

TOWN OF MONROE, CONNECTICUT

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**



FOR THE YEAR ENDED JUNE 30, 2023

TOWN OF MONROE, CONNECTICUT

Annual Comprehensive Financial Report For the Year Ended June 30, 2023



Prepared by the Finance Department

7 Fan Hill Road
Monroe, Connecticut 06468

Town of Monroe, Connecticut
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

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Introductory Section



TOWN OF MONROE

FINANCE DEPARTMENT

7 Fan Hill Road
Monroe, CT 06468
Phone: 203-452-2802
www.monroect.gov

Ron Bunovsky Jr., CPA
Director of Finance
rbunovsky@monroect.gov

Heidi Meade
Assistant Director of Municipal Finance
hmeade@monroect.gov

January 31, 2024

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, 2023, 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, 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, 2023. 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 18,796 as of July 1, 2022. 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 schedule RSI-1A included in the Required Supplementary Information section of this report, the Town continues to meet its responsibility for sound financial management. In addition to schedule RSI-1A, note RSI-1B in the same section describes the budget process and accounting used by the Town.

The local economy and the Town's fiscal health

Major industries located within Monroe (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 Monroe is significantly higher than that for the State as a whole. According to the U.S. Census Bureau's 2018-2022 American Community Survey, Monroe's median household income was \$145,714, as compared to \$90,213 for the State of Connecticut.

The Town's unemployment rate as of June 2023 was 4.3%. Although above the rates for both Connecticut (4.0%) and the United States (3.8%), this appears to be an anomaly. The Town's unemployment rate for December 2023 decreased to 3.6%, which was below the State's rate of 3.9% and just of above the Nation's rate of 3.5%. Although not a major point of concern at this time, management will continue to monitor the situation as historically Monroe tracks comparatively better.

The Town's fiscal health is currently very strong, as backed by S&P's 'AAA' rating of the Town's general obligation debt.

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.

In addition to the five-year CIP, the Town's finance department developed a three-year budget model during fiscal year 2023. This model will be updated annually beginning in fiscal year 2024 and will be utilized in projecting the fiscal impact of collective bargaining, bonding/debt service, known changes in revenue (especially state aid) and other variables that will likely have a long-term impact on the Town's budget.

Pursuant to the Connecticut General Statutes, the Town is required to review its Plan of Conservation and Development (POCD) every 10 years. The Planning & Zoning Commission adopted the 2021 Town's POCD on April 28, 2021, with an effective date of May 7, 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 were consistently applied through the fiscal year.

Major initiatives

The fiscal year 2023 town budget included the consolidation of multiple departments to restructure municipal workflow in an effort to gain efficiencies in process and reporting. The Engineering, Inland Wetlands, Zoning Enforcement and Park Ranger Departments were eliminated as stand-alone departments. Engineering was moved into the Department of Public Works, Inland Wetlands and Zoning Enforcement were moved into Planning and Zoning and the Park Ranger was moved into Parks & Recreation.

Awards and acknowledgements

The Town of Monroe received the Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2022 from the Government Finance Officers Association.

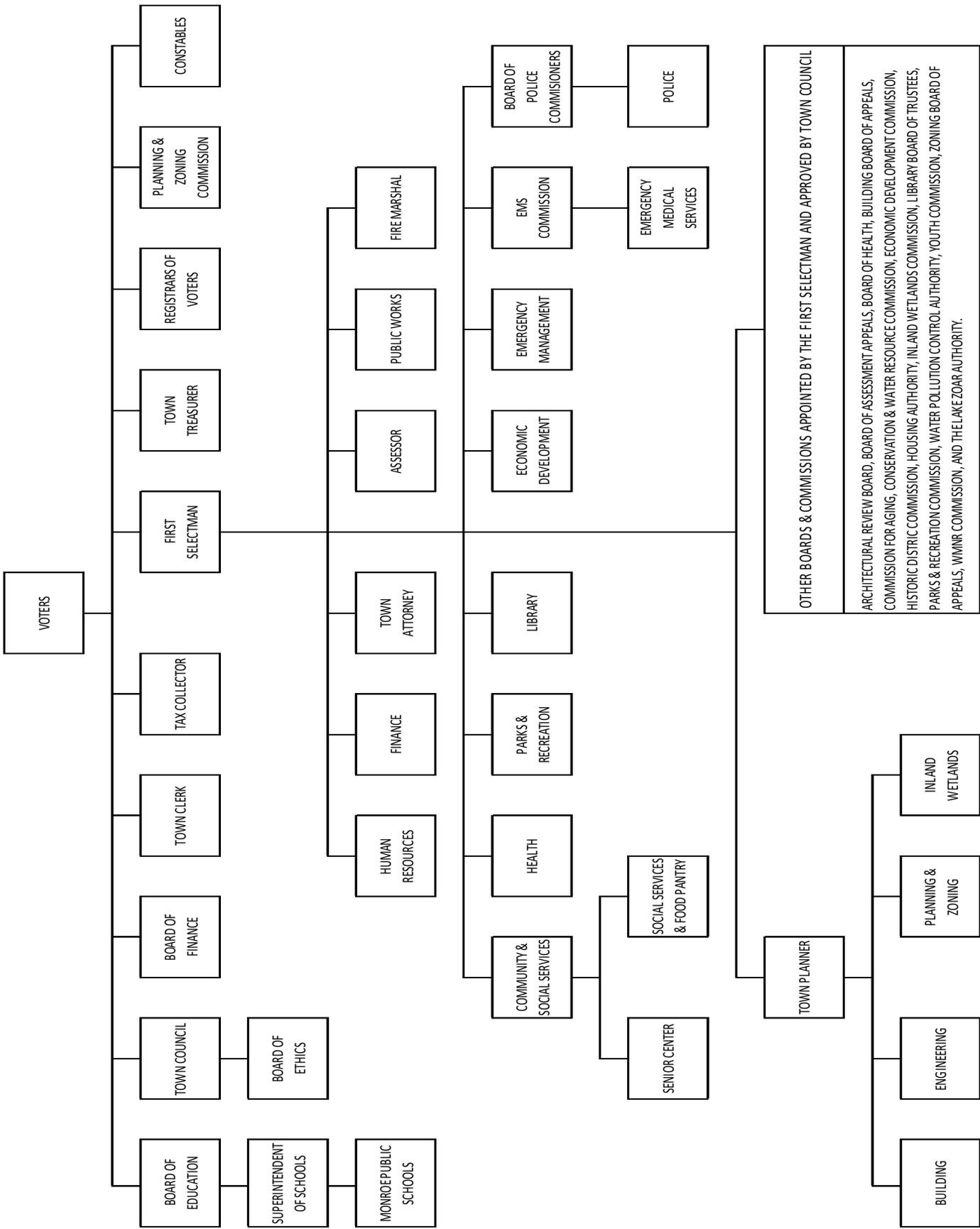
The preparation of this report would not have been possible without the effort and dedication of the Assistant Director of Municipal Finance, the Assistant Director of Public School Finance and the entire staff of the Municipal and Public School Finance Departments. I would also like to thank all departments 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 'Ron Bunovsky Jr.', is positioned above the typed name.

Ron Bunovsky Jr., CPA
Director of Finance

Town of Monroe, Connecticut Organizational Chart



**Town of Monroe, Connecticut
Principal Officials
June 30, 2023**

Elected Officials

First Selectman	Kenneth M. Kellogg	
Town Council	Jonathan Formichella, Chair Kevin Reid Sean O'Rourke Dee Dee Martin Jason Maur	Enid Lipeles, Vice-Chair Terry Rooney Dona-Lyn Wales Jessica Katuska
Board of Finance	Michael Manjos, Chair Katherine Stauffer Greg Beno	Rebecca O'Donnell, Vice-Chair Steve Kirsch Vacant
Tax Collector	Deborah Heim, CCMC	
Town Clerk	Vida Stone, CCTC	
Town Treasurer	Frank Dutches	
Registrars of Voters	Debra Dutches (R)	Katherine Briggs (D)
Board of Education	David Ferris, Chair Christina Cascella, Secretary Chrissy Martinez Jerry Stevens Jeff Fulchino	Shannon Reilly, Vice-Chair Dennis Condon Justin Orlando Dr. Alan Vaglivelo

Appointed Officials

Town Attorney	Frank Lieto, Esq.
Superintendent of Schools	Joe Kobza
Director of Finance	Ron Bunovsky Jr., CPA
Assistant Director of Municipal Finance	Heidi Meade
Assistant Director of Public School Finance	Linda Sementilli
Assessor	Justin Feldman, CCMA II
Chief of Police	Keith White
Director of Human Resources	Craig Hirsch
Director of Public Works	Chris Nowacki
Director of Economic & Community Development	William Holsworth
Director of Parks & Recreation	Melissa Orosz
Director of Community & Social Services	Kimberly Cassia
Director of Health	Amy Lehaney, MPH, RS



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Monroe
Connecticut**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

Financial Section

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Monroe, Connecticut ("Town"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists.

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

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The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2024 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
January 31, 2024



TOWN OF MONROE

FINANCE DEPARTMENT

7 Fan Hill Road
Monroe, CT 06468
Phone: 203-452-2802
www.monroect.gov

Ron Bunovsky Jr., CPA
Director of Finance
rbunovsky@monroect.gov

Heidi Meade
Assistant Director of Municipal Finance
hmeade@monroect.gov

Management's Discussion and Analysis For the Year Ended June 30, 2023

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, 2023. 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 increased by \$11,773,534 from \$62,318,919 to \$74,092,453. The increase is substantially due to the following: (See Exhibit D)

Governmental fund activity:

➤ positive operations of the General Fund of	\$ 4,770,932
➤ negative operations of the Capital Reserve Fund of	(3,767,655)

Conversion to accrual basis on Exhibit E:

➤ capital outlay net of depreciation/amortization expense of	4,837,573
➤ net principal debt activity of	5,271,450
➤ change in net pension liability of	(2,760,623)
➤ change in OPEB liability of	5,238,103
➤ amortization of pension/OPEB deferred outflows of	246,586
➤ amortization of pension/OPEB deferred inflows of	166,829
➤ amortization of deferred charges on refunding of	(3,367,528)
➤ amortization of premium of	309,496

- The unassigned fund balance of the General Fund of \$23,140,585 represents 24.44% of total budgetary expenditures and transfers out for the current fiscal year.

- On a budgetary basis, the Town's General Fund had \$4,622,286 positive operating results for the current fiscal year. The increase was attributable to actual revenues and other financing sources greater than the budgeted amounts of \$1,923,541 and expenditures and other financing uses \$2,698,745 under budget. The other financing sources includes \$810,000 of appropriated fund balance. See RSI-1 in the Required Supplementary Information section of this financial report for additional details.
- Net capital assets increased by \$4,837,573. This increase is attributable to capital asset additions exceeding depreciation/amortization expense.
- The Town's total long-term debt decreased by \$5,271,450 due to scheduled principal payments of \$5,482,535.
- During the year, the Town implemented GASB Statement No. 96 – Subscription-Based Information Technology Arrangements. The implementation of this statement had no impact on beginning equity, but increased intangible right-to-use assets and long-term liabilities by \$165,290.

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, Capital Reserve Fund and Reconstruction of Pepper Street Fund, all 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 for risk financing activities.

The Town uses internal service funds to account for its heart and hypertension costs. The cost of the benefits 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 \$74,092,453 at the close of the 2023 fiscal year. Our analysis below focuses on the net position and changes in net position of the Town.

**Summary Statements of Net Position
June 30**

	2023	2022 <i>(as restated)</i>
Current and other assets	\$ 50,081,652	\$ 47,568,429
Capital assets (net)	96,027,178	91,189,605
Total assets	146,108,830	138,758,034
Deferred outflows of resources	8,281,322	8,114,493
Other liabilities	12,636,732	13,379,395
Long-term liabilities	53,263,711	60,696,540
Total liabilities	65,900,443	74,075,935
Deferred inflows of resources	14,397,256	10,477,673
Net position:		
Net investment in capital assets	65,995,666	61,414,340
Restricted	3,225,852	7,037,539
Unrestricted	4,870,935	(6,132,960)
Total net position	\$ 74,092,453	\$ 62,318,919

The Town's net investment in capital assets of \$65,995,666 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 \$4,837,573 over the prior fiscal year, the result of additions to capital assets.

The Town's restricted net position, which represents resources with externally enforceable limitations placed upon them, was \$3,225,852. The majority of these restricted resources are from the school lunch program and donations accepted and received by the Town for various purposes specified (restricted) by the donor.

The balance of the Town's net position of \$4,870,935 was unrestricted.

As detailed below, the Town's net position increased by \$11,773,534 during the fiscal year.

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

	2023	2022
Revenues:		
Program revenues:		
Charges for services	\$ 8,579,796	\$ 7,970,074
Operating grants and contributions	22,429,272	18,367,306
Capital grants and contributions	3,315,031	2,095,368
General revenues:		
Property taxes	85,293,944	82,276,791
Grants and contributions not restricted to specific programs	1,636,023	466,262
Income from investments	2,150,254	128,076
Other	291,801	186,436
Total revenues	123,696,121	111,490,313
Expenses:		
General government	9,080,434	9,002,101
Public safety	11,500,450	10,012,444
Public works	4,638,749	5,819,066
Health and welfare	501,674	483,619
Culture and recreation	3,617,325	3,322,983
Education	82,085,668	77,554,412
Interest	498,287	775,226
Total expenses	111,922,587	106,969,851
Increase in net position	11,773,534	4,520,462
Net position - July 1	62,318,919	57,798,457
Net position - June 30	\$ 74,092,453	\$ 62,318,919

Significant variances were as follows:

- The \$609,722 increase in charges for services was due to:
 - \$267,062 increase in tuition and education activity fees
 - \$457,891 increase in police private duty fees due to increased construction activity
- The \$4,061,966 increase in operating grants and contributions was primarily due to:
 - \$2,875,752 in ARPA funds received and expended in the fiscal year
 - \$1,243,219 increase in teachers retirement on behalf payments by the State

Management's Discussion and Analysis (continued)

- The \$1,219,663 increase in capital grants and contributions was primarily due to:
 - \$662,510 increase in the Pepper Street reconstruction grant
 - \$500,000 STEAP grant for the EMS facility
- The \$3,017,153 increase in property taxes was primarily due to an increase in the tax levy needed to fund the adopted budget. This 3.67% increase in revenues from the prior year was a result of a 1.38% increase in the mill rate and approximately 3.00% increase in the net taxable grand list.
- The \$1,169,761 increase in grants and contributions not restricted to specific programs was primarily due to a new \$785,722 municipal transition grant from the State.
- The \$2,022,178 increase in income from investments was due to a significant increase in interest rates during the year and favorable market performance.
- The \$1,488,006 increase in public safety expense was primarily due to a \$956,703 increase in pension expense.
- The \$1,180,317 decrease in public works expense was primarily due to a decrease in overall road related expenses as well as a higher percentage of those expenses being capitalizable in fiscal year 2023.
- The \$4,531,256 increase in education expense was primarily due to an approximate \$3,000,000 increase in the education budget over the prior year, the majority of which was spent. Additionally, there was a \$1,243,219 increase in teachers retirement on behalf payments.

Financial analysis of the Town's funds

The Town's combined fund balance for all governmental funds was \$37,177,530. The components of fund balance were as follows:

Nonspendable for leases	\$ 189,187
Restricted	3,225,852
Committed	9,205,467
Assigned	2,739,796
Unassigned	<u>21,817,228</u>
Total	<u>\$ 37,177,530</u>

The total fund balance increased by \$1,891,457 to \$37,177,530. This 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 \$28,042,459, an increase of \$4,770,932 over the prior year. This increase in fund balance was due to actual revenues and other financing sources greater than the budgeted amounts of \$1,923,541 and expenditures and other financing uses \$2,698,745 under budget. The other financing sources includes \$810,000 of appropriated fund balance. These budget variances are discussed further in the next section.

- Property tax revenues increased \$2,587,039 from the prior year due to the amount needed to fund the budget including a 1.38% increase in the mill rate and approximately 3.00% increase in the net taxable grand list.
- Intergovernmental revenues increased \$5,132,374 due to \$2,875,752 in ARPA funding, a new \$785,722 state municipal transition grant and a \$1,243,219 increase in teachers retirement on behalf payments by the State.

- Income from investments increased \$2,015,126 due to a significant increase in interest rates during the year and favorable market performance.
- Expenditures increased \$4,879,566 from the prior year based on budgeted increases.

The **Capital Reserve Fund** is used to account for various capital projects of the Town. It had a total fund balance of \$2,301,793 at year-end. Fund balance decreased by \$3,767,655 during the fiscal year due to transfers in and timing of project expenditures.

The **Reconstruction of Pepper Street Fund** is used to account for expenditures and revenues related to the reconstruction of Pepper Street. It had a deficit fund balance of (\$698,392) at year-end. Fund balance decreased by \$288,127 during the fiscal year due to project expenditures greater than the grant reimbursement rate and the timing of the Town funding the local portion of the grant.

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:

- \$725,087 from human resources – fringe benefits primarily to fund transfers out to the capital reserve (\$634,325) and vehicle fuel expenditures (\$90,000)
- \$200,675 from public works – snow removal to fund transfers out to the capital reserve
- \$200,000 from Board of Finance contingency to fund electricity for various Town departments (\$58,000) and the Board of Education (\$142,000)

Final budget compared to actual results. The overall budget positive operating results of \$4,622,286 was driven by revenues and other financing sources exceeding the budget by \$1,923,541 and expenditures and other financing uses coming in under budget by \$2,698,745. This includes budgeted appropriations of fund balance totaling \$810,000. The most significant budget variances were as follows:

- Total property tax revenues were lower than budget by \$208,417 primarily due to lower collections of back taxes than expected.
- Intergovernmental revenues were \$1,162,932 greater than budget due to new and increased State grants including motor vehicle property tax grant (\$785,722) and the PILOT grant (\$385,235).
- Income from investments was \$1,926,017 greater than budget due to a significant increase in interest rates during the year and favorable market performance.
- Board of finance expenditure was under budget by \$562,031, the result of unused budgeted contingency.
- Police personnel was under budget by \$177,207 as a result of unfilled positions.
- Highway administration was under budget by \$139,158 as a result of unfilled positions.
- Board of education was \$590,706 under budget, largely due to cost savings related to medical insurance and special education tuition paid to private schools.

Capital asset and debt administration

Capital assets

The capital assets (net of depreciation/amortization) increased in the current year by \$4,837,573. The increase is due to capital additions exceeding depreciation/amortization expense.

Capital Assets (Net)		
June 30		
	2023	2022 <i>(as restated)</i>
Land	\$ 14,788,616	\$ 14,788,616
Construction in progress	13,028,448	9,066,832
Intangible right-to-use assets	664,814	586,147
Land improvements	2,023,749	2,344,017
Buildings and systems	39,493,242	41,453,248
Machinery and equipment	4,187,139	2,978,577
Vehicles	6,489,303	5,960,831
Infrastructure	15,351,867	14,011,337
Total	\$ 96,027,178	\$ 91,189,605

In the current year, the Town had capital asset additions totaling \$12,966,839. Major capital asset additions consisted of the following:

- Construction in progress:
 - EMS facility project \$ 1,862,195
 - Pepper Street reconstruction and paving 2,517,889
 - Wolfe Park fields 502,366

- Buildings and systems:
 - Underground storage tank 529,453

- Machinery and equipment:
 - Radio system 1,578,018

- Vehicles:
 - Public works trucks 521,760
 - Pumper truck 341,910
 - Ambulance 246,746

- Infrastructure:
 - Paving - various roads 1,992,440

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

Long-term debt

Long-Term Debt		
June 30		
	2023	2022
		<i>(as restated)</i>
General obligation bonds	\$ 25,150,000	\$ 30,150,000
Notes payable	128,547	489,453
Leases	543,108	441,355
Subscriptions	152,993	165,290
Totals	\$ 25,974,648	\$ 31,246,098

The Town's total long-term debt outstanding at year end decreased \$5,271,450 during the current fiscal year. This was the result of scheduled principal payments of \$5,482,535.

State Statutes limit the amount of general obligation debt a governmental entity may issue to seven times total prior year tax collections, including interest and lien fees. The current debt limitation for the Town is \$575,023,043, which is significantly in excess of the Town's outstanding general obligation debt.

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 2024. Some of the more significant considerations were:

- At June 2023, the unemployment rate for the Town was 4.30% as compared to the State's unemployment rate of 3.70% and a national unemployment rate of 3.60%. This is an increase compared to the Town's rate of 3.70% at June 2022.
- Projection for an increase in the cost of health insurance based upon all available information.
- Projection for an increase in special education costs for the Board of Education 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.

Contacting the Town's financial management

This annual comprehensive 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

Governmental Activities
Statement of Net Position
June 30, 2023

Assets

Current assets:	
Cash	\$ 1,811,835
Investments	37,194,915
Receivables (net):	
Property taxes	1,219,804
Accounts	437,573
Intergovernmental	2,989,564
Leases	8,339
Other	279,211
	<hr/>
Total current assets	43,941,241
	<hr/>
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Investments	999,736
	<hr/>
Receivables (net):	
Property taxes	955,030
Loans	139,630
Leases	4,046,015
	<hr/>
Total receivables (net)	5,140,675
	<hr/>
Capital assets (net of accumulated depreciation/amortization):	
Land	14,788,616
Construction in progress	13,028,448
Intangible right-to-use assets	664,814
Land improvements	2,023,749
Buildings and systems	39,493,242
Machinery and equipment	4,187,139
Vehicles	6,489,303
Infrastructure	15,351,867
	<hr/>
Total capital assets (net of accumulated depreciation/amortization)	96,027,178
	<hr/>
Total noncurrent assets	102,167,589
	<hr/>
Total assets	146,108,830
	<hr/>

Deferred Outflows of Resources

Pension related	5,349,284
OPEB related	2,932,038
	<hr/>
Total deferred outflows of resources	8,281,322
	<hr/>

(Continued)

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

Town of Monroe, Connecticut

Governmental Activities
Statement of Net Position
June 30, 2023

Liabilities

Current liabilities:	
Accounts payable	\$ 3,791,073
Retainage payable	260,383
Accrued payroll and related liabilities	585,170
Accrued interest payable	151,796
Unearned revenue	689,442
Long-term debt	5,258,019
Compensated absences	461,169
Special termination benefits	1,340,480
Heart and hypertension claims payable	49,116
Other	50,084
	<hr/>
Total current liabilities	12,636,732
Noncurrent liabilities:	
Performance bonds	999,736
Long-term debt and related liabilities	22,596,948
Compensated absences	1,844,674
Special termination benefits	5,358,236
Heart and hypertension claims payable	315,742
Landfill closure and postclosure	1,936,125
Net pension liability	11,210,188
Net OPEB liability	9,002,062
	<hr/>
Total noncurrent liabilities	53,263,711
	<hr/>
Total liabilities	65,900,443

Deferred Inflows of Resources

Lease related	3,865,167
Deferred charges on refunding	630,346
Pension related	1,708,020
OPEB related	8,193,723
	<hr/>
Total deferred inflows of resources	14,397,256

Net Position

Net investment in capital assets	65,995,666
Restricted for:	
Town programs	466,631
Senior center programs	371,509
Town clerk fees	121,642
School lunch programs	683,585
Library programs	126,651
Housing rehabilitation	219,960
Public safety programs	73,413
Public works programs	1,162,461
Unrestricted	4,870,935
	<hr/>
Total net position	\$ 74,092,453

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

(Concluded)

Town of Monroe, Connecticut
Governmental Activities
Statement of Activities
For the Year Ended June 30, 2023

Program Revenues

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net Expenses and Changes in Net Position</u>
General government	\$ 9,080,434	\$ 1,308,275	\$ 1,144,969	\$ 15,000	\$ (6,612,190)
Public safety	11,500,450	2,546,960	1,290,081	500,000	(7,163,409)
Public works	4,638,749	754,773	710,864	2,800,031	(373,081)
Health and welfare	501,674	85,249	23,829	-	(392,596)
Culture and recreation	3,617,325	1,229,392	741,801	-	(1,646,132)
Education	82,085,668	2,651,933	18,517,728	-	(60,916,007)
Interest	498,287	-	-	-	(498,287)
Total	<u>\$ 111,922,587</u>	<u>\$ 8,576,582</u>	<u>\$22,429,272</u>	<u>\$ 3,315,031</u>	<u>(77,601,702)</u>

General revenues:	
Property taxes	85,293,944
Grants and contributions not restricted to specific programs	1,636,023
Income from investments	2,153,468
Other	291,801
Total general revenues	<u>89,375,236</u>
Change in net position	11,773,534
Net position - July 1, 2022	<u>62,318,919</u>
Net position - June 30, 2023	<u>\$ 74,092,453</u>

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

Town of Monroe, Connecticut

Governmental Funds
Balance Sheet
June 30, 2023

	General Fund	Capital Reserve Fund	Reconstruction of Pepper Street Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash	\$ 170,625	\$ -	\$ -	\$ 1,641,210	\$ 1,811,835
Investments	36,419,287	-	-	775,628	37,194,915
Restricted investments	999,736	-	-	-	999,736
Receivables (net):					
Property taxes	2,174,834	-	-	-	2,174,834
Accounts	109,829	-	-	327,744	437,573
Intergovernmental	-	-	2,710,530	279,034	2,989,564
Loans	-	-	-	139,630	139,630
Leases	4,054,354	-	-	-	4,054,354
Due from other funds	3,284,710	3,466,310	-	5,611,117	12,362,137
Other	279,211	-	-	-	279,211
Total assets	<u>\$ 47,492,586</u>	<u>\$ 3,466,310</u>	<u>\$ 2,710,530</u>	<u>\$ 8,774,363</u>	<u>\$ 62,443,789</u>
<u>Liabilities</u>					
Accounts payable	\$ 2,213,135	\$ 951,238	\$ 334,578	\$ 292,122	\$ 3,791,073
Accrued payroll and related liabilities	581,439	-	-	3,731	585,170
Retainage payable	-	213,279	47,104	-	260,383
Due to other funds	9,565,660	-	3,027,240	257,470	12,850,370
Unearned revenue	72	-	-	689,370	689,442
Performance bonds	999,736	-	-	-	999,736
Other	50,084	-	-	-	50,084
Total liabilities	<u>13,410,126</u>	<u>1,164,517</u>	<u>3,408,922</u>	<u>1,242,693</u>	<u>19,226,258</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue:					
Property taxes	2,174,834	-	-	-	2,174,834
Lease related	3,865,167	-	-	-	3,865,167
Total deferred inflows of resources	<u>6,040,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,040,001</u>
<u>Fund Balances</u>					
Nonspendable	189,187	-	-	-	189,187
Restricted	371,509	-	-	2,854,343	3,225,852
Committed	1,622,815	2,280,360	582,933	4,719,359	9,205,467
Assigned	2,718,363	21,433	-	-	2,739,796
Unassigned	23,140,585	-	(1,281,325)	(42,032)	21,817,228
Total fund balances	<u>28,042,459</u>	<u>2,301,793</u>	<u>(698,392)</u>	<u>7,531,670</u>	<u>37,177,530</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 47,492,586</u>	<u>\$ 3,466,310</u>	<u>\$ 2,710,530</u>	<u>\$ 8,774,363</u>	<u>\$ 62,443,789</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, 2023

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

Total fund balances (Exhibit C, Page 1)	<u>\$ 37,177,530</u>
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Beginning capital assets (net)	91,189,605
Current year additions (net of construction in progress decreases)	10,769,242
Depreciation/amortization expense	<u>(5,931,669)</u>
Total	<u>96,027,178</u>

Other long-term assets and deferred outflows of resources are not available resources and, therefore, are not reported in the funds:

Deferred outflows related to pensions	5,349,284
Deferred outflows related to OPEB	<u>2,932,038</u>
Total	<u>8,281,322</u>

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	<u>2,174,834</u>
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Internal service funds are used by management for risk financing activities:

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	<u>123,375</u>
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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	(27,158,866)
Lease payable	(543,108)
Subscriptions payable	(152,993)
Compensated absences	(2,305,843)
Special termination benefits	(6,698,716)
Landfill closure and postclosure	(1,936,125)
Net pension liability	(11,210,188)
Net OPEB liability	(9,002,062)
Accrued interest payable	(151,796)
Deferred charge on refunding	(630,346)
Deferred inflows related to pension	(1,708,020)
Deferred inflows related to OPEB	<u>(8,193,723)</u>
Total	<u>(69,691,786)</u>

Net position (Exhibit A)	<u><u>\$ 74,092,453</u></u>
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(Concluded)

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

Town of Monroe, Connecticut

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

	General Fund	Capital Reserve Fund	Reconstruction of Pepper Street Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 84,771,078	\$ -	\$ -	\$ -	\$ 84,771,078
Intergovernmental	19,829,623	500,000	2,276,865	4,197,119	26,803,607
Charges for services	2,133,743	-	-	6,442,839	8,576,582
Contributions	-	15,000	-	561,719	576,719
Income from investments	2,143,017	-	-	10,451	2,153,468
Other	79,136	-	-	212,665	291,801
Total revenues	<u>108,956,597</u>	<u>515,000</u>	<u>2,276,865</u>	<u>11,424,793</u>	<u>123,173,255</u>
Expenditures:					
Current:					
General government	8,678,066	1,050	-	165,434	8,844,550
Public safety	8,561,230	-	-	1,272,653	9,833,883
Public works	3,487,047	-	-	1,050,732	4,537,779
Health and welfare	372,978	-	-	129,676	502,654
Culture and recreation	1,830,375	-	-	1,431,884	3,262,259
Education	74,051,861	-	-	5,456,721	79,508,582
Debt service	6,096,747	2,386	-	-	6,099,133
Capital outlay	-	6,032,831	2,564,992	306,220	8,904,043
Total expenditures	<u>103,078,304</u>	<u>6,036,267</u>	<u>2,564,992</u>	<u>9,813,320</u>	<u>121,492,883</u>
Excess (deficiency) of revenues over expenditures	<u>5,878,293</u>	<u>(5,521,267)</u>	<u>(288,127)</u>	<u>1,611,473</u>	<u>1,680,372</u>
Other financing sources (uses):					
Issuance of debt	-	211,085	-	-	211,085
Transfers in	453,448	1,995,466	-	32,555	2,481,469
Transfers out	<u>(1,560,809)</u>	<u>(452,939)</u>	<u>-</u>	<u>(467,721)</u>	<u>(2,481,469)</u>
Net other financing sources (uses)	<u>(1,107,361)</u>	<u>1,753,612</u>	<u>-</u>	<u>(435,166)</u>	<u>211,085</u>
Net change in fund balances	4,770,932	(3,767,655)	(288,127)	1,176,307	1,891,457
Fund balances - July 1, 2022 (as restated)	<u>23,271,527</u>	<u>6,069,448</u>	<u>(410,265)</u>	<u>6,355,363</u>	<u>35,286,073</u>
Fund balances - June 30, 2023	<u>\$ 28,042,459</u>	<u>\$ 2,301,793</u>	<u>\$ (698,392)</u>	<u>\$ 7,531,670</u>	<u>\$ 37,177,530</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 the Statement of Activities
For the Year Ended June 30, 2023

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) \$ 1,891,457

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

Capital outlay	10,769,242
Depreciation/amortization expense	<u>(5,931,669)</u>
Total	<u>4,837,573</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	<u>522,866</u>
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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:	
Leases	(175,813)
Subscriptions	(35,272)
Principal repayments:	
General obligation bonds and notes	5,360,906
Leases payable	74,060
Subscriptions payable	<u>47,569</u>
Total	<u>5,271,450</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 the Statement of Activities
For the Year Ended June 30, 2023**

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

Change in/amortization of:	
Accrued interest payable	\$ 44,764
Premium	309,496
Compensated absences	(478,304)
Special termination benefits	(119,535)
Claims payable	58,500
Landfill closure and postclosure	(118,000)
Net pension liability	(2,760,623)
Net OPEB liability	5,238,103
Deferred outflows of resources related to pension and OPEB	246,586
Deferred inflows of resources related to pension and OPEB	166,829
Deferred charges on refunding	<u>(3,367,528)</u>
 Total	 <u>(779,712)</u>

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

The net revenue (expense) of the activities of the internal service funds is reported with governmental activities	<u>29,900</u>
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Change in net position (Exhibit B)	<u>\$ 11,773,534</u>
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(Concluded)

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

Town of Monroe, Connecticut

Proprietary Fund
Statement of Net Position
June 30, 2023

	<u>Internal Service Fund</u>
<u>Assets</u>	
Current asset:	
Due from other funds	<u>\$ 488,233</u>
<u>Liabilities</u>	
Current liability:	
Claims payable	49,116
Noncurrent liability:	
Claims payable	<u>315,742</u>
Total liabilities	<u>364,858</u>
<u>Net Position</u>	
Unrestricted	<u><u>\$ 123,375</u></u>

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

Town of Monroe, Connecticut
Proprietary Fund
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2023

	<u>Internal Service Fund</u>
Operating revenues:	
Charges for services	\$ 77,737
Operating expenses:	
Claims and benefits	<u>47,837</u>
Operating income (loss)	29,900
Net position - July 1, 2022	<u>93,475</u>
Net position - June 30, 2023	<u><u>\$ 123,375</u></u>

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

Town of Monroe, Connecticut
Proprietary Fund
Statement of Cash Flows
For the Year Ended June 30, 2023

	<u>Internal Service Funds</u>
Cash flows from (used in) operating activities:	
Cash received from charges for services	\$ 57,737
Cash paid for benefits and claims	<u>(57,737)</u>
Net increase (decrease) in cash	-
Cash - July 1, 2022	<u>-</u>
Cash - June 30, 2023	<u><u>\$ -</u></u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:	
Operating income (loss)	\$ 29,900
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:	
Changes in operating assets and liabilities:	
(Increase) decrease in:	
Due from other funds	(20,000)
Increase (decrease) in:	
Claims payable	<u>(9,900)</u>
Net cash from (used in) operating activities	<u><u>\$ -</u></u>

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

Town of Monroe, Connecticut
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2023

	<u>Pension and OPEB Trust Funds</u>	<u>Private- Purpose Trust Fund</u>
<u>Assets</u>		
Cash	\$ -	\$ 10,194
Investments:		
Mutual funds:		
Money market	1,287,960	-
Equity	21,111,774	-
Bond	7,219,854	-
Real estate	94,241	-
Diversified	1,323,875	-
Total investments	<u>31,037,704</u>	<u>-</u>
Total assets	<u>31,037,704</u>	<u>10,194</u>
<u>Net Position</u>		
Restricted for:		
Pensions	28,801,789	-
OPEB	2,235,915	-
Individuals and organizations	<u>-</u>	<u>10,194</u>
Total net position	<u>\$ 31,037,704</u>	<u>\$ 10,194</u>

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

Town of Monroe, Connecticut

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2023

	<u>Pension and OPEB Trust Funds</u>	<u>Private- Purpose Trust Fund</u>
Additions:		
Contributions:		
Employer	\$ 941,982	\$ -
Employee	<u>402,659</u>	<u>-</u>
Total contributions	<u>1,344,641</u>	<u>-</u>
Investment income (loss):		
Net change in fair value of investments	2,356,956	-
Interest and dividends	<u>676,467</u>	<u>33</u>
Total investment income (loss)	3,033,423	33
Less investment expense	<u>45,444</u>	<u>-</u>
Net investment income (loss)	<u>2,987,979</u>	<u>33</u>
Total additions	<u>4,332,620</u>	<u>33</u>
Deductions:		
Benefits	1,655,088	-
Administration	80,182	-
Scholarship awards	<u>-</u>	<u>300</u>
Total deductions	<u>1,735,270</u>	<u>300</u>
Change in net position	2,597,350	(267)
Net position - July 1, 2022	<u>28,440,354</u>	<u>10,461</u>
Net position - June 30, 2023	<u><u>\$ 31,037,704</u></u>	<u><u>\$ 10,194</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, 2023**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.

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

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

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

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

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

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

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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, including property taxes, are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

General Fund	The Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
Capital Reserve Fund	Accounts 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.
Reconstruction of Pepper Street Fund	Accounts for expenditures related to the reconstruction of Pepper Street and the related grant revenues.

Additionally, the Town reports the following fund types:

Special Revenue Funds	Accounts for and reports the proceeds of specific revenue resources that are restricted, committed or assigned to expenditures for specified purposes other than debt.
Capital Project Funds	Accounts for and reports resources and expenditures that are restricted, committed or assigned for the acquisition and construction of capital facilities, including those that are financed through special assessments.
Internal Service Fund	Accounts for risk financing activities for heart and hypertension as allowed by GASB Statement No. 10.
Pension Trust Funds	Accounts for the activities of the Town Retirement Plan and Education Retirement Plan, which accumulate resources for pension benefit payments to qualified employees.
OPEB Trust Fund	Accounts for the activities of the Police OPEB Plan which accumulates resources for OPEB benefits.
Private-Purpose Trust Fund	Accounts for the receipt of private donations to be used for student awards.

Town of Monroe, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2023****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 Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c - 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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 are as follows:

Asset Class	Target Allocation	
	Pension	OPEB
Domestic equity	39.00%	35.00%
International equity	30.50%	30.00%
Fixed income	14.00%	30.00%
Other	16.50%	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, 2023

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 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, property tax, and loan receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 2.00% to 85.00% 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.

c. Leases receivable

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

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

Key estimates and judgments related to leases include:

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

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

3. Restricted assets

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

4. Capital assets

Capital assets are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost as noted in the table below and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

Capital assets of the Town are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Years	Threshold
Land	N/A	All
Construction in progress	N/A	\$5,000 - \$100,000 *
Land improvements	10-30	20,000
Buildings and systems	20-40	20,000
Machinery and equipment	5-20	5,000
Vehicles	3-15	5,000
Infrastructure	25-50	100,000
Intangible right-to-use leased assets	Lease term	20,000
Intangible right-to-use subscription assets	Subscription term	20,000

* Depending on asset classification

5. Deferred outflows/inflows of resources

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

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

The Town reports deferred outflows and inflows of resources related to pensions and OPEB in the government-wide statements for differences between expected and actual experience, changes in assumptions, net difference between projected and actual earnings on plan investments, changes in proportional share and contributions subsequent to 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.

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

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

Town of Monroe, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2023****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

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 property taxes (including advance collections, if any). 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 liabilities

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

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

9. Lease and subscription liabilities

The Town is a lessee for noncancellable leases of buildings and equipment. Additionally, the Town has certain software subscriptions that require recognition in the financial statements. The Town recognizes a lease/subscription liability and an intangible right-to-use lease/subscription asset (lease/subscription asset) in the government-wide financial statements. The Town recognizes lease/subscription liabilities with an initial, individual value of \$20,000 or more.

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

Key estimates and judgments related to leases and subscriptions include:

Discount rate	The Town uses the interest rate charged by the lessor/subscription vendor as the discount rate to discount the expected payments to the present value. When the interest rate charged is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate.
Term	The lease/subscription term includes the noncancellable period of the lease/agreement.
Payments	Lease/subscription payments included in the measurement of the liability are composed of fixed payments and any purchase option price that the Town is reasonably certain to exercise.

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

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

10. Net position and fund balances

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

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

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.

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.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**11. Use of estimates**

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

12. 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.

B. Capital projects authorizations

The following is a summary of certain capital projects:

<u>Project</u>	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Balance</u>
Fire apparatus	\$ 3,880,000	\$ 3,831,312	\$ 48,688
Fire apparatus and safety equipment	1,195,000	341,910	853,090
Radio system	1,650,000	1,578,019	71,981
EMS facility phase 2	4,600,000	4,376,618	223,382
Road construction/reconstruction phase 8	1,220,000	439,905	780,095
Road construction/reconstruction phase 9	1,020,000	-	1,020,000
Trucks and equipment	1,265,000	832,470	432,530
Fire safety equipment	500,000	479,141	20,859
School improvements	560,000	500,683	59,317
Wolfe Park Field	757,693	570,076	187,617
Pepper Street reconstruction	8,000,000	6,949,420	1,050,580
Totals	<u>\$24,647,693</u>	<u>\$19,899,554</u>	<u>\$ 4,748,139</u>

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

At year end, the Town's bank balance was exposed to custodial credit risk as follows:

Bank balance	<u>\$ 29,015,486</u>
Uninsured and uncollateralized	\$ 3,158,435
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>378,825</u>
Total amount subject to custodial credit risk	<u>\$ 3,537,260</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.

2. Investments

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

Type of Investment	Fair Value	Investment Maturities (In Years)				
		N/A	Less Than 1	1-5 Years	5-10 Years	Over 10
Mutual funds:						
Money market	\$ 1,287,960	\$ -	\$ 1,287,960	\$ -	\$ -	\$ -
Equity	21,111,774	21,111,774	-	-	-	-
Bond	7,219,854	-	-	-	6,804,942	414,912
Real estate	94,241	94,241	-	-	-	-
Diversified	1,323,875	1,323,875	-	-	-	-
Bank money market	1,578,757	-	1,578,757	-	-	-
Certificates of deposit	23,906,189	-	23,906,189	-	-	-
Pooled fixed income	3,909,150	-	3,909,150	-	-	-
U.S. treasury obligations	8,057,382	-	8,057,382	-	-	-
U.S. government agency obligations	743,173	-	-	155,772	25,776	561,625
Total	\$ 69,232,355	<u>\$ 22,529,890</u>	<u>\$ 38,739,438</u>	<u>\$ 155,772</u>	<u>\$ 6,830,718</u>	<u>\$ 976,537</u>
Less pension and OPEB funds	<u>(31,037,704)</u>					
Total other funds	<u>\$ 38,194,651</u>					

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Cash and investments (continued)

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

	Amount	Quoted Market	Significant
		Prices in Active Markets Level 1	Observable Inputs Level 2
<u>Investments by fair value level</u>			
Mutual funds:			
Money market	\$ 1,287,960	\$ 1,287,960	\$ -
Equity	21,111,774	21,111,774	-
Bond	7,219,854	7,219,854	-
Real estate	94,241	94,241	-
Diversified	1,323,875	1,323,875	-
U.S. treasury obligations	8,057,382	-	8,057,382
U.S. government agency obligations	743,173	-	743,173
Total investments by fair value level	<u>39,838,259</u>	<u>\$ 31,037,704</u>	<u>\$ 8,800,555</u>
Other investments:			
Bank money market	1,578,757		
Certificates of deposit	23,906,189		
Pooled fixed income	<u>3,909,150</u>		
Total other investments	<u>29,394,096</u>		
Total investments	<u>\$ 69,232,355</u>		

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.

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

Type of Investment	Ratings		
	AAA	Unrated	Total
Mutual funds			
Money market	\$ 1,287,960	\$ -	\$ 1,287,960
Bond	-	7,219,854	7,219,854
Diversified	-	1,323,875	1,323,875
Pooled fixed income	3,909,150	-	3,909,150
U.S. government agency obligations	743,173	-	743,173
Total	<u>\$ 5,940,283</u>	<u>\$ 8,543,729</u>	<u>\$ 14,484,012</u>

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Cash and investments (continued)

- 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:

	<u>Total</u>	<u>Less Insured Amounts</u>	<u>Amount Subject to Custodial Credit Risk</u>
U.S. treasury obligations	\$8,057,382	\$ 500,000	\$ 7,557,382
U.S. government agency obligations	<u>743,173</u>	<u>-</u>	<u>743,173</u>
Total	<u>\$8,800,555</u>	<u>\$ 500,000</u>	<u>\$ 8,300,555</u>

B. Receivables

1. 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:

	<u>Property Taxes</u>		
	<u>Taxes</u>	<u>Interest and lien fees</u>	<u>Total</u>
Current portion	<u>\$ 939,656</u>	<u>\$ 280,148</u>	<u>\$1,219,804</u>
Long-term portion	800,448	291,582	1,092,030
Less allowance for uncollectibles	<u>(100,500)</u>	<u>(36,500)</u>	<u>(137,000)</u>
Net long-term portion	<u>699,948</u>	<u>255,082</u>	<u>955,030</u>
Total receivable	<u>\$1,639,604</u>	<u>\$ 535,230</u>	<u>\$2,174,834</u>
	<u>EMS Accounts</u>	<u>Police Private Duty</u>	<u>CDBG Loans</u>
Current portion	<u>\$ 151,825</u>	<u>\$ 229,176</u>	<u>\$ -</u>
Long-term portion	639,224	18,200	143,430
Less allowance for uncollectibles	<u>(639,224)</u>	<u>(18,200)</u>	<u>(3,800)</u>
Net long-term portion	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,630</u>

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Receivables (continued)

2. Leases receivable

Description	Lease Receivable	Deferred Inflows of Resources	Lease Revenue	Lease Interest Revenue
Cell towers	\$ 4,054,354	\$ 3,865,167	\$ 100,417	\$ 50,081
Less: current portion	(8,339)			
Long-term portion	\$ 4,046,015			

Description	Lease Agreement Terms
Cell towers	The Town (as lessor) entered into two five-year lease agreements for the right to use a tract of land. One lease agreement includes seven five-year renewal terms. The other agreement includes four five-year renewal terms. Based on these agreements, the Town is receiving monthly payments through June 2055.

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	\$ -	\$ 3,466,310
Reconstruction of Pepper Street		3,027,240	-
Other governmental funds	N/A	257,470	5,611,117
Internal service funds	N/A	-	488,233
Total general fund		3,284,710	9,565,660
Capital reserve fund	General Fund	3,466,310	-
Reconstruction of Pepper Street	General Fund	-	3,027,240

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Interfund accounts (continued)

	Corresponding Fund	Due From	Due To
Other governmental funds			
Special revenue funds			
Library grants	General Fund	\$ 16,437	\$ -
Wheeler library	General Fund	111,295	-
School cafeteria	General Fund	7,918	-
Education grants	General Fund	-	44,445
Education programs	General Fund	721,643	-
Police grants	General Fund	325	-
Police private duty	General Fund	2,068,059	-
Recreation programs	General Fund	661,820	-
Senior center grant and programs	General Fund	183,109	-
Town grants and programs	General Fund	609,879	145,066
Town road grants	General Fund	1,142,124	-
Waste disposal	General Fund	-	53,758
Cornelia Rogers	General Fund	42,264	-
Total special revenue funds		5,564,873	243,269
Capital project funds			
Plan of conservation and development	General Fund	27,683	-
Local capital improvements	General Fund	-	14,201
Education capital reserve	General Fund	18,561	-
Total capital projects		46,244	14,201
Total other governmental funds		5,611,117	257,470
Internal service funds			
Heart and hypertension	General Fund	488,233	-
Total		\$12,850,370	\$12,850,370

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

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

	Corresponding Fund	Transfers In	Transfers Out
General Fund			
Capital Reserve Fund	N/A	\$ 452,939	\$1,528,254
Other Governmental Funds	N/A	509	32,555
Total General Fund		<u>453,448</u>	<u>1,560,809</u>
Capital Reserve Fund			
General Fund	N/A	1,528,254	452,939
Other Governmental Funds	N/A	467,212	-
Total Capital Reserve Fund		<u>1,995,466</u>	<u>452,939</u>
Other Governmental Funds			
Special Revenue Funds			
Recreation Programs	Capital Reserve Fund	-	145,000
Town Grants and Programs	General Fund	25,055	509
Town Grants and Programs	Capital Reserve Fund	-	145,000
Police Department Renovation	Capital Reserve Fund	-	40,164
Plan of Conservation and Development	General Fund	7,500	-
Local Capital Improvements	Capital Reserve Fund	-	137,048
Total Other Governmental Funds		<u>32,555</u>	<u>467,721</u>
Total		<u><u>\$2,481,469</u></u>	<u><u>\$2,481,469</u></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, 2023

D. Capital assets

Capital asset activity for the fiscal year was as follows:

	Balance July 1, 2022 <i>(as restated)</i>	Increases	Decreases	Balance June 30, 2023
Capital assets, not being depreciated/amortized:				
Land	\$ 14,788,616	\$ -	\$ -	\$ 14,788,616
Construction in progress	9,066,832	6,159,213	2,197,597	13,028,448
Total capital assets, not being depreciated/amortized	<u>23,855,448</u>	<u>6,159,213</u>	<u>2,197,597</u>	<u>27,817,064</u>
Capital assets, being depreciated/amortized:				
Intangible right-to-use-assets	669,912	211,085	3,157	877,840
Land improvements	5,265,842	-	-	5,265,842
Buildings and systems	107,500,189	711,474	-	108,211,663
Machinery and equipment	11,214,615	2,101,317	837,478	12,478,454
Vehicles	16,050,627	1,577,808	576,367	17,052,068
Infrastructure	76,687,687	2,205,942	-	78,893,629
Total capital assets, being depreciated/amortized	<u>217,388,872</u>	<u>6,807,626</u>	<u>1,417,002</u>	<u>222,779,496</u>
Total capital assets	<u>241,244,320</u>	<u>12,966,839</u>	<u>3,614,599</u>	<u>250,596,560</u>
Less accumulated depreciation/amortization for:				
Intangible right-to-use-assets	83,765	132,418	3,157	213,026
Land improvements	2,921,825	320,268	-	3,242,093
Buildings and systems	66,046,941	2,671,480	-	68,718,421
Machinery and equipment	8,236,038	892,755	837,478	8,291,315
Vehicles	10,089,796	1,049,336	576,367	10,562,765
Infrastructure	62,676,350	865,412	-	63,541,762
Total accumulated depreciation/amortization	<u>150,054,715</u>	<u>5,931,669</u>	<u>1,417,002</u>	<u>154,569,382</u>
Total capital assets, being depreciated/amortized, net	<u>67,334,157</u>	<u>875,957</u>	<u>-</u>	<u>68,210,114</u>
Capital assets, net	<u>\$ 91,189,605</u>	<u>\$ 7,035,170</u>	<u>\$ 2,197,597</u>	<u>\$ 96,027,178</u>

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Capital assets (continued)

Intangible right-to-use assets by category are as follows:

	<u>Asset</u>	<u>Accumulated Amortization</u>
Intangible right-to-use buildings	\$ 585,981	\$ 80,608
Intangible right-to-use equipment	91,297	90,542
Intangible right-to-use subscriptions	200,562	41,876
Total intangible right-to-use assets	<u>\$ 877,840</u>	<u>\$ 213,026</u>

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

General government	\$ 171,264
Public safety	1,188,977
Public works	1,302,526
Culture and recreation	470,676
Education	<u>2,798,226</u>
Total depreciation/amortization expense	<u>\$ 5,931,669</u>

E. Construction commitments

The Town has the following construction commitments:

Monroe EMS	\$ 60,267
Pepper Street Reconstruction	<u>582,933</u>
Total	<u>\$ 643,200</u>

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities

Bonds, notes and leases are direct borrowings and pledge the full faith and credit of the Town.

1. Summary of changes

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

Description	Original Amount	Year of Issue	Date of Maturity	Interest Rate	Balance July 1, 2022 <i>(as restated)</i>	Additions	Deductions	Balance June 30, 2023	Current Portion	Long-Term Portion
Bonds:										
General purpose:										
General obligation	\$ 810,000	2016	07/01/26	1.50-4.00%	\$ 400,000	\$ -	\$ 80,000	\$ 320,000	\$ 80,000	\$ 240,000
Refunding bonds	6,490,000	2016	09/15/28	2.00-4.00%	3,125,000	-	580,000	2,545,000	600,000	1,945,000
General obligation	5,435,000	2018	06/15/28	3.00-5.00%	3,255,000	-	545,000	2,710,000	545,000	2,165,000
Refunding bonds	2,958,000	2018	04/01/26	3.00-5.00%	1,603,000	-	471,000	1,132,000	483,000	649,000
General obligation	2,315,000	2019	05/01/30	4.00-5.00%	1,845,000	-	235,000	1,610,000	230,000	1,380,000
Refunding bonds	2,251,000	2019	05/01/24	4.00-5.00%	492,000	-	248,000	244,000	244,000	-
Refunding bonds	2,003,000	2020	04/15/30	4.00-5.00%	1,682,000	-	194,000	1,488,000	199,000	1,289,000
General obligation	9,815,000	2022	11/15/41	2.00-4.00%	9,815,000	-	785,000	9,030,000	780,000	8,250,000
Total general purpose	32,077,000				22,217,000	-	3,138,000	19,079,000	3,161,000	15,918,000
School bonds:										
General obligation	1,800,000	2016	07/01/26	1.50-4.00%	900,000	-	180,000	720,000	180,000	540,000
Refunding bonds	730,000	2016	09/15/28	2.00-4.00%	720,000	-	110,000	610,000	100,000	510,000
General obligation	2,650,000	2018	06/15/28	3.00-5.00%	1,590,000	-	265,000	1,325,000	265,000	1,060,000
Refunding bonds	4,082,000	2018	04/01/26	3.00-5.00%	2,212,000	-	649,000	1,563,000	667,000	896,000
Refunding bonds	4,289,000	2019	05/01/24	4.00-5.00%	988,000	-	482,000	506,000	506,000	-
Refunding bonds	1,812,000	2020	04/15/30	4.00-5.00%	1,523,000	-	176,000	1,347,000	181,000	1,166,000
Total school bonds	15,363,000				7,933,000	-	1,862,000	6,071,000	1,899,000	4,172,000
Total bonds	47,440,000				30,150,000	-	5,000,000	25,150,000	5,060,000	20,090,000

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities (continued)

Description	Original Amount	Year of Issue	Date of Maturity	Interest Rate	Balance July 1, 2022 <i>(as restated)</i>	Additions	Deductions	Balance June 30, 2023	Current Portion	Long-Term Portion
<i>Notes (direct borrowings):</i>										
Energy financing notes	\$ 2,747,787	2013	06/26/23	1.82%	\$ 299,202	\$ -	\$ 299,202	\$ -	\$ -	\$ -
Copiers	317,240	2021	06/30/25	2.75%	190,251	-	61,704	128,547	63,401	65,146
Total notes	<u>3,065,027</u>				<u>489,453</u>	<u>-</u>	<u>360,906</u>	<u>128,547</u>	<u>63,401</u>	<u>65,146</u>
Total bonds/notes	<u>\$ 50,505,027</u>				<u>30,639,453</u>	<u>-</u>	<u>5,360,906</u>	<u>25,278,547</u>	<u>5,123,401</u>	<u>20,155,146</u>
Leases payable					441,355	175,813	74,060	543,108	85,373	457,735
Subscription payable					165,290	35,272	47,569	152,993	49,245	103,748
Total long-term debt					31,246,098	211,085	5,482,535	25,974,648	5,258,019	20,716,629
Premium					2,189,815	-	309,496	1,880,319	-	1,880,319
Total long-term debt and related liabilities					33,435,913	211,085	5,792,031	27,854,967	5,258,019	22,596,948
Compensated absences					1,827,539	478,304 *	-	2,305,843	461,169	1,844,674
Special termination benefits					6,579,181	659,928	540,393	6,698,716	1,340,480	5,358,236
Claims payable					58,500	-	58,500	-	-	-
Heart and hypertension claims payable					374,758	46,853	56,753	364,858	49,116	315,742
Landfill closure and post closure					1,818,125	118,000	-	1,936,125	-	1,936,125
Net pension liability					8,449,565	12,655,296	9,894,673	11,210,188	-	11,210,188
Net OPEB liability					14,240,165	1,252,083	6,490,186	9,002,062	-	9,002,062
Total long-term liabilities					<u>\$ 66,783,746</u>	<u>\$ 15,421,549</u>	<u>\$ 22,832,536</u>	<u>\$ 59,372,759</u>	<u>\$ 7,108,784</u>	<u>\$ 52,263,975</u>

* Net change

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, 2023

F. Changes in long-term liabilities (continued)

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

Year Ended June 30,	Bond Principal	Note Principal	Total Interest
2024	\$ 5,060,000	\$ 63,401	\$ 858,610
2025	4,355,000	65,146	654,266
2026	3,635,000	-	498,900
2027	3,015,000	-	369,150
2028	2,420,000	-	267,000
2029	1,630,000	-	174,600
2030	1,435,000	-	117,775
2031	775,000	-	68,125
2032	775,000	-	48,750
2033	205,000	-	38,950
2034	205,000	-	34,850
2035	205,000	-	30,750
2036	205,000	-	26,650
2037	205,000	-	22,550
2038	205,000	-	18,450
2039	205,000	-	14,350
2040	205,000	-	10,250
2041	205,000	-	6,150
2042	205,000	-	2,050
Total	<u>\$ 25,150,000</u>	<u>\$ 128,547</u>	<u>\$ 3,262,176</u>

2. Assets pledged as collateral

The Town's outstanding financing notes of \$128,547 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	\$ 184,828,835	\$ 19,079,000	\$ 165,749,835
Schools	369,657,671	6,071,000	363,586,671
Sewer	308,048,059	-	308,048,059
Urban renewal	266,974,984	-	266,974,984
Pension deficit	246,438,447	-	246,438,447

In no event shall total indebtedness exceed seven times the base for debt limitation computation:

\$ 575,023,043

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities (continued)

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.

4. Authorized/unissued bonds

The amount of authorized, unissued bonds are as follows:

General purpose	\$ 8,318,000
Schools	<u>831,466</u>
Total	<u>\$ 9,149,466</u>

5. 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 which is 100%. 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 \$1,336,125, which is based on what it would cost to perform all closure at 2023 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.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities (continued)**6. Leases**

Lease agreements are summarized as follows:

Description	Year	Lease Term (years)	Interest Rate*	Original Amount	Balance June 30, 2023
Education postage machine	2022	5	2.75%	\$ 36,858	\$ 21,907
Town postage machine	2022	4	2.75%	14,052	6,730
Radio equipment	2022	4	2.75%	40,388	20,741
Cell tower - Bedford, NY	2022	5	2.75%	27,501	23,227
Cell tower - Middlefield, CT	2022	2	2.75%	3,157	-
Cell tower - Sag Harbor, NY	2023	15	2.75%	175,813	174,648
WMNR building	2022	7	2.75%	382,666	295,855
Total				<u>\$ 680,435</u>	<u>\$ 543,108</u>

*All interest rates have been imputed based on the estimated incremental borrowing rate as there were no interest rates specified in the lease agreement.

Description	Terms
Education postage machine	The lease is not renewable and the Town will not acquire the equipment at the end of the term.
Town postage machine	The lease is not renewable and the Town will not acquire the equipment at the end of the term.
Radio equipment	The lease is not renewable and the Town will not acquire the equipment at the end of the term. The lease agreement includes maintenance fees which have not been included in the lease liability calculation.
Cell tower - Bedford, NY	The lease includes five additional five-year renewal terms that the Town is not reasonably certain of using, therefore, the lease term has been calculated as the base term (the noncancellable period). The lease agreement includes a separate cost reimbursement payment which has not been included in the base rent or lease liability calculation.
Cell tower - Middlefield, CT	The lease term includes one additional one-year renewal term that the Town anticipates renewing. The lease payment will be increased 3% each year.
Cell tower - Sag Harbor, NY	The lease term includes two additional five-year renewal terms that the Town anticipates renewing. The lease payment will be increased 3% each year.
WMNR building	The lease term includes one five-year additional term that the Town anticipates renewing. The lease payments are increased each year based on the CPI increase.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities (continued)

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

Year Ending June 30	Principal	Interest
2024	\$ 85,373	\$ 14,935
2025	91,091	12,588
2026	82,335	10,083
2027	82,064	7,818
2028	70,437	5,562
2029	10,495	3,625
2030	11,207	3,336
2031	11,952	3,028
2032	12,730	2,699
2033	13,543	2,349
2034	14,392	1,977
2035	15,279	1,581
2036	16,205	1,161
2037	17,172	715
2038	<u>8,833</u>	<u>243</u>
Totals	<u>\$ 543,108</u>	<u>\$ 71,700</u>

8. Subscription arrangements

Subscription arrangements are summarized as follows:

Description	Year	Subscription Term (years)	Interest Rate*	Original Amount	Balance June 30, 2023
Public safety communications system network	2023	5	2.75%	\$ 165,290	\$ 126,183
Web hosting	2023	4	2.75%	<u>35,272</u>	<u>26,810</u>
Total				<u>\$ 200,562</u>	<u>\$ 152,993</u>

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities (continued)

Description	Terms
Public safety communications system network	The Town has a subscription arrangement for the public safety communications system network. Termination by the Town is not expected and any extension must be mutually agreed upon. The agreement contains maintenance and support as a separate component.
Web hosting	The Town has a subscription arrangement for web hosting. There are no extension or termination terms.

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

Year Ending June 30	Principal	Interest
2024	\$ 49,245	\$ 4,207
2025	50,978	2,853
2026	52,770	1,451
Totals	<u>\$ 152,993</u>	<u>\$ 8,511</u>

G. Fund balances and restricted net position

Fund balances are composed of the following:

Fund Balance Component	General Fund	Capital Reserve Fund	Reconstruction of Pepper Street Fund	Other Governmental Funds	Total
Nonspendable:					
Lease receivable	\$ 189,187	\$ -	\$ -	\$ -	\$ 189,187
Restricted:					
Town programs	-	-	-	419,853	419,853
Housing rehabilitation	-	-	-	219,960	219,960
Town clerk fees *	-	-	-	121,642	121,642
Public safety programs	-	-	-	73,413	73,413
Public works	-	-	-	1,162,461	1,162,461
Health and welfare	-	-	-	4,514	4,514
Senior center programs	371,509	-	-	-	371,509
Library programs	-	-	-	126,651	126,651
Cornelia Rogers	-	-	-	42,264	42,264
School lunch programs *	-	-	-	683,585	683,585
Total restricted	<u>371,509</u>	<u>-</u>	<u>-</u>	<u>2,854,343</u>	<u>3,225,852</u>

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

G. Fund balances and restricted net position (continued)

Fund Balance Component	General Fund	Capital Reserve Fund	Reconstruction of Pepper Street Fund	Other Governmental Funds	Total
Committed:					
Legal purposes	\$ 122,815	\$ -	\$ -	\$ -	\$ 122,815
Special education	1,000,000	-	-	-	1,000,000
Emergency disaster relief	500,000	-	-	-	500,000
Public safety programs	-	-	-	2,220,544	2,220,544
Culture and recreation programs	-	-	-	1,372,945	1,372,945
School activity	-	-	-	349,959	349,959
Education programs	-	-	-	729,667	729,667
Construction commitments	-	60,267	582,933	-	643,200
Capital projects	-	2,220,093	-	46,244	2,266,337
Total committed	1,622,815	2,280,360	582,933	4,719,359	9,205,467
Assigned:					
Subsequent year's budget	2,600,000	-	-	-	2,600,000
General government programs	78,092	-	-	-	78,092
Public safety programs	16,745	-	-	-	16,745
Public works programs	13,800	-	-	-	13,800
Culture and recreation programs	6,726	-	-	-	6,726
Other	3,000	-	-	-	3,000
Unallocated capital projects	-	21,433	-	-	21,433
Total assigned	2,718,363	21,433	-	-	2,739,796
Unassigned	23,140,585	-	(1,281,325)	(42,032)	21,817,228
Total	\$ 28,042,459	\$ 2,301,793	\$ (698,392)	\$ 7,531,670	\$ 37,177,530

*The amount of restricted net position, which was restricted by enabling legislation, totaled \$ 805,227

H. Deficit fund balances

The Town had the following deficit fund balances:

Fund	Deficit	Deficit will be eliminated by
Waste Disposal	\$ 27,831	Future revenues from increased fees
Local Capital Improvements	14,201	Future grant reimbursements

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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. Additionally, insurance coverage has been purchased to limit the Town's liability for worker's compensation, general liability and medical claims. 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 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.

The Town utilizes a risk management fund (the Internal Service Fund) to account for and finance its uninsured risks of loss for 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, 2023

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>Heart and Hypertension</u>						
2021-2022	\$ 410,747	\$ 24,835	\$ 60,824	\$ 374,758	\$ 47,508	\$ 327,250
2022-2023	374,758	47,837	57,737	364,858	49,116	315,742

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.

The Town is a defendant in various lawsuits and the outcome of these lawsuits is not presently determinable. The resolution of these matters are not expected to have a material adverse effect on the financial condition of the Town.

C. Tax abatements

An economic development tax incentive program was enacted pursuant to Section 12-65b of the Connecticut General Statutes. This program is intended to attract new businesses to the Town and encourage the expansion of existing businesses to strengthen the Town's tax base.

The program is designed to provide the Town with the opportunity to create new employment, enhance the tax base, encourage technological innovation or investment, or address other goals of the Town. The program is available for strategic businesses, locally owned small business, restaurants and other retail establishments, affordable housing, warehousing and distribution centers.

The economic development tax incentive amount is based upon the total cost of improvements to real property. The form of the adjustment or reduction in the assessed value of that portion of the real property is comprised of the qualifying new construction or expansion.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Tax abatements (continued)

The program's abatement schedule is as follows:

Cost of Improvements	Abatement	Term
\$ 10,000,000+	Up to 50% of Increased Assessment	Up to 7 years
\$ 5,000,000+	Up to 30% of Increased Assessment	Up to 7 years
\$ 3,000,000+	Up to 20% of Increased Assessment	5 to 7 years
\$ 500,000+	Up to 30% of Increased Assessment	Up to 3 years
\$ 100,000+	Up to 20% of Increased Assessment	Up to 3 years
\$ 25,000+	Up to 50% of Increased Assessment	Up to 3 years

There is currently one company participating in the economic development tax incentive program.

The amount of the tax abatement under these programs was approximately \$22,758.

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.

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.

Benefit and contributions are established by the Town, via negotiated contracts, and may be amended only by the approval of the Town Council, and as agreed upon with the appropriate bargaining unit.

The Plan is closed to all new hires in the Town employee groups and Education nurse group.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Pension plans (continued)

b. Plan membership

As of July 1, 2022, the membership in the plan is comprised of the following:

	<u>Town</u>	<u>Education</u>
Active members	55	74
Terminated employees entitled to benefits	25	39
Retirees, disabled employees, and beneficiaries receiving benefits	<u>56</u>	<u>58</u>
Total	<u>136</u>	<u>171</u>

2. Benefit provisions

	<u>Town</u>	<u>Education</u>
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
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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Pension plans (continued)**3. Contributions**

Employee contributions as a percentage of their pensionable wages 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.

The Town's average contribution rate of covered payroll was:

Town	11.95%
Education	8.17%

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>	<u>Long-Term Expected Real Rate of Return</u>
U.S. large cap equities	31.50%	4.50%
International equity developed	20.00%	7.30%
Core fixed income	14.00%	1.10%
Dynamic bonds	9.00%	1.10%
Emerging markets	8.50%	8.60%
U.S. small cap equities	7.50%	4.80%
Broad real assets	7.50%	3.40%
Global bonds	<u>2.00%</u>	0.70%
Total	<u>100.00%</u>	
Long-term inflation expectation		<u>2.40%</u>
Long-term expected nominal return		<u>6.89%</u>

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Pension plans (continued)**b. Concentrations**

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

c. Rate of return

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 geometric 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 summarized above.

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	10.77%	10.92%

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	\$ 15,122,962	\$ 15,891,521
Plan fiduciary net position	<u>14,280,383</u>	<u>14,521,406</u>
Net pension liability	<u>\$ 842,579</u>	<u>\$ 1,370,115</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>94.43%</u>	<u>91.38%</u>

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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.

	Town	Education
Valuation date	July 1, 2022	July 1, 2022
Investment rate of return	6.75%	6.75%
Inflation rate	2.40%	2.40%
Projected salary increases	3.40%	3.40%
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level percentage of salary	Level percentage of salary
Mortality table	Pub-2010 Public Retirement Plans Amount-Weighted Mortality tables projected to valuation date with Scale MP-2021	Pub-2010(B) Public Retirement Plans Below Median Amount-Weighted Mortality Tables projected to the valuation date with Scale MP-2021

7. Changes from prior year

a. Changes in assumptions

The mortality scale changed from Scale MP-2020 to Scale MP-2021 for both plans.

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, 2023

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

The Town's net pension liability (asset) was measured at June 30, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation dated as noted below. The changes in net pension liability (asset) were as follows:

<u>Valuation Date: July 1, 2022</u>	<u>Increase (Decrease)</u>		
Town Plan	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at July 1, 2022	\$ 15,276,844	\$ 13,365,851	\$ 1,910,993
Service cost	315,348	-	315,348
Interest	1,023,775	-	1,023,775
Differences between expected and actual experience	(662,507)	-	(662,507)
Changes in assumptions	33,937	-	33,937
Contributions - employer	-	324,501	(324,501)
Contributions - member	-	82,255	(82,255)
Net investment income (loss)	-	1,407,886	(1,407,886)
Benefit payments, including refunds of member contributions	(864,435)	(864,435)	-
Administration expenses	-	(35,675)	35,675
Net change	(153,882)	914,532	(1,068,414)
Balance at June 30, 2023	<u>\$15,122,962</u>	<u>\$14,280,383</u>	<u>\$ 842,579</u>

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Pension plans (continued)

Valuation Date: July 1, 2022	Increase (Decrease)		
Education Plan	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at July 1, 2022	\$ 15,756,776	\$ 13,277,076	\$ 2,479,700
Service cost	406,035	-	406,035
Interest	1,066,357	-	1,066,357
Differences between expected and actual experience	(634,588)	-	(634,588)
Changes in assumptions	38,891	-	38,891
Contributions - employer	-	375,864	(375,864)
Contributions - member	-	221,144	(221,144)
Net investment income (loss)	-	1,421,706	(1,421,706)
Benefit payments, including refunds of member contributions	(741,950)	(741,950)	-
Administration expenses	-	(32,434)	32,434
Net change	134,745	1,244,330	(1,109,585)
Balance at June 30, 2023	<u>\$15,891,521</u>	<u>\$14,521,406</u>	<u>\$ 1,370,115</u>

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:

Net pension liability (asset)	Discount Rate	1% Decrease	Current Discount Rate	1% Increase
Town plan	<u>6.75%</u>	<u>\$ 2,444,987</u>	<u>\$ 842,579</u>	<u>\$ (525,948)</u>
Education plan	<u>6.75%</u>	<u>\$ 3,185,658</u>	<u>\$ 1,370,115</u>	<u>\$ (176,757)</u>

11. Pension expense and deferred outflows and inflows of resources

The Town recognized pension expense of \$371,556 for the Town and \$346,231 for the Education Plans.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Pension plans (continued)

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

<u>Town Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$ -	\$ 533,694	\$ (533,694)
Changes in assumptions	98,415	-	98,415
Net difference between projected and actual earnings on pension plan investments	<u>612,399</u>	<u>-</u>	<u>612,399</u>
Total amount of deferred outflows/inflows	<u>\$ 710,814</u>	<u>\$ 533,694</u>	<u>\$ 177,120</u>
<u>Education Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$ 19,288	\$ 527,760	\$ (508,472)
Changes in assumptions	30,789	199,621	(168,832)
Net difference between projected and actual earnings on pension plan investments	<u>607,786</u>	<u>-</u>	<u>607,786</u>
Total amount of deferred outflows/ inflows	<u>\$ 657,863</u>	<u>\$ 727,381</u>	<u>\$ (69,518)</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	3.4
Education	4.8

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Pension plans (continued)

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

Year Ending	Town	Education
<u>June 30,</u>	<u>Town</u>	<u>Education</u>
2024	\$ 3,709	\$ (59,574)
2025	(184,625)	(202,864)
2026	461,057	398,478
2027	<u>(103,021)</u>	<u>(205,558)</u>
Total	<u>\$ 177,120</u>	<u>\$ (69,518)</u>

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 3.00% 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 \$113,089 and \$443,508, 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 the Connecticut Municipal Employees' Retirement System ("MERS"). This designation may be the result of collective bargaining. Only employees covered under the State Teachers' Retirement System may not be included. There are no minimum age or service requirements. Membership is mandatory for all regular full-time employees of participating departments except Police and Fire hired after age 60.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Connecticut municipal employees' retirement system (continued)

The plan has 4 sub plans as follows:

- General employees with social security
- General employees without social security
- Police officers and firefighters with social security
- Police officers and firefighters without social security

2. Benefit provisions

Normal retirement	
General Employees	Age 55 with 5 years of continuous service, or 15 years of active aggregate service or 25 years of aggregate service
Police and Fire	Compulsory retirement age is age 65
Benefit calculation	The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include workers' compensation and social security benefits.
With social security	1.50% of the average final compensation not in excess of the year's breakpoint plus 2.00% of average final compensation in excess of the year's breakpoint, times years of service. If any member covered by social security retires before age 62, the benefit until age 62 is reached or a social security disability award is received, is computed as if the member is not under social security.
Without social security	2.00% of average final compensation, times years of service
Final average compensation	Average of the three highest paid years of service
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, 2023

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 6.00% of compensation.

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

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

The collective net pension liability was measured as of June 30, 2022, and the collective total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of June 30, 2022. The Town's proportionate share of the collective net pension liability was based upon the Town's 2022 actuarial (expected) payroll relative to the payroll of all the participating employers as of that date. The Town's proportionate share and change from the prior year was as follows:

<u>Plan Description</u>	<u>Proportional Share</u>	<u>Change From Prior Year</u>
Police officers and firefighters with social security sub plan	8.648825%	0.595401%
The Town's proportionate share of the collective net pension liability was:		<u>\$ 8,997,494</u>

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Connecticut municipal employees' retirement system (continued)

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
Net difference between projected and actual earnings on pension plan investments	\$ 1,312,193	\$ -	\$ 1,312,193
Change in proportional share	467,316	176,827	290,489
Difference between expected and actual experience	1,282,740	270,118	1,012,622
Contributions subsequent to measurement date	<u>918,358</u>	<u>-</u>	<u>918,358</u>
Total	<u>\$ 3,980,607</u>	<u>\$ 446,945</u>	3,533,662
Contributions subsequent to the measurement date to be recognized as a reduction of the collective net pension liability in the subsequent year			<u>(918,358)</u>
Net amortized amount of deferred inflows and outflows			<u>\$ 2,615,304</u>
For the fiscal year, the Town recognized pension expense of			<u>\$ 1,541,026</u>

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

Year Ending June 30,	
2024	\$ 567,173
2025	545,794
2026	514,371
2027	<u>987,966</u>
Total	<u>\$ 2,615,304</u>

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Connecticut municipal employees' retirement system (continued)

5. Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022, 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	<u>Employees</u> : 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. <u>Police and Fire</u> : RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected 2022 with Scale BB. <u>Disabled</u> : 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, 2022 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, 2023

B. Connecticut municipal employees' retirement system (continued)

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

Asset Class	Target Allocation	Long-Term Target Expected Real Rate of Return
Global equity	37.00%	6.90%
Public credit	2.00%	2.90%
Core fixed income	13.00%	0.40%
Liquidity fund	1.00%	(0.40%)
Risk mitigation	5.00%	0.10%
Private equity	15.00%	11.20%
Private credit	10.00%	6.20%
Real estate	10.00%	6.30%
Infrastructure and natural resources	7.00%	7.70%
Total	100.00%	

6. Discount rate

The discount rate used to measure the collective 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 collective total pension liability.

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

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

	Current Rate	1% Decrease	Current Discount Rate	1% Increase
Town's proportional share of the net pension liability	7.00%	\$ 12,570,036	\$ 8,997,494	\$ 6,013,021

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Connecticut municipal employees' retirement system (continued)

8. Plan fiduciary net position

Detailed information about the MERS plan's fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2022.

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
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, 2023

C. Connecticut state teachers' retirement system (continued)

Vesting - Amount	100%
Pre-retirement death benefit amount	Lump-sum return of contributions with interest or surviving spouse benefit depending on length of service

3. Contributions

State of Connecticut

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

Employer (school districts)

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

Employees

Each teacher is required to contribute 7.00% of their pensionable wages 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 collective 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 collective net pension liability, the related State support, and the total portion of the collective net pension liability that was associated with the Town were as follows:

Town's proportionate share of the collective net pension liability	\$ -
State's proportionate share of the collective net pension liability associated with the Town	<u>125,208,335</u>
Total	<u>\$ 125,208,335</u>
During the year, the Town's recognized pension expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u>\$ 9,871,775</u>

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Connecticut state teachers' retirement system (continued)

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

5. Actuarial assumptions

The collective total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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 arithmetic 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>
Domestic equity fund	20.00%	5.40%
Developed market international stock fund	11.00%	6.40%
Emerging market international stock fund	9.00%	8.60%
Core fixed income fund	13.00%	0.80%
Emerging market debt fund	5.00%	3.80%
High yield bond fund	3.00%	3.40%
Real estate fund	19.00%	5.20%
Private equity	10.00%	9.40%
Private credit	5.00%	6.50%
Alternative investments	3.00%	3.10%
Liquidity fund	<u>2.00%</u>	(0.40%)
Total	<u><u>100.00%</u></u>	

6. Discount rate

The discount rate used to measure the collective 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 collective total pension liability.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Connecticut state teachers' retirement system (continued)**7. Sensitivity of the collective net pension liability to changes in the discount rate**

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

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2022.

D. Total pension plans

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Town Employees	\$ 842,579	\$ 710,814	\$ 533,694	\$ 371,556
Education Employees	1,370,115	657,863	727,381	346,231
MERS	8,997,494	3,980,607	446,945	1,541,026
Total	<u>\$ 11,210,188</u>	<u>\$ 5,349,284</u>	<u>\$ 1,708,020</u>	<u>\$ 2,258,813</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 Town of Monroe Police Other Post-Employment Benefits ("OPEB") Trust Fund. 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 Town of Monroe Education Other Post-Employment Benefit ("OPEB") Plan. 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.

The Education plan is closed to new hires in the nurse and paraprofessional groups.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

b. Plan membership

As of July 1, 2022 the plans' membership consisted of:

	<u>Police</u>	<u>Education</u>
Active members	40	413
Retirees, disabled employees, and beneficiaries receiving benefits	<u>4</u>	<u>48</u>
Total	<u><u>44</u></u>	<u><u>461</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 25.00% 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 7.13% of covered payroll for the year.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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 5.00% 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, 2023

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 geometric 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	4.80%
Developed International Equity	7.30%
Core Fixed Income	1.10%
Global REIT	3.40%
Long-Term Expected Nominal Return	6.70%

- d. The annual money-weighted rate of return on Police OPEB plan investments, net of investment expense, was 8.53%.

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, 2023 and were as follows:

	<u>Police</u>	<u>Education</u>
Total OPEB liability	\$ 2,513,355	\$ 8,724,622
Plan fiduciary net position	<u>2,235,915</u>	<u>-</u>
Net OPEB liability	<u>\$ 277,440</u>	<u>\$ 8,724,622</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>88.96%</u>	<u>0.00%</u>

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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, 2022	July 1, 2022
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	6.50%	3.65%
Healthcare cost trend rate		
Initial	6.50%	6.50%
Ultimate	4.40%	4.40%
Compensation increases	3.40%	3.40%
Inflation	2.40%	2.40%
Mortality rates	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables projected to the valuation date with Scale MP-2021.	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (Below Median for Non-Certified) projected to the valuation date with Scale MP-2021.

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 mortality scale changed from Scale MP-2020 to Scale MP-2021 for both plans.

Additionally, the Education plan had the following change in assumptions:

- The investment rate of return increased from 3.54% to 3.65%.

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, 2023

E. Other post-employment benefit (“OPEB”) plan (continued)**8. Discount rate**

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

	Police	Education
Discount rate	6.50%	3.65%

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, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated as noted below:

Valuation Date: July 1, 2022	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Police	(a)	(b)	(a) - (b)
Balance at July 1, 2022	\$ 2,973,334	\$ 1,797,427	\$1,175,907
Service cost	161,416	-	161,416
Interest	202,201	-	202,201
Differences between expected and actual experience	(697,166)	-	(697,166)
Changes in assumptions	(77,727)	-	(77,727)
Contributions - employer	-	241,617	(241,617)
Contributions - member	-	99,260	(99,260)
Net investment income	-	158,387	(158,387)
Benefit payments, including refunds of member contributions	(48,703)	(48,703)	-
Administrative expenses	-	(12,073)	12,073
Net change	(459,979)	438,488	(898,467)
Balance at June 30, 2023	\$ 2,513,355	\$ 2,235,915	\$ 277,440

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

Valuation Date: July 1, 2022	
<u>Education</u>	<u>Total OPEB Liability</u>
Balance at July 1, 2022	<u>\$ 13,064,258</u>
Service cost	333,804
Interest	469,544
Differences between expected and actual experience	(4,946,701)
Changes in assumptions	74,318
Benefit payments, including refunds of member contributions	<u>(270,601)</u>
Net change	<u>(4,339,636)</u>
Balance at June 30, 2023	<u><u>\$ 8,724,622</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>Discount Rate</u>	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Police (net)	<u>6.50%</u>	<u>\$ 559,739</u>	<u>\$ 277,440</u>	<u>\$ 25,128</u>
Education (total)	<u>3.65%</u>	<u>\$ 9,646,403</u>	<u>\$ 8,724,622</u>	<u>\$ 7,925,236</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 (Asset)</u>	<u>Trend Rate</u>	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Police (net)	<u>6.50% - 4.40%</u>	<u>\$ (85,005)</u>	<u>\$ 277,440</u>	<u>\$ 713,669</u>
Education (total)	<u>6.50% - 4.40%</u>	<u>\$ 8,168,858</u>	<u>\$ 8,724,622</u>	<u>\$ 9,378,283</u>

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

E. Other post-employment benefit (“OPEB”) plan (continued)**12. OPEB expense and deferred outflows of resources related to OPEB**

The Town recognized OPEB expense of \$71,095 for the Police and \$395,608 for the Education Plans.

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	\$ 45,516	\$1,098,516	\$(1,053,000)
Changes in assumptions	217,462	116,774	100,688
Net difference between projected and actual earnings on OPEB plan investments	<u>65,731</u>	<u>-</u>	<u>65,731</u>
Total	<u>\$ 328,709</u>	<u>\$1,215,290</u>	<u>\$ (886,581)</u>

Education Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 782,862	\$4,974,175	\$(4,191,313)
Changes in assumptions	<u>1,820,467</u>	<u>2,004,258</u>	<u>(183,791)</u>
Total	<u>\$ 2,603,329</u>	<u>\$6,978,433</u>	<u>\$(4,375,104)</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	15.2
Education	11.6

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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
2024	\$ (79,397)	\$ (369,130)
2025	(86,462)	(369,130)
2026	(8,151)	(369,130)
2027	(88,255)	(369,130)
2028	(81,999)	(369,130)
Thereafter	<u>(542,317)</u>	<u>(2,529,454)</u>
Total	<u>\$ (886,581)</u>	<u>\$ (4,375,104)</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, 2023****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. 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 \$220 per month for a retired member plus an additional \$220 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. A subsidy amount of \$440 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 \$440 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.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Connecticut state teachers' retirement board retiree health insurance plan (continued)**3. Contributions****State of Connecticut**

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State pays for one third of plan costs through an annual appropriation in the General Fund.

Employer (school districts)

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

Employees

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

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 collective 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 collective net OPEB liability, the related State support, and the total portion of the collective net OPEB liability that was associated with the Town were as follows:

Town's proportionate share of the collective net OPEB liability	\$ -
State's proportionate share of the collective net OPEB liability associated with the Town	<u>10,965,378</u>
Total	<u>\$ 10,965,378</u>
During the year, the Town's recognized OPEB expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u>\$ 139,626</u>

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Connecticut state teachers' retirement board retiree health insurance plan (continued)**5. Actuarial assumptions**

The collective total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	3.00%
Discount rate	3.53%
Inflation	2.50%
Health care cost trend rate (Medicare)	5.125% decreasing to 4.50% by 2031
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019
Year fund net position will be depleted	2027

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

- The discount rate was increased from 2.17% to 3.53% to reflect the change in the Municipal Bond Index rate.

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 geometric rate of return is 1.50%. Since there have not been any changes to the asset allocation and the recent economic downturn is expected to be temporary, the funding rate of 3.00% continues to be used for the long-term investment rate of return as of June 30, 2022.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

The discount rate used to measure the collective total OPEB liability was 3.53%. The Municipal Bond Index Rate of 3.54% was used in the determination in the discount rate. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that annual State contributions will equal the most recent 5-year average of state contributions.

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

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

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2022.

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

	<u>Net OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>OPEB Expense</u>
Police	\$ 277,440	\$ 328,709	\$ 1,215,290	\$ 71,095
Education	8,724,622	2,603,329	6,978,433	395,608
Total	<u>\$ 9,002,062</u>	<u>\$ 2,932,038</u>	<u>\$ 8,193,723</u>	<u>\$ 466,703</u>

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

H. Plan statements

Combining Statement of Fiduciary Net Position
Pension and OPEB Trust Funds
June 30, 2023

	Retirement Income Plan		Police Other Post- Retirement Benefits	Total Pension and OPEB Trust Funds
	Town	Education		
<u>Assets</u>				
Investments:				
Mutual funds:				
Money market	\$ 483,207	\$ 558,875	\$ 245,878	\$ 1,287,960
Equity	9,825,305	9,951,143	1,335,326	21,111,774
Bond	3,313,324	3,346,060	560,470	7,219,854
Real estate	-	-	94,241	94,241
Diversified	658,547	665,328	-	1,323,875
Total investments	14,280,383	14,521,406	2,235,915	31,037,704
<u>Net Position</u>				
Restricted for:				
Pensions	14,280,383	14,521,406	-	28,801,789
OPEB	-	-	2,235,915	2,235,915
Total net position	\$ 14,280,383	\$ 14,521,406	\$ 2,235,915	\$ 31,037,704

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

H. Plan statements (continued)

Combining Statement of Changes in Fiduciary Net Position
Pension and OPEB Trust Funds
For the Year Ended June 30, 2023

	<u>Retirement Income Plan</u>		Police Other Post- Retirement Benefits	Total Pension and OPEB Trust Funds
	<u>Town</u>	<u>Education</u>		
Additions:				
Contributions:				
Employer	\$ 324,501	\$ 375,864	\$ 241,617	\$ 941,982
Employee	82,255	221,144	99,260	402,659
Total contributions	<u>406,756</u>	<u>597,008</u>	<u>340,877</u>	<u>1,344,641</u>
Investment income (loss):				
Net change in fair value of investments	1,114,667	1,128,480	113,809	2,356,956
Interest and dividends	313,658	313,666	49,143	676,467
Total investment income (loss)	1,428,325	1,442,146	162,952	3,033,423
Less investment expense	20,439	20,440	4,565	45,444
Net investment income (loss)	<u>1,407,886</u>	<u>1,421,706</u>	<u>158,387</u>	<u>2,987,979</u>
Total additions	<u>1,814,642</u>	<u>2,018,714</u>	<u>499,264</u>	<u>4,332,620</u>
Deductions:				
Benefits	864,435	741,950	48,703	1,655,088
Administration	35,675	32,434	12,073	80,182
Total deductions	<u>900,110</u>	<u>774,384</u>	<u>60,776</u>	<u>1,735,270</u>
Change in net position	914,532	1,244,330	438,488	2,597,350
Net position - July 1, 2022	<u>13,365,851</u>	<u>13,277,076</u>	<u>1,797,427</u>	<u>28,440,354</u>
Net position - June 30, 2023	<u>\$ 14,280,383</u>	<u>\$ 14,521,406</u>	<u>\$ 2,235,915</u>	<u>\$ 31,037,704</u>

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

VI. Prior period adjustments

As a result of the implementation of GASB Statement No. 96, intangible right-to-use subscription assets and subscription liability were recorded as beginning balances. There was no impact on beginning net position. The amounts recorded were increases to the following financial statement accounts:

	<u>Governmental Activities</u>
Capital assets:	
Intangible right-to-use subscription assets	\$ 165,290
Long-term liabilities:	
Subscription liability	165,290

Additionally, the Reconstruction of Pepper Street Fund has been reclassified from a nonmajor fund to a major fund. As a result, nonmajor fund balance increased by \$410,265.

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 Collective Net Pension Liability
	Schedule of Contributions
	Notes to Required Supplementary Information
<u>Other Post-Employment Benefits Plans</u> Police Education State Teachers' 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 Collective 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, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
Revenues					
Property taxes:					
Tax levies	\$ 84,644,995	\$ -	\$ 84,644,995	\$ 84,380,636	\$ (264,359)
Interest and lien fees	302,500	-	302,500	355,802	53,302
Telephone access	32,000	-	32,000	34,640	2,640
Total property taxes	84,979,495	-	84,979,495	84,771,078	(208,417)
Intergovernmental:					
State education grants:					
Education cost sharing	5,272,935	-	5,272,935	5,256,080	(16,855)
Other:					
Motor vehicle property tax grant	-	-	-	785,722	785,722
Tax grant - disabled persons	2,000	-	2,000	2,047	47
PILOT - state property	13,104	-	13,104	398,339	385,235
Veteran exemption	8,300	-	8,300	6,192	(2,108)
Municipal stabilization revenue	443,723	-	443,723	443,723	-
Health grants	27,494	-	27,494	8,848	(18,646)
COVID SLFRF	2,875,751	-	2,875,751	2,875,752	1
Miscellaneous grants	9,800	-	9,800	39,336	29,536
Total intergovernmental	8,653,107	-	8,653,107	9,816,039	1,162,932
Charges for services:					
Police department permits	17,000	-	17,000	16,676	(324)
Building permits	340,000	-	340,000	478,289	138,289
Burning permits	3,800	-	3,800	6,583	2,783
Planning and zoning	33,500	-	33,500	32,889	(611)
Library	3,120	-	3,120	5,471	2,351
Refuse permits	2,000	-	2,000	100	(1,900)
Canine licenses	500	-	500	555	55
Town clerk's fees	600,000	-	600,000	484,258	(115,742)
Health department licenses	88,425	-	88,425	83,459	(4,966)
EMS revenue	656,500	-	656,500	616,320	(40,180)
Recreation department fees	172,700	-	172,700	197,815	25,115
Landfill lease	64,000	-	64,000	67,738	3,738
Nutrition	1,500	-	1,500	1,790	290
Tuition	-	-	-	36,000	36,000
Inland wetland commission	5,500	-	5,500	9,178	3,678
Total charges for services	1,988,545	-	1,988,545	2,037,121	48,576
Income from investments	217,000	-	217,000	2,143,017	1,926,017
Other	75,000	-	75,000	79,136	4,136
Total revenues	95,913,147	-	95,913,147	98,846,391	2,933,244
Other financing sources:					
Appropriation of fund balance	810,000	-	810,000	-	(810,000)
Transfers in	652,642	-	652,642	452,939	(199,703)
Total other financing sources	1,462,642	-	1,462,642	452,939	(1,009,703)
Total revenues and other financing sources	97,375,789	-	97,375,789	99,299,330	1,923,541

(Continued)

See 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, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
Expenditures					
General government:					
First selectman	\$ 210,945	\$ 6,400	\$ 217,345	\$ 181,739	\$ 35,606
Town attorney	260,500	-	260,500	179,585	80,915
Town council	4,700	-	4,700	1,988	2,712
Board of finance	813,207	(200,000)	613,207	51,176	562,031
Registrar of voters	125,190	650	125,840	114,388	11,452
Town clerk	199,808	-	199,808	182,210	17,598
Tax collector	205,131	2,625	207,756	194,767	12,989
Town treasurer	12,365	-	12,365	12,345	20
Boards and commissions	9,170	-	9,170	3,555	5,615
Senior citizen	288,519	3,275	291,794	279,023	12,771
Economic development	96,600	6,091	102,691	102,192	499
Human resources - fringe benefits	5,785,026	(725,087)	5,059,939	4,961,237	98,702
Finance department	341,805	3,780	345,585	333,255	12,330
Technology	721,245	-	721,245	708,961	12,284
Assessor	258,672	-	258,672	247,600	11,072
Building inspection department	207,358	8,273	215,631	159,182	56,449
Planning and zoning department	368,183	1,961	370,144	294,883	75,261
Town hall maintenance	558,825	34,492	593,317	560,178	33,139
Special programs	152,021	-	152,021	131,473	20,548
Regional programs	57,921	-	57,921	56,421	1,500
Total general government	10,677,191	(857,540)	9,819,651	8,756,158	1,063,493
Public safety:					
Police department	439,666	5,329	444,995	444,312	683
Police personnel	5,260,904	2,354	5,263,258	5,086,051	177,207
Police operations	484,740	-	484,740	452,971	31,769
Animal control	137,035	3,397	140,432	97,085	43,347
Monroe fire department	283,394	1,815	285,209	285,208	1
Stevenson fire department	212,585	1,804	214,389	214,389	-
Stepney fire department	285,827	2,534	288,361	288,361	-
Water distribution system	653,222	-	653,222	631,316	21,906
Fire marshal	113,747	968	114,715	106,118	8,597
Emergency management	29,795	-	29,795	27,905	1,890
Emergency medical services	986,754	4,043	990,797	944,259	46,538
Total public safety	8,887,669	22,244	8,909,913	8,577,975	331,938
Public works:					
Public works administration	452,665	2,642	455,307	397,789	57,518
Highway administration	1,386,832	-	1,386,832	1,247,674	139,158
Snow removal	499,500	(200,675)	298,825	241,497	57,328
Road and building	1,168,526	4,385	1,172,911	1,172,910	1
Sanitation - solid waste	39,847	333	40,180	12,695	27,485
Sanitation - recycling	452,280	(10,300)	441,980	428,282	13,698
Total public works	3,999,650	(203,615)	3,796,035	3,500,847	295,188
Health and welfare:					
Health department	309,752	27,406	337,158	234,883	102,275
Department of social services	92,715	655	93,370	82,119	11,251
Total health and welfare	402,467	28,061	430,528	317,002	113,526

(Continued)

See 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, 2023

	<u>Original Budget</u>	<u>Additional Appropriations and Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Culture and recreation:					
Library	\$ 896,286	\$ 20,096	\$ 916,382	\$ 862,973	\$ 53,409
Recreation department	1,011,156	13,754	1,024,910	974,128	50,782
Total culture and recreation	1,907,442	33,850	1,941,292	1,837,101	104,191
Debt service	6,296,450	-	6,296,450	6,096,747	199,703
Education:					
Board of education	64,440,666	142,000	64,582,666	63,991,960	590,706
Education expenditures	48,500	-	48,500	48,500	-
Education	64,489,166	142,000	64,631,166	64,040,460	590,706
Total expenditures	96,660,035	(835,000)	95,825,035	93,126,290	2,698,745
Other financing uses:					
Transfers out	715,754	835,000	1,550,754	1,550,754	-
Total expenditures and other financing uses	97,375,789	-	97,375,789	94,677,044	2,698,745
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	\$ -	\$ 4,622,286	\$ 4,622,286

(Concluded)

Town of Monroe, Connecticut

**Notes to Required Supplementary Information
For the Year Ended June 30, 2023**

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.
3. Adjustments for lease revenues under the requirement of GASB No. 87.
4. Encumbrances are reported as expenditures for the budgetary basis of accounting.

<u>Reconciliation to Exhibit D</u>	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis - RSI 1	\$ 98,846,391	\$ 93,126,290
Current year encumbrances charged to budgetary expenditures	-	(115,363)
State Teachers' Pension on behalf amount	9,871,775	9,871,775
State Teachers' OPEB on behalf amount	139,626	139,626
COVID-19 fund	2,183	55,976
Lease revenue	<u>96,622</u>	<u>-</u>
GAAP Basis - Exhibit D	<u>\$108,956,597</u>	<u>\$103,078,304</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 Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Schedule of Changes in Net Pension Liability and Related Ratios</u>										
Total pension liability:										
Service cost	\$ 315,348	\$ 307,957	\$ 323,429	\$ 316,466	\$ 347,759	\$ 339,442	\$ 320,580	\$ 279,200	\$ 268,462	\$ 258,136
Interest	1,023,775	987,990	942,320	898,005	879,883	835,744	933,432	880,508	802,505	760,256
Differences between expected and actual experience	(662,507)	-	(396,261)	-	(250,060)	-	(108,021)	32,827	(140,267)	-
Changes in assumptions	33,937	-	446,756	-	(134,918)	-	(687,325)	-	587,242	-
Benefit payments, including refunds of member contributions	<u>(864,435)</u>	<u>(684,875)</u>	<u>(565,455)</u>	<u>(564,406)</u>	<u>(522,047)</u>	<u>(536,908)</u>	<u>(545,744)</u>	<u>(511,431)</u>	<u>(466,648)</u>	<u>(464,206)</u>
Net change in total pension liability	(153,882)	611,072	750,789	650,065	320,617	638,278	(87,078)	681,104	1,051,294	554,186
Total pension liability - July 1	<u>15,276,844</u>	<u>14,665,772</u>	<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>	<u>10,106,517</u>
Total pension liability - June 30 (a)	<u>\$ 15,122,962</u>	<u>\$ 15,276,844</u>	<u>\$ 14,665,772</u>	<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	\$ 324,501	\$ 285,000	\$ 297,075	\$ 291,581	\$ 360,192	\$ 355,000	\$ 390,000	\$ 383,000	\$ 391,857	\$ 341,866
Contributions - member	82,255	117,726	134,982	147,083	143,319	142,277	144,665	145,302	137,917	137,271
Net investment income (loss)	1,407,886	(2,133,616)	3,508,816	(50,772)	669,078	782,543	1,100,157	43,338	399,506	1,265,162
Benefit payments, including refunds of member contributions	(864,435)	(684,875)	(565,455)	(564,406)	(522,047)	(536,908)	(545,744)	(511,431)	(466,648)	(464,206)
Administration	<u>(35,675)</u>	<u>(18,229)</u>	<u>(23,376)</u>	<u>(25,110)</u>	<u>(29,636)</u>	<u>(37,605)</u>	<u>(6,323)</u>	<u>(22,358)</u>	<u>(30,021)</u>	<u>(58,327)</u>
Net change in plan fiduciary net position	914,532	(2,433,994)	3,352,042	(201,624)	620,906	705,307	1,082,755	37,851	432,611	1,221,766
Plan fiduciary net position - July 1	<u>13,365,851</u>	<u>15,799,845</u>	<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>	<u>8,548,231</u>
Plan fiduciary net position - June 30 (b)	<u>\$ 14,280,383</u>	<u>\$ 13,365,851</u>	<u>\$ 15,799,845</u>	<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 (asset) - June 30 (a)-(b)	<u>\$ 842,579</u>	<u>\$ 1,910,993</u>	<u>\$ (1,134,073)</u>	<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>94.43%</u>	<u>87.49%</u>	<u>107.73%</u>	<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>\$ 2,714,416</u>	<u>\$ 3,880,382</u>	<u>\$ 3,752,787</u>	<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 (asset) as a percentage of covered payroll	<u>31.04%</u>	<u>49.25%</u>	<u>(30.22%)</u>	<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>
<u>Schedule of Investment Returns</u>										
Annual money weighted rate of return, net of investment expense	<u>10.77%</u>	<u>(13.70%)</u>	<u>28.45%</u>	<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>

See Notes to Required Supplementary Information.

Town of Monroe, Connecticut
Required Supplementary Information

Town Retirement Income Plan
Schedule of Contributions
Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contributions	\$ 308,941	\$ 303,927	\$ 297,075	\$ 291,581	\$ 360,192	\$ 354,017	\$ 389,752	\$ 382,281	\$ 394,666	\$ 388,045
Contributions in relation to the actuarially determined contribution	<u>324,501</u>	<u>285,000</u>	<u>297,075</u>	<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>
Contribution excess (deficiency)	<u>\$ 15,560</u>	<u>\$ (18,927)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 983</u>	<u>\$ 248</u>	<u>\$ 719</u>	<u>\$ (2,809)</u>	<u>\$ (46,179)</u>
Covered payroll	<u>\$ 2,714,416</u>	<u>\$ 3,880,382</u>	<u>\$ 3,752,787</u>	<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>
Contributions as a percentage of covered payroll	<u>11.95%</u>	<u>7.34%</u>	<u>7.92%</u>	<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>

Town of Monroe, Connecticut

Notes to Required Supplementary Information

Town Retirement Income Plan
Schedule of Contributions
Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Changes of benefit terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2020	July 1, 2020	July 1, 2018	July 1, 2018	July 1, 2016	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	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percentage	Level percentage	Level percentage	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	5 year smoothing	5 year smoothing	5 year smoothing
Inflation rate	2.40%	2.40%	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%	3.00%	3.00%
Salary increases	3.40%	3.40%	3.75%	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%	6.75%	6.75%	6.75%	7.50%	7.50%	7.50%	7.50%
Mortality rate	Pub-2010 projected to valuation date with scale MP-2020	Pub-2010 projected to valuation date with scale MP-2020	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-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

Town of Monroe, Connecticut
Required Supplementary Information
Education Retirement Income Plan
Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Schedule of Changes in Net Pension Liability and Related Ratios</u>										
Total pension liability:										
Service cost	\$ 406,035	\$ 396,518	\$ 431,312	\$ 422,026	\$ 390,732	\$ 381,387	\$ 423,345	\$ 397,551	\$ 382,260	\$ 367,558
Interest	1,066,357	1,021,101	1,004,480	957,653	933,269	889,277	998,818	943,960	903,638	849,759
Differences between expected and actual experience	(634,588)	-	48,220	-	(206,638)	-	(133,712)	12,337	(857,153)	-
Changes in assumptions	38,891	-	(456,361)	-	(139,041)	-	(744,769)	-	673,066	-
Benefit payments, including refunds of member contributions	<u>(741,950)</u>	<u>(770,895)</u>	<u>(723,124)</u>	<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	134,745	646,724	304,527	711,437	349,165	643,264	(116,880)	717,572	577,143	714,305
Total pension liability - July 1	<u>15,756,776</u>	<u>15,110,052</u>	<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>	<u>11,209,519</u>
Total pension liability - June 30 (a)	<u>\$ 15,891,521</u>	<u>\$ 15,756,776</u>	<u>\$ 15,110,052</u>	<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	\$ 375,864	\$ 375,000	\$ 345,033	\$ 339,015	\$ 356,474	\$ 350,342	\$ 385,429	\$ 367,541	\$ 367,541	\$ 349,519
Contributions - member	221,144	222,876	211,981	216,407	218,017	218,797	209,551	204,700	210,767	198,033
Net investment income (loss)	1,421,706	(2,099,675)	3,414,140	(107,020)	642,730	769,615	1,105,691	38,494	253,090	1,213,572
Benefit payments, including refunds of member contributions	(741,950)	(770,895)	(723,124)	(668,242)	(629,157)	(627,400)	(660,562)	(636,276)	(524,668)	(503,012)
Administration	(32,434)	(22,397)	(24,420)	(16,080)	(40,139)	(33,816)	(9,746)	(16,620)	(14,664)	-
Other	-	-	-	-	47,357	-	-	-	9,034	-
Net change in plan fiduciary net position	1,244,330	(2,295,091)	3,223,610	(235,920)	595,282	677,538	1,030,363	(42,161)	301,100	1,258,112
Plan fiduciary net position - July 1	<u>13,277,076</u>	<u>15,572,167</u>	<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>	<u>8,764,243</u>
Plan fiduciary net position - June 30 (b)	<u>\$ 14,521,406</u>	<u>\$ 13,277,076</u>	<u>\$ 15,572,167</u>	<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 (asset) - June 30 (a)-(b)	<u>\$ 1,370,115</u>	<u>\$ 2,479,700</u>	<u>\$ (462,115)</u>	<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>91.38%</u>	<u>84.26%</u>	<u>103.06%</u>	<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>\$ 4,598,924</u>	<u>\$ 4,717,114</u>	<u>\$ 4,562,006</u>	<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 collective pension liability (asset) as a percentage of covered payroll	<u>29.79%</u>	<u>52.57%</u>	<u>(10.13%)</u>	<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>
<u>Schedule of Investment Returns</u>										
Annual money weighted rate of return, net of investment expense	<u>10.92%</u>	<u>(13.70%)</u>	<u>28.32%</u>	<u>(0.87%)</u>	<u>5.86%</u>	<u>6.74%</u>	<u>10.91%</u>	<u>0.38%</u>	<u>2.62%</u>	<u>13.80%</u>

Town of Monroe, Connecticut
Required Supplementary Information
Education Retirement Income Plan
Schedule of Contributions
Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contributions	\$ 375,864	\$ 370,572	\$ 345,033	\$ 339,015	\$ 356,475	\$ 350,452	\$ 385,429	\$ 376,663	\$ 356,619	\$ 349,519
Contributions in relation to the actuarially determined contribution	<u>375,864</u>	<u>375,000</u>	<u>345,033</u>	<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>
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ 4,428</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (110)</u>	<u>\$ -</u>	<u>\$ (9,122)</u>	<u>\$ 10,922</u>	<u>\$ -</u>
Covered payroll	<u>\$ 4,598,924</u>	<u>\$ 4,717,114</u>	<u>\$ 4,562,006</u>	<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>
Contributions as a percentage of covered payroll	<u>8.17%</u>	<u>7.95%</u>	<u>7.56%</u>	<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>

N/A - Not available

Town of Monroe, Connecticut

Notes to Required Supplementary Information

Education Retirement Income Plan
Schedule of Contributions
Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Changes of benefit terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2020	July 1, 2020	July 1, 2018	July 1, 2018	July 1, 2016	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	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percentage	Level percentage	Level percentage	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	5 year smoothing	5 year smoothing	5 year smoothing
Inflation rate	2.40%	2.40%	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%	3.00%	3.00%
Salary increases	3.40%	3.40%	3.75%	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%	6.75%	6.75%	6.75%	7.50%	7.50%	7.50%	7.50%
Mortality rate	Pub-2010 projected to valuation date with scale MP-2020	Pub-2010 projected to valuation date with scale MP-2020	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-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

Town of Monroe, Connecticut

Required Supplementary Information

**Connecticut Municipal Employees' Retirement System
Police Officers and Firefighters With Social Security Sub Plan
Last Nine Years (1)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Schedule of Proportionate Share of the Collective Net Pension Liability</u>									
Town's proportion of the collective net pension liability	<u>8.648825%</u>	<u>8.053424%</u>	<u>7.829227%</u>	<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 collective net pension liability	<u>\$ 8,997,494</u>	<u>\$ 4,058,872</u>	<u>\$ 6,460,938</u>	<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>\$ 4,512,719</u>	<u>\$ 3,763,367</u>	<u>\$ 3,482,952</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>	<u>\$ 3,507,399</u>
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	<u>199.38%</u>	<u>107.85%</u>	<u>185.50%</u>	<u>164.05%</u>	<u>119.94%</u>	<u>86.34%</u>	<u>100.96%</u>	<u>76.37%</u>	<u>60.35%</u>
Total plan fiduciary net position as a percentage of the collective total pension liability	<u>68.71%</u>	<u>82.59%</u>	<u>71.18%</u>	<u>72.69%</u>	<u>73.60%</u>	<u>91.68%</u>	<u>88.29%</u>	<u>92.75%</u>	<u>90.48%</u>
<u>Schedule of Contributions</u>									
Contractually required contribution	<u>\$ 843,884</u>	<u>\$ 837,808</u>	<u>\$ 694,827</u>	<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>843,884</u>	<u>837,808</u>	<u>694,827</u>	<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>								
Town's covered payroll	<u>\$ 3,651,597</u>	<u>\$ 3,731,884</u>	<u>\$ 3,316,597</u>	<u>\$ 4,059,023</u>	<u>\$ 4,122,732</u>	<u>\$ 3,768,692</u>	<u>\$ 3,858,799</u>	<u>\$ 3,789,552</u>	<u>\$ 3,586,993</u>
Contributions as a percentage of covered payroll	<u>23.11%</u>	<u>22.45%</u>	<u>20.95%</u>	<u>19.95%</u>	<u>17.13%</u>	<u>17.13%</u>	<u>16.73%</u>	<u>16.73%</u>	<u>16.96%</u>

(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

Notes to Required Supplementary Information

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Changes of benefit terms	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014	June 30, 2014
Actuarial methods and assumptions used to determine contribution rates:									
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed
Remaining amortization period	18 years	19 years	20 years	21 years	23 years	23 years	25 years	25 years	27 years
Asset valuation method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation rate	2.50%	2.50%	2.50%	2.50%	3.25%	3.25%	3.25%	3.25%	3.25%
Salary increases	3.50%-10.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.50%-11.25%, average, including inflation			
Cost-of-living adjustments	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards
Social security wage base	3.00%	3.00%	3.00%	3.00%	3.50%	3.50%	3.50%	3.50%	3.50%
Investment rate of return (net)	7.00%	7.00%	7.00%	7.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Mortality rate	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table set forward one year for males and set back one year for females

(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 Nine Years (3)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Schedule of Proportionate Share of the Collective Net Pension Liability									
Town's proportion of the collective net pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the collective net pension liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State of Connecticut's proportionate share of the collective net pension liability associated with the Town	<u>125,208,335</u>	<u>102,307,293</u>	<u>129,174,493</u>	<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>\$ 125,208,335</u>	<u>\$ 102,307,293</u>	<u>\$ 129,174,493</u>	<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>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the collective total pension liability	<u>54.06%</u>	<u>60.77%</u>	<u>49.24%</u>	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>
Schedule of Contributions									
Contractually required contribution (1)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

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

(2) Not applicable since 0% proportional share of the collective 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 Nine Years (1)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Changes of benefit terms	None	None	None	None	Beginning January 1, 2018, member contributions increased from 6.00% to 7.00% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014	June 30, 2012
Actuarial methods and assumptions used to determine contribution rates:									
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining amortization period	27.8 years	27.8 years	30 years	30 years	20.4 years	20.4 years	21.4 years	21.4 years	22.4 years
Asset valuation method	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	3.00%	3.00%	3.00%
Salary increases	3.00%-6.50%, average, including inflation	3.00%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Cost-of-living adjustments	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date
Investment rate of return (net)	6.90%	6.90%	6.90%	6.90%	8.00%	8.00%	8.50%	8.50%	8.50%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA	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 Seven Years (1)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Schedule of Changes in Net OPEB Liability and Related Ratios</u>							
Total OPEB liability:							
Service cost	\$ 161,416	\$ 154,613	\$ 119,809	\$ 121,080	\$ 141,451	\$ 134,375	\$ 130,779
Interest	202,201	188,411	149,541	145,481	167,658	153,598	138,377
Differences between expected and actual experience	(697,166)	(94,439)	58,158	(144,343)	(394,118)	(35,893)	(11,163)
Changes in assumptions	(77,727)	-	277,870	-	(70,766)	-	-
Benefit payments, including refunds of member contributions	<u>(48,703)</u>	<u>(37,928)</u>	<u>(46,316)</u>	<u>(70,294)</u>	<u>(68,687)</u>	<u>(33,631)</u>	<u>(49,256)</u>
Net change in total OPEB liability	(459,979)	210,657	559,062	51,924	(224,462)	218,449	208,737
Total OPEB liability - July 1	<u>2,973,334</u>	<u>2,762,677</u>	<u>2,203,615</u>	<u>2,151,691</u>	<u>2,376,153</u>	<u>2,157,704</u>	<u>1,948,967</u>
Total OPEB liability - June 30 (a)	<u>\$ 2,513,355</u>	<u>\$ 2,973,334</u>	<u>\$ 2,762,677</u>	<u>\$ 2,203,615</u>	<u>\$ 2,151,691</u>	<u>\$ 2,376,153</u>	<u>\$ 2,157,704</u>
Plan fiduciary net position:							
Contributions - employer	241,617	223,530	181,755	205,258	256,555	223,631	189,896
Contributions - member	99,260	88,028	85,924	84,510	83,915	72,824	33,807
Net investment income (loss)	158,387	(274,769)	336,106	32,594	49,708	5,332	297
Benefit payments, including refunds of member contributions	(48,703)	(37,928)	(46,316)	(70,294)	(68,687)	(33,631)	(49,256)
Administrative expenses	<u>(12,073)</u>	<u>(3,000)</u>	<u>(9,900)</u>	<u>(2,800)</u>	<u>(12,000)</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	438,488	(4,139)	547,569	249,268	309,491	268,156	174,744
Plan fiduciary net position - July 1	<u>1,797,427</u>	<u>1,801,566</u>	<u>1,253,997</u>	<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>\$ 2,235,915</u>	<u>\$ 1,797,427</u>	<u>\$ 1,801,566</u>	<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>\$ 277,440</u>	<u>\$ 1,175,907</u>	<u>\$ 961,111</u>	<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>88.96%</u>	<u>60.45%</u>	<u>65.21%</u>	<u>56.91%</u>	<u>46.69%</u>	<u>29.26%</u>	<u>19.79%</u>
Covered payroll	<u>\$ 3,390,428</u>	<u>\$ 3,306,143</u>	<u>\$ 3,197,430</u>	<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>8.18%</u>	<u>35.57%</u>	<u>30.06%</u>	<u>26.99%</u>	<u>33.74%</u>	<u>49.76%</u>	<u>52.64%</u>

Schedule of Investment Returns

Annual money-weighted rate of return, net of investment expenses	<u>8.53%</u>	<u>(14.92%)</u>	<u>40.72%</u>	<u>3.13%</u>	<u>6.81%</u>	<u>1.60%</u>	<u>0.09%</u>
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(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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contributions	\$ 188,225	\$ 185,602	\$ 135,439	\$ 134,964	\$ 187,868	\$ 186,574	\$ 109,498	\$ 106,000	\$ 179,057	\$ 175,750
Contributions in relation to the actuarially determined contribution	<u>241,617</u>	<u>223,530</u>	<u>181,755</u>	<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>
Contribution excess (deficiency)	<u>\$ 53,392</u>	<u>\$ 37,928</u>	<u>\$ 46,316</u>	<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>
Covered payroll	<u>\$ 3,390,428</u>	<u>\$ 3,306,143</u>	<u>\$ 3,197,430</u>	<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>
Contributions as a percentage of covered payroll	<u>7.13%</u>	<u>6.76%</u>	<u>5.68%</u>	<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>

Town of Monroe, Connecticut

Notes to Required Supplementary Information

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

	2023	2022	2021	2020	2019	2018	2017
Changes of benefit terms	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2020	July 1, 2020	July 1, 2018	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	Entry age normal	Entry age normal	Entry age normal	Projected unit credit
Amortization method	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level dollar
Asset valuation method	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Inflation rate	2.40%	2.40%	2.50%	2.50%	2.75%	2.75%	N/A
Salary increases	3.40%	3.40%	3.50%	3.50%	3.75%	3.75%	N/A
Investment rate of return (net)	6.50%	6.50%	6.75%	6.75%	6.75%	6.75%	7.00%
Mortality rate	Pub-2010 mortality table projected to valuation date with scale MP-2020	Pub-2010 mortality table projected to valuation date with scale MP-2020	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-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
Schedule of Changes in the OPEB Liability and Related Ratios
Last Six Years (2)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
OPEB liability:						
Service cost	\$ 333,804	\$ 425,330	\$ 569,848	\$ 425,078	\$ 325,702	\$ 326,852
Interest	469,544	332,636	307,705	414,750	395,786	370,243
Differences between expected and actual experience	(4,946,701)	(315,852)	469,933	(270,621)	742,226	(22,271)
Changes in assumptions	74,318	(2,224,016)	535,184	1,669,901	407,507	(314,406)
Benefit payments, including refunds of member contributions	<u>(270,601)</u>	<u>(255,253)</u>	<u>(267,892)</u>	<u>(284,797)</u>	<u>(475,936)</u>	<u>(472,843)</u>
Net change in total OPEB liability	(4,339,636)	(2,037,155)	1,614,778	1,954,311	1,395,285	(112,425)
OPEB liability - July 1	<u>13,064,258</u>	<u>15,101,413</u>	<u>13,486,635</u>	<u>11,532,324</u>	<u>10,137,039</u>	<u>10,249,464</u>
OPEB liability - June 30 (1)	<u>\$ 8,724,622</u>	<u>\$ 13,064,258</u>	<u>\$ 15,101,413</u>	<u>\$ 13,486,635</u>	<u>\$ 11,532,324</u>	<u>\$ 10,137,039</u>
Covered-employee payroll	<u>\$ 37,157,888</u>	<u>\$ 37,046,988</u>	<u>\$ 36,178,699</u>	<u>\$ 36,351,008</u>	<u>\$ 35,429,832</u>	<u>\$ 33,795,006</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>23.48%</u>	<u>35.26%</u>	<u>41.74%</u>	<u>37.10%</u>	<u>32.55%</u>	<u>30.00%</u>

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

(2) 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 Six Years (3)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Schedule of Proportionate Share of the Net OPEB Liability</u>						
Town's proportion of the collective net OPEB 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 collective net OPEB liability	<u>\$ -</u>					
State of Connecticut's proportionate share of the collective net OPEB liability associated with the Town	<u>10,965,378</u>	<u>11,146,192</u>	<u>19,266,380</u>	<u>17,904,446</u>	<u>17,695,969</u>	<u>24,319,519</u>
Total	<u>\$ 10,965,378</u>	<u>\$ 11,146,192</u>	<u>\$ 19,266,380</u>	<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>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>9.46%</u>	<u>6.11%</u>	<u>2.50%</u>	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>

Schedule of Contributions

Contractually required contribution (1)	<u>\$ -</u>					
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>					
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 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 Six Years (1)

	2023	2022	2021	2020	2019	2018
Changes of benefit terms	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2022	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016
Actuarial methods and assumptions used to determine contribution rates:						
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percentage, open	Level percentage, closed	Level percentage, closed	Level percentage, open	Level percentage, open	Level percentage, open
Amortization period	30 years	30 years	30 years	30 years	30 years	30 years
Asset valuation method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation rate	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%
Healthcare inflation rate	Initial 6.75% decreasing to 4.50% (ultimate) by 2023	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary increases	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment rate of return (net)	3.00%	3.00%	3.00%	3.00%	3.00%	4.25%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale

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

Supplemental Schedules

General Fund

The general fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The general fund accounts for the normal recurring activities of the Town (i.e., general government, public safety, 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 Statement No. 54.

Fund	Funding Source	Function
Special Education Fund	Transfers in	Funding of unanticipated fluctuations in special education expenditures
Emergency Disaster Relief Fund	Transfers in	Funding of emergency disaster relief
Legal Reserve Fund	Transfers in	Funding of legal liabilities
COVID-19 Fund	Grants and contributions	Funding of COVID-19 relief

Town of Monroe, Connecticut

General Fund
Combining Balance Sheet
June 30, 2023

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	General Fund	Special Education Fund	Emergency Disaster Relief Fund	Legal Reserve Fund	Eliminations	Total General Fund
<u>Assets</u>						
Cash	\$ 170,625	\$ -	\$ -	\$ -	\$ -	\$ 170,625
Investments	36,419,287	-	-	-	-	36,419,287
Restricted investments	999,736	-	-	-	-	999,736
Receivables (net):						
Property taxes	2,174,834	-	-	-	-	2,174,834
Accounts	109,829	-	-	-	-	109,829
Leases	4,054,354	-	-	-	-	4,054,354
Due from other funds	3,284,710	1,000,000	500,000	122,815	(1,622,815)	3,284,710
Other	279,211	-	-	-	-	279,211
Total assets	\$ 47,492,586	\$ 1,000,000	\$ 500,000	\$ 122,815	\$ (1,622,815)	\$ 47,492,586
<u>Liabilities</u>						
Accounts payable	\$ 2,213,135	\$ -	\$ -	\$ -	\$ -	\$ 2,213,135
Accrued payroll and related	581,439	-	-	-	-	581,439
Due to other funds	11,188,475	-	-	-	(1,622,815)	9,565,660
Unearned revenue	72	-	-	-	-	72
Performance bonds	999,736	-	-	-	-	999,736
Other	50,084	-	-	-	-	50,084
Total liabilities	15,032,941	-	-	-	(1,622,815)	13,410,126
<u>Deferred Inflows of Resources</u>						
Unavailable revenue:						
Property taxes	2,174,834	-	-	-	-	2,174,834
Lease related	3,865,167	-	-	-	-	3,865,167
Total deferred inflows of resources	6,040,001	-	-	-	-	6,040,001
<u>Fund Balances</u>						
Nonspendable	189,187	-	-	-	-	189,187
Restricted	371,509	-	-	-	-	371,509
Committed	-	1,000,000	500,000	122,815	-	1,622,815
Assigned	2,718,363	-	-	-	-	2,718,363
Unassigned	23,140,585	-	-	-	-	23,140,585
Total fund balances	26,419,644	1,000,000	500,000	122,815	-	28,042,459
Total liabilities, deferred inflows of resources and fund balances	\$ 47,492,586	\$ 1,000,000	\$ 500,000	\$ 122,815	\$ (1,622,815)	\$ 47,492,586

Town of Monroe, Connecticut

General Fund
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ended June 30, 2023

	General Fund	Special Education Fund	Emergency Disaster Relief Fund	Legal Reserve Fund	COVID-19 Fund	Elimination Entries	Total General Fund
Revenues:							
Property taxes	\$ 84,771,078	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,771,078
Intergovernmental	19,827,440	-	-	-	2,183	-	19,829,623
Charges for services	2,133,743	-	-	-	-	-	2,133,743
Income from investments	2,143,017	-	-	-	-	-	2,143,017
Other	79,136	-	-	-	-	-	79,136
Total revenues	108,954,414	-	-	-	2,183	-	108,956,597
Expenditures:							
Current:							
General government	8,678,066	-	-	-	-	-	8,678,066
Public safety	8,561,230	-	-	-	-	-	8,561,230
Public works	3,487,047	-	-	-	-	-	3,487,047
Health and welfare	317,002	-	-	-	55,976	-	372,978
Culture and recreation	1,830,375	-	-	-	-	-	1,830,375
Education	74,051,861	-	-	-	-	-	74,051,861
Debt service	6,096,747	-	-	-	-	-	6,096,747
Total expenditures	103,022,328	-	-	-	55,976	-	103,078,304
Excess (deficiency) of revenues over expenditures	5,932,086	-	-	-	(53,793)	-	5,878,293
Other financing sources (uses):							
Transfers in	452,939	-	-	10,000	509	(10,000)	453,448
Transfers out	(1,550,754)	-	-	-	(20,055)	10,000	(1,560,809)
Net other financing sources (uses)	(1,097,815)	-	-	10,000	(19,546)	-	(1,107,361)
Net change in fund balances	4,834,271	-	-	10,000	(73,339)	-	4,770,932
Fund balances - July 1, 2022	21,585,373	1,000,000	500,000	112,815	73,339	-	23,271,527
Fund balances - June 30, 2023	\$ 26,419,644	\$ 1,000,000	\$ 500,000	\$ 122,815	\$ -	\$ -	\$ 28,042,459

Town of Monroe, Connecticut

Report of Tax Collector
For the Year Ended June 30, 2023

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Grand List Year	Uncollected Taxes July 1, 2022	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2023
			Additions	Deductions			Net Taxes Collected	Interest and Liens	Total	
2013	\$ 10,129	\$ -	\$ -	\$ -	\$ -	\$ 10,129	\$ -	\$ -	\$ -	\$ 10,129
2014	8,941	-	-	-	-	8,941	-	-	-	8,941
2015	9,110	-	-	-	-	9,110	-	1	1	9,110
2016	33,009	-	-	-	-	33,009	-	-	-	33,009
2017	43,824	-	263	263	-	43,824	-	-	-	43,824
2018	129,055	-	6,865	647	-	135,273	32,795	18,404	51,199	102,478
2019	358,724	-	2,891	4,038	125,760	231,817	87,060	41,633	128,693	144,757
2020	849,990	-	15,703	22,831	-	842,862	412,900	109,402	522,302	429,962
Subtotal	1,442,782	-	25,722	27,779	125,760	1,314,965	532,755	169,440	702,195	782,210
2021	-	84,796,836	222,404	270,255	25	84,748,960	83,791,066	241,953	84,033,019	957,894
Total	<u>\$ 1,442,782</u>	<u>\$ 84,796,836</u>	<u>\$ 248,126</u>	<u>\$ 298,034</u>	<u>\$ 125,785</u>	<u>\$ 86,063,925</u>	<u>\$ 84,323,821</u>	<u>\$ 411,393</u>	<u>\$ 84,735,214</u>	1,740,104
								Interest and liens receivable		571,730
								Allowance for doubtful accounts		<u>(137,000)</u>
								Property taxes (net)		<u>\$ 2,174,834</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	Various federal, state and local grants received for the library.
Wheeler Library Fund	Contributions	Revenue received from Edith S Wheeler Trust for the benefit of the library.
School Cafeteria Fund	Sale of food and grants	Operations of the schools' cafeterias.
Education Grants Fund	Grants	Various grants received for various federal, state and local grants received for educational purposes.
Education Programs Fund	Fees	Various educational and extracurricular activities for which the fees were collected.
School Activity Fund	Fees	Fees received for school activity programs.
WMNR Radio Station Fund	Contributions, grants and fees	Private donations and memberships received which fund the operations of the WMNR Radio Station.
Police Grants Fund	Grants and fees	Various federal, state and local grants received for law enforcement.
Police Private Duty Fund	Fees	Fees received and associated private duty labor and vehicle costs.
Recreation Programs Fund	Fees	Associated expenditures required to run various programs by Parks and Recreation.
Senior Center Grant and Programs Fund	Fees and grants	Various program expenditures at the Senior Center for the benefit of senior citizens.
Town Grants and Programs Fund	Grants, fees and contributions	Various specified purposes.
Town Road Grants Fund	Grants	State grant revenues and related expenditures.

Other Governmental Funds

Special Revenue Funds (continued)

Fund	Funding Source	Function
Waste Disposal Fund	Fees	The Town's proportionate usage of the Trumbull Transfer Station.
Small Cities Fund	Grants	The Community Development Block Grant to be used for housing rehabilitation.
Cornelia Rogers Fund	Contributions	Annual income which is to be used from time to time as the Town may authorize.

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	Expenditures related to the updating and implementation of the Plan of Conservation and Development (POCD).
Local Capital Improvements Fund	Grants and fees	Town clerk fees and state grant revenue and related expenditures for various projects.
Police Department Renovation Fund	Grants and bonds	Revenue and expenditures related to the renovation of the police station.
Education Capital Reserve Fund	Transfers in	Education related capital projects.

Town of Monroe, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2023

Special Revenue Funds

	Library Grants	Wheeler Library	School Cafeteria	Education Grants	Education Programs	School Activity	WMNR Radio Station	Police Grants	Police Private Duty
<u>Assets</u>									
Cash	\$ -	\$ -	\$ 617,057	\$ -	\$ 20,050	\$ 350,149	\$ 32,933	\$ -	\$ -
Investments	-	-	-	-	-	-	775,628	-	-
Receivables (net):									
Accounts	-	-	-	-	8,009	-	9,751	2,469	226,602
Intergovernmental	-	-	176,700	102,334	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
Due from other funds	16,437	111,295	7,918	-	721,643	-	-	325	2,068,059
Total assets	\$ 16,437	\$ 111,295	\$ 801,675	\$ 102,334	\$ 749,702	\$ 350,149	\$ 818,312	\$ 2,794	\$ 2,294,661
<u>Liabilities</u>									
Accounts payable	\$ 675	\$ 406	\$ 59,578	\$ -	\$ -	\$ 190	\$ 18,788	\$ 1,182	\$ 74,117
Accrued payroll and related liabilities	-	-	-	-	3,731	-	-	-	-
Due to other funds	-	-	-	44,445	-	-	-	-	-
Unearned revenue	-	-	58,512	46,134	28,059	-	-	-	-
Total liabilities	675	406	118,090	90,579	31,790	190	18,788	1,182	74,117
<u>Fund Balances</u>									
Restricted	15,762	110,889	683,585	-	-	-	-	1,612	-
Committed	-	-	-	11,755	717,912	349,959	799,524	-	2,220,544
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	15,762	110,889	683,585	11,755	717,912	349,959	799,524	1,612	2,220,544
Total liabilities and fund balances	\$ 16,437	\$ 111,295	\$ 801,675	\$ 102,334	\$ 749,702	\$ 350,149	\$ 818,312	\$ 2,794	\$ 2,294,661

(Continued)

Town of Monroe, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2023

Special Revenue Funds

	Recreation Programs	Senior Center Grant and Programs	Town Grants and Programs	Town Road Grants	Waste Disposal	Small Cities	Cornelia Rogers	Total Special Revenue Funds
<u>Assets</u>								
Cash	\$ -	\$ -	\$ 540,691	\$ -	\$ -	\$ 80,330	\$ -	\$ 1,641,210
Investments	-	-	-	-	-	-	-	775,628
Receivables (net):								
Accounts	-	-	-	-	80,913	-	-	327,744
Intergovernmental	-	-	-	-	-	-	-	279,034
Loans	-	-	-	-	-	139,630	-	139,630
Due from other funds	661,820	183,109	609,879	1,142,124	-	-	42,264	5,564,873
Total assets	\$ 661,820	\$ 183,109	\$ 1,150,570	\$ 1,142,124	\$ 80,913	\$ 219,960	\$ 42,264	\$ 8,728,119
<u>Liabilities</u>								
Accounts payable	\$ 42,245	\$ 8,804	\$ 19,165	\$ 11,986	\$ 54,986	\$ -	\$ -	\$ 292,122
Accrued payroll and related liabilities	-	-	-	-	-	-	-	3,731
Due to other funds	-	-	145,066	-	53,758	-	-	243,269
Unearned revenue	456,240	97,318	3,107	-	-	-	-	689,370
Total liabilities	498,485	106,122	167,338	11,986	108,744	-	-	1,228,492
<u>Fund Balances</u>								
Restricted	-	-	650,133	1,130,138	-	219,960	42,264	2,854,343
Committed	163,335	76,987	333,099	-	-	-	-	4,673,115
Unassigned	-	-	-	-	(27,831)	-	-	(27,831)
Total fund balances	163,335	76,987	983,232	1,130,138	(27,831)	219,960	42,264	7,499,627
Total liabilities and fund balances	\$ 661,820	\$ 183,109	\$ 1,150,570	\$ 1,142,124	\$ 80,913	\$ 219,960	\$ 42,264	\$ 8,728,119

(Continued)

Town of Monroe, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2023

	Capital Project Funds				Total Other Governmental Funds
	Plan of Conservation and Development	Local Capital Improvements	Education Capital Reserve	Total Capital Project Funds	
<u>Assets</u>					
Cash	\$ -	\$ -	\$ -	\$ -	\$ 1,641,210
Investments	-	-	-	-	775,628
Receivables (net):					
Accounts	-	-	-	-	327,744
Intergovernmental	-	-	-	-	279,034
Loans	-	-	-	-	139,630
Due from other funds	27,683	-	18,561	46,244	5,611,117
Total assets	<u>\$ 27,683</u>	<u>\$ -</u>	<u>\$ 18,561</u>	<u>\$ 46,244</u>	<u>\$ 8,774,363</u>
<u>Liabilities</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 292,122
Accrued payroll and related liabilities	-	-	-	-	3,731
Due to other funds	-	14,201	-	14,201	257,470
Unearned revenue	-	-	-	-	689,370
Total liabilities	<u>-</u>	<u>14,201</u>	<u>-</u>	<u>14,201</u>	<u>1,242,693</u>
<u>Fund Balances</u>					
Restricted	-	-	-	-	2,854,343
Committed	27,683	-	18,561	46,244	4,719,359
Unassigned	-	(14,201)	-	(14,201)	(42,032)
Total fund balances	<u>27,683</u>	<u>(14,201)</u>	<u>18,561</u>	<u>32,043</u>	<u>7,531,670</u>
Total liabilities and fund balances	<u>\$ 27,683</u>	<u>\$ -</u>	<u>\$ 18,561</u>	<u>\$ 46,244</u>	<u>\$ 8,774,363</u>

(Concluded)

Town of Monroe, Connecticut

Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

Special Revenue Funds

	Library Grants	Wheeler Library	School Cafeteria	Education Grants	Education Programs	School Activity	WMNR Radio Station	Police Grants	Police Private Duty
Revenues:									
Intergovernmental	\$ 12,020	\$ -	\$ 1,054,993	\$ 2,166,633	\$ 22,681	\$ -	\$ -	\$ 46,755	\$ -
Charges for services	-	-	934,072	-	998,122	683,739	525,803	-	1,906,826
Contributions	-	73,085	-	-	5,940	-	272,833	-	-
Income from investments	-	-	3,214	-	-	-	7,237	-	-
Other	-	-	-	-	-	-	53,250	-	-
Total revenues	<u>12,020</u>	<u>73,085</u>	<u>1,992,279</u>	<u>2,166,633</u>	<u>1,026,743</u>	<u>683,739</u>	<u>859,123</u>	<u>46,755</u>	<u>1,906,826</u>
Expenditures:									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	41,793	1,212,323
Public works	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-
Culture and recreation	6,521	12,708	-	-	-	-	757,053	-	-
Education	-	-	1,739,316	2,166,633	753,901	596,871	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	209,588
Total expenditures	<u>6,521</u>	<u>12,708</u>	<u>1,739,316</u>	<u>2,166,633</u>	<u>753,901</u>	<u>596,871</u>	<u>757,053</u>	<u>41,793</u>	<u>1,421,911</u>
Excess (deficiency) of revenues over expenditures	<u>5,499</u>	<u>60,377</u>	<u>252,963</u>	<u>-</u>	<u>272,842</u>	<u>86,868</u>	<u>102,070</u>	<u>4,962</u>	<u>484,915</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	5,499	60,377	252,963	-	272,842	86,868	102,070	4,962	484,915
Fund balances - July 1, 2022 (as restated)	<u>10,263</u>	<u>50,512</u>	<u>430,622</u>	<u>11,755</u>	<u>445,070</u>	<u>263,091</u>	<u>697,454</u>	<u>(3,350)</u>	<u>1,735,629</u>
Fund balances - June 30, 2023	<u>\$ 15,762</u>	<u>\$ 110,889</u>	<u>\$ 683,585</u>	<u>\$ 11,755</u>	<u>\$ 717,912</u>	<u>\$ 349,959</u>	<u>\$ 799,524</u>	<u>\$ 1,612</u>	<u>\$ 2,220,544</u>

(Continued)

Town of Monroe, Connecticut

Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

Special Revenue Funds

	Recreation Programs	Senior Center Grant and Programs	Town Grants and Programs	Town Road Grants	Waste Disposal	Small Cities	Cornelia Rogers	Total Special Revenue Funds
Revenues:								
Intergovernmental	\$ -	\$ 62,872	\$ 307,999	\$ 523,166	\$ -	\$ -	\$ -	\$ 4,197,119
Charges for services	458,082	25,841	223,419	-	681,133	-	-	6,437,037
Contributions	-	-	209,861	-	-	-	-	561,719
Income from investments	-	-	-	-	-	-	-	10,451
Other	-	-	45,454	-	17,482	-	-	116,186
Total revenues	458,082	88,713	786,733	523,166	698,615	-	-	11,322,512
Expenditures:								
Current:								
General government	-	-	165,434	-	-	-	-	165,434
Public safety	-	-	18,537	-	-	-	-	1,272,653
Public works	-	-	35,622	251,898	763,212	-	-	1,050,732
Health and welfare	-	-	129,676	-	-	-	-	129,676
Culture and recreation	502,310	59,118	94,174	-	-	-	-	1,431,884
Education	-	-	200,000	-	-	-	-	5,456,721
Capital outlay	-	-	-	-	-	-	-	209,588
Total expenditures	502,310	59,118	643,443	251,898	763,212	-	-	9,716,688
Excess (deficiency) of revenues over expenditures	(44,228)	29,595	143,290	271,268	(64,597)	-	-	1,605,824
Other financing sources (uses):								
Transfers in	-	-	25,055	-	-	-	-	25,055
Transfers out	(145,000)	-	(145,509)	-	-	-	-	(290,509)
Net other financing sources (uses)	(145,000)	-	(120,454)	-	-	-	-	(265,454)
Net change in fund balances	(189,228)	29,595	22,836	271,268	(64,597)	-	-	1,340,370
Fund balances - July 1, 2022 (as restated)	352,563	47,392	960,396	858,870	36,766	219,960	42,264	6,159,257
Fund balances - June 30, 2023	\$ 163,335	\$ 76,987	\$ 983,232	\$ 1,130,138	\$ (27,831)	\$ 219,960	\$ 42,264	\$ 7,499,627

(Continued)

Town of Monroe, Connecticut

Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

Capital Project Funds

	Plan of Conservation and Development	Local Capital Improvements	Police Department Renovation	Education Capital Reserve	Total Capital Project Funds	Total Other Governmental Funds
Revenues:						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,197,119
Charges for services	-	5,802	-	-	5,802	6,442,839
Contributions	-	-	-	-	-	561,719
Income from investments	-	-	-	-	-	10,451
Other	-	-	96,479	-	96,479	212,665
Total revenues	-	5,802	96,479	-	102,281	11,424,793
Expenditures:						
Current:						
General government	-	-	-	-	-	165,434
Public safety	-	-	-	-	-	1,272,653
Public works	-	-	-	-	-	1,050,732
Health and welfare	-	-	-	-	-	129,676
Culture and recreation	-	-	-	-	-	1,431,884
Education	-	-	-	-	-	5,456,721
Capital outlay	-	22,267	64,607	9,758	96,632	306,220
Total expenditures	-	22,267	64,607	9,758	96,632	9,813,320
Excess (deficiency) of revenues over expenditures	-	(16,465)	31,872	(9,758)	5,649	1,611,473
Other financing sources (uses):						
Transfers in	7,500	-	-	-	7,500	32,555
Transfers out	-	(137,048)	(40,164)	-	(177,212)	(467,721)
Net other financing sources (uses)	7,500	(137,048)	(40,164)	-	(169,712)	(435,166)
Net change in fund balances	7,500	(153,513)	(8,292)	(9,758)	(164,063)	1,176,307
Fund balances - July 1, 2022 (as restated)	20,183	139,312	8,292	28,319	196,106	6,355,363
Fund balances - June 30, 2023	\$ 27,683	\$ (14,201)	\$ -	\$ 18,561	\$ 32,043	\$ 7,531,670

(Concluded)

Statistical Section

This part of the Town's annual comprehensive 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 5-7)	These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.
Debt Capacity (Tables 8-11)	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 12-13)	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 14-16)	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 annual comprehensive financial reports for the fiscal year.

Town of Monroe, Connecticut

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

June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net investment in capital assets	\$ 65,995,666	\$ 61,414,340	\$ 60,344,965	\$ 54,837,885	\$ 54,444,890	\$ 51,539,596	\$ 51,511,189	\$ 47,644,061	\$ 43,135,174	\$ 42,870,105
Restricted	3,225,852	7,037,539	6,416,226	2,949,295	1,059,000	892,032	1,030,376	891,323	1,365,940	190,831
Unrestricted	4,870,935	(6,132,960)	(8,962,734)	(9,291,712)	(5,750,358)	(3,868,141)	(9,011,321)	170,081	73,315	122,549
Total Net Position	\$ 74,092,453	\$ 62,318,919	\$ 57,798,457	\$ 48,495,468	\$ 49,753,532	\$ 48,563,487	\$ 43,530,244	\$ 48,705,465	\$ 44,574,429	\$ 43,183,485

Source: Current and prior year financial statements

Town of Monroe, Connecticut

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

For the Year Ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses:										
General government	\$ 9,080,434	\$ 9,002,101	\$ 8,026,278	\$ 8,615,641	\$ 8,694,492	\$ 8,578,937	\$ 8,196,290	\$ 8,196,272	\$ 8,686,745	\$ 8,572,236
Public safety	11,500,450	10,012,444	10,917,609	10,565,580	10,017,082	8,953,623	8,727,631	8,472,241	8,368,234	8,209,708
Public works	4,638,749	5,819,066	5,331,914	7,534,360	5,578,373	5,402,753	4,894,353	4,800,989	5,091,569	5,494,186
Health and welfare	501,674	483,619	670,060	455,582	433,183	332,320	338,798	357,310	267,102	325,502
Culture and recreation	3,617,325	3,322,983	2,974,904	3,126,270	3,397,814	3,426,250	3,796,280	3,432,231	3,148,479	3,185,250
Education	82,085,668	77,554,412	70,838,968	72,942,808	72,378,312	75,723,462	75,525,651	68,982,600	66,998,073	65,177,110
Interest	498,287	775,226	716,210	1,047,625	953,959	1,249,096	1,465,752	1,407,195	1,459,435	1,414,240
Total expenses	111,922,587	106,969,851	99,475,943	104,287,866	101,453,215	103,666,441	102,944,755	95,648,838	94,019,637	92,378,232
Program Revenues:										
Charges for Services:										
General government	1,308,275	1,425,658	1,400,401	1,030,637	973,097	639,367	563,500	815,083	581,190	2,935,327
Public safety	2,546,960	2,201,612	1,728,789	1,599,242	1,656,842	1,872,862	1,638,735	1,589,696	1,326,736	893,263
Public works	754,773	761,169	631,565	626,883	666,882	647,757	623,166	640,562	607,745	587,700
Health and welfare	85,249	83,870	86,916	87,152	89,202	87,347	90,905	79,429	6,955	1,505
Culture and recreation	1,229,392	1,243,979	951,478	1,023,448	1,119,555	1,342,163	1,802,181	1,320,089	1,288,639	1,196,565
Education	2,651,933	2,253,786	1,053,446	1,479,388	2,036,357	4,263,645	3,536,570	3,584,177	3,565,079	1,963,319
Operating Grants and Contributions	22,429,272	18,367,306	21,060,772	16,902,216	16,773,406	20,537,016	20,507,288	15,954,774	15,056,225	16,089,649
Capital Grants and Contributions	3,315,031	2,095,368	1,836,128	530,412	617,347	1,476,495	882,052	1,167,963	1,014,047	662,887
Total Program Revenues	34,320,885	28,432,748	28,749,495	23,279,378	23,932,688	30,866,652	29,644,397	25,151,773	23,446,616	24,330,215
Net (Expense) Revenue	(77,601,702)	(78,537,103)	(70,726,448)	(81,008,488)	(77,520,527)	(72,799,789)	(73,300,358)	(70,497,065)	(70,573,021)	(68,048,017)
General Revenues:										
Property taxes	85,293,944	82,276,791	79,388,427	78,159,151	77,141,208	77,043,922	75,241,086	74,032,714	71,725,240	70,175,208
Grants and contributions not restricted to specific programs	1,636,023	466,262	487,364	487,019	487,134	20,457	2,486	11,734	2,307	370,374
Income from investments	2,153,468	128,076	116,508	791,761	1,032,629	360,554	126,258	291,025	(54,166)	125,872
Gain on disposal of equipment	-	-	-	-	-	210,651	-	-	2,000	-
Other	291,801	186,436	37,138	76,157	49,601	197,448	463,027	292,627	191,884	706,185
Total General Revenues	89,375,236	83,057,565	80,029,437	79,514,088	78,710,572	77,833,032	75,832,857	74,628,100	71,867,265	71,377,639
Change in Net Position	\$ 11,773,534	\$ 4,520,462	\$ 9,302,989	\$ (1,494,400)	\$ 1,190,045	\$ 5,033,243	\$ 2,532,499	\$ 4,131,035	\$ 1,294,244	\$ 3,329,622

Source: Current and prior year financial statements

Town of Monroe, Connecticut

Fund Balances - Governmental Funds
Last Ten Years
(Unaudited)

June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General fund:										
Nonspendable	\$ 189,187	\$ -	\$ -	\$ -	\$ -	\$ 55,908	\$ 95,242	\$ 166,433	\$ 219,005	\$ 34,269
Restricted	371,509	444,848	371,072	371,072	371,072	388,069	388,966	389,539	801,126	-
Committed	1,622,815	1,612,815	4,421,089	1,000,000	-	-	-	-	-	-
Assigned	2,718,363	810,000	3,202,816	9,105,815	3,154,776	2,094,776	2,008,743	1,112,641	810,881	692,998
Unassigned	23,140,585	20,403,864	14,013,995	7,305,584	13,277,694	12,749,121	9,963,934	8,083,746	6,210,066	5,945,005
Total general fund	28,042,459	23,271,527	22,008,972	17,782,471	16,803,542	15,287,874	12,456,885	9,752,359	8,041,078	6,672,272
All other governmental funds:										
Nonspendable	-	-	2,250	2,250	2,250	69,990	2,250	2,250	3,568	72,792
Restricted	2,854,343	2,126,728	6,042,904	2,575,973	2,499,411	501,713	448,168	499,534	562,564	119,357
Committed	7,582,652	12,976,235	3,707,770	4,815,096	3,350,618	8,629,671	3,476,708	2,945,006	3,827,955	2,551,484
Assigned	21,433	32,083	-	81,680	99,828	962,349	1,532,548	1,980,446	1,627,794	-
Unassigned	(1,323,357)	(3,120,500)	(4,382,334)	(410,096)	(195,426)	(291,214)	(1,874,300)	(1,072,621)	(1,254,169)	(1,042,015)
Total all other governmental funds	9,135,071	12,014,546	5,370,590	7,064,903	5,756,681	9,872,509	3,585,374	4,354,615	4,767,712	1,701,618
Grand total	\$ 37,177,530	\$ 35,286,073	\$ 27,379,562	\$ 24,847,374	\$ 22,560,223	\$ 25,160,383	\$ 16,042,259	\$ 14,106,974	\$ 12,808,790	\$ 8,373,890

Source: Current and prior year financial statements

Notes:

General fund
Assigned
Unassigned

Increased due to increase in use of fund balance to balance next year's budget.
Increased due to positive operating results, partially offset by an increase in use of fund balance to balance next year's budget.

All other governmental funds
Restricted
Committed
Unassigned

Increased due to positive operations, primarily in school cafeteria and town road grants
Decreased due to decrease in construction commitments, expenditures in the capital reserve fund that were funded in prior years
Increased due to decrease in construction commitments

Town of Monroe, Connecticut

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

For the Year Ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Property taxes	\$ 84,771,078	\$ 82,184,039	\$ 79,305,702	\$ 77,801,930	\$ 77,492,761	\$ 76,743,249	\$ 75,225,166	\$ 73,956,951	\$ 71,851,017	\$ 70,058,508
Intergovernmental	26,803,607	20,475,956	23,156,281	17,651,779	8,914,289	21,947,913	21,034,700	17,664,197	15,602,770	17,116,247
Charges for services	8,576,582	7,970,074	5,848,095	5,851,250	6,541,935	7,036,966	5,545,982	5,627,376	5,138,944	5,270,591
Contributions	576,719	452,980	237,990	267,868	284,071	352,058	335,896	339,509	312,305	407,052
Income from investments	2,153,468	128,076	116,508	791,761	1,029,631	402,762	125,216	289,665	(55,124)	124,867
Other	291,801	186,436	37,138	76,157	49,601	249,416	606,971	393,093	264,595	303,635
Total Revenues	123,173,255	111,397,561	108,701,714	102,440,745	94,312,288	106,732,364	102,873,931	98,270,791	93,114,507	93,280,900
Expenditures:										
Current:										
General government	8,844,550	8,791,102	8,512,717	8,451,399	8,622,517	8,427,313	8,451,070	8,108,538	8,539,233	8,362,032
Public safety	9,833,883	9,498,779	8,817,627	8,504,727	8,571,337	8,298,211	7,877,095	7,799,005	7,895,770	7,755,072
Public works	4,537,779	5,150,284	4,992,755	4,663,681	4,362,206	3,685,397	3,922,005	3,859,645	4,155,970	4,214,507
Health and welfare	502,654	488,840	677,186	456,151	432,431	411,418	418,303	445,898	346,892	325,747
Culture and recreation	3,262,259	2,869,650	2,569,655	2,712,398	3,009,013	2,900,068	2,850,797	3,005,709	2,751,270	2,838,529
Education	79,508,582	74,912,113	69,507,300	69,171,775	61,034,251	71,102,515	69,210,966	63,546,523	61,949,317	61,825,546
Debt service:										
Principal	5,360,906	5,328,537	5,242,880	5,102,386	5,045,000	4,895,000	5,085,000	4,640,837	4,589,519	4,620,083
Interest	738,227	899,115	970,028	1,107,648	1,271,104	1,211,639	1,311,328	1,352,220	1,330,962	1,432,689
Bond issuance costs	-	28,743	-	-	-	142,997	64,978	1,072	183,104	129,379
Capital outlay	8,904,043	6,287,378	3,472,233	3,063,964	4,624,199	5,466,112	5,949,231	4,193,161	3,486,263	7,546,807
Total Expenditures	121,492,883	114,254,541	104,762,381	103,234,129	96,972,058	106,540,670	105,140,773	96,952,608	95,228,300	99,050,391
Excess (Deficiency) of Revenues Over Expenditures	1,680,372	(2,856,980)	3,939,333	(793,384)	(2,659,770)	191,694	(2,266,842)	1,318,183	(2,113,793)	(5,769,491)
Other Financing Sources (Uses):										
Issuance of debt	211,085	9,845,658	-	2,315,000	-	8,085,000	2,610,000	-	6,220,000	7,389,646
Issuance of refunding bonds	-	-	-	10,355,000	-	7,040,000	7,220,000	-	-	-
Premium	-	917,833	-	1,588,746	-	957,897	996,900	-	131,996	117,967
Payment to refunded bonds escrow agent	-	-	-	(11,417,807)	-	(7,463,559)	(7,917,578)	-	-	-
Sale of capital assets	-	-	-	3,260	59,610	307,092	-	-	-	-
Transfers in	2,481,469	925,511	919,749	1,194,254	1,159,822	1,202,713	1,042,524	1,381,811	1,613,613	647,276
Transfers out	(2,481,469)	(925,511)	(2,326,894)	(1,194,254)	(1,159,822)	(1,202,713)	(1,062,524)	(1,401,811)	(1,633,613)	(647,276)
Total Other Financing Sources (Uses)	211,085	10,763,491	(1,407,145)	2,844,199	59,610	8,926,430	2,889,322	(20,000)	6,331,996	7,507,613
Net Change in Fund Balances	\$ 1,891,457	\$ 7,906,511	\$ 2,532,188	\$ 2,050,815	\$ (2,600,160)	\$ 9,118,124	\$ 622,480	\$ 1,298,183	\$ 4,218,203	\$ 1,738,122
Debt Service as a Percentage of Non-Capital Expenditures	5.51%	5.81%	6.30%	6.60%	6.50%	6.20%	6.50%	6.50%	6.70%	6.80%

Source: Current and prior year financial statements

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							
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
2021	10/1/2019 *	1,679,758,120	255,208,620	25,196,320	172,192,676	22,015,800	114,111,001	23,361,940	2,245,120,597	3,240,689,339	35.48
2022	10/1/2020	1,684,569,440	255,859,400	24,891,220	181,094,807	29,839,886	120,836,911	26,467,189	2,270,624,475	3,281,559,520	36.36
2023	10/1/2021	1,692,923,905	256,548,439	23,636,565	229,128,541	31,612,064	137,032,617	27,279,545	2,343,602,586	3,386,974,473	36.86

Source: Assessor's Office

Notes:

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	2023			2014		
	Assessed Value	Rank	Percentage Net Taxable Grand List (1)	Assessed Value	Rank	Percentage Net Taxable Grand List (1)
FirstLight CT Housatonic LLC	\$ 28,943,210	1	1.23%	\$ 28,409,320	1	1.22%
Eversource Energy/Conn Light & Power Co	28,835,040	2	1.23%	15,311,838	2	0.66%
NBC Universal Media LLC	14,820,100	3	0.63%	N/A	N/A	N/A
Aquarion Water Company	14,146,700	4	0.60%	12,614,074	3	0.54%
One Eleven Century Plaza LLC	8,710,400	5	0.37%	8,098,000	5	0.35%
Swiss Army Land Inc	8,090,740	6	0.35%	8,520,633	4	0.37%
Yankee Gas Services Co	7,670,580	7	0.33%	N/A	N/A	N/A
Maril LLC	6,263,300	8	0.27%	6,395,650	8	0.27%
Lake Zoar Properties LLC	6,158,970	9	0.26%	7,335,843	6	0.32%
Clocktower Square #1 LLC	5,625,830	10	0.24%	6,613,280	7	0.28%
CBL, Inc.	N/A	N/A	N/A	5,154,061	9	0.22%
SB Real Estate	N/A	N/A	N/A	4,899,860	10	0.21%
Total	<u>\$ 129,264,870</u>		<u>5.52%</u>	<u>\$ 103,352,559</u>		<u>4.44%</u>
(1) - Based on October 1, 2021 and 2012 net taxable grand list of:	<u>\$ 2,343,602,586</u>			<u>\$ 2,326,443,807</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	Total Collections to Date			
					(3) Collections in Subsequent Years	Total Collection	Percent of Levy Collected	Current Delinquent Balance
2014	30.41	\$ 69,989,113	\$ 69,304,734	99.02%	\$ 684,379	\$ 69,989,113	100.00%	\$ -
2015	31.01	71,651,461	70,803,834	98.82%	837,498	71,641,332	99.99%	10,129
2016	34.35	73,622,328	72,929,270	99.06%	684,117	73,613,387	99.99%	8,941
2017	35.00	75,013,051	74,237,133	98.97%	766,808	75,003,941	99.99%	9,110
2018	35.76	76,796,399	75,961,577	98.91%	801,813	76,763,390	99.96%	33,009
2019	35.24	76,792,484	76,053,750	99.04%	694,910	76,748,660	99.94%	43,824
2020	35.58	78,016,881	77,060,989	98.77%	853,414	77,914,403	99.87%	102,478
2021	35.48	79,117,592	78,310,986	98.98%	661,849	78,972,835	99.82%	144,757
2022	36.36	81,982,758	81,132,768	98.96%	420,028	81,552,796	99.48%	429,962
2023	36.86	84,748,960	83,791,066	98.87%	-	83,791,066	98.87%	957,894

Source: Town tax records.

Notes:

(1) There are no overlapping tax rates.

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

(3) Amounts are updated each year in determining the Total Collections to Date.

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>Notes</u>	<u>Premium</u>	<u>Leases</u>	<u>Subscriptions</u>	<u>Total</u>	<u>Percentage of Personal Income</u>	<u>Total Debt Per Capita</u>
2014	\$41,445,000	\$ 6,098,006	\$ 2,045,557	\$ -	\$ -	\$49,588,563	5.20%	\$ 2,500
2015	43,550,000	2,475,296	1,994,061	-	-	48,019,357	4.97%	2,417
2016	38,965,000	2,101,958	1,786,295	-	-	42,853,253	4.41%	2,161
2017	35,960,000	1,753,338	2,269,731	-	-	39,983,069	4.03%	2,021
2018	38,795,000	1,439,951	2,823,452	-	-	43,058,403	4.57%	2,193
2019	33,750,000	1,162,952	2,445,730	-	-	37,358,682	3.94%	1,919
2020	30,265,000	880,566	1,796,217	-	-	32,941,783	3.35%	1,695
2021	25,310,000	592,686	1,534,059	473,964	-	27,910,709	2.86%	1,484
2022	30,150,000	489,453	2,189,815	441,355	165,290	33,435,913	3.49%	1,782
2023	25,150,000	128,547	1,880,319	543,108	152,993	27,854,967	2.42%	1,482

Source: Current and prior year financial statements

Notes:

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>
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	1.14%	1,733
2020	30,265,000	1,796,217	32,061,217	1.00%	1,557
2021	25,310,000	1,534,059	26,844,059	0.83%	1,346
2022	30,150,000	2,189,815	32,339,815	0.99%	1,607
2023	25,150,000	1,880,319	27,030,319	0.80%	1,338

Source: Current and prior year financial statements

Town of Monroe, Connecticut
Schedule of Debt Limitation
Connecticut Statutes, Section 7-374(b)
For the Year Ended June 30, 2023
(Unaudited)

Tax base:

Total tax collections (including interest and lien fees) for the prior year \$ 82,146,149

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2 1/4 times base	\$ 184,828,835	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	369,657,671	-	-	-
3 3/4 times base	-	-	308,048,059	-	-
3 1/4 times base	-	-	-	266,974,984	-
3 times base	-	-	-	-	246,438,447
Total limitations	184,828,835	369,657,671	308,048,059	266,974,984	246,438,447
Indebtedness:					
Bonds	<u>19,079,000</u>	<u>6,071,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding debt	<u>\$ 165,749,835</u>	<u>\$ 363,586,671</u>	<u>\$ 308,048,059</u>	<u>\$ 266,974,984</u>	<u>\$ 246,438,447</u>

The total net indebtedness above amounts to: \$ 25,150,000

In no event shall total indebtedness exceed seven time the base for debt limitation computation: \$ 575,023,043

There is no overlapping debt for the Town.

Source: Current and prior year financial statements.

Town of Monroe, Connecticut

Legal Debt Margin Information
Last Ten Years
(Unaudited)

Year Ended June 30	Debt Limit	Net Debt Applicable To Limit	Legal Debt Margin	Percentage of Net Debt Applicable to Limit
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%
2021	544,551,917	25,310,000	519,241,917	4.65%
2022	554,789,669	30,150,000	524,639,669	5.43%
2023	575,023,043	25,150,000	549,873,043	4.37%

Source: Current and prior year financial statements.

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

Fiscal Year Ended June 30	(1) Population	(2) Median Age	(3) Personal Income	(3) Per Capita Personal Income	(3) Median Household Income	(3) Education Level of Schooling		(4) School Enrollment	(5) Unemployment Rate
						High School Graduate or higher	Bachelor's Degree or Higher		
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	50,602	118,669	78%	49%	3,146	8.80%
2021	18,808	43.2	975,514,536	51,867	118,669	96%	49%	3,179	5.50%
2022	18,764	42.4	956,982,764	51,001	127,995	96%	49%	3,432	3.70%
2023	18,796	43.7	1,152,269,984	61,304	145,714	96%	50%	3,398	4.30%

Sources:

- (1) Connecticut Department of Public Health
- (2) Advance CT
- (3) United States Census Bureau (American Community Survey)
- (4) Connecticut Department of Education
- (5) Connecticut Department of Labor

N/A - Information not available.

Town of Monroe, Connecticut

Principal Employers
Current Year And Nine Years Ago
(Unaudited)

Employer	2023			2014		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Monroe	646	1	13.47%	646	1	18.52%
Big Y Supermarket	170	2	3.54%	159	2	4.56%
Biomerics NLE, LLC	150	3	3.13%	N/A	N/A	N/A
Victorinox (Swiss Army)	138	4	2.88%	147	3	4.21%
M Cubed Technologies	136	5	2.84%	95	7	2.72%
Stop & Shop	126	6	2.63%	126	5	3.61%
Church Hill Classics LTD	114	7	2.38%	N/A	N/A	N/A
Pella Windows & Doors/DHD Windows & Doors	70	8	1.46%	N/A	N/A	N/A
Aquarion Water	70	9	1.46%	69	9	1.98%
Edgerton, Inc.	69	10	1.44%	60	10	1.72%
Really Good Stuff	N/A	N/A	N/A	126	4	3.61%
Northeast Laser Engraving	N/A	N/A	N/A	103	6	2.95%
Waterview LLC	N/A	N/A	N/A	75	8	2.15%
Total	<u>1,689</u>		<u>35.22%</u>	<u>1,606</u>		<u>46.03%</u>

Source: Town of Monroe Assessor's Office

Town of Monroe, Connecticut

Full-Time Equivalent Employees By Function/Program
Last Ten Years
(Unaudited)

June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government:										
First Selectman	2.0	3.0	2.7	3.5	2.5	2.5	2.5	2.5	2.0	2.0
Registrars of Voters	1.7	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Town Clerk	3.0	3.0	3.1	3.0	3.0	3.0	3.0	3.2	3.2	3.2
Tax Collector	2.6	3.0	2.9	2.7	2.7	2.7	2.7	2.7	2.5	2.5
Town Treasurer	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Senior Center	6.5	5.6	5.0	4.2	4.8	4.7	4.7	4.5	4.5	4.5
Planning - Building, P&Z, I/W, and Engineering	7.1	7.5	11.0	10.5	10.0	8.5	8.5	9.0	9.0	9.0
Finance Department	5.6	5.1	5.2	4.7	5.2	5.2	5.2	5.0	5.0	5.0
Human Resources	1.7	1.7	2.0	1.7	1.7	1.7	1.7	1.5	1.5	1.5
Information Technology		3.5	3.5	3.7	3.7	3.7	3.7	3.7	3.7	3.7
Assessor	5.0	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	37.6	40.9	43.9	42.5	42.1	40.5	40.5	40.6	39.9	39.9
Public Safety:										
Police Department	55.8	55.0	54.0	46.0	48.0	48.0	51.0	55.0	55.0	53.0
Animal Control	1.0	1.5	2.7	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
Fire Marshal	3.9	2.0	1.8	2.0	2.3	2.3	2.3	2.3	2.3	1.8
Emergency Management	1.0	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Emergency Medical Services (EMS)	0.6	-	-	0.3	0.5	0.5	0.5	1.0	0.5	0.5
Public Safety Total	62.3	60.0	60.0	52.2	54.7	54.7	57.7	62.2	61.7	59.2
Public Works:										
Administration	3.0	5.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Highway	18.7	19.5	20.0	20.0	20.0	20.4	20.4	24.1	24.1	24.1
Tree Warden	-	-	-	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Solid Waste	0.6	0.5	0.5	0.2	0.2	0.2	0.2	0.2	0.1	0.1
Public Works Total	22.3	25.5	25.0	24.9	24.9	25.3	25.3	29.0	28.9	28.9
Health and Welfare:										
Health Department	4.3	4.5	3.3	3.7	3.3	3.3	3.3	3.0	-	-
Social Services	2.1	1.4	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.2
Health and Welfare Total	6.4	5.9	5.0	5.4	5.0	5.0	5.0	4.7	1.7	1.2

(Continued)

Town of Monroe, Connecticut

Full-Time Equivalent Employees By Function/Program
Last Ten Years
(Unaudited)

June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Culture and Recreation:										
Library	18.0	14.0	13.5	11.5	13.5	13.5	13.5	14.0	13.5	13.5
Parks and Recreation	18.5	20.0	14.8	18.2	23.1	23.1	23.1	16.0	16.0	16.0
Radio Station (WMNR)	7.8	7.0	6.2	7.0	6.5	6.5	6.5	7.0	7.0	7.0
Culture and Recreation Total	44.3	41.0	34.5	36.7	43.1	43.1	43.1	37	36.5	36.5
Education:										
Administration	21.6	22.6	22.0	23.0	23.0	23.0	24.0	24.0	24.0	24.0
Teachers and Other Certified Staff	282.2	279.8	259.0	266.7	265.0	264.4	267.9	271.5	277.1	280.1
Paraprofessionals	98.0	92.0	79.0	86.0	85.0	78.0	81.0	84.0	84.0	84.0
Other Non-Certified Staff	71.6	88.6	104.0	105.0	103.0	90.6	90.6	90.6	92.6	92.6
Education Total	473.4	483.0	464.0	480.7	476.0	456.0	463.5	470.1	477.7	480.7
Total Town Employees by Function	646.3	656.3	632.4	642.4	645.8	624.6	635.1	643.6	646.4	646.4

Source: Town records

(Concluded)

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

	For the Year Ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government:										
Building permits:										
Total permits issued*	1,333	966	615	471	476	437	509	413	416	355
Total estimated value of permits*	\$ 40,333,423	\$ 18,021,851	\$ 23,460,815	\$ 10,561,922	\$ 10,737,278	\$ 21,627,389	\$ 21,347,271	\$ 14,952,059	\$ 9,664,084	\$ 8,941,578
Public Safety:										
Police:										
Calls for service	19,714	19,953	20,363	21,431	23,315	24,654	27,680	28,125	31,492	27,134
Arrests	155	158	147	186	256	232	247	162	159	128
Traffic citations	818	741	817	2,525	3,218	3,128	3,236	3,723	5,297	4,036
EMS:										
Total service calls	1,494	1,494	1,633	1,333	1,360	1,390	1,328	1,435	1,374	1,337
Billable calls	882	953	829	782	835	901	823	829	832	787
Fire**:										
Town wide calls	676	614	562	923	522	626	605	592	581	482
Mutual aid calls (all departments)	466	425	600	563	621	716	751	663	692	446
Total responses	1,142	1,039	1,162	1,486	1,143	1,342	1,356	1,255	1,273	928
Culture and Recreation:										
Wolfe Park Facility reservations	130	129	101	73	126	124	120	117	126	103
Wolfe Park Pool attendance	13,419	17,307	12,403	12,494	16,284	16,593	15,326	20,594	18,504	18,076
Great Hollow Lake attendance	12,863	15,649	14,319	24,253	14,861	15,909	17,994	20,060	18,504	18,748

Source: Town Records

Note:

* Building permits and estimated value of permits include mechanical permits for 2023. Mechanical permits are not included in prior year amounts.

** 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.)

Town of Monroe, Connecticut

Capital Asset Statistics by Function/Program
Last Ten Years
(Unaudited)

June 30

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
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	16	15	13	13	13	13	12	13	13	13
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	19	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	1	1
Elementary	3	3	3	3	3	3	3	3	3	3

Source: Town records