$ (116,381)</u>	<u>\$ (117,411)</u>	<u>\$ (66,927)</u>
Covered payroll	<u>\$ 3,518,717</u>	<u>\$ 3,399,727</u>	<u>\$ 3,377,844</u>	<u>\$ 3,287,439</u>	<u>\$ 3,129,570</u>	<u>\$ 3,129,570</u>	<u>\$ 2,732,999</u>	<u>\$ 2,732,999</u>	<u>\$ 2,702,454</u>	<u>\$ 2,702,454</u>
Contributions as a percentage of covered payroll	<u>5.83%</u>	<u>7.55%</u>	<u>6.62%</u>	<u>5.78%</u>	<u>3.02%</u>	<u>0.88%</u>	<u>1.14%</u>	<u>1.70%</u>	<u>1.57%</u>	<u>1.67%</u>

Town of Monroe, Connecticut

Notes to Required Supplementary Information

Police Other Post Employment Benefits ("OPEB") Plan
Schedule of Contributions
Last Four Years (1)

	2020	2019	2018	2017
Changes of Benefit Terms	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2018	July 1, 2016	July 1, 2016	July 1, 2014
Actuarial methods and assumptions used to determine contribution rates:				
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal	Projected unit credit
Amortization Method	Level percentage	Level percentage	Level percentage	Level dollar
Asset Valuation Method	Fair value	Fair value	Fair value	Fair value
Inflation	2.50%	2.75%	2.75%	N/A
Salary Increases	3.50%	3.75%	3.75%	N/A
Investment Rate of Return (net)	6.75%	6.75%	6.75%	7.00%
Mortality Rate	RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2016	RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2016	RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2016	RP-2000 projected to the valuation date with Scale BB.

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

N/A - Not Available

Town of Monroe, Connecticut

Required Supplementary Information

Education Other Post-Employment Benefit ("OPEB") Plan
Last Three Years (1)Schedule of Changes in the OPEB Liability and Related Ratios

	<u>2020</u>	<u>2019</u>	<u>2018</u>
OPEB liability			
Service cost	\$ 425,078	\$ 325,702	\$ 326,852
Interest	414,750	395,786	370,243
Differences between expected and actual experience	(270,621)	742,226	(22,271)
Changes in assumptions	1,669,901	407,507	(314,406)
Benefit payments, including refunds of member contributions	<u>(284,797)</u>	<u>(475,936)</u>	<u>(472,843)</u>
Net change in total OPEB liability	1,954,311	1,395,285	(112,425)
OPEB liability - July 1	<u>11,532,324</u>	<u>10,137,039</u>	<u>10,249,464</u>
OPEB liability - June 30 *	<u>\$ 13,486,635</u>	<u>\$ 11,532,324</u>	<u>\$ 10,137,039</u>
Covered payroll	<u>\$ 36,351,008</u>	<u>\$ 35,429,832</u>	<u>\$ 33,795,006</u>
Total OPEB liability as a percentage of covered payroll	<u>37.10%</u>	<u>32.55%</u>	<u>30.00%</u>

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

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

Town of Monroe, Connecticut

Required Supplementary Information

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Schedule of Proportionate Share of the Net OPEB Liability</u>			
Town's proportion of the net OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	<u>17,904,446</u>	<u>17,695,969</u>	<u>24,319,519</u>
Total	<u>\$ 17,904,446</u>	<u>\$ 17,695,969</u>	<u>\$ 24,319,519</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>

Schedule of Contributions

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

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

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

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

Town of Monroe, Connecticut

Notes to Required Supplementary Information

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

	2020	2019	2018
Changes of Benefit Terms	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2018	June 30, 2018	June 30, 2016
Actuarial methods and assumptions used to determine contribution rates:			
Actuarial Cost Method	Entry age	Entry age	Entry age
Amortization Method	Level percentage, open	Level percentage, open	Level percentage, open
Amortization Period	30 years	30 years	30 years
Asset Valuation Method	Fair Value	Fair Value	Fair Value
Inflation	2.75%	2.75%	2.75%
Healthcare Inflation Rate	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary Increases	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment Rate of Return (net)	3.00%	3.00%	4.25%
Mortality Rate	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale

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

Supplemental Schedules

General Fund

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

For reporting in accordance with generally accepted accounting principles, the general fund includes certain funds that are required to be reported as part of the general fund under the requirements of GASB No. 54.

Fund	Funding Source	Function
Special Education Fund	Transfers in	To account for transfers in received to fund unanticipated fluctuations in special education expenditures
Emergency Disaster Relief Fund	Transfers in	To account for transfers in received to fund emergency disaster relief
COVID-19 Fund	Grants and contributions	To account for funds received to fund COVID-19 relief

Town of Monroe, Connecticut

General Fund
Combining Balance Sheet
June 30, 2020

	General Fund	Special Education Fund	Emergency Disaster Relief Fund	COVID-19 Fund	Elimination Entries	Total
<u>Assets</u>						
Cash	\$ 735,558	\$ -	\$ -	\$ -	\$ -	\$ 735,558
Investments	24,377,728	-	-	-	-	24,377,728
Restricted investments	1,271,484	-	-	-	-	1,271,484
Receivables (net):						
Property taxes	1,476,491	-	-	-	-	1,476,491
Accounts	131,816	-	-	-	-	131,816
Intergovernmental	58,417	-	-	3,123	-	61,540
Due from other funds	1,818,370	500,000	500,000	-	(1,004,813)	1,813,557
Other	911	-	-	-	-	911
Total assets	\$ 29,870,775	\$ 500,000	\$ 500,000	\$ 3,123	\$ (1,004,813)	\$ 29,869,085
<u>Liabilities</u>						
Accounts payable	\$ 1,547,697	\$ -	\$ -	\$ 26,729	\$ -	\$ 1,574,426
Accrued payroll and related	582,759	-	-	-	-	582,759
Due to other funds	8,195,673	-	-	4,813	(1,004,813)	7,195,673
Performance bonds	1,212,736	-	-	-	-	1,212,736
Other	44,529	-	-	-	-	44,529
Total liabilities	11,583,394	-	-	31,542	(1,004,813)	10,610,123
<u>Deferred Inflows of Resources</u>						
Unavailable revenue:						
Property taxes	1,476,491	-	-	-	-	1,476,491
<u>Fund Balances</u>						
Restricted	371,072	-	-	-	-	371,072
Committed	-	500,000	500,000	-	-	1,000,000
Assigned	9,105,815	-	-	-	-	9,105,815
Unassigned	7,334,003	-	-	(28,419)	-	7,305,584
Total fund balances	16,810,890	500,000	500,000	(28,419)	-	17,782,471
Total liabilities, deferred inflows of resources and fund balances	\$ 29,870,775	\$ 500,000	\$ 500,000	\$ 3,123	\$ (1,004,813)	\$ 29,869,085

Town of Monroe, Connecticut

General Fund
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ended June 30, 2020

	General Fund	Special Education Fund	Emergency Disaster Relief Fund	COVID-19 Fund	Elimination Entries	Total
Revenues:						
Property taxes	\$ 77,801,930	\$ -	\$ -	\$ -	\$ -	\$ 77,801,930
Intergovernmental	14,938,109	-	-	32,655	-	14,970,764
Charges for services	1,567,280	-	-	-	-	1,567,280
Contributions	-	-	-	13,950	-	13,950
Income from investments	786,853	-	-	-	-	786,853
Other	73,940	-	-	-	-	73,940
Total revenues	95,168,112	-	-	46,605	-	95,214,717
Expenditures:						
Current:						
General government	8,325,199	-	-	-	-	8,325,199
Public safety	7,776,663	-	-	-	-	7,776,663
Public works	3,337,351	-	-	-	-	3,337,351
Health and welfare	318,319	-	-	64,399	-	382,718
Culture and recreation	1,598,042	-	-	-	-	1,598,042
Education	65,807,842	-	-	-	-	65,807,842
Debt service	6,046,629	-	-	-	-	6,046,629
Capital outlay	2,020	-	-	-	-	2,020
Total expenditures	93,212,065	-	-	64,399	-	93,276,464
Excess (deficiency) of revenues over expenditures	1,956,047	-	-	(17,794)	-	1,938,253
Other financing sources (uses):						
Sale of capital assets	3,260	-	-	-	-	3,260
Transfers in	81,927	500,000	500,000	-	(1,000,000)	81,927
Transfers out	(2,033,886)	-	-	(10,625)	1,000,000	(1,044,511)
Net other financing sources (uses)	(1,948,699)	500,000	500,000	(10,625)	-	(959,324)
Net change in fund balances	7,348	500,000	500,000	(28,419)	-	978,929
Fund balances - July 1, 2019	16,803,542	-	-	-	-	16,803,542
Fund balances - June 30, 2020	\$ 16,810,890	\$ 500,000	\$ 500,000	\$ (28,419)	\$ -	\$ 17,782,471

Town of Monroe, Connecticut
Report of Tax Collector
For the Year Ended June 30, 2020

Grand List Year	Uncollected Taxes July 1, 2019	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2020
			Additions	Deductions			Net Taxes Collected	Interest and Liens	Total	
2012	\$ 120	\$ -	\$ -	\$ -	\$ -	\$ 120	\$ -	\$ -	\$ -	\$ 120
2013	10,267	-	-	-	17	10,250	-	-	-	10,250
2014	10,348	-	-	-	1,273	9,075	-	-	-	9,075
2015	13,697	-	13,156	315	3,232	23,306	14,059	269	14,328	9,247
2016	239,920	-	3,619	4,954	115,478	123,107	40,607	23,782	64,389	82,500
2017	<u>738,733</u>	<u>-</u>	<u>12,134</u>	<u>26,815</u>	<u>3,186</u>	<u>720,866</u>	<u>408,774</u>	<u>90,115</u>	<u>498,889</u>	<u>312,092</u>
Total Prior Years	1,013,085	-	28,909	32,084	123,186	886,724	463,440	114,166	577,606	423,284
2018	<u>-</u>	<u>78,182,625</u>	<u>75,880</u>	<u>238,408</u>	<u>3,216</u>	<u>78,016,881</u>	<u>77,060,989</u>	<u>154,536</u>	<u>77,215,525</u>	<u>955,892</u>
Total	<u>\$ 1,013,085</u>	<u>\$ 78,182,625</u>	<u>\$ 104,789</u>	<u>\$ 270,492</u>	<u>\$ 126,402</u>	<u>\$ 78,903,605</u>	<u>\$ 77,524,429</u>	<u>\$ 268,702</u>	<u>\$ 77,793,131</u>	1,379,176
								Interest and liens receivable		234,315
								Allowance for doubtful accounts		<u>(137,000)</u>
								Taxes, interest and liens receivable (net)		<u>\$ 1,476,491</u>

Other Governmental Funds

Special Revenue Funds

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

Fund	Funding Source	Function
Library Grants Fund	Grants	To account for various federal, state and local grants received for the library.
Wheeler Library Fund	Contributions	To account for revenue received from Edith S Wheeler Trust for the benefit of the library.
School Cafeteria Fund	Sale of food and grants	To account for operations of the schools' cafeterias.
Education Grants Fund	Grants	To account for various grants received for various federal, state and local grants received for educational purposes.
Education Programs Fund	Fees	To account for the various educational and extracurricular activities for which the fees were collected.
WMNR Radio Station Fund	Contributions and fees	To account for private donations and memberships received which fund the operations of the WMNR Radio Station.
Police Grants Fund	Grants and fees	To account for various federal, state and local grants received for law enforcement.
Police Private Duty Fund	Fees	To account for the associated private duty labor and vehicle costs.
Recreation Programs Fund	Fees	To account for the associated expenditures required to run various programs by Parks and Recreation.
Senior Center Grant and Program Fund	Fees and grants	To account for various program expenditures at the Senior Center for the benefit of senior citizens.
Town Grants and Programs Fund	Grants, fees and contributions	To account for various specified purposes.
Town Road Grants Fund	Grants	To account for state grant revenues and related expenditures.
Waste Disposal Fund	Fees	To account for the Town's proportionate usage of the Trumbull Transfer Station.
Small Cities Fund	Grants	To account for the Community Development Block Grant to be used for housing rehabilitation.

Other Governmental Funds

Capital Project Funds

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

Fund	Funding Source	Function
Plan of Conservation and Development Fund	Transfers in	To account for expenditures related to the updating and implementation of the Plan of Conservation and Development (POCD).
Local Capital Improvements Fund	Grants and fees	To account for town clerk fees and state grant revenue and related expenditures for various projects.
Education Bonded Projects Fund	Bonds	To account for the bond revenues and expenditures associated with various Board of Education capital projects.
Road Construction and Reconstruction Fund	Bonds	To account for all road construction and reconstruction projects (paving, drainage, etc.).
Reconstruction of Pepper Street Fund	Grants and bonds	To account for the grant revenue and related expenditures for the reconstruction of Pepper Street.
Police Department Renovation Fund	Grants and bonds	To account for the revenue and expenditures related to the renovation of the police station.
Education Capital Reserve Fund	Transfers in	To account for education related capital projects.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes as categorized by the fund title.

Fund	Funding Source	Function
Cornelia Rogers Fund	Contributions	To account for the annual income which is to be used from time to time as the Town may authorize.

Town of Monroe, Connecticut

Combining Balance Sheet
Other Governmental Funds
June 30, 2020

		Special Revenue Funds							
		Library Grants	Wheeler Library	School Cafeteria	Education Grants	Education Programs	WMNR Radio Station	Police Grants	Police Private Duty
<u>Assets</u>									
Cash	\$ -	\$ -	\$ 108,885	\$ -	\$ 1,400	\$ 209,872	\$ -	\$ -	
Investments	-	-	-	-	-	210,485	-	-	
Receivables:									
Accounts	-	-	-	-	74,042	4,356	-	94,032	
Intergovernmental	-	-	26,398	3,276	-	-	-	-	
Loans	-	-	-	-	-	-	-	-	
Due from other funds	<u>9,352</u>	<u>76,691</u>	<u>41,456</u>	<u>89,363</u>	<u>367,300</u>	<u>-</u>	<u>19,499</u>	<u>1,066,411</u>	
Total assets	<u>\$ 9,352</u>	<u>\$ 76,691</u>	<u>\$ 176,739</u>	<u>\$ 92,639</u>	<u>\$ 442,742</u>	<u>\$ 424,713</u>	<u>\$ 19,499</u>	<u>\$ 1,160,443</u>	
<u>Liabilities</u>									
Accounts payable	\$ -	\$ 3,799	\$ 95,582	\$ -	\$ -	\$ 15,600	\$ 2,564	\$ 37,451	
Due to other funds	-	-	-	-	-	-	-	-	
Unearned revenue	-	-	63,480	80,884	-	-	-	-	
Total liabilities	<u>-</u>	<u>3,799</u>	<u>159,062</u>	<u>80,884</u>	<u>-</u>	<u>15,600</u>	<u>2,564</u>	<u>37,451</u>	
<u>Deferred Inflows of Resources</u>									
Unavailable revenue-intergovernmental	-	-	-	-	-	-	-	-	
<u>Fund Balances</u>									
Nonspendable	-	-	-	-	-	-	-	-	
Restricted	9,352	72,892	17,677	11,755	-	-	16,935	-	
Committed	-	-	-	-	-	-	-	-	
Assigned	-	-	-	-	442,742	409,113	-	1,122,992	
Unassigned	-	-	-	-	-	-	-	-	
Total fund balances	<u>9,352</u>	<u>72,892</u>	<u>17,677</u>	<u>11,755</u>	<u>442,742</u>	<u>409,113</u>	<u>16,935</u>	<u>1,122,992</u>	
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,352</u>	<u>\$ 76,691</u>	<u>\$ 176,739</u>	<u>\$ 92,639</u>	<u>\$ 442,742</u>	<u>\$ 424,713</u>	<u>\$ 19,499</u>	<u>\$ 1,160,443</u>	

(Continued)

Town of Monroe, Connecticut

Combining Balance Sheet
Other Governmental Funds
June 30, 2020

	Special Revenue Funds						Capital Project Funds	
	Recreation Programs	Senior Center Grant and Programs	Town Grants and Programs	Town Road Grants	Waste Disposal	Small Cities	Total Special Revenue Funds	Plan of Conservation and Development
<u>Assets</u>								
Cash	\$ -	\$ -	\$ 342,347	\$ -	\$ -	\$ -	\$ 662,504	\$ -
Investments	-	-	-	-	-	-	210,485	-
Receivables:								
Accounts	-	-	-	-	67,349	-	239,779	-
Intergovernmental	-	-	-	-	-	-	29,674	-
Loans	-	-	-	-	-	222,585	222,585	-
Due from other funds	233,566	99,598	429,220	1,742,883	84,219	-	4,259,558	62,183
Total assets	<u>\$ 233,566</u>	<u>\$ 99,598</u>	<u>\$ 771,567</u>	<u>\$ 1,742,883</u>	<u>\$ 151,568</u>	<u>\$ 222,585</u>	<u>\$ 5,624,585</u>	<u>\$ 62,183</u>
<u>Liabilities</u>								
Accounts payable	\$ 2,088	\$ -	\$ 12,870	\$ 32,500	\$ 51,063	\$ -	\$ 253,517	\$ -
Due to other funds	-	-	19,636	-	-	-	19,636	-
Unearned revenue	52,455	84,865	-	-	-	-	281,684	-
Total liabilities	<u>54,543</u>	<u>84,865</u>	<u>32,506</u>	<u>32,500</u>	<u>51,063</u>	<u>-</u>	<u>554,837</u>	<u>-</u>
<u>Deferred Inflows of Resources</u>								
Unavailable revenue-intergovernmental	-	-	-	-	-	-	-	-
<u>Fund Balances</u>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	457,896	1,710,383	-	222,585	2,519,475	-
Committed	-	-	-	-	-	-	-	-
Assigned	179,023	14,733	281,165	-	100,505	-	2,550,273	62,183
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>179,023</u>	<u>14,733</u>	<u>739,061</u>	<u>1,710,383</u>	<u>100,505</u>	<u>222,585</u>	<u>5,069,748</u>	<u>62,183</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 233,566</u>	<u>\$ 99,598</u>	<u>\$ 771,567</u>	<u>\$ 1,742,883</u>	<u>\$ 151,568</u>	<u>\$ 222,585</u>	<u>\$ 5,624,585</u>	<u>\$ 62,183</u>

(Continued)

Town of Monroe, Connecticut

Combining Balance Sheet
Other Governmental Funds
June 30, 2020

	Capital Project Funds				Total Capital Project Funds	Permanent Fund	Total Other Governmental Funds
	Local Capital Improvements	Reconstruction of Pepper Street	Police Department Renovation	Education Capital Reserve		Cornelia Rogers	
<u>Assets</u>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 662,504
Investments	-	-	-	-	-	-	210,485
Receivable:							
Accounts	-	-	-	-	-	-	239,779
Intergovernmental	-	10,007	-	-	10,007	-	39,681
Loans	-	-	-	-	-	-	222,585
Due from other funds	197,270	-	104,771	90,650	454,874	58,748	4,773,180
Total assets	\$ 197,270	\$ 10,007	\$ 104,771	\$ 90,650	\$ 464,881	\$ 58,748	\$ 6,148,214
<u>Liabilities</u>							
Accounts payable	\$ -	\$ 115,189	\$ 90,529	\$ -	\$ 205,718	\$ -	\$ 459,235
Due to other funds	-	294,907	-	-	294,907	-	314,543
Unearned revenue	-	-	-	-	-	-	281,684
Total liabilities	-	410,096	90,529	-	500,625	-	1,055,462
<u>Deferred Inflows of Resources</u>							
Unavailable revenue-intergovernmental	-	10,007	-	-	10,007	-	10,007
<u>Fund Balances</u>							
Nonspendable	-	-	-	-	-	2,250	2,250
Restricted	-	-	-	-	-	56,498	2,575,973
Committed	197,270	-	14,242	90,650	302,162	-	302,162
Assigned	-	-	-	-	62,183	-	2,612,456
Unassigned	-	(410,096)	-	-	(410,096)	-	(410,096)
Total fund balances	197,270	(410,096)	14,242	90,650	(45,751)	58,748	5,082,745
Total liabilities, deferred inflows of resources and fund balances	\$ 197,270	\$ 10,007	\$ 104,771	\$ 90,650	\$ 464,881	\$ 58,748	\$ 6,148,214

Town of Monroe, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2020

Special Revenue Funds

	Library Grants	Wheeler Library	School Cafeteria	Education Grants	Education Programs	WMNR Radio Station	Police Grants	Police Private Duty
Revenues:								
Intergovernmental	\$ 7,545	\$ -	\$ 184,494	\$ 1,649,922	\$ 5,635	\$ -	\$ 53,098	\$ -
Charges for services	-	-	816,428	-	655,659	583,539	31,250	930,689
Contributions	-	-	-	-	-	159,322	-	-
Income from investments	-	300	87	-	-	3,369	-	-
Other	-	-	-	-	-	2,217	-	-
Total revenues	<u>7,545</u>	<u>300</u>	<u>1,001,009</u>	<u>1,649,922</u>	<u>661,294</u>	<u>748,447</u>	<u>84,348</u>	<u>930,689</u>
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	82,180	574,831
Public works	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	6,554	24,225	-	-	-	705,365	-	-
Education	-	-	1,059,335	1,649,922	654,676	-	-	-
Capital outlay	-	-	-	-	-	-	-	166,789
Total expenditures	<u>6,554</u>	<u>24,225</u>	<u>1,059,335</u>	<u>1,649,922</u>	<u>654,676</u>	<u>705,365</u>	<u>82,180</u>	<u>741,620</u>
Excess (deficiency) of revenues over expenditures	<u>991</u>	<u>(23,925)</u>	<u>(58,326)</u>	<u>-</u>	<u>6,618</u>	<u>43,082</u>	<u>2,168</u>	<u>189,069</u>
Other financing sources (uses):								
Issuance of debt	-	-	42,720	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	(81,927)
Transfers out	-	-	-	-	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>42,720</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(81,927)</u>
Net change in fund balances	991	(23,925)	(15,606)	-	6,618	43,082	2,168	107,142
Fund balances - July 1, 2019	<u>8,361</u>	<u>96,817</u>	<u>33,283</u>	<u>11,755</u>	<u>436,124</u>	<u>366,031</u>	<u>14,767</u>	<u>1,015,850</u>
Fund balances - June 30, 2020	<u>\$ 9,352</u>	<u>\$ 72,892</u>	<u>\$ 17,677</u>	<u>\$ 11,755</u>	<u>\$ 442,742</u>	<u>\$ 409,113</u>	<u>\$ 16,935</u>	<u>\$ 1,122,992</u>

(Continued)

Town of Monroe, Connecticut
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds						Capital Project Funds Plan of Conservation and Development
	Recreation Programs	Senior Center Grant and Program	Town Grants and Programs	Town Road Grants	Waste Disposal	Small Cities	Total Special Revenue Funds
Revenues:							
Intergovernmental	\$ -	\$ 28,311	\$ 5,500	\$ 530,412	\$ -	\$ 216,098	\$ 2,681,015
Charges for services	297,557	28,948	370,771	-	563,102	-	4,277,943
Contributions	-	-	94,596	-	-	-	253,918
Income from investments	-	-	-	-	-	-	3,756
Other	-	-	-	-	-	-	2,217
Total revenues	297,557	57,259	470,867	530,412	563,102	216,098	7,218,849
Expenditures:							
Current:							
General government	-	-	69,515	-	-	56,685	126,200
Public safety	-	-	71,053	-	-	-	728,064
Public works	-	-	83,209	633,762	609,359	-	1,326,330
Health and welfare	-	-	73,433	-	-	-	73,433
Culture and recreation	244,635	46,440	87,137	-	-	-	1,114,356
Education	-	-	-	-	-	-	3,363,933
Capital outlay	-	-	-	-	-	-	166,789
Total expenditures	244,635	46,440	384,347	633,762	609,359	56,685	6,899,105
Excess (deficiency) of revenues over expenditures	52,922	10,819	86,520	(103,350)	(46,257)	159,413	319,744
Other financing sources (uses):							
Issuance of debt	-	-	-	-	-	-	-
Transfers in	-	-	15,625	-	-	-	58,345
Transfers out	-	-	-	-	-	-	(81,927)
Net other financing sources (uses)	-	-	15,625	-	-	-	(23,582)
Net change in fund balances	52,922	10,819	102,145	(103,350)	(46,257)	159,413	296,162
Fund balances - July 1, 2019	126,101	3,914	636,916	1,813,733	146,762	63,172	4,773,586
Fund balances - June 30, 2020	\$ 179,023	\$ 14,733	\$ 739,061	\$ 1,710,383	\$ 100,505	\$ 222,585	\$ 5,069,748

(Continued)

Town of Monroe, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2020

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	Capital Project Funds						Total Capital Project Funds	Permanent Fund	Total Other Governmental Funds
	Local Capital Improvements	Education Bonded Projects	Road Construction and Reconstruction	Reconstruction of Pepper Street	Police Department Renovation	Education Capital Reserve		Cornelia Rogers	
Revenues:									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,681,015
Charges for services	6,027	-	-	-	-	-	6,027	-	4,283,970
Contributions	-	-	-	-	-	-	-	-	253,918
Income from investments	-	-	-	-	-	-	-	1,152	4,908
Other	-	-	-	-	-	-	-	-	2,217
Total revenues	<u>6,027</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,027</u>	<u>1,152</u>	<u>7,226,028</u>
Expenditures:									
Current:									
General government	-	-	-	-	-	-	-	-	126,200
Public safety	-	-	-	-	-	-	-	-	728,064
Public works	-	-	-	-	-	-	-	-	1,326,330
Health and welfare	-	-	-	-	-	-	-	-	73,433
Culture and recreation	-	-	-	-	-	-	-	-	1,114,356
Education	-	-	-	-	-	-	-	-	3,363,933
Capital outlay	-	-	1,211,604	214,670	-	-	1,444,422	-	1,611,211
Total expenditures	<u>-</u>	<u>-</u>	<u>1,211,604</u>	<u>214,670</u>	<u>-</u>	<u>-</u>	<u>1,444,422</u>	<u>-</u>	<u>8,343,527</u>
Excess (deficiency) of revenues over expenditures	<u>6,027</u>	<u>-</u>	<u>(1,211,604)</u>	<u>(214,670)</u>	<u>-</u>	<u>-</u>	<u>(1,438,395)</u>	<u>1,152</u>	<u>(1,117,499)</u>
Other financing sources (uses):									
Issuance of debt	-	-	1,017,000	-	-	-	1,017,000	-	1,017,000
Transfers in	-	-	-	-	-	-	-	-	58,345
Transfers out	-	(67,816)	-	-	-	-	(67,816)	-	(149,743)
Net other financing sources (uses)	<u>-</u>	<u>(67,816)</u>	<u>1,017,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>949,184</u>	<u>-</u>	<u>925,602</u>
Net change in fund balances	6,027	(67,816)	(194,604)	(214,670)	-	-	(489,211)	1,152	(191,897)
Fund balances - July 1, 2019	<u>191,243</u>	<u>67,816</u>	<u>194,604</u>	<u>(195,426)</u>	<u>14,242</u>	<u>90,650</u>	<u>443,460</u>	<u>57,596</u>	<u>5,274,642</u>
Fund balances - June 30, 2020	<u>\$ 197,270</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (410,096)</u>	<u>\$ 14,242</u>	<u>\$ 90,650</u>	<u>\$ (45,751)</u>	<u>\$ 58,748</u>	<u>\$ 5,082,745</u>

(Concluded)

Internal Service Funds

Internal Service funds are used to account for the providing of goods or services provided by one department to other departments of the Town on a cost reimbursement basis or accounting for risk retention.

Fund	Function
Board of Education Medical and Dental Fund	To account for the Board of Education's Medical and Dental Plans
Heart and Hypertension Fund	To account for Heart and Hypertension claims of police officers

Town of Monroe, Connecticut

Internal Service Funds
Combining Statement of Net Position
June 30, 2020

<u>Assets</u>	<u>Education Medical and Dental</u>	<u>Heart and Hypertension</u>	<u>Total</u>
Current assets:			
Cash	\$ 73,901	\$ -	\$ 73,901
Accounts receivable	18,395	-	18,395
Due from other funds	-	428,233	428,233
	<u>92,296</u>	<u>428,233</u>	<u>520,529</u>
Total current assets			
	<u>92,296</u>	<u>428,233</u>	<u>520,529</u>
<u>Liabilities</u>			
Current liabilities:			
Heart and hypertension	-	53,025	53,025
Due to other funds	1,499,014	-	1,499,014
	<u>1,499,014</u>	<u>53,025</u>	<u>1,552,039</u>
Total current liabilities			
	<u>1,499,014</u>	<u>53,025</u>	<u>1,552,039</u>
Noncurrent liability:			
Heart and hypertension	-	232,220	232,220
	<u>-</u>	<u>232,220</u>	<u>232,220</u>
Total liabilities			
	<u>1,499,014</u>	<u>285,245</u>	<u>1,784,259</u>
<u>Net Position</u>			
Unrestricted	<u>\$ (1,406,718)</u>	<u>\$ 142,988</u>	<u>\$ (1,263,730)</u>

Town of Monroe, Connecticut

Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2020

	<u>Education Medical and Dental</u>	<u>Heart and Hypertension</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 11,012	\$ 85,022	\$ 96,034
Operating expenses:			
Claims and benefits	<u>7,011</u>	<u>38,031</u>	<u>45,042</u>
Change in net position	4,001	46,991	50,992
Net position - July 1, 2019	<u>(1,410,719)</u>	<u>95,997</u>	<u>(1,314,722)</u>
Net position - June 30, 2020	<u><u>\$ (1,406,718)</u></u>	<u><u>\$ 142,988</u></u>	<u><u>\$(1,263,730)</u></u>

Town of Monroe, Connecticut

Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2020

	<u>Education Medical and Dental</u>	<u>Heart and Hypertension</u>	<u>Total</u>
Cash flows from (used in) operating activities:			
Cash received from charges for services	\$ 736,763	\$ 65,022	\$ 801,785
Cash paid for benefits and claims	(882,994)	(65,022)	(948,016)
Cash paid for administration	<u>(16,870)</u>	<u>-</u>	<u>(16,870)</u>
Net increase (decrease) in cash	(163,101)	-	(163,101)
Cash - July 1, 2019	<u>237,002</u>	<u>-</u>	<u>237,002</u>
Cash - June 30, 2020	<u>\$ 73,901</u>	<u>\$ -</u>	<u>\$ 73,901</u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:			
Operating income (loss)	\$ 4,001	\$ 46,991	\$ 50,992
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:			
Changes in operating assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(18,395)	-	(18,395)
Due from other funds	-	(20,000)	(20,000)
Increase (decrease) in:			
Accounts payable	(16,870)	-	(16,870)
Claims payable	(875,983)	-	(875,983)
Heart and hypertension	-	(26,991)	(26,991)
Due to other funds	<u>744,146</u>	<u>-</u>	<u>744,146</u>
Net cash from (used in) operating activities	<u>\$ (163,101)</u>	<u>\$ -</u>	<u>\$ (163,101)</u>

Statistical Section

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

Table	Description
Financial Trend (Tables 1-4)	These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.
Revenue Capacity (Tables 5-8)	These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.
Debt Capacity (Tables 9-11)	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.
Demographic and Economic Information (Tables 12-14)	These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.
Operating Information (Tables 15-16)	These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

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

Town of Monroe, Connecticut

Net Position by Component
Last Ten Years
(Unaudited)

June 30

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net Investment in capital assets	\$ 54,837,885	\$ 31,862,249	\$ 51,539,596	\$ 51,511,189	\$ 47,644,061	\$ 43,135,174	\$ 42,870,105	\$ 43,366,732	\$ 38,087,484	\$ 42,622,828
Restricted	2,949,295	1,059,000	892,032	1,030,376	891,323	1,365,940	190,831	190,026	189,760	521,924
Unrestricted	<u>(9,528,048)</u>	<u>(11,077,668)</u>	<u>(3,868,141)</u>	<u>(9,011,321)</u>	<u>170,081</u>	<u>73,315</u>	<u>122,549</u>	<u>(3,702,895)</u>	<u>633,908</u>	<u>(3,052,383)</u>
Total Net Position	<u>\$ 48,259,132</u>	<u>\$ 21,843,581</u>	<u>\$ 48,563,487</u>	<u>\$ 43,530,244</u>	<u>\$ 48,705,465</u>	<u>\$ 44,574,429</u>	<u>\$ 43,183,485</u>	<u>\$ 39,853,863</u>	<u>\$ 38,911,152</u>	<u>40,092,369</u>

Town of Monroe, Connecticut

Changes in Net Position
Last Ten Years
(Unaudited)

For the Year Ended June 30

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
General government	\$ 8,615,641	\$ 8,694,492	\$ 8,578,937	\$ 8,196,290	\$ 8,196,272	\$ 8,686,745	\$ 8,572,236	\$ 7,823,123	\$ 8,229,750	\$ 6,972,475
Public safety	10,565,580	10,017,082	8,953,623	8,727,631	8,472,241	8,368,234	8,209,708	8,278,987	8,326,453	7,339,882
Public works	7,534,360	5,578,373	5,402,753	4,894,353	4,800,989	5,091,569	5,494,186	4,683,225	5,631,004	5,260,746
Subrecipient	-	-	-	-	-	-	-	-	-	251,916
Health and welfare	455,582	433,183	332,320	338,798	357,310	267,102	325,502	270,271	260,055	246,230
Culture and recreation	3,126,270	3,397,814	3,426,250	3,796,280	3,432,231	3,148,479	3,185,250	3,037,069	3,091,287	2,987,392
Education	72,942,808	72,378,312	75,723,462	75,525,651	68,982,600	66,998,073	65,177,110	65,191,283	63,718,458	65,757,974
Interest	1,047,625	953,959	1,249,096	1,465,752	1,407,195	1,459,435	1,414,240	1,367,013	1,438,356	2,334,757
Total expenses	104,287,866	101,453,215	103,666,441	102,944,755	95,648,838	94,019,637	92,378,232	90,650,971	90,695,363	91,151,372
Program Revenues										
Charges for Services										
General government	1,030,637	973,097	639,367	563,500	815,083	581,190	2,935,327	2,928,731	2,246,309	2,388,653
Public safety	1,599,242	1,656,842	1,872,862	1,638,735	1,589,696	1,326,736	893,263	1,024,540	1,099,902	1,006,970
Public works	626,883	666,882	647,757	623,166	640,562	607,745	587,700	711,957	693,659	846,172
Health and welfare	87,152	89,202	87,347	90,905	79,429	6,955	1,505	1,292	1,015	895
Culture and recreation	1,023,448	1,119,555	1,342,163	1,802,181	1,320,089	1,288,639	1,196,565	1,090,762	1,133,228	1,205,517
Education	1,479,388	2,036,357	4,263,645	3,536,570	3,584,177	3,565,079	1,963,319	2,647,635	2,588,406	3,038,590
Operating Grants and Contributions	16,902,216	16,773,406	20,537,016	20,507,288	15,954,774	15,040,873	16,089,649	14,682,527	14,172,938	13,449,453
Capital Grants and Contributions	530,412	617,347	1,476,495	882,052	1,167,963	966,797	662,887	708,284	785,215	1,384,919
Interest	-	-	-	-	-	62,602	-	-	-	-
Total Program Revenues	23,279,378	23,932,688	30,866,652	29,644,397	25,151,773	23,446,616	24,330,215	23,795,728	22,720,672	23,321,169
Net (Expense) Revenue	(81,008,488)	(77,520,527)	(72,799,789)	(73,300,358)	(70,497,065)	(70,573,021)	(68,048,017)	(66,855,243)	(67,974,691)	(67,830,203)
General Revenues										
Property taxes	78,159,151	77,141,208	77,043,922	75,241,086	74,032,714	71,725,240	70,175,208	67,726,473	66,103,448	64,727,759
Grants and contributions not restricted to specific programs	487,019	487,134	20,457	2,486	11,734	2,307	370,374	527,634	336,908	375,640
Income from investments	791,761	1,032,629	360,554	126,258	291,025	(54,166)	125,872	80,527	353,118	410,461
Gain on disposal of equipment	-	-	210,651	-	-	2,000	-	-	-	-
Other	76,157	49,601	197,448	463,027	292,627	191,884	706,185	-	-	-
Total General Revenues	79,514,088	78,710,572	77,833,032	75,832,857	74,628,100	71,867,265	71,377,639	68,334,634	66,793,474	65,513,860
Change in Net Position	\$ (1,494,400)	\$ 1,190,045	\$ 5,033,243	\$ 2,532,499	\$ 4,131,035	\$ 1,294,244	\$ 3,329,622	\$ 1,479,391	\$ (1,181,217)	\$ (2,316,343)

Town of Monroe, Connecticut

Fund Balances - Governmental Funds
Last Ten Years
(Unaudited)

June 30

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General fund										
Nonspendable	\$ -	\$ -	\$ 55,908	\$ 95,242	\$ 166,433	\$ 219,005	\$ 34,269	\$ 328,814	\$ 76,893	\$ 88,057
Restricted	371,072	371,072	388,069	388,966	389,539	801,126	-	-	-	-
Committed	1,000,000	-	-	-	-	-	-	-	-	-
Assigned	9,105,815	3,154,776	2,094,776	2,008,743	1,112,641	810,881	692,998	735,552	555,927	982,162
Unassigned	<u>7,305,584</u>	<u>13,277,694</u>	<u>12,749,121</u>	<u>9,963,934</u>	<u>8,083,746</u>	<u>6,210,066</u>	<u>5,945,005</u>	<u>4,688,184</u>	<u>3,990,150</u>	<u>3,263,399</u>
Total general fund	<u>17,782,471</u>	<u>16,803,542</u>	<u>15,287,874</u>	<u>12,456,885</u>	<u>9,752,359</u>	<u>8,041,078</u>	<u>6,672,272</u>	<u>5,752,550</u>	<u>4,622,970</u>	<u>4,333,618</u>
All other governmental funds										
Nonspendable	2,250	2,250	69,990	2,250	2,250	3,568	72,792	72,787	73,716	74,172
Restricted	2,575,973	2,499,411	501,713	448,168	499,534	562,564	119,357	118,557	118,303	450,478
Committed	2,028,487	1,021,097	4,982,562	1,959,645	2,945,006	3,827,955	2,551,484	2,139,309	5,897,523	3,402,912
Assigned	2,631,953	2,429,349	4,609,458	3,049,611	1,980,446	1,627,794	-	-	-	-
Unassigned	<u>(410,096)</u>	<u>(195,426)</u>	<u>(291,214)</u>	<u>(1,874,300)</u>	<u>(1,072,621)</u>	<u>(1,254,169)</u>	<u>(1,042,015)</u>	<u>(1,447,435)</u>	<u>(540,592)</u>	<u>(1,271,972)</u>
Total all other governmental funds	<u>6,828,567</u>	<u>5,756,681</u>	<u>9,872,509</u>	<u>3,585,374</u>	<u>4,354,615</u>	<u>4,767,712</u>	<u>1,701,618</u>	<u>883,218</u>	<u>5,548,950</u>	<u>2,655,590</u>
Grand total	<u>\$ 24,611,038</u>	<u>\$ 22,560,223</u>	<u>\$ 25,160,383</u>	<u>\$ 16,042,259</u>	<u>\$ 14,106,974</u>	<u>\$ 12,808,790</u>	<u>\$ 8,373,890</u>	<u>\$ 6,635,768</u>	<u>\$ 10,171,920</u>	<u>\$ 6,989,208</u>

Notes:

General fund

- Committed Increased due to commitment for special education and emergency disaster relief
- Assigned Increased due to increase in use of fund balance to balance next year's budget
- Unassigned Decreased due to increase in use of fund balance to balance next year's budget, partially offset by current year expenditures being lower than budget

All other governmental funds

- Committed Increased due to issuance of debt in the Capital Reserve Fund

Town of Monroe, Connecticut

Changes in Fund Balances - Governmental Funds
Last Ten Years
(Unaudited)

For the Year Ended June 30

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Property taxes	\$ 77,801,930	\$ 77,492,761	\$ 76,743,249	\$ 75,225,166	\$ 73,956,951	\$ 71,851,017	\$ 70,058,508	\$ 67,784,322	\$ 66,287,184	\$ 64,441,364
Intergovernmental	17,651,779	8,914,289	21,947,913	21,034,700	17,664,197	15,602,770	17,116,247	15,999,077	15,413,059	15,311,579
Charges for services	5,851,250	6,541,935	7,036,966	5,545,982	5,627,376	5,138,944	5,270,591	6,141,159	6,003,762	6,642,003
Contributions	267,868	284,071	352,058	335,896	339,509	312,305	407,052	326,550	286,946	263,790
Income from investments	791,761	1,029,631	402,762	125,216	289,665	(55,124)	124,867	68,510	267,455	405,815
Other	76,157	49,601	249,416	606,971	393,093	264,595	303,635	260,264	147,411	95,639
Total Revenues	102,440,745	94,312,288	106,732,364	102,873,931	98,270,791	93,114,507	93,280,900	90,579,882	88,405,817	87,160,190
Expenditures										
Current										
General government	8,451,399	8,622,517	8,427,313	8,451,070	8,108,538	8,539,233	8,362,032	7,596,367	7,215,604	6,264,127
Public safety	8,504,727	8,571,337	8,298,211	7,877,095	7,799,005	7,895,770	7,755,072	7,435,179	6,698,766	6,639,468
Public works	4,663,681	4,362,206	3,685,397	3,922,005	3,859,645	4,155,970	4,214,507	3,236,889	4,108,126	4,115,290
Subrecipient	-	-	-	-	-	-	-	-	-	251,916
Health and welfare	456,151	432,431	411,418	418,303	445,898	346,892	325,747	270,149	260,054	246,109
Culture and recreation	2,712,398	3,009,013	2,900,068	2,850,797	3,005,709	2,751,270	2,838,529	2,675,306	2,657,336	2,514,753
Education	69,171,775	61,034,251	71,102,515	69,210,966	63,546,523	61,949,317	61,825,546	61,636,828	61,331,807	60,535,413
Debt service										
Principal	5,102,386	5,045,000	4,895,000	5,085,000	4,640,837	4,589,519	4,620,083	3,940,046	3,560,670	3,527,348
Interest	1,107,648	1,271,104	1,211,639	1,311,328	1,352,220	1,330,962	1,432,689	1,497,314	1,571,389	1,754,416
Bond issuance costs	-	-	142,997	64,978	1,072	183,104	129,379	-	187,350	183,192
Capital outlay	3,063,964	4,624,199	5,466,112	5,949,231	4,193,161	3,486,263	7,546,807	5,827,956	1,851,409	3,229,951
Total Expenditures	103,234,129	96,972,058	106,540,670	105,140,773	96,952,608	95,228,300	99,050,391	94,116,034	89,442,511	89,261,983
Excess (Deficiency) of Revenues Over Expenditures	(793,384)	(2,659,770)	191,694	(2,266,842)	1,318,183	(2,113,793)	(5,769,491)	(3,536,152)	(1,036,694)	(2,101,793)
Other Financing Sources (Uses)										
Issuance of debt	2,315,000	-	8,085,000	2,610,000	-	6,220,000	7,389,646	-	4,065,000	5,325,000
Issuance of refunding bonds	10,355,000	-	7,040,000	7,220,000	-	-	-	-	8,785,000	10,805,000
Premium	1,588,746	-	957,897	996,900	-	131,996	117,967	-	451,708	491,431
Payment to refunded bonds escrow agent	(11,417,807)	-	(7,463,559)	(7,917,578)	-	-	-	-	(9,082,302)	(11,105,918)
Sale of capital assets	3,260	59,610	307,092	-	-	-	-	-	-	-
Transfers in	1,194,254	1,159,822	1,202,713	1,042,524	1,381,811	1,613,613	647,276	1,042,447	505,950	271,164
Transfers out	(1,194,254)	(1,159,822)	(1,202,713)	(1,062,524)	(1,401,811)	(1,633,613)	(647,276)	(1,042,447)	(505,950)	(271,164)
Total Other Financing Sources (Uses)	2,844,199	59,610	8,926,430	2,889,322	(20,000)	6,331,996	7,507,613	-	4,219,406	5,515,513
Net Change in Fund Balances	\$ 2,050,815	\$ (2,600,160)	\$ 9,118,124	\$ 622,480	\$ 1,298,183	\$ 4,218,203	\$ 1,738,122	\$ (3,536,152)	\$ 3,182,712	\$ 3,413,720
Debt Service as a Percentage of Non-Capital Expenditures	6.20%	6.50%	6.20%	6.50%	6.50%	6.70%	6.80%	6.20%	6.10%	6.40%

Town of Monroe, Connecticut
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years
(Unaudited)

Fiscal Year	Grand List Dated	Real Estate			Motor Vehicles	Motor Vehicle Supplemental	Personal Property	Exemptions	Total Assessed Value of Taxable Property	Total Estimated Actual Value of Taxable Property	Total Direct Tax Rate
		Residential	Commercial/ Industrial/ Public Utility	Land							
2011	10/1/2009 *	\$ 1,781,803,568	\$ 238,305,618	\$ 57,100,238	\$ 143,313,912	\$ 15,221,024	\$ 85,254,852	\$ 22,425,741	\$ 2,298,573,471	\$ 3,315,713,160	28.26
2012	10/1/2010	1,781,550,580	238,448,260	58,617,908	150,399,886	16,867,072	80,587,807	19,825,455	2,306,646,058	3,323,530,733	28.79
2013	10/1/2011	1,784,313,791	237,512,033	58,042,628	156,689,468	19,096,302	80,346,311	20,188,798	2,315,811,735	3,337,143,619	29.26
2014	10/1/2012	1,785,703,412	240,872,126	58,103,838	156,954,517	18,459,165	83,513,266	17,162,517	2,326,443,807	3,348,009,034	30.41
2015	10/1/2013	1,788,623,260	240,281,903	57,092,438	162,084,062	19,223,521	83,973,333	20,635,956	2,330,642,561	3,358,969,310	31.01
2016	10/1/2014 *	1,636,392,900	243,819,216	32,825,420	163,276,216	22,421,534	86,481,284	16,683,328	2,168,533,242	3,121,737,957	34.35
2017	10/1/2015	1,637,841,440	242,904,936	32,162,073	167,301,230	23,067,055	90,398,935	17,297,222	2,176,378,447	3,133,822,384	35.00
2018	10/1/2016	1,640,527,840	246,377,500	30,745,803	167,903,024	24,492,958	95,313,866	22,090,976	2,183,270,015	3,150,515,701	35.76
2019	10/1/2017	1,646,277,486	251,811,130	27,414,240	168,675,972	24,100,363	102,767,145	25,323,099	2,195,723,237	3,172,923,337	35.24
2020	10/1/2018	1,653,967,321	253,040,465	25,903,340	168,768,942	24,646,561	110,567,293	26,162,885	2,210,731,037	3,195,562,746	35.58

Source: Assessor's Office

Note: There are no overlapping governments that collect property taxes from Town residents.

* Revaluation year

Town of Monroe, Connecticut
Principal Taxpayers
Current Year and Nine Years Ago
(Unaudited)

Name	2020			2011		
	Assessed Value	Rank	Percentage Net Taxable Grand List (1)	Assessed Value	Rank	Percentage Net Taxable Grand List (1)
FirstLight Hydro Generating Company	\$ 32,470,000	1	1.47%	\$ 29,388,780	1	1.28%
Eversource Energy	22,865,950	2	1.03%	13,300,240	2	0.58%
Aquarion Water Company	13,673,480	3	0.62%	10,937,630	3	0.48%
Victorinox Swiss Army Inc.	9,187,500	4	0.42%	10,347,055	4	0.45%
One Eleven Century Plaza LLC	9,007,415	5	0.41%	8,098,000	5	0.35%
M Cubed Technologies Inc.	6,868,940	6	0.31%	-	-	0.00%
Clocktower Square #1 LLC	6,262,900	7	0.28%	-	-	0.00%
NBC Universal Media LLC	6,251,100	8	0.28%	-	-	0.00%
Maril LLC	6,212,900	9	0.28%	6,395,650	8	0.28%
Lake Zoar Properties LLC	6,006,870	10	0.27%	7,183,580	6	0.31%
CBL Inc.	-	-	0.00%	5,122,470	9	0.22%
Tartaglia / Salce LLC #1	-	-	0.00%	6,614,640	7	0.29%
Stepney LLC	-	-	0.00%	4,810,910	10	0.21%
Total	<u>\$ 118,807,055</u>		<u>5.37%</u>	<u>\$ 102,198,955</u>		<u>4.45%</u>
(1) - Based on October 1, 2018 and 2009 net taxable grand list of :	<u>\$ 2,210,731,037</u>			<u>\$ 2,298,573,471</u>		

Source: Town Records - Assessor's Office

Town of Monroe, Connecticut

Property Tax Rates, Levies and Collections
Last Ten Years
(Unaudited)

Year Ended June 30	(1) Mill Rate	(2) Total Adjusted Tax Levy	Net Current Levy Tax Collections	Percentage of Current Taxes Collected	Collections in Subsequent Years	Total Collection	Percent of Levy Collected	Current Delinquent Balance
2011	28.26	\$ 64,320,324	\$ 63,469,681	98.68%	\$ 850,643	\$ 64,320,324	100.00%	\$ -
2012	28.79	65,702,953	64,923,280	98.81%	779,673	65,702,953	100.00%	-
2013	29.26	67,158,611	66,544,399	99.09%	614,212	67,158,611	100.00%	-
2014	30.41	69,989,113	69,304,734	99.02%	684,259	69,988,993	100.00%	120
2015	31.01	71,651,461	70,803,834	98.82%	837,377	71,641,211	99.99%	10,250
2016	34.35	73,622,328	72,929,270	99.06%	683,983	73,613,253	99.99%	9,075
2017	35.00	75,013,051	74,237,133	98.97%	766,671	75,003,804	99.99%	9,247
2018	35.76	76,796,399	75,961,577	98.91%	752,322	76,713,899	99.89%	82,500
2019	35.24	76,792,484	76,053,750	99.04%	426,642	76,053,750	99.04%	312,092
2020	35.58	78,016,881	77,060,989	98.77%	-	77,080,809	98.80%	955,892

(1) There are no overlapping tax rates.

(2) Adjusted tax levy equals the tax levy after lawful corrections, abatements and transfers to suspense

Source: Town tax records. Amounts in Collections in Subsequent Years column are updated each year in determining the Total to Date columns Amount and Percentage of Levy

Table 8**Town of Monroe, Connecticut****Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

<u>Year Ended June 30</u>	<u>General Obligation Bonds</u>	<u>Premium</u>	<u>Notes</u>	<u>Total</u>	<u>Percentage of Personal Income</u>	<u>Total Debt Per Capita</u>
2011	\$ 45,035,000	\$2,026,726	\$ 860,344	47,922,070	5.62%	\$2,462
2012	45,885,000	2,325,633	584,674	48,795,307	5.40%	2,480
2013	42,195,000	2,138,428	334,628	44,668,056	4.66%	2,257
2014	41,445,000	2,045,557	6,098,006	49,588,563	5.20%	2,500
2015	43,550,000	1,994,061	2,475,296	48,019,357	4.97%	2,417
2016	38,965,000	1,786,295	2,101,958	42,853,253	4.41%	2,161
2017	35,960,000	2,269,731	1,753,338	39,983,069	4.03%	2,021
2018	38,795,000	2,823,452	1,439,951	43,058,403	4.57%	2,193
2019	33,750,000	2,445,730	1,162,952	37,358,682	3.94%	1,919
2020	30,265,000	1,796,217	880,566	32,941,783	3.35%	1,692

Note: Details regarding the Town's outstanding debt can be found in the notes to financial statements
There is no overlapping debt for the Town.

Town of Monroe, Connecticut
Ratios of General Bonded Debt Outstanding
Last Ten Years
(Unaudited)

<u>Year Ended June 30</u>	<u>General Obligation Bonds</u>	<u>Premium</u>	<u>Total</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Bonded Debt Per Capita</u>
2011	\$ 45,035,000	\$ 2,026,726	\$ 47,061,726	1.42%	\$ 2,314
2012	45,885,000	2,325,633	48,210,633	1.45%	2,332
2013	42,195,000	2,138,428	44,333,428	1.33%	2,132
2014	41,445,000	2,045,557	43,490,557	1.30%	2,090
2015	43,550,000	1,994,061	45,544,061	1.36%	2,192
2016	38,965,000	1,786,295	40,751,295	1.31%	1,965
2017	35,960,000	2,269,731	38,229,731	1.22%	1,818
2018	38,795,000	2,823,452	41,618,452	1.32%	1,976
2019	33,750,000	2,445,730	36,195,730	1.15%	1,719
2020	30,265,000	1,796,217	32,061,217	1.01%	1,554

Note: Details regarding the Town's outstanding debt can be found in the notes to financial statements.

Town of Monroe, Connecticut
Schedule of Debt Limitation
Connecticut Statutes, Section 7-374(b)
June 30, 2020
(Unaudited)

Tax base:

Total tax collections (including interest and lien fees) for the prior year \$ 77,481,612

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2 1/4 times base	\$ 174,333,627	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	348,667,254	-	-	-
3 3/4 times base	-	-	290,556,045	-	-
3 1/4 times base	-	-	-	251,815,239	-
3 times base	-	-	-	-	232,444,836
Total limitations	174,333,627	348,667,254	290,556,045	251,815,239	232,444,836
Indebtedness:					
Bonds	17,849,000	12,416,000	-	-	-
Debt limitation in excess of outstanding debt	<u>\$ 156,484,627</u>	<u>\$ 336,251,254</u>	<u>\$ 290,556,045</u>	<u>\$ 251,815,239</u>	<u>\$ 232,444,836</u>

The total net indebtedness above amounts to: \$ 30,265,000

In no event shall total indebtedness exceed seven time the base for debt limitation computation: \$ 542,371,284

There is no overlapping debt for the Town of Monroe.

Town of Monroe, Connecticut

**Legal Debt Margin Information
Last Ten Years
(Unaudited)**

<u>Year Ended June 30</u>	<u>Debt Limit</u>	<u>Net Debt Applicable To Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable</u>
2011	\$ 436,807,133	\$ 43,511,668	\$ 393,295,465	9.96%
2012	451,562,881	43,348,945	408,213,936	9.60%
2013	463,725,157	45,944,429	417,780,728	9.91%
2014	475,559,903	42,661,612	432,898,291	8.97%
2015	491,311,450	49,012,000	442,299,450	9.98%
2016	503,896,071	42,562,828	461,333,243	8.45%
2017	527,532,894	47,777,596	479,755,298	9.06%
2018	536,968,838	38,795,000	498,173,838	7.22%
2019	538,058,416	33,750,000	504,308,416	6.27%
2020	542,371,284	30,265,000	512,106,284	5.58%

Source: Town audit reports.

Town of Monroe, Connecticut
Demographic and Economic Statistics
Last Ten Years
(Unaudited)

Fiscal Year Ended June 30	Population	Median Age	Personal Income	Per Capita Personal Income	Median Household Income	Education Level of Schooling		School Enrollment	Unemployment Rate*
						High School Graduate or Higher	Bachelor's Degree or Higher		
2011	19,466	41.8	\$ 853,428,372	\$ 43,842	\$ 109,727	N/A	N/A	3,761	7.80%
2012	19,675	41.9	903,239,900	45,908	108,478	N/A	N/A	3,589	7.20%
2013	19,794	42.4	957,633,720	48,380	112,605	N/A	N/A	3,488	6.40%
2014	19,834	42.6	954,372,412	48,118	103,589	N/A	N/A	3,379	5.70%
2015	19,867	43.0	966,311,013	48,639	108,688	N/A	N/A	3,299	5.10%
2016	19,833	43.5	971,777,334	48,998	110,558	78%	50%	3,180	4.50%
2017	19,784	44.1	993,057,880	50,195	113,333	79%	50%	3,189	4.50%
2018	19,635	44.5	942,303,285	47,991	109,631	81%	52%	3,149	4.20%
2019	19,470	43.8	948,987,270	48,741	115,049	78%	47%	3,108	3.60%
2020	19,434	42.7	983,398,320	51,867	118,669	78%	49%	3,146	4.70%

Sources: State of Connecticut, Office of Policy & Management
 United States Census Bureau (2013-2017 American Community Survey)
 Connecticut Department of Labor
 Connecticut Department of Education
 Connecticut Department of Public Health
 Connecticut Economic Resource Center

* Average for the Fiscal Year

N/A - Information not available.

Town of Monroe, Connecticut
Principal Employers
Current Year And Nine Years Ago
(Unaudited)

Employer	2020			2011		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Monroe	649	1	11.57%	749	1	11.55%
Big Y Supermarket	154	2	2.75%	165	3	2.55%
Victorinox (Swiss Army)	149	3	2.66%	150	4	2.31%
Northeast Laser Engraving	145	4	2.59%	-	-	0.00%
Stop & Shop	126	5	2.25%	-	-	0.00%
M Cubed Technologies	113	6	2.01%	-	-	0.00%
Church Hill Classics LTD	93	7	1.66%	60	10	0.93%
Pella Windows & Doors	82	8	1.46%	-	-	0.00%
Practitioner Support Services	80	9	1.43%	-	-	0.00%
The Waterview LLC	75	10	1.34%	-	-	0.00%
Really Good Stuff	-	-	0.00%	200	2	3.08%
U.S. Post Office	-	-	0.00%	125	5	1.93%
Lake Zoar Properties	-	-	0.00%	100	6	1.54%
Robohand	-	-	0.00%	90	7	1.39%
Edgerton, Inc.	-	-	0.00%	62	8	0.96%
Sippin Energy	-	-	0.00%	62	9	0.96%
Total	1,666		29.70%	1,763		27.19%

Source: Town of Monroe Assessor's Office

Town of Monroe, Connecticut
Full-Time Equivalent Employees By Function/Program
Last Ten Years
(Unaudited)

June 30

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government:										
First Selectman	3.5	2.5	2.5	2.5	2.5	2.0	2.0	2.0	2.0	2.0
Registrars of Voters	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Town Clerk	3.0	3.0	3.0	3.0	3.2	3.2	3.2	3.2	3.2	3.2
Tax Collector	2.7	2.7	2.7	2.7	2.7	2.5	2.5	2.5	2.5	2.5
Town Treasurer	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Senior Center	4.2	4.8	4.7	4.7	4.5	4.5	4.5	4.5	5.5	5.5
Planning - Building, P&Z, I/W, and Engineering	10.5	10.0	8.5	8.5	9.0	9.0	9.0	8.5	8.5	6.5
Finance Department	4.7	5.2	5.2	5.2	5.0	5.0	5.0	5.0	5.0	5.0
Human Resources	1.7	1.7	1.7	1.7	1.5	1.5	1.5	1.5	1.5	1.5
Information Technology	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.0
Assessor	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Town Hall Maintenance	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
General Government Total	42.5	42.1	40.5	40.5	40.6	39.9	39.9	39.4	40.4	37.7
Public Safety:										
Police Department	46.0	48.0	48.0	51.0	55.0	55.0	53.0	51.0	49.0	48.0
Animal Control	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Park Ranger	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Fire Marshal	2.0	2.3	2.3	2.3	2.3	2.3	1.8	1.8	1.8	1.8
Emergency Management	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Emergency Medical Services (EMS)	0.3	0.5	0.5	0.5	1.0	0.5	0.5	0.5	-	-
Public Safety Total	52.2	54.7	54.7	57.7	62.2	61.7	59.2	57.2	54.7	53.7
Public Works:										
Administration	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.0	5.5
Highway	20.0	20.0	20.4	20.4	24.1	24.1	24.1	24.1	24.1	24.1
Tree Warden	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Solid Waste	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1
Public Works Total	24.9	24.9	25.3	25.3	29.0	28.9	28.9	28.9	28.4	29.9
Health and Welfare:										
Health Department	3.7	3.3	3.3	3.3	3.0	-	-	-	-	-
Social Services	1.7	1.7	1.7	1.7	1.7	1.7	1.2	1.0	1.0	1.0
Health and Welfare Total	5.4	5.0	5.0	5.0	4.7	1.7	1.2	1.0	1.0	1.0

(Continued)

Town of Monroe, Connecticut
Full-Time Equivalent Employees By Function/Program
Last Ten Years
(Unaudited)

June 30

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Culture and Recreation:										
Library	11.5	13.5	13.5	13.5	14.0	13.5	13.5	13.5	13.5	12.5
Parks and Recreation	18.2	23.1	23.1	23.1	16.0	16.0	16.0	16.0	16.0	16.0
Radio Station (WMNR)	7.0	6.5	6.5	6.5	7.0	7.0	7.0	7.0	7.0	7.0
Culture and Recreation Total	<u>36.7</u>	<u>43.1</u>	<u>43.1</u>	<u>43.1</u>	<u>37</u>	<u>36.5</u>	<u>36.5</u>	<u>36.5</u>	<u>36.5</u>	<u>35.5</u>
Education:										
Administration	23.0	23.0	23.0	24.0	24.0	24.0	24.0	20.4	20.9	22.2
Teachers and Other Certified Staff	266.7	265.0	264.4	267.9	271.5	277.1	280.1	285.0	285.5	279.8
Paraprofessionals	86.0	85.0	78.0	81.0	84.0	84.0	84.0	87.3	89.0	85.1
Other Non-Certified Staff	105.0	103.0	90.6	90.6	90.6	92.6	92.6	91.6	90.0	94.0
Education Total	<u>480.7</u>	<u>476.0</u>	<u>456.0</u>	<u>463.5</u>	<u>470.1</u>	<u>477.7</u>	<u>480.7</u>	<u>484.3</u>	<u>485.4</u>	<u>481.1</u>
Total Town Employees by Function	<u><u>642.4</u></u>	<u><u>645.8</u></u>	<u><u>624.6</u></u>	<u><u>635.1</u></u>	<u><u>643.6</u></u>	<u><u>646.4</u></u>	<u><u>646.4</u></u>	<u><u>647.3</u></u>	<u><u>646.4</u></u>	<u><u>638.9</u></u>

Source: Town records

(Concluded)

Town of Monroe, Connecticut
Operating Indicators By Function/Program
Last Ten Years
(Unaudited)

For the Year Ended June 30

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government:										
Building permits:										
Total permits issued	471	476	437	509	413	416	355	418	412	331
Total estimated value of permits	\$ 10,561,922	\$ 10,737,278	\$ 21,627,389	\$ 21,347,271	\$ 14,952,059	\$ 9,664,084	\$ 8,941,578	\$ 10,280,932	\$ 8,740,546	\$ 9,700,117
Public Safety:										
Police:										
Calls for service	21,431	23,315	24,654	27,680	28,125	31,492	27,134	29,018	26,021	24,735
Arrests	186	256	232	247	162	159	128	130	141	173
Traffic citations	2,525	3,218	3,128	3,236	3,723	5,297	4,036	4,127	3,202	3,619
EMS:										
Total service calls	1,333	1,360	1,390	1,328	1,435	1,374	1,337	1,356	1,421	1,309
Billable calls	782	835	901	823	829	832	787	835	861	832
Fire*:										
Town wide calls	923	522	626	605	592	581	482	523	657	825
Mutual aid calls (all departments)	563	621	716	751	663	692	446	365	442	462
Total responses	1,486	1,143	1,342	1,356	1,255	1,273	928	888	1,099	1,287
Culture and Recreation:										
Wolfe Park Facility reservations	73	126	124	120	117	126	103	107	104	108
Wolfe Park Pool attendance	12,494	16,284	16,593	15,326	20,594	18,504	18,076	19,625	24,084	19,796
Great Hollow Lake attendance	24,253	14,861	15,909	17,994	20,060	18,504	18,748	17,844	17,089	N/A

Source: Town Records

* The Town has 3 separate volunteer fire departments. Town wide calls are the total incidents which required fire responses within the Town for the fiscal year. Mutual aid calls are when one department responds to the aid of another department in town or to an out of town incident. Total responses represent the sum of the town wide and mutual aid calls. (Example: One fire incident may require the response of all three departments - one town wide call and 2 mutual aid calls.)

N/A - Data not available

Town of Monroe, Connecticut
Capital Asset Statistics by Function/Program
Last Ten Years
(Unaudited)

June 30

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Government:										
Town Hall	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Public Safety:										
Police Station	1	1	1	1	1	1	1	1	1	1
Fire Stations										
Monroe Station #2	1	1	1	1	1	1	1	1	1	1
Stevenson Station #2	1	1	1	1	1	1	1	1	1	1
Stepney Station #2	1	1	1	1	1	1	1	1	1	1
Fire Apparatus	13	13	13	12	13	13	13	13	13	14
Ambulances	3	3	3	3	3	3	3	3	3	3
Public Works:										
Garage	1	1	1	1	1	1	1	1	1	1
Dump/Plow Truck Fleet	20	20	20	20	20	- 20	20	20	20	20
Streets (Miles)	143	143	143	143	143	143	143	143	143	143
Health and Welfare:										
Food Pantry	1	1	1	1	1	1	1	1	1	1
Culture and Recreation:										
Edith Wheeler Memorial Library	1	1	1	1	1	1	1	1	1	1
Parks	4	4	4	4	4	4	4	4	4	4
Education - Schools:										
High	1	1	1	1	1	1	1	1	1	1
Middle	1	1	1	1	1	1	1	1	2	2
Elementary	3	3	3	3	3	3	3	3	3	3

Source: Town records