

TOWN OF MONROE, CONNECTICUT

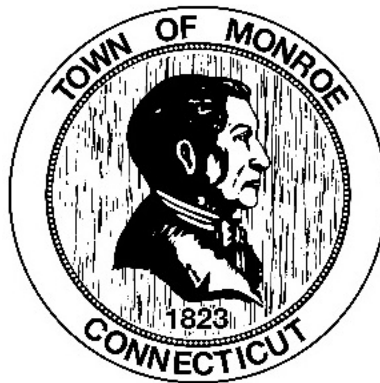
**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**



FOR THE YEAR ENDED JUNE 30, 2018

TOWN OF MONROE, CONNECTICUT

Comprehensive Annual Financial Report For the Year Ended June 30, 2018



Prepared by the Finance Department

**7 Fan Hill Road
Monroe, Connecticut 06468**

Town of Monroe, Connecticut

Comprehensive Annual Financial Report
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Year Ended June 30, 2018

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STATISTICAL SECTION (Unaudited)

This part of the Town's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information reveals about the Town's overall financial health.

This section includes the following schedules:

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Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

**INTRODUCTORY
SECTION**



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Monroe
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

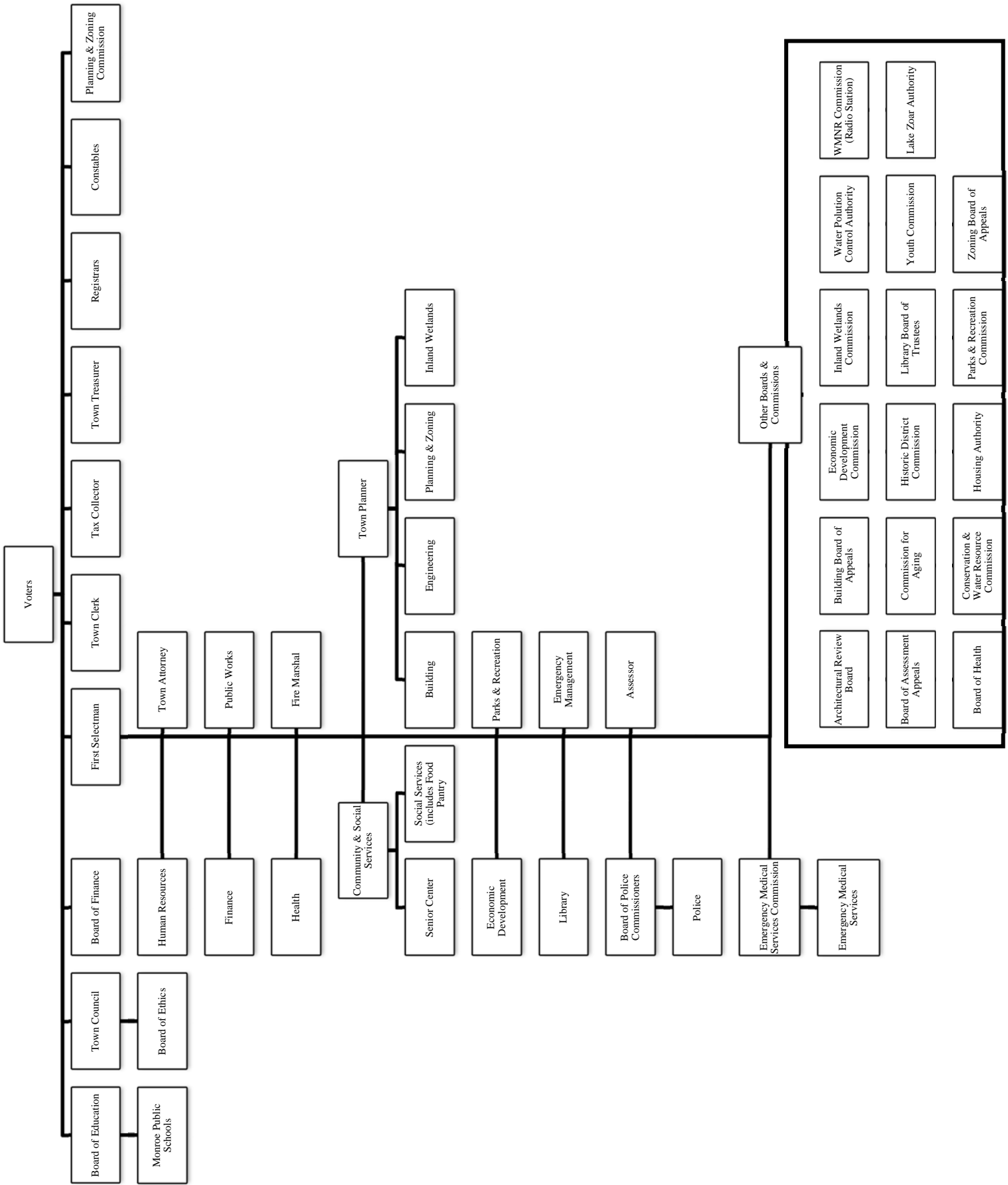
**Town of Monroe, Connecticut
Elected and Appointed Officials**

Elected Officials

First Selectman	Kenneth M. Kellogg	
Town Council	Frank Lieto, Chairman Sean O'Rourke Terry Rooney Dee Dee Martin Jason Maur	Enid Lipeles, Vice-Chairman Kevin Reid Dennis Condon Jennifer Aguilar
Board of Finance	Michael Manjos, Chairman Craig Hirsch Ted Quinlan	John Ostaszewski, Vice-Chairman Patrick O'Hara
Tax Collector	Manny Cambra, CCMC	
Town Clerk	Vida Stone	
Town Treasurer	Deborah Heim	
Registrars of Voters	Margaret Villani (R)	Jamieson Campbell (D)
Board of Education	Donna Lane, Chairman Shannon Reilly-Monaco, Secretary Christine Cascella Jerry Stevens Jeff Fulchino	George King III, Vice-Chairman David Ferris Dr. Alan Vaglivelo Jessica Katuska

Appointed Officials

Town Attorney	Jeremy Hayden, Esq.
Director of Finance	Ron Bunovsky Jr., CPA
Deputy Director of Finance	Heidi Meade
Assessor	Justin Feldman, CCMA
Chief of Police	John Salvatore
Director of Public Works	Chris Nowacki
Director of Human Resources	Catherine Lombardi
Director of Parks & Recreation	Melissa Orosz
Director of Community & Social Services	Amy Lachioma
Director of Health	Nancy Brault, MPH, RS
Fire Marshal	William Davin
Town Engineer/Wetlands Agent	Scott Schatzlein, P.E.
Chief Building Official	James Sandor
Town Planner	Richard Schultz
Zoning Enforcement Officer	Joe Chapman
Superintendent of Schools	Dr. Jack Zmary
Director of Finance & Mgmt Services – Education	Gabriella DiBlasi



Town of Monroe



Ronald J. Bunovsky Jr., CPA
Director of Finance

Heidi Meade
Deputy Director of Finance

FINANCE DEPARTMENT
7 Fan Hill Road
Monroe, Connecticut 06468-1800
Phone: (203)452-2800
(Director: ext. 1061, Deputy Director: ext. 1006)

January 18, 2019

To the 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, which is published to fulfill this requirement for the fiscal year ended June 30, 2018, 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 which have been 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, 2018. The independent auditor's report is located at the front of the financial section of this report. Immediately following the independent auditor's 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 is designed to compliment this letter of transmittal and should be read in conjunction with it.

Profile of the Town

The Town of Monroe was incorporated in 1823. It covers an area of 26.4 square miles and is located in the southwestern part of Connecticut, approximately 70 miles east of New York City. According to the Connecticut Department of Public Health, the Town's estimated population was 19,635 as of July 1, 2017. The Town has above average household income and education levels that reflect its character as a suburban bedroom community.

The Town is administered by an elected First Selectman, who acts as the Chief Executive Officer, and a 9-member Town Council. This constitutes a First Selectman/Town Council form of government. The First Selectman is responsible for planning, administering and supervising all municipal activities, except for education. The legislative power of the Town is vested with the Town Council. It has the power to enact, amend or create 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, which is managed by the Director of Finance, maintains all of the Town's financial records. The Town Treasurer is responsible for the Town's investments. The Board of Education is independent from the municipal government in governance and operation of the school system.

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

The annual budget serves as the foundation for the Town's financial planning and control. The Town maintains budgetary controls with the objectives to ensure compliance with legal provisions embodied in the annual appropriated budget, approved by the budget referendum. The Town maintains an encumbrance accounting system as one technique of accomplishing budgetary controls. As demonstrated by the budgetary schedules included in the financial section of this report, the Town continues to meet its responsibility for sound financial management. In addition to budgetary schedules, note 2A in the Notes to Financial Statements describes the budget process used by the Town. It should be noted that on January 14, 2019 the Town Council adopted new dates for the Town's budget review process, which will be implemented for the fiscal year 2020 budget.

The Local Economy and the Town's Fiscal Health

The economy in the State of Connecticut has remained weak over the last several years and continues to have a negative outlook. The Town of Monroe, however, has managed to remain in line economically with the nation as reflected by its 3.9% unemployment rate as of June 30, 2018. This is well below the State's 4.5% unemployment rate and the nation's 4.2% unemployment rate as of the same date. The location of the Town within Fairfield County, the wealthiest county in Connecticut, is the most significant reason for its economic stability.

The Town's stable local economy and conservative fiscal management helped it receive a AA+ credit rating from S&P Global Ratings on its 2018 general obligation bond issue. The Town has also maintained a Aa2 rating on its previously issued and outstanding general obligation debt from Moody's Investor Service.

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 600 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 2013-2017 American Community Survey, Monroe's median household income was \$109,631, as compared to the State's of \$73,781.

Long-Term Financial Planning

The Town prepares a five-year Capital Improvement Plan (CIP), which is reviewed and updated annually during its budget process. Capital projects and purchases are first prioritized by each department head, who then submit their request to the First Selectman and Director of Finance with their annual operating budget. After the First Selectman's Budget is forwarded 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. It is then voted on as part of the Annual Town Budget by the taxpayers at the Annual Budget Referendum. The CIP attempts to cover all future facility, infrastructure and equipment needs of the Town in the interest of public safety, health and welfare, education and recreation.

Pursuant to the Connecticut General Statutes, the Town is required to review its Plan of Conservation and Development (POCD) every 10 years. Monroe's POCD, which was last reviewed and updated in 2010, will need to be reviewed again by 2020. 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 recommendations of the plan get implemented through zoning laws and other land use regulation tools, capital expenditures and on-going planning.

Financial Policies

The Town Council adopted a new purchasing policy for the Town during the fiscal year. This policy was established to optimize efficiencies and improve transparency in procuring goods and services, while maximizing the balance between cost and quality. This was accomplished by providing more procurement options, standardized documentation requirements and increased cost thresholds in determining the required procurement process.

Awards & Acknowledgements

The Town of Monroe received the Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2017 from the Government Finance Officers Association (GFOA).

The preparation of this report would not have been possible without the effort and dedication of the Deputy Director of Finance and the entire staff of the Finance Department. I would also like to thank all departments for their assistance in providing the data necessary in the preparation of this report. The First Selectman, Town Council and Board of Finance also need to be credited with 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 'Ronald J. Bunovsky Jr.', is positioned above the printed name.

Ronald J. Bunovsky Jr., CPA
Director of Finance

**FINANCIAL
SECTION**

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Monroe, Connecticut ("Town") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2019 on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 18, 2019

Town of Monroe, Connecticut

Management's Discussion and Analysis
June 30, 2018

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, 2018. It should be read in conjunction with the financial statements included herein, which begin with Exhibit A.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the Town's net position was \$48,563,487 at the end of the current fiscal year, an increase of \$5,033,243 after restating the Town's net position as of July 1, 2017 for the implementation of GASB 75 and 84 (see Note 18). Substantially all of the Town's net position was attributable to its net investment in capital assets.
- The unassigned fund balance for all governmental funds, which includes the Town's General Fund, ended the current fiscal year at \$12,457,907. This increased by \$4,368,273 over the prior fiscal year and represents 14.9% of total budgeted expenditures for the current fiscal year.
- On a budgetary basis, the Town's General Fund operated at a \$2,850,514 surplus for the current fiscal year. \$2,123,652 of this surplus was attributable to actual revenues in excess budget. See Exhibit RSI-1 in the Required Supplementary Information section of this financial report for additional details.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT ("CAFR")

This CAFR consists of a series of financial statements. The government-wide financial statements, which include the Statement of Net Position and the Statement of Activities (Exhibits A and B), provide information about the activities of the Town as a whole and present a longer-term view of Town's finances. The fund financial statements, which tell how services were financed in the short term as well as what remains for future spending, start with Exhibit C. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town either; (i) accounts for and allocates costs internally among various town functions, or (ii) acts solely as a trustee or agent for the benefit of those outside of the government.

The Government-Wide Financial Statements - Reporting the Town as a Whole

Our analysis of the Town as a whole begins with Exhibit A. The Statement of Net Position and the Statement of Activities report information about the Town on a government-wide basis that provides the information necessary to determine the overall financial position of the Town and the results of its current year's activities. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's *net position* and changes in them. You can think of the Town's net position—the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources—as one way to measure the Town's financial health, or *financial position*. Over time, *increases or decreases* in the Town's net position are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of its roads, to assess the *overall health* of the Town.

In the Statement of Net Position and the Statement of Activities, the Town shows governmental activities. The Town's basic services are reported here, including the education, public works, and general administration. Property taxes, state and federal grants and local revenues, such as fees and licenses, finance most of these activities.

Town of Monroe, Connecticut

Management's Discussion and Analysis
June 30, 2018

The Fund Financial Statements - Reporting the Town's Funds

Our analysis of the Town's funds begins with Exhibits C and D of the basic financial statements. The Balance Sheet for the Governmental Funds (Exhibit C) provides detailed information about the Town's general fund and all other governmental funds combined. The detail of all other governmental funds can be found in the Supplementary Schedules (Schedules 3-8) included within this financial report. Some funds are required to be established by State law or by bond covenants. However, the Board of Finance has established many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grant revenue, donations, or any other restricted money received.

- *Governmental funds*—The Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine the level of financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in reconciliation at the bottom of the fund financial statements.
- *Proprietary funds*—When the Town charges customers for the services it provides—whether to outside customers or to other units of the Town—these services are generally reported in proprietary funds. The Town's only proprietary funds are internal service funds. Proprietary funds are reported in the same way that all governmental activities are reported in the Statement of Net Position (Exhibit F), the Statement of Revenues, Expenses and Changes in Net Position (Exhibit G) and the Statement of Cash Flows (Exhibit H).
- *Fiduciary funds*—The Town is the trustee, or *fiduciary*, for the activity funds at the school, school scholarships and the Town defined benefit pension plan. These funds do not belong to the Town. The Town's fiduciary activities are reported in the Statement of Fiduciary Net Position in Exhibit I and Statement of Changes in Fiduciary Net Position in Exhibit J. We exclude these activities from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS - THE TOWN AS A WHOLE

As discussed earlier, the Town's net position is one useful indicator of its financial health. The Town had a total net position of \$48,563,487 at the close of the 2018 fiscal year. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town.

Town of Monroe, Connecticut

Management's Discussion and Analysis
June 30, 2018

Table 1
Net Position (Figures taken from Exhibit A)

	Governmental			
	Activities			
	2018	\$ Change	% Change	2017
ASSETS				
Cash and restricted cash	\$ 5,554,804	\$ 1,431,349	34.71%	\$ 4,123,455
Investments	22,451,577	5,572,453	33.01%	16,879,124
Receivables	2,806,276	(451,776)	-13.87%	3,258,052
Other assets	-	(2,123)	0.00%	2,123
Capital assets				
Nondepreciable	16,097,813	65,095	0.41%	16,032,718
Depreciable	75,918,757	971,193	1.30%	74,947,564
	<u>122,829,227</u>	<u>7,586,191</u>	<u>6.58%</u>	<u>115,243,036</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to refunding bonds	473,977	(259,345)	-35.37%	733,322
Related to pensions and OPEB	1,884,722	(1,344,999)	-41.64%	3,229,721
	<u>2,358,699</u>	<u>(1,604,344)</u>	<u>-40.48%</u>	<u>3,963,043</u>
LIABILITIES				
Payables, accruals and other liabilities	4,853,797	(1,301,088)	-21.14%	6,154,885
Non-current liabilities				
Net pension liability	6,003,263	(665,221)	-9.98%	6,668,484
Net OPEB liability	11,817,954	(162,132)	-1.35%	11,980,086
Due within one year	6,951,391	430,520	6.60%	6,520,871
Due in more than one year	45,162,545	2,788,091	6.58%	42,374,454
	<u>74,788,950</u>	<u>1,090,170</u>	<u>1.48%</u>	<u>73,698,780</u>
DEFERRED INFLOWS OF RESOURCES				
Related to pensions and OPEB	1,835,489	(141,566)	-7.16%	1,977,055
NET POSITION				
Net investment in capital assets	51,539,596	28,407	0.06%	51,511,189
Restricted	892,032	(138,344)	-13.43%	1,030,376
Unrestricted	(3,868,141)	5,143,180	-57.07%	(9,011,321)
	<u>\$ 48,563,487</u>	<u>\$ 5,033,243</u>	<u>11.56%</u>	<u>\$ 43,530,244</u>

The Town's net investment in capital assets of \$51,539,596 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 in Table 1 above, the Town's net investment in capital assets increased by \$28,407 over the prior fiscal year, the result of a net increase of \$2,835,000 in general obligation bonds outstanding related to capital asset purchases less unspent bond proceeds of \$2,107,652 net of an overall increase in capital assets of \$1,036,288 which is discussed later in this analysis.

The Town's restricted net position, which represents resources with externally enforceable limitations placed upon them, was \$892,032 at year-end. The vast majority of these restricted resources are from donations accepted and received by the Town for various purposes specified (restricted) by the donor.

The balance of the Town's net position is unrestricted. As of June 30, 2018, this was a negative \$3,868,141. Since approximately 84% of the Town's liabilities are not payable within one year, the negative unrestricted net position is not concerning. The current unrestricted resources of the Town are more than sufficient to cover all of the Town's current obligations.

Town of Monroe, Connecticut

Management's Discussion and Analysis
June 30, 2018

Table 2
Change in Net Position (Figures taken from Exhibit 2)

	Governmental Activities			
	2018	\$ Change	%Change	2017
Revenues				
Program revenues				
Charges for services	\$ 8,853,141	\$ 598,084	7.25%	\$ 8,255,057
Operating grants and contributions	21,068,824	221,232	1.06%	20,847,592
Capital grants and contributions	944,687	402,939	74.38%	541,748
General revenues				
Property taxes	77,043,922	1,802,836	2.40%	75,241,086
Grants and contributions	20,457	17,971	722.89%	2,486
Unrestricted investment earnings	360,554	234,296	185.57%	126,258
Gain on disposal of equipment	210,651	210,651	100.00%	-
Miscellaneous	197,448	(265,579)	-57.36%	463,027
Total revenues	<u>108,699,684</u>	<u>3,222,430</u>	<u>3.06%</u>	<u>105,477,254</u>
Program expenses				
General government	8,578,937	382,647	4.67%	8,196,290
Public safety	8,953,623	225,992	2.59%	8,727,631
Public works	5,402,753	508,400	10.39%	4,894,353
Health and welfare	332,320	(6,478)	-1.91%	338,798
Culture and recreation	3,426,250	(370,030)	-9.75%	3,796,280
Education	75,723,462	197,811	0.26%	75,525,651
Interest	1,249,096	(216,656)	-14.78%	1,465,752
Total expenses	<u>103,666,441</u>	<u>721,686</u>	<u>0.70%</u>	<u>102,944,755</u>
Increase (decrease) in net position	5,033,243	2,500,744	98.75%	2,532,499
Beginning net position, as restated	43,530,244	(3,973,553)	-8.36%	47,503,797
Restatement of equity	-	6,506,052	-100.00%	(6,506,052)
Ending net position	<u>\$ 48,563,487</u>	<u>\$ 5,033,243</u>	<u>11.56%</u>	<u>\$ 43,530,244</u>

During the current fiscal year the overall net position of the Town increased by \$4,309,996 as total revenues exceeded total expenses for the year. This was driven by the following:

- The increase in charges for services of \$598,084 was partially due to an increase in EMS revenues of approximately \$132,000.
- The increase in capital grants and contributions was primarily attributable to donations of land worth \$723,247 net of an expected decrease in school construction grant revenues of \$202,000.
- There was an increase in property tax revenues of \$1,802,836 over the prior year, which was attributed to an increase in the current year tax levy.
- Public works expense increased from the prior year by \$508,400 due to increased Town Aid Road grant expenditures of \$177,509 and \$454,360 of non-capitalizable paving expenses.
- Culture and recreation expense decreased due to a decrease in parks and recreation programs expenses of \$120,000 and radio station expenses of \$47,000.
- Conservative budgeting, which kept overall expenses relatively flat year over year, was also a key driver.

FINANCIAL ANALYSIS OF THE TOWN'S GOVERNMENTAL FUNDS

As of June 30, 2018, the Town's combined fund balance for all governmental funds was \$25,160,383, an increase of \$9,118,124 over the course of the current fiscal year. \$12,457,907 of this amount (49.50%) is unassigned fund balance, which is a useful measure of the Town's net available resources for discretionary use. The remainder of the Town's fund balance has limitations places on its availability for future use and is either nonspendable (\$125,868), restricted (\$889,782), committed (\$4,982,562), or assigned (\$6,704,234).

Town of Monroe, Connecticut

Management's Discussion and Analysis
June 30, 2018

The General Fund is the main operating fund of the Town. At year end it had a total fund balance of \$15,287,874, an increase of \$2,830,989 over the prior year. \$2,785,187 of this increase in fund balance was unassigned and was the result of the operating surplus realized by the Town for the current fiscal year.

The Capital Reserve Fund is used to account for various capital projects of the Town. At year end it had a total fund balance of \$3,842,423, \$3,538,117 of which was committed for specific capital projects. Fund balance increased \$2,988,430, mainly due to the issuance of new debt of \$4,417,000, \$2,107,452 of which remained unspent at year end.

General Fund Budgetary Highlights

Below is a discussion of the original budget compared to the final budget, a summary of the final budget and actual results for the General Fund (Table 3) and a discussion of the final budget compared actual results.

Original budget compared to the final budget. During the year there were additional budget appropriations of \$716,152 approved by the First Selectman, the Town Council and the Board of Finance as follows:

1. Volunteer Fire Departments - Equipment for New Fire Apparatus	\$105,000
2. Capital Reserve - Board of Education Chrome Books	149,272
3. Capital Reserve - Board of Education Laptop Computers	131,880
4. Capital Reserve - Municipal Separate Storm Sewer System (MS4)	130,000
5. Capital Reserve - Emergency Repairs	75,000
6. Capital Reserve - Assigned Fund Balance	<u>125,000</u>
Total Special (Additional) Appropriations	<u>\$716,152</u>

The additional appropriation of \$105,000 to outfit the new fire apparatus was approved after it was agreed to fund these equipment purchases with proceeds received from the sale of an old fire truck during the current year. The remaining five additional appropriations, all transfers to the Capital Reserve Fund, were approved once the determination was made that the Town would be receiving municipal aid (intergovernmental revenue) from the State of Connecticut ("State") in excess of what was budgeted; and that this additional revenue would more than cover the special appropriations being requested. The appropriations for the chrome books, the laptop computers and MS4 were originally included in the Proposed 2018-2019 Annual Town Budget, but were removed during the budget review process when it was determined that funds were available in the current year for these appropriations.

The other budget amendments were either transfers from one department to another or from the Board of Finance contingency to various departments. Four department transfers were required to cover budget deficits in public safety – water distribution system (\$10,889), public works – snow removal (\$77,880), debt service (\$122,971) and general government - Town Council (\$1,525). It should be noted that the debt service budget transfer was required because the Town prepaid a debt service payment with available funds which was due on July 1, 2018.

As noted earlier, at the time the Town's 2017-2018 budget was approved there was a high degree of uncertainty surrounding how much municipal aid the Town would actually receive from the State. Accordingly, the Town conservatively budgeted anticipated revenues from the State and kept departmental expenditures either flat or less than the prior year. To allow for increased budget flexibility in the event the Town received additional revenue from the State in excess of what was budgeted, the Board of Finance provided the maximum contingency allowed by the Town Charter. As was the case with the additional appropriations discussed above, the appropriations from contingency were approved only after the Town was aware it would receive municipal aid from the State in excess of what was budgeted. Two transfers from the Board of Finance contingency were required as the year progressed to cover an anticipated Board of Education budget shortfall of \$623,130 and Town wage increases of \$119,846. The Board of Education ("Board") deficit was built into the budget by the Board to avert staff layoffs and other appropriation cuts in anticipation that the Town would receive enough revenue from the State to cover the shortfall. As this ended up being the case, alternative deficit mitigation measures were explored but not acted upon as they were not needed. At year end, the entire \$623,130 contingency transfer was not needed and the remaining \$171,501 was transferred to the Education Capital Reserve Fund. The Town wage increases were pursuant to collectively bargained contracts and non-union full-time employees.

Town of Monroe, Connecticut

Management's Discussion and Analysis
June 30, 2018

**Table 3
General Fund - Budget Summary**

Revenues	Final		
	Budget	Actual	Variance
Property taxes	\$ 76,449,378	\$ 76,709,834	\$ 260,456
Intergovernmental	3,158,378	6,032,713	2,874,335
Charges for services	1,706,130	1,916,924	210,794
Interest and dividends	207,000	526,679	319,679
Miscellaneous income	75,000	162,448	87,448
Other financing sources	1,936,152	307,092	(1,629,060)
Total Revenues	83,532,038	85,655,690	2,123,652
Expenditures			
General government	8,557,599	8,174,914	382,685
Public safety	7,750,893	7,482,720	268,173
Public works	2,853,842	2,810,137	43,705
Health and welfare	334,761	315,566	19,195
Culture and recreation	1,636,209	1,623,595	12,614
Capital outlay	3,500	3,010	490
Debt service	6,144,185	6,144,185	-
Education	55,093,396	55,093,396	-
Other financing uses	1,157,653	1,157,653	-
Total Expenditures	83,532,038	82,805,176	726,862
Increase (Decrease) in Fund Balance	\$ -	\$ 2,850,514	\$ 2,850,514

Final budget compared to actual results. The positive variance of \$2,874,335 in intergovernmental revenue and the negative variance of \$1,629,060 in other financing sources were both the direct result of the previously mentioned surplus in municipal aid received from the State of Connecticut. Other financing sources were appropriations from fund balance that were not needed as a result of the intergovernmental revenue surplus. The positive variance in interest and dividend revenue was driven by a much higher than expected increase in the interest rate the Town received on its investments during the current fiscal year. On the expenditure side, the positive surplus in general government was primarily the result of having \$202,024 of unused Board of Finance Contingency at year end. The positive variance in public safety was generated by an overall surplus in the police department of \$224,812. This was the result of unanticipated payroll savings from having multiple unfilled positions throughout the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of this year the Town had a net investment of \$92,016,570 in capital assets for governmental activities. This amount represents a net increase (after depreciation) of \$1,036,288 from the prior year. During the fiscal year the Town's major capital purchases were three new fire apparatus for the volunteer fire departments at a cost of \$2,290,382 (two additional apparatus were placed in service just after yearend at a cost of \$1,522,563), a new elementary school roof at a cost of \$2,565,768 and infrastructure improvements (road reconstruction including paving and drainage) at a cost of \$569,843. The Town also received donated land worth \$723,247. More detailed information about the Town's capital assets is presented in Note 6 of the financial statements.

Town of Monroe, Connecticut

Management's Discussion and Analysis
June 30, 2018

Debt

The Town's total bonded debt outstanding as of June 30, 2018 was \$38,795,000. This was a net increase of \$2,835,000 during the current fiscal year. On June 26, 2018 the Town issued \$15,125,000 of general obligation bonds, \$7,040,000 of which were refunding bonds used to defease existing debt of the Town to take advantage of favorable interest rates. The remaining \$8,085,000 of bonds were authorized and appropriated for the following capital projects:

1. Stepney Elementary School Roof	\$2,650,000
2. Fire Apparatus	3,880,000
3. Public Works Dump Trucks	405,000
4. Road Construction/Reconstruction	1,018,000
5. Stevenson Volunteer Fire Department Vehicles	<u>132,000</u>
Total	<u>\$8,085,000</u>

The Town received a AA+ rating from S&P Global Ratings on this new general obligation debt and continues to carry a rating of Aa2 from Moody's Investor Services, Inc. on all of its other general obligation debt outstanding. More detailed information about the Town's long-term liabilities is presented in Note 7 of the financial statements. Additional information about the Town's pension and OPEB plans can be located in Notes 9-15 of the financial statements and Schedules 2-8 of the required supplementary information.

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 2019. Some of the more significant considerations were:

- The overall poor fiscal condition which continues in the State of Connecticut and its potential negative impact on projected revenues that the Town will receive from the State in the form of municipal aid. This has been a concern over the past couple of fiscal years. It is management's opinion that the State's fiscal situation is not likely to improve in the near term.
- Projection for the increase in the cost of health insurance based upon all available information.
- 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.

As a result of the conservative budget practices followed by considering these and other factors in assessing the state and local economy, the fiscal year 2019 revenues are currently trending to exceed budgeted estimates and expenditures are trending to be at or below budgeted appropriations. At the present time it appears that the Town will not require the use of the \$1,200,000 appropriated fund balance that was assigned in the Approved 2018-2019 Annual Town Budget. However, with a new Governor scheduled to take office in January of 2019, the 2018-2019 municipal aid allocations could change which might require the use of some (or all) of the appropriated fund balance.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

**BASIC FINANCIAL
STATEMENTS**

Statement of Net Position
 Governmental Activities
 June 30, 2018

ASSETS

Cash	\$ 4,303,568
Investments	22,451,577
Restricted cash	1,251,236
Receivables (net)	
Property taxes	1,470,823
Accounts	694,926
Intergovernmental	572,787
Loans	67,740
Capital assets	
Nondepreciable	16,097,813
Depreciable, net of accumulated depreciation	<u>75,918,757</u>
Total Assets	<u>122,829,227</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred charge on refunding bonds	473,977
Pension related	1,858,945
OPEB related	<u>25,777</u>
Total Deferred Outflows of Resources	<u>2,358,699</u>

LIABILITIES

Accounts payable	1,574,477
Accrued payroll and related	478,076
Risk management claims payable	866,592
Performance bonds	1,251,236
Unearned revenues	277,403
Accrued interest payable	197,481
Noncurrent liabilities	
Risk management claims payable	208,532
Net pension liability	6,003,263
Net OPEB liability	11,817,954
Due within one year	6,951,391
Due in more than one year	<u>45,162,545</u>
Total Liabilities	<u>74,788,950</u>

DEFERRED INFLOWS OF RESOURCES

Pension related	1,491,941
OPEB related	<u>343,548</u>
Total Deferred Inflows of Resources	<u>1,835,489</u>

NET POSITION

Net investment in capital assets	51,539,596
Restricted for	
Endowments	
Nonexpendable	2,250
Expendable	55,346
General government donations	106,818
Wilton Estate donations - senior center	388,069
Town clerk fees	95,964
Education	11,755
Library	103,917
Other purposes	127,913
Unrestricted	<u>(3,868,141)</u>
Total Net Position	<u>\$ 48,563,487</u>

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

Town of Monroe, Connecticut

Exhibit B

Statement of Activities
 Governmental Activities
 For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General government	\$ (8,578,937)	\$ 639,367	\$ 149,335	\$ 934,845	\$ (6,855,390)
Public safety	(8,953,623)	1,872,862	126,324	-	(6,954,437)
Public works	(5,402,753)	647,757	587,448	-	(4,167,548)
Health and welfare	(332,320)	87,347	85,990	-	(158,983)
Culture and recreation	(3,426,250)	1,342,163	278,228	-	(1,805,859)
Education	(75,723,462)	4,263,645	19,841,499	9,842	(51,608,476)
Interest	(1,249,096)	-	-	-	(1,249,096)
Total	\$ (103,666,441)	\$ 8,853,141	\$ 21,068,824	\$ 944,687	(72,799,789)
General Revenues					
					77,043,922
					20,457
					360,554
					210,651
					197,448
					<u>77,833,032</u>
					5,033,243
					<u>43,530,244</u>
					<u>\$ 48,563,487</u>

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

Balance Sheet
 Governmental Funds
 June 30, 2018

	General Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 3,559,408	\$ -	\$ 612,434	\$ 4,171,842
Investments	21,905,355	-	546,222	22,451,577
Restricted cash	1,251,236	-	-	1,251,236
Receivables (net)				
Property taxes	1,470,823	-	-	1,470,823
Accounts	265,360	-	429,566	694,926
Intergovernmental	-	-	572,787	572,787
Loans	-	-	67,740	67,740
Due from other funds	995,097	4,464,082	5,281,883	10,741,062
Total Assets	<u>\$ 29,447,279</u>	<u>\$ 4,464,082</u>	<u>\$ 7,510,632</u>	<u>\$ 41,421,993</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 869,131	258,629	\$ 446,717	\$ 1,574,477
Accrued payroll and related	478,076	-	-	478,076
Due to other funds	10,090,139	363,030	633,211	11,086,380
Performance bonds	1,251,236	-	-	1,251,236
Unearned revenues	-	-	277,403	277,403
Total Liabilities	<u>12,688,582</u>	<u>621,659</u>	<u>1,357,331</u>	<u>14,667,572</u>
Deferred Inflows of Resources				
Unavailable revenues - taxes and interest	1,470,823	-	-	1,470,823
Unavailable revenues - intergovernmental	-	-	123,215	123,215
Total Deferred Inflows of Resources	<u>1,470,823</u>	<u>-</u>	<u>123,215</u>	<u>1,594,038</u>
Fund Balances				
Nonspendable	55,908	-	69,990	125,898
Restricted	388,069	-	501,713	889,782
Committed	-	3,538,117	1,444,445	4,982,562
Assigned	2,094,776	304,306	4,305,152	6,704,234
Unassigned	12,749,121	-	(291,214)	12,457,907
Total Fund Balances	<u>15,287,874</u>	<u>3,842,423</u>	<u>6,030,086</u>	<u>25,160,383</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 29,447,279</u>	<u>\$ 4,464,082</u>	<u>\$ 7,510,632</u>	<u>\$ 41,421,993</u>

(Continued)

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

Reconciliation of Governmental Funds Balance Sheet
to the Government Wide Statement of Net Position
June 30, 2018

Fund Balances - Total Governmental Funds (Exhibit C)	\$ 25,160,383
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Beginning net capital assets	90,980,282
Capital asset additions (net of construction in progress)	6,083,996
Depreciation expense	(4,942,830)
Disposal of capital assets	(104,878)
Internal service funds are used by management to charge the costs of insurance and general services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	
	(598,080)
Other long-term assets and deferred outflows are not available resources and, therefore, are not reported in the funds.	
Receivables not considered available (deferring inflows of resources)	1,594,038
Deferred outflows - deferred charge on refunding bonds	473,977
Deferred outflows - pension related	1,858,945
Deferred outflows - OPEB related	25,777
Long-term liabilities and deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(197,481)
General obligation bonds	(38,795,000)
Premiums on bonds	(2,823,452)
Capital leases	(1,439,951)
Compensated absences	(2,156,454)
Special termination benefits	(6,005,196)
Retired employee obligations	(893,883)
Net pension liability	(6,003,263)
Net OPEB liability	(11,817,954)
Deferred inflows - pension related	(1,491,941)
Deferred inflows - OPEB related	<u>(343,548)</u>
Net Position of Governmental Activities (Exhibit A)	<u>\$ 48,563,487</u> (Concluded)

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

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2018

	General Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 76,743,249	\$ -	\$ -	\$ 76,743,249
Intergovernmental	18,055,609	85,907	3,806,397	21,947,913
Charges for services	1,916,924	-	5,120,042	7,036,966
Contributions	-	-	352,058	352,058
Investment earnings	398,825	-	3,937	402,762
Miscellaneous	241,032	-	8,384	249,416
Total Revenues	<u>97,355,639</u>	<u>85,907</u>	<u>9,290,818</u>	<u>106,732,364</u>
EXPENDITURES				
Current				
General government	8,240,767	-	186,546	8,427,313
Public safety	7,497,845	-	800,366	8,298,211
Public works	2,549,381	-	1,136,016	3,685,397
Health and welfare	313,672	-	97,746	411,418
Culture and recreation	1,557,084	-	1,342,984	2,900,068
Education	67,010,629	-	4,091,886	71,102,515
Debt service				
Principal	4,895,000	-	-	4,895,000
Interest	1,211,639	-	-	1,211,639
Bond issuance costs	-	120,790	22,207	142,997
Capital outlay	<u>398,072</u>	<u>2,868,952</u>	<u>2,199,088</u>	<u>5,466,112</u>
Total Expenditures	<u>93,674,089</u>	<u>2,989,742</u>	<u>9,876,839</u>	<u>106,540,670</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,681,550</u>	<u>(2,903,835)</u>	<u>(586,021)</u>	<u>191,694</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	986,152	216,561	1,202,713
Transfers out	(1,157,653)	(45,060)	-	(1,202,713)
Issuance of debt	-	4,417,000	3,668,000	8,085,000
Sale of capital assets	307,092	-	-	307,092
Issuance of refunding bonds	-	7,040,000	-	7,040,000
Premium on general obligation and refunding bonds	-	957,897	-	957,897
Payment to refunded bond escrow agent	-	(7,463,559)	-	(7,463,559)
Net Other Financing Sources (Uses)	<u>(850,561)</u>	<u>5,892,430</u>	<u>3,884,561</u>	<u>8,926,430</u>
Net Change in Fund Balance	2,830,989	2,988,595	3,298,540	9,118,124
Fund Balances - Beginning of Year (as restated)	<u>12,456,885</u>	<u>853,828</u>	<u>2,731,546</u>	<u>16,042,259</u>
Fund Balances - End of Year	<u>\$ 15,287,874</u>	<u>\$ 3,842,423</u>	<u>\$ 6,030,086</u>	<u>\$ 25,160,383</u>

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

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, 2018

Amounts Reported in the Statement of Activities are Different Because

Net Change in Fund Balances - Total Governmental Funds (Exhibit D) \$ 9,118,124

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.

Capital outlay expenditures	5,360,749
Capital asset contribution	723,247
Depreciation expense	(4,942,830)
Undepreciated basis of assets disposed of or sold	<u>(104,878)</u>
	<u>1,036,288</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Real property taxes and other revenues in the General Fund	(21,530)
Grant revenues in the Pepper Street Grant Fund	(166,282)
Revenues in the Police Private Duty Fund	(77,195)
Revenues in the Local Capital Improvements Fund	(407,228)
Revenues in the Waste Disposal Fund	(111,466)
Grant revenues in the Capital Reserve Fund	(80,332)
Grant revenues in the BOE Capital Reserve Fund	<u>(289,224)</u>
	<u>(1,153,257)</u>

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

Issuance of long-term debt - general obligation bonds	(15,125,000)
Premium on issuance of long-term debt	(957,897)
Principal payments on long-term debt	4,895,000
Principal payment on capital lease (education)	313,387
Payments to refunded bond escrow agent	7,463,559
Amortization of premium on issuance of long-term debt	<u>404,176</u>
	<u>(3,006,775)</u>

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, including the change in

Accrued interest	(37,457)
Change in compensated absences	116,150
Change in special termination benefits	(482,310)
Change in retired employee obligations	3,537
Pension related effects	(220,441)
OPEB related effects	<u>(155,639)</u>
	<u>(776,160)</u>

Internal service funds are used by management to charge the costs of medical, risk management and other claims to individuals funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

Change in Net Position (Exhibit B)	<u>\$ 5,033,243</u>
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Statement of Net Position
 Internal Service Funds
 June 30, 2018

	Governmental Activities
	<u>Internal Service Funds</u>
ASSETS	
Current Assets	
Cash	\$ 131,726
Due from other funds	<u>345,318</u>
Total Current Assets	<u>477,044</u>
LIABILITIES	
Current Liabilities	
Risk management claims payable	866,592
Noncurrent Liabilities	
Risk management claims payable	<u>208,532</u>
Total Liabilities	<u>1,075,124</u>
NET POSITION	
Unrestricted	<u>\$ (598,080)</u>

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

Statement of Revenues, Expenses and Changes in Net Position
 Internal Service Funds
 For the Year Ended June 30, 2018

	Governmental Activities
	<u>Internal Service Funds</u>
OPERATING REVENUES	
Premiums	\$ 6,980,546
Employee contributions	<u>2,183,483</u>
Total Operating Revenues	<u>9,164,029</u>
OPERATING EXPENSES	
Claims and benefits	8,083,867
Premiums and administrative charges	<u>1,268,335</u>
Total Operating Expenses	<u>9,352,202</u>
Income (Loss) from Operations	(188,173)
NON-OPERATING REVENUES (EXPENSES)	
Investment earnings	<u>3,196</u>
Change in Net Position	(184,977)
Total Net Position - Beginning of Year	<u>(413,103)</u>
Total Net Position - End of Year	<u><u>\$ (598,080)</u></u>

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

Statement of Cash Flows
 Internal Service Funds
 For the Year Ended June 30, 2018

	Governmental Activities
	<u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from employer contributions	\$ 6,767,937
Cash received from employee contributions	2,183,483
Cash payments for benefits and claims	(7,750,302)
Cash payments to vendors and others	<u>(1,268,335)</u>
Net Cash from Operating Activities	<u>(67,217)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment earnings	<u>3,196</u>
Net Increase (Decrease) in Cash	(64,021)
Cash - Beginning of Year	<u>195,747</u>
Cash - End of Year	<u>\$ 131,726</u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES	
Income (loss) from operations	\$ (188,173)
Changes in operating assets and liabilities	
Due from other funds	(20,000)
Due to other funds	(192,609)
Risk management claims payable	<u>333,565</u>
Net Cash from Operating Activities	<u>\$ (67,217)</u>

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

Town of Monroe, Connecticut

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2018

	Pension and OPEB Trust Funds	Private Purpose Trust Fund	Custodial Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$ -	\$ 11,430	\$ 200,866
Investments, at fair value			
Mutual funds			
Money market	983,242	-	-
Equity	15,917,317	-	-
Bond	7,267,579	-	-
Commodities	544,816	-	-
Total Investments	<u>24,712,954</u>	<u>-</u>	<u>-</u>
Total Assets	<u>24,712,954</u>	<u>11,430</u>	<u>200,866</u>
NET POSITION			
Pension benefits	24,017,716	-	-
OPEB benefits	695,238	-	-
Individuals and organizations	<u>-</u>	<u>11,430</u>	<u>200,866</u>
Total Net Position	<u>\$ 24,712,954</u>	<u>\$ 11,430</u>	<u>\$ 200,866</u>

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

Town of Monroe, Connecticut

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2018

	Pension and OPEB Trust Funds	Private Purpose Trust Fund	Custodial Funds
ADDITIONS			
Contributions			
Employer	\$ 928,973	\$ -	\$ -
Plan members	433,898	-	-
Charges for Services	-	-	970,260
Total	<u>1,362,871</u>	<u>-</u>	<u>970,260</u>
Investment Income			
Net change in fair value of investments	1,069,529	-	-
Interest and dividends	487,961	5	-
Total Investment Income	<u>1,557,490</u>	<u>5</u>	<u>-</u>
Total Additions	<u>2,920,361</u>	<u>5</u>	<u>970,260</u>
DEDUCTIONS			
Benefits	1,197,939	-	-
Administration	71,421	375	-
Scholarship awards	-	43,805	-
Activities and events	-	-	981,741
Total Deductions	<u>1,269,360</u>	<u>44,180</u>	<u>981,741</u>
Change in Net Position	1,651,001	(44,175)	(11,481)
Net Position - Beginning of Year (as restated)	<u>23,061,953</u>	<u>55,605</u>	<u>212,347</u>
Net Position - End of Year	<u>\$24,712,954</u>	<u>\$ 11,430</u>	<u>\$ 200,866</u>

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

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

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, recycling, health and welfare, culture and recreation, education, planning and zoning and general administration.

1. Summary of Significant Accounting Policies

The accounting policies conform to generally accepted accounting principles ("GAAP") as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Town's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of: a) the primary government; b) organizations for which the primary government is financially accountable and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

B. Government-Wide Financial Statements

The government-wide financial statements i.e., the statement of net position in Exhibit A and the statement of activities in Exhibit B report information on all non-fiduciary activities of the primary government as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

The statement of net position presents the financial position of the Town at the end of its fiscal year. The statement of activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment; and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Town does not allocate indirect expenses to functions in the statement of activities

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

1. Summary of Significant Accounting Policies (Continued)

C. Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Town maintains the minimum number of funds consistent with legal and managerial requirements.

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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the internal service funds are premiums and employee contributions. Operating expenses for the internal service funds include claims and benefits, premiums and administrative expenses. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For reimbursement grants, the Town considers revenues to be available if they are collected within one year of the end of the current fiscal period. Property taxes associated with the current fiscal period, as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made.

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

1. Summary of Significant Accounting Policies (Continued)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures, when applicable, related to early retirement incentives, compensated absences, capital leases, post-closure landfill costs, pollution remediation obligations, other post-employment benefit obligations, certain pension obligations and certain claims payable are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Governmental Funds - Governmental funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The Town has two major governmental funds as follows:

The **General Fund** constitutes the primary operating fund of the Town and is used to account for and report all financial resources not accounted for and reported in another fund.

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

Proprietary Funds - Proprietary funds include internal service funds. Internal service funds are used to account for the Town's risk financing activities; specifically the Town reports the revenues and expenses of the self-insured health insurance plan for employees of the Board of Education ("BOE") in the BOE Medical and Dental Fund. The Heart and Hypertension Fund is used to account for heart and hypertension claims of police officers.

Fiduciary Funds - (Not included in the government-wide financial statements.) The fiduciary funds are used to account for assets held by the Town in an agency capacity on behalf of others. These include pension trust, private purpose trust and custodial funds. The pension and OPEB trust funds are provided to account for the activities of the Town's defined pension plan, which accumulates resources in two separate asset pools for pension benefit payments to qualified employees upon retirement. One asset pool is for the benefit of qualified Board of Education employees and the other is for qualified Town of Monroe employees. The OPEB fund is used to account for activities in the police OPEB trust fund. The private purpose trust fund was established to fund scholarships for students in the schools. The custodial fund is primarily utilized to account for monies held as custodian for student groups.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Deposits, Investments and Risk Disclosure

Cash - Cash consists of cash on hand, in demand deposit accounts, time deposit accounts, and short-term investments with original maturities of three months or less.

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

1. Summary of Significant Accounting Policies (Continued)

Investments – The investment policies of the Town conform to the policies as set forth by the State of Connecticut. The Town's policy is to only allow prequalified financial institution broker/dealers and advisors. The Town policy allows investments in the following: (1) obligations of the United States and its agencies; (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. The Statutes (Section 3-27f) also provides for investment in shares of the Connecticut Short-Term Investment Fund.

The Short-Term Investment Fund ("STIF") is a money market investment pool managed by the cash management division of the State Treasurer's office. Pursuant to CGS 3-27a through 3-27f, the State, municipal entities, and political subdivisions of the State are eligible to invest in the fund. The fund reports its investments at amortized cost (which approximates fair value). The pool is rated AAAM by Standard & Poor. This is the highest rating for money market funds and investment pools.

The Town follows GAAP guidance on *fair value measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Other provisions of the Statutes cover specific municipal pension funds with particular investment authority and do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries (i.e., prudent person rule) and the provisions of the applicable plan. Their approved policies target an asset mix to provide the probability of meeting or exceeding the return objectives at the lowest possible risk.

The Town's pension and OPEB plan investment policy targets investments in domestic equities of 35%, international equities of 27.5%, fixed income of 30% and other of 7.5%.

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. The Town's investment policy does not pertain to the pension trust fund and the internal service fund investments. Investment policies have not been formalized for these funds.

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

1. Summary of Significant Accounting Policies (Continued)

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town's policy for custodial credit risk is to invest in obligations allowable under the Connecticut General Statutes. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk-based capital ratio.

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 does not have a formal credit risk policy other than restrictions to obligations allowable under the Connecticut General Statutes.

Concentration of Credit Risk – Concentration of credit risk is the risk attributed to the magnitude of a government'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 of any one depository.

Foreign Currency Risk – Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The Town does not have policies for foreign currency risk. Currently, the Town's pension plan only invests in mutual funds that hold non-US equity stocks. These investments are stated in US dollars.

Property Taxes Receivable – Property taxes are assessed on property values as of October 1st. The tax levy is divided into two billings; the following July 1st and January 1st. This is used to finance the fiscal year from the first billing (July 1st) to June 30th of the following year. The billings are considered due on those dates; however, the actual due date is based on a period ending 31 days after the tax bill. On these dates (August 1st and February 1st), the bill becomes delinquent at which time the applicable property is subject to lien, and penalties and interest are assessed.

Under State Statutes, the Town has the right to impose a lien on a taxpayer if any personal property tax, other than a motor vehicle tax, due to the Town is not paid within the time limited by any local charter or ordinance. The lien shall be effective for a period of fifteen years from the date of filing unless discharged.

Receivables – Receivables are recorded and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds – During the course of its operations, the Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of year-end balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

1. Summary of Significant Accounting Policies (Continued)

Restricted Assets – The restricted assets for the Town are restricted for performance bonds. Performance bonds are restricted until the monies are returned to the vendor after satisfactory completion of the contract or the Town can call the bond for nonperformance.

Capital Assets – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than the capitalization threshold for that asset type and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land is considered inexhaustible and, therefore, not depreciated. Construction in progress has not been put into service yet, therefore is not depreciated. Property, plant, and equipment of the Town are depreciated or amortized using the straight line method over the following estimated useful lives:

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

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

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

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

1. Summary of Significant Accounting Policies (Continued)

The Town reports deferred outflows and inflows of resources related to pensions and other post-employment benefits in the government-wide statement of net position. A deferred outflow or inflow of resources related to pension and OPEB results from differences between expected and actual experience, the net difference between projected and actual earnings, and a change in assumptions. The deferred outflow or inflow related to the differences between expected and actual experience and a change in assumptions will be amortized over the average of the expected remaining service lives of all plan members. The deferred outflow or inflow related to the net difference between projected and actual earnings will be amortized over a five year period.

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

Finally, deferred inflows of resources in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Such amounts in the fund financial statements have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Long-Term Liabilities – In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received are reported as 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, and debt payments, are reported as expenditures.

Compensated Absences – Employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Vacation and sick leave expenses to be paid in the future periods are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. Additionally, Board of Education administrators and teachers are eligible for retirement incentive amounts that are amortized over four years upon retirement.

Fund Equity and Net Position

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

Net Investment in Capital Assets

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

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

1. Summary of Significant Accounting Policies (Continued)

Restricted Net Position

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

Unrestricted Net Position

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

In order to calculate the amounts to report as restricted and unrestricted net position in the government-wide and proprietary fund 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.

Fund Balance – Generally, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

- Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).
- Restricted fund balances are to be reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification will be used to report funds that are restricted for debt service obligations and for other items contained in the Connecticut Statutes.
- Committed fund balances are those that can only be used for specific purposes pursuant to formal action of the Town's highest level of decision making authority. The Town Council is the highest level of decision making authority for the Town that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the Town removes or changes the purpose by taking the same action that was used to establish the commitment.
- Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Board of Finance, for amounts assigned for balancing the subsequent year's budget or management for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

1. Summary of Significant Accounting Policies (Continued)

- Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

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

G. Reclassifications

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

2. Stewardship, Compliance and Accountability

A. Budgets and Budgetary Accounting

A formal, legally approved, annual budget is adopted for the General Fund. This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exceptions:

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

2. Stewardship, Compliance and Accountability (Continued)

- **Teachers' Retirement** – The Town does not recognize as income or expenditures payments made for the teachers' retirement and OPEB by the State of Connecticut under a special funding situation in its budget. GASB requires that the employer government recognize payments for salaries and fringe benefits paid under a special funding situation for its employees.
- **General Government Accrued Payroll** – The general government records its payroll on a cash basis of accounting for budgetary purposes.
- All departments, agencies, boards, commissions, committees, and authorities including the Board of Education submit an estimate of proposed revenues and expenditures to the Director of Finance and First Selectman. The First Selectman presents the proposed budget to the Town Council no later than February 8th.
- The Town Council reviews the proposed budget and makes revisions deemed necessary. During the Town Council's review process, the Town Council will hold a public hearing. The Town Council presents the proposed budget to the Board of Finance no later than February 28th.
- The Board of Finance reviews the proposed budget and makes revisions deemed necessary. During the Board of Finance's review process, the Board of Finance will hold a public hearing. The Board of Finance forwards its final proposed budget to the First Selectman no later than March 21st.
- 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 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, \$716,152 of additional appropriations were made, \$611,152 from fund balance and \$105,000 from revised revenue appropriations. These increased the original budget by the same amount.

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

2. Stewardship, Compliance and Accountability (Continued)

B. Donor-Restricted Endowments

The Town has received certain endowments for the improvement of the Town. The amounts are reflected in net position as restricted for endowments. Investment income is approved for disbursement by the Town Council and is included in restricted fund balance. At year end, net appreciation available for appropriation is \$55,346 from the Cornelia Rogers Fund.

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

C. Fund Deficits

The following funds had deficit fund balances at year end:

	<u>Deficit</u>
Special Revenue Funds:	
Police Grants	\$ 19,376
Capital Projects Funds:	
Reconstruction of Pepper Street	271,838
Internal Service Fund:	
Board of Education Medical and Dental	687,736

The deficit balances are expected to be covered by future revenues.

3. Cash and Investments

Deposits - Custodial Credit Risk – At year-end, \$6,847,769 of the Town's bank balance of \$7,359,199 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 5,135,827
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,711,942</u>
Total amount subject to custodial credit risk	<u>\$ 6,847,769</u>

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

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

3. Cash and Investments (Continued)

Below is a summary of the interest rate risk (using a weighted average maturity) and credit risk on the investments:

Type of Investment	Average Credit Rating	Fair Value	Investment Maturities (in Years)			
			N/A	Less Than 1 Year	1-5 Years	Over 5 Years
U.S. treasury notes	NA	\$ 2,725,937	\$ -	\$ -	\$ -	\$2,725,937
Pooled fixed income	AAA	8,807,691	-	8,807,691	-	-
Mutual funds						
Money market	NR	11,901,191	-	11,901,191	-	-
Equity	NR	15,917,317	15,917,317	-	-	-
Bonds	A	7,267,579	-	1,081,628	2,849,196	3,336,755
Commodities	NR	544,816	544,816	-	-	-
Total		<u>\$47,164,531</u>	<u>\$ 16,462,133</u>	<u>\$ 21,790,510</u>	<u>\$ 2,849,196</u>	<u>\$6,062,692</u>

NR = Not rated NA = Not applicable

The following are major categories of investments measured at fair value on a recurring basis, grouped by the fair value hierarchy:

Type of Investment	Investments using a Cost- Based Measure, not Subject to Fair Value	Quoted Prices in active Markets for Identical Assets (Level 1)
U.S. treasury notes	\$ -	\$ 2,725,937
Pooled fixed income	8,807,691	-
Mutual funds		
Money market	-	11,901,191
Equity	-	15,917,317
Bonds	-	7,267,579
Commodities	-	544,816
	<u>\$ 8,807,691</u>	<u>\$ 38,356,840</u>

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, bonds, 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 as follows:

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

3. Cash and Investments (Continued)

	Total	Less Insured Amounts	Amount Subject to Custodial Credit Risk
U.S. treasury notes	\$ 2,725,937	\$ 500,000	\$ 2,225,937

4. Receivables

An allowance for uncollectible property taxes and interest on taxes of \$96,000 and \$44,000, respectively, have been recorded.

5. Interfund Transactions

The outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made. These are summarized as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Reserve Fund	\$ 363,030
General Fund	Other Governmental Funds	632,067
Capital Reserve Fund	General Fund	4,464,082
Other Governmental Funds	General Fund	5,280,739
Proprietary Funds	General Fund	345,318
Other Governmental Funds	Other Governmental Funds	1,144
		\$ 11,086,380

Fund transfers are generally used to fund special projects with General Fund revenues. Transfers during the year were as follows:

	Transfers into Other Governmental Funds
Transfers out of General Fund	\$ 1,157,653
Capital Reserve Fund	45,060
	\$ 1,202,713

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

6. Capital Assets

Changes in the Town's capital assets are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land	\$ 13,922,971	\$ 741,045	\$ -	\$ 14,664,016
Construction in progress	2,109,747	1,889,446	2,565,396	1,433,797
	<u>16,032,718</u>	<u>2,630,491</u>	<u>2,565,396</u>	<u>16,097,813</u>
Capital assets being depreciated				
Land improvements	5,092,055	28,908	-	5,120,963
Buildings and systems	104,383,065	2,581,112	-	106,964,177
Machinery and equipment	7,965,686	256,562	22,500	8,199,748
Vehicles	11,415,668	2,582,476	720,685	13,277,459
Infrastructure	71,695,904	569,843	-	72,265,747
	<u>200,552,378</u>	<u>6,018,901</u>	<u>743,185</u>	<u>205,828,094</u>
Less accumulated depreciation for:				
Land improvements	1,325,710	318,744	-	1,644,454
Buildings and systems	52,522,081	2,653,496	-	55,175,577
Machinery and equipment	6,355,413	292,669	14,063	6,634,019
Vehicles	7,722,080	693,539	624,244	7,791,375
Infrastructure	57,679,530	984,382	-	58,663,912
	<u>125,604,814</u>	<u>4,942,830</u>	<u>638,307</u>	<u>129,909,337</u>
Net Capital Assets	<u>\$ 90,980,282</u>	<u>\$ 3,706,562</u>	<u>\$ 2,670,274</u>	<u>\$ 92,016,570</u>

Depreciation and amortization expense was charged to functions/programs is as follows:

General government	85,324
Public safety	730,331
Public works	1,242,169
Culture and recreation	391,403
Education	2,493,603
Total	<u>\$ 4,942,830</u>

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

7. Long-Term Liabilities

The following table summarizes changes in the Town's long-term indebtedness:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	\$ 35,960,000	\$ 15,125,000	\$ 12,290,000	\$ 38,795,000	\$ 5,045,000
Premium on bonds	2,269,731	957,897	404,176	2,823,452	-
	<u>38,229,731</u>	<u>16,082,897</u>	<u>12,694,176</u>	<u>41,618,452</u>	<u>5,045,000</u>
Capital leases	1,753,338	-	313,387	1,439,951	276,999
Compensated absences	2,272,604	452,001	568,151	2,156,454	539,113
Special termination benefits	5,522,886	1,067,493	585,183	6,005,196	741,526
Retired employee obligations	897,420	288,000	291,537	893,883	348,753
Totals	<u><u>\$48,675,979</u></u>	<u><u>\$ 17,890,391</u></u>	<u><u>\$ 14,452,434</u></u>	<u><u>\$ 52,113,936</u></u>	<u><u>\$ 6,951,391</u></u>

Governmental funds liability and related interest are liquidated by the respective fund, primarily the General Fund.

A. General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the Town and pledge the full faith and credit of the Town. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. General obligation bonds outstanding consisted of the following:

Purpose	Year of Issue	Original Amount	Final Maturity	Interest Rates	Amount Outstanding
Various School and General Projects	2009	18,975,000	5/1/2024	2-5%	\$ 6,215,000
Various School and General Projects	2012	8,785,000	12/15/2023	2-3%	2,340,000
General and School Renovations	2012	460,000	5/15/2022	2.375-3.5%	210,000
Paving/Roof Improvements	2014	3,275,000	6/15/2022	2-4%	960,000
Paving/Roof Improvements	2015	6,220,000	4/15/2030	2-3%	5,310,000
General and School Renovations	2016	2,610,000	7/1/2026	1.5-4%	2,080,000
General and School Renovations	2016	7,220,000	9/15/2028	2-4%	6,555,000
General and School Renovations	2018	8,085,000	6/15/2028	3-5%	8,085,000
General and School Renovations	2018	7,040,000	4/1/2026	3-5%	7,040,000
Total					<u><u>\$38,795,000</u></u>

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

7. Long-Term Liabilities (Continued)

Payments to maturity on the general obligation bonds are as follows:

Year End	General Obligation Bonds		Year End	General Obligation Bonds	
	Principal	Interest		Principal	Interest
2019	\$ 5,045,000	\$ 1,210,630	2025	\$ 3,405,000	\$ 299,445
2020	5,000,000	1,163,108	2026	2,675,000	198,270
2021	5,005,000	977,733	2027	2,045,000	120,870
2022	4,880,000	780,926	2028	1,440,000	69,270
2023	4,085,000	591,127	2029	640,000	26,820
2024	4,135,000	433,098	2030	440,000	11,880
			Totals	<u>\$ 38,795,000</u>	<u>\$ 5,883,177</u>

B. Prior Year Defeasance of Debt

The Town defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. At year end, \$8,990,000 of bonds outstanding are considered defeased.

C. Authorized but Unissued Bonds

The Town has debt authorized but unissued as follows:

Purpose	Total Bond Authorization	Prior Debt/ Paydowns	Grants Received	Authorized But Unissued
Police Department Facility, Phase I	\$ 1,130,000	\$ 1,117,000	\$ -	\$ 13,000
Schools carpet/asbestos and pool filter	1,527,000	1,100,000	313,080	113,920
Masuk High School renovation	38,407,000	25,020,000	13,229,454	157,546
Edith Wheeler Memorial Library	6,290,000	4,875,000	1,250,000	165,000
Pepper Street improvements	5,050,000	-	-	5,050,000
DPW dump truck 2018	406,000	405,000	-	1,000
Totals	<u>\$52,810,000</u>	<u>\$ 32,517,000</u>	<u>\$ 14,792,534</u>	<u>\$ 5,500,466</u>

D. Current Year Advance Refunding

In June 2018, the Town issued \$7,040,000 of general obligation refunding bonds with an interest rate of 3.0% to 5.0%. These refunding bonds were issued to defease bonds issued in September 2010. The refunding resulted in an economic gain of \$199,826 with a total savings of \$216,312.

E. Capital Leases Payable

The Town has entered into multi-year lease agreements to finance the acquisition of building improvements. The cost of the improvements is included in the capital assets with a cost of \$3,803,204 and accumulated depreciation of \$1,711,442. These leases qualify as capital leases for accounting purposes. The capital lease obligations are as follows:

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

7. Long-Term Liabilities (Continued)

Total payments on capital lease(s) for year ending

2019	\$	301,951
2020		302,273
2021		302,603
2022		302,941
2023		303,292
		<u>1,513,060</u>
Less the amount representing interest		<u>(73,109)</u>
Present value of future minimum lease payments	\$	<u><u>1,439,951</u></u>

F. Compensated Absences

Vacation time earned during the fiscal year can be carried over to the succeeding year, subject to limitations as provided in the respective collective bargaining agreements. Employees are entitled to accumulate sick leave up to a maximum amount stipulated in each contract. Payment for accumulated sick leave is dependent upon the length of service and accumulated days. Additionally, certain vacation and sick leave expenses will be paid out of the pension funds upon retirement. The value of all compensated absences has been reflected in the government-wide financial statements as \$2,156,454.

G. 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. The amount of all special termination benefits has been reflected in the government-wide financial statements as \$6,005,196.

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

7. Long-Term Liabilities (Continued)

H. Retired Employee Obligations

Board of Education retirement obligations represent payments owed to retired employees for termination benefits and payments for unused compensated absences that are payable over several years. The net present value of retired employee obligations is reflected in the government-wide financial statements. The Town's retired employee obligation is payable as follows:

Year End		
2019	\$	348,753
2020		221,973
2021		205,109
2022		67,456
2023		50,592
	\$	893,883

I. Statutory Debt Limitations

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

Category	Debt Limit	Net Indebtedness	Balance
General purpose	\$ 172,597,127	\$ 21,332,000	\$ 151,265,127
Schools	345,194,253	17,463,000	327,731,253
Sewers	287,661,878	-	287,661,878
Urban renewal	249,306,961	-	249,306,961
Pension deficit	230,129,502	-	230,129,502

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$536,968,838.

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

8. Fund Balances

As discussed in Note 1, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. These are summarized below:

	General Fund	Capital Reserve Fund	Other Governmental Funds	Total
Nonspendable				
Not in spendable form				
Long-term receivables	\$ 55,908	\$ -	\$ 67,740	\$ 123,648
Required to be maintained - trust principal	-	-	2,250	2,250
	<u>55,908</u>	<u>-</u>	<u>69,990</u>	<u>125,898</u>
Restricted				
General government donations	-	-	162,164	162,164
Wilton Estate donations - senior center	388,069	-	-	388,069
Town clerk fees	-	-	95,964	95,964
Education	-	-	11,755	11,755
Library	-	-	103,917	103,917
Other purposes	-	-	127,913	127,913
	<u>388,069</u>	<u>-</u>	<u>501,713</u>	<u>889,782</u>
Committed				
Capital projects	-	3,538,117	1,444,445	4,982,562
Assigned				
General government	3,000	-	229,505	232,505
Wolfe Park	-	-	113,276	113,276
Waste disposal	-	-	106,332	106,332
Education	600,000	-	578,241	1,178,241
Police	-	-	841,325	841,325
Culture and recreation	-	-	112,841	112,841
WMNR radio station	-	-	338,789	338,789
Debt	188,960	-	-	188,960
Capital projects	-	304,306	1,984,843	2,289,149
Other purposes	102,816	-	-	102,816
Appropriation of fund balance	1,200,000	-	-	1,200,000
	<u>2,094,776</u>	<u>304,306</u>	<u>4,305,152</u>	<u>6,704,234</u>
Unassigned	<u>\$ 12,749,121</u>	<u>\$ -</u>	<u>\$ (291,214)</u>	<u>\$ 12,457,907</u>

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

9. Retirement Plan of the Town of Monroe, Connecticut

Plan Description – The Town is the administrator of two single employer public employee retirement system (“PERS”), 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 PERS 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 governed by the Retirement Plans Investment Advisor Committee (“Committee”) which is a subcommittee of the Board of Finance.

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.

Plan Membership – As of the date of the latest actuarial valuation (July 1, 2016), membership consisted of the following:

	Town	Education	Total
Retirees and beneficiaries receiving benefits	40	60	100
Terminated employees entitled to benefits, but not yet receiving them	28	25	53
Active members	66	77	143
	134	162	296

Contribution Policy – Employees are required to contribute as follows:

Town	
Highway employees	3.00%
Clerical unit employees	3.85%
Non-union employees	3.85%
Supervisors	3.85%
Education	4.75%

Funding Policy – The Town is required to contribute the remaining amounts as determined by annual actuarial valuations.

Investment Policy – The Town’s pension plan investment policy targets investments in domestic equities of 35%, international equities of 27.5%, fixed income of 30% and other of 7.5%.

Long-term expected rate of return – The best estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting volatility and correlation. Below shows the Board’s target asset class allocation and the long-term expected rate of return calculated as geometric means:

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

9. Retirement Plan of the Town of Monroe, Connecticut (Continued)

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income - Core	25.00%	1.50%
Fixed Income - Global	5.00%	2.00%
Equity - US Large Cap	25.00%	4.85%
Equity - US Small/Mid Cap	10.00%	5.00%
Equity - International Developed	20.00%	5.25%
Equity - International Emerging Markets	7.50%	6.50%
Global REITs	5.00%	4.25%
Commodities	2.50%	2.25%

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 contributions rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Money-Weighted Rate of Return – The money-weighted rate of return considers the changing amounts actually invested during the period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a quarterly basis and are assumed to occur at the end of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The net money-weighted rate of return for the year was as follows:

Town	6.81%
Education	6.74%

Net Pension Liability

The components of the net pension liability of the Town were as follows:

	Town Employees	Education Employees
Total pension liability	\$ 12,944,301	\$ 13,744,923
Plan fiduciary net position	12,028,521	11,989,195
Net pension liability	<u>\$ 915,780</u>	<u>\$ 1,755,728</u>
Plan fiduciary net position as a percentage of total pension liability	92.93%	87.23%

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

9. Retirement Plan of the Town of Monroe, Connecticut (Continued)

Changes in the net pension liability during the year were as follows:

Town Employees' Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2017	\$ 12,306,023	\$ 11,323,214	\$ 982,809
Service cost	339,442	-	339,442
Interest	835,744	-	835,744
Contributions - employer	-	355,000	(355,000)
Contributions - member	-	142,277	(142,277)
Net investment income (loss)	-	782,543	(782,543)
Benefit payments, including refunds of member contributions	(536,908)	(536,908)	-
Administration expenses	-	(37,605)	37,605
Net change	638,278	705,307	(67,029)
Balance at June 30, 2018	<u>\$ 12,944,301</u>	<u>\$ 12,028,521</u>	<u>\$ 915,780</u>

Education Employees' Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2017	\$ 13,101,659	\$ 11,311,657	\$ 1,790,002
Service cost	381,387	-	381,387
Interest	889,277	-	889,277
Contributions - employer	-	350,342	(350,342)
Contributions - member	-	218,797	(218,797)
Net investment income (loss)	-	769,615	(769,615)
Benefit payments, including refunds of member contributions	(627,400)	(627,400)	-
Administration expenses	-	(33,816)	33,816
Net change	643,264	677,538	(34,274)
Balance at June 30, 2018	<u>\$ 13,744,923</u>	<u>\$ 11,989,195</u>	<u>\$ 1,755,728</u>

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

9. Retirement Plan of the Town of Monroe, Connecticut (Continued)

Actuarial Methods and Significant Assumptions

The following actuarial methods and assumptions were used in the July 1, 2016 valuation and projected forward to June 30, 2018 (reporting date):

Valuation timing	July 1, 2016
Actuarial cost method	Entry Age Normal (level percentage of salary).
Amortization method	
Level percent or level dollar	Level percent
Closed, open or layered	Closed
Amortization period	18 years
Amortization growth rate	0.00%
Asset valuation method	Fair value
Inflation	2.75%
Salary increases	3.75%
Investment rate of return	6.75%
Cost of living adjustment	None
Retirement age	Increasing rates from age 55 to 75
Post-retirement mortality	RP-2014 adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2016.

Sensitivity Analysis – The following presents the net pension liability (asset) of the Town, calculated using the current discount rate, as well as what the Town’s net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

	1% Decrease	Current Discount Rate	1% Increase
Net Pension Liability (Asset)	5.75%	6.75%	7.75%
Town Employees	\$ 2,419,230	\$ 915,780	\$ (367,908)
Education Employees	3,410,249	1,755,728	353,630

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions – The Town recognized pension expense of \$379,396 for the Town Employees’ Plan and \$313,987 for the Education Employees’ Plan. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

9. Retirement Plan of the Town of Monroe, Connecticut (Continued)

Town Employees' Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,730	\$ 103,626
Changes in assumptions	152,246	427,957
Net difference between projected and actual earnings on pension plan investments	153,900	-
Total amount of deferred outflows	\$ 318,876	\$ 531,583
Net amount of deferred inflows and outflows		\$ (212,707)
Education Employees' Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,956	\$ 393,295
Changes in assumptions	238,830	496,513
Net difference between projected and actual earnings on pension plan investments	197,763	-
Total amount of deferred outflows	\$ 442,549	\$ 889,808
Net amount of deferred inflows and outflows		\$ (447,259)

Amounts reported as deferred outflows (inflows) of resources related to pensions will be recognize in pension expense as follows:

Year Ending June 30,	Town	Education
2019	\$ 83,580	\$ 6,828
2020	(33,649)	(93,110)
2021	(217,116)	(216,342)
2022	(45,522)	(144,635)
Total	\$ (212,707)	\$ (447,259)

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

10. Connecticut Municipal Employees' Retirement System

Plan description

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

The plan has four sub plans as follows:

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

Benefit provisions

The plan provides retirement, disability and death benefits.

General Employees

Employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active aggregate service, or 25 years of aggregate service.

Policemen and Firemen

Compulsory retirement age for police and fire members is age 65.

Normal Retirement: For members not covered by social security, the benefit is 2% of average final compensation times years of service.

For members covered by Social Security, the benefit is 1 ½% of the average final compensation not in excess of the year's breakpoint plus 2% of average final compensation in excess of the year's breakpoint, times years of service.

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.

If any member covered by social security retires before age 62, the benefit until age 62 is reached or a social security disability award is received, is computed as if the member is not under social security.

Early Retirement: Employees are eligible after 5 years of continuous service or 15 years of active aggregate service. The benefit is 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.

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

10. Connecticut Municipal Employees' Retirement System (Continued)

Disability Retirement: Employees are eligible for service-related disability benefits from being permanently or totally disabled from engaging in the service of the municipality provided such disability has arisen out of and in the course of employment with the municipality. Disability due to hypertension or heart disease, in the case of firemen and policemen, is presumed to have been suffered in the line of duty. Disability benefits are 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.

Employees are eligible for nonservice-related disability benefits with 10 years of service and being permanently or totally disabled from engaging in gainful employment in the service of the municipality. Disability benefits are calculated based on compensation and service to the date of the disability.

Contributions

Employer

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

Employees

For employees not covered by social security, each person is required to contribute 5% of compensation.

For employees covered by social security, each person is required to contribute 2 ¼% of compensation up to the social security taxable wage base plus 5% of compensation, if any, in excess of such base.

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

The Town reported \$3,331,755 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportionate share of the net pension liability was based upon the Town's 2016 actuarial (expected) payroll relative to the payroll of all the participating employers as of that date. At June 30, 2017, the Town's proportional share was 8.332825% of one sub plan.

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

The Town recognized pension expense of \$893,531. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

10. Connecticut Municipal Employees' Retirement System (Continued)

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 231,984	\$ -
Change in proportional share	24,542	70,550
Difference between expected and actual experience	241,970	-
Town contributions subsequent to measurement date	<u>599,024</u>	<u>-</u>
Total	<u>\$ 1,097,520</u>	<u>\$ 70,550</u>
Net amount of deferred inflow and outflow excluding Town contributions subsequent to measurement date		<u>\$ 427,946</u>

The amount reported as deferred outflows of resource related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ending June 30, 2017. The other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2019	\$ 146,522
2020	290,593
2021	127,845
2022	<u>(137,014)</u>
Total	<u>\$ 427,946</u>

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.25-11.00%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

10. Connecticut Municipal Employees' Retirement System (Continued)

The actuarial assumption used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2007 – June 30, 2012.

Mortality rates were based on the RP-2000 Combined Mortality Table for annuitants and non-annuitants (set forward one year for males and set back one year for females).

Future cost-of-living adjustments for members who retire on or after January 1, 2002 are 60% of the annual increase the CPI up to 6%. The minimum annual COLA is 2.5%, the maximum is 6%.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large cap U.S. equities	16.0%	5.8%
Developed non-U.S. equities	14.0%	6.6%
Emerging markets (non-U.S.)	7.0%	8.3%
Core fixed income	8.0%	1.3%
Inflation linked bond fund	5.0%	1.0%
Emerging market bond	8.0%	3.7%
High yield bonds	14.0%	3.9%
Real estate	7.0%	5.1%
Private equity	10.0%	7.6%
Alternative investments	8.0%	4.1%
Liquidity fund	<u>3.0%</u>	0.4%
Total	<u>100.0%</u>	

Discount rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

10. Connecticut Municipal Employees' Retirement System (Continued)

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

The following presents the Town's proportional share of the net pension liability of MERS, calculated using the discount rate of 8.00%, as well as what the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	<u>1% Decrease (7.00%)</u>	<u>Current Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
Town's proportional share of the net pension liability	\$ 5,802,840	\$ 3,331,755	\$ 1,273,581

Plan fiduciary net position

Detailed information about the Connecticut Municipal Employees Retirement System plan's fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2017.

Payable to the pension plan

The Town has completed its installment agreement with respect to the plan and therefore there are \$0 of accounts payable to the Connecticut Municipal Employees Retirement System plan outstanding at year end.

11. Teachers' Retirement System

Plan Description

Teachers, principals, superintendents, or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System ("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.

Plan Membership

All teachers, principals, superintendents or supervisors engaged in service of public schools are eligible for participation.

Plan Benefits

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

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

11. Teachers' Retirement System (Continued)

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

Early Retirement: Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service. Benefit amounts are reduced by 6% per year for the first 5 years preceding normal retirement age and 4% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year by which retirement precedes normal retirement date.

Disability Retirement: Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for non-service related disability eligibility. Disability benefits are calculated as 2% 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 average annual salary.

Contributions

State of Connecticut

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

Employer (School Districts)

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

Employees

Effective July 1, 1992, each teacher is required to contribute 6% of their salary for the pension benefit.

Effective January 1, 2018, each teacher is required to contribute 7% of pensionable salary.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

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

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

11. Teachers' Retirement System (Continued)

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		94,485,584
Total	\$	<u>94,485,584</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The Town has no proportionate share of the net pension liability.

For the fiscal year ended, the Town recognized pension expense and revenue of \$10,929,222 for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions – The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 – June 30, 2015. As a result of the 2015 actuarial experience study, the rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted in the June 30, 2016 actuarial valuation to more closely reflect actual experience.

Future cost-of-living increases – For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%.

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

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

11. Teachers' Retirement System (Continued)

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large Cap U.S. Equities	21.00%	5.80%
Developed Non-U.S. Equities	18.00%	6.60%
Emerging Markets (Non-U.S.)	9.00%	8.30%
Core Fixed Income	7.00%	1.30%
Inflation Linked Bond Fund	3.00%	1.00%
Emerging Market Bond	5.00%	3.70%
High Yield Bonds	5.00%	3.90%
Real Estate	7.00%	5.10%
Private Equity	11.00%	7.60%
Alternative Investments	8.00%	4.10%
Cash	6.00%	0.40%

Discount Rate – The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Plan Fiduciary Net Position – Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2017.

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

12. Town Police OPEB Plan

Plan Description – 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 of Monroe, Connecticut in accordance with the police collective bargaining agreements. The plan does not issue a separate financial statement.

- Police with 25 years of service are eligible for pre-65 medical coverage at retirement.
- The retiree pays 25% of the cost of single coverage and 25% of the HRS single deductible. The Town pays the remaining. The retiree pays 100% of the cost of coverage for the spouse (if applicable).
- The insurance can continue until the earlier of age 65 or 15 years of coverage at retirement. No coverage thereafter.
- There is no coverage for retiree or spouse after age 65.

Plan Membership – As of the date of the latest actuarial valuation (July 1, 2016), membership consisted of the following:

Retirees and beneficiaries receiving benefits	5
Active members	40
	<hr/>
	45
	<hr/>

Funding Policy – The Town funding and payment of post-employment benefits are accounted for in the General Fund. The Town established the Town of Monroe, Connecticut Other Post-Employment Benefits Trust Fund for the plan year beginning July 1, 2016. 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 a Plan and/or contributions to the Trust Fund.

Investment Policy – The Town’s OPEB plan investment policy targets investments in domestic equities of 35%, international equities of 27.5%, fixed income of 30% and other of 7.5%.

Long-Term Expected Rate of Return – The best estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting volatility and correlation. Below shows the board of finance’s target asset class allocation and the long-term expected rate of return calculated as geometric means:

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

12. Town Police OPEB Plan (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Weighting
Fixed Income - Core	25.00%	1.50%	0.38%
Fixed Income - Global	5.00%	2.00%	0.10%
Equity - US Large Cap	25.00%	4.85%	1.21%
Equity - US Small/Mid Cap	10.00%	5.00%	0.50%
Equity - International Developed	20.00%	5.25%	1.05%
Equity - International Emerging Mrkts	7.50%	6.50%	0.49%
Global REITs	5.00%	4.25%	0.21%
Commodities	2.50%	2.25%	0.06%
	100.00%		4.00%
		Long-Term Inflation	2.75%
		Long-Term Expected Nominal Return	6.75%

Discount Rate – The discount rate used to measure the total OPEB 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 contributions rates and the member rate. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Calculation of Money-Weighted Rate of Return – The money-weighted rate of return considers the cash flow of the changing amounts actually invested during the period and weighs the amount of OPEB plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the end of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated, net of investment expense, as 1.16%.

Net OPEB Liability

The components of the net OPEB liability of the Town were as follows:

Total OPEB liability	\$ 2,376,153
Plan fiduciary net position	695,238
Net OPEB liability	\$ 1,680,915
Plan fiduciary net position as a percentage of the total OPEB liability	29.3%

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

12. Town Police OPEB Plan (Continued)

Changes in the net OPEB liability during the year were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2017	\$ 2,157,704	\$ 427,082	\$ 1,730,622
Service cost	134,375	-	134,375
Interest	153,598	-	153,598
Differences between expected and actual experience	(35,893)	-	(35,893)
Contributions - employer	-	223,631	(223,631)
Contributions - member	-	72,824	(72,824)
Net investment income	-	5,332	(5,332)
Benefit payments, including refunds of member contributions	(33,631)	(33,631)	-
Net change	218,449	268,156	(49,707)
Balance at June 30, 2018	<u>\$ 2,376,153</u>	<u>\$ 695,238</u>	<u>\$ 1,680,915</u>

Actuarial Methods and Significant Assumptions

The following actuarial methods and assumptions were used in the July 1, 2016 valuation and projected forward to a measurement date of June 30, 2018:

Valuation timing	July 1, 2016
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	
Level percent or level dollar	Level percent of salary
Closed, open or layered	Open
Amortization period	20 years
Asset valuation method	Fair value
Inflation	2.75%
Payroll growth	3.75%
Discount rate	6.75%
Healthcare cost trends	7.75% in 2016 reducing by .5% each year to a final 4.75% per year for 2022 and later
Retirement age	25 years of service with various retirement rates by age
Post-retirement mortality	RP-2014 projected to the valuation date with Scale MP-2016

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

12. Town Police OPEB Plan (Continued)

Assumption changes were as follows:

- The mortality table was updated from RP-2000 mortality table with no collar adjustment projected to valuation date with Scale BB to RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2016.
- The discount rate was changed from 7.00% to 6.75%.
- The medical trend rates were changed from 9.0% for 2014 decreasing 0.5% per year to an ultimate rate of 5.0% for 2022 and later to 7.75% for 2016 decreasing 0.5% per year, to an ultimate rate of 4.75% for 2022 and later.

Sensitivity Analysis – The following presents the net OPEB liability of the Town Police Plan, calculated using the current discount rate, as well as what the Town’s net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	Discount Rate Sensitivity		
	1% Decrease	Current	1% Increase
	5.75%	6.75%	7.75%
Net OPEB Liability	\$ 1,921,232	\$ 1,680,915	\$ 1,466,058

The following presents the net OPEB liability of the Town, calculated using the current healthcare cost trend rates, as well as what the Town’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	Healthcare Cost Trend Rates		
	1% Decrease	Current	1% Increase
	6.75%	7.75%	8.75%
	decreasing to	decreasing to	decreasing to
	3.75%	4.75%	5.75%
Net OPEB Liability	\$ 1,309,681	\$ 1,680,915	\$ 2,135,821

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – The total OPEB expense recognized for the year was \$181,321. The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

12. Town Police OPEB Plan (Continued)

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 33,174
Net difference between projected and actual earnings on OPEB plan investments	25,777	-
Total	\$ 25,777	\$ 33,174
Net amount of deferred inflows and outflows		\$ (7,397)

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

Year Ending June 30,	
2019	3,725
2020	3,725
2021	3,725
2022	3,726
2023	(2,719)
Thereafter	(19,579)
Total	\$ (7,397)

13. Board of Education OPEB Plan

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

Eligibility	Certified teachers and administrators – Retirement under the State Teachers’ Plan. Non-certified – Age 55 with 15 years of service or age 65 with 5 years of service.
Cost	100% of the cost less the BOE offset which is:
Sharing	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: <div style="margin-left: 40px;">\$1,125 and \$3,000 for single coverage</div> <div style="margin-left: 40px;">\$2,475 and \$6,600 for two-person coverage</div> 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.

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

13. Board of Education OPEB Plan (Continued)

Duration Certified – Age 65 for those eligible for Medicare, life for those not eligible for Medicare.
 Non-certified – Life

At July 1, 2016, plan membership consisted of the following:

Retired members	67
Active plan members	434
	<u>501</u>

Funding Policy – The Town funding and payment of post-employment benefits are accounted for in both the General Fund and in an internal service fund on a pay-as-you-go basis. Due to the fact that the Town’s liability is mainly from the implicit rate subsidy calculation, the Town has not established a trust fund to irrevocably segregate assets to fund the liability associated with post-employment benefits in accordance with GASB guidelines. The Town anticipates a commitment to fund normal cost and a long-term approach to the amortization of the actuarial accrued liability. The goal is to absorb, within the budgetary process, the actual cost of benefits in the determination of the costs of providing services to taxpayers.

Total OPEB Liability

The Town’s total OPEB liability of \$10,137,039 was measured as of June 30, 2018, and was determined by an actuarial valuation as of July 1, 2016.

Actuarial Methods and Significant Assumptions

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

Other actuarial methods and significant assumptions are summarized as follows:

Latest Actuarial Date	July 1, 2016
Actuarial Cost	
Method	Entry Age Normal
Payroll Growth	3.50%
Discount Rate	3.87%
Medical Inflation	7.50% for 2016, reducing .5% per year to a final 4.5% for 2022 and later
Amortization Method	Level dollar amortization
Amortization	30 years, open
Mortality	RP-2014 adjusted to 2006 Total Dataset Mortality Table, projected to valuation date with Scale MP-2016

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

13. Board of Education OPEB Plan (Continued)

The discount rate was based on the 20-year AA municipal bond index as of the measurement date.

The current valuation reflects changes in the actuarial assumptions to represent the Enrolled Actuary's current best estimate of anticipated experience of the plan. The following areas had changes in assumptions:

- Interest
- Salary increases
- Mortality rates
- Retirement
- Withdrawal
- Inflation
- Healthcare cost trend rates
- Morbidity

Changes in the Total OPEB Liability

Balance at July 1, 2017	\$ 10,249,464
Service cost	326,852
Interest	370,243
Differences between expected and actual experience	(22,271)
Changes in assumptions	(314,406)
Benefit payments, including refunds of member contributions	(472,843)
Net change	(112,425)
Balance at June 30, 2018	\$ 10,137,039

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	Discount Rate Sensitivity		
	1% Decrease 2.87%	Current 3.87%	1% Increase 4.87%
Total OPEB Liability	\$ 11,283,195	\$ 10,137,039	\$ 9,151,964

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

13. Board of Education OPEB Plan (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

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

	Healthcare Cost Trend Rates		
	1% Decrease	Current	1% Increase
	6.50%	7.50%	8.50%
	decreasing to	decreasing to	decreasing to
	3.50%	4.50%	5.50%
Total OPEB Liability	\$ 9,348,894	\$ 10,137,039	\$ 11,084,654

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the fiscal year the Town recognized OPEB expense of \$616,672. The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description of Outflows/Inflows	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,531
Changes in assumptions	289,843
Total	\$ 310,374

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

Year Ending June 30,	
2019	(26,303)
2020	(26,303)
2021	(26,303)
2022	(26,303)
2023	(26,303)
Thereafter	(178,859)
Total	\$ (310,374)

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

14. OPEB Plan – Connecticut State Teachers’ Retirement Plan

Plan Description

Teachers, principals, superintendents, supervisors and professional employees at State schools of higher education if they choose to be covered that are currently receiving a retirement or disability benefit are eligible to participate in the Connecticut State Teachers’ Retirement System Retiree Health Insurance Plan (“TRS-RHIP”) - a cost sharing multiple-employer defined benefit other post-employment benefit plan administered by the Teachers’ Retirement Board (TRB). Chapter 167a Section 10-183 (t) 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.

Benefit Provisions

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

- **Normal Retirement:** Eligibility - Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.
- **Early Retirement:** Eligibility - 25 years of Credited Service including 20 years of Connecticut service, or age 55 with 20 years of Credited Service including 15 years of Connecticut service.
- **Proratable Retirement:** Eligibility - Age 60 with 10 years of Credited Service.
- **Disability Retirement:** Eligibility - 5 years of Credited Service in Connecticut if not incurred in the performance of duty and no service requirement if incurred in the performance of duty.
- **Termination of Employment:** Eligibility - 10 or more years of Credited Service.

Retiree Health Care Coverage

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

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

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

14. OPEB Plan – Connecticut State Teachers’ Retirement Plan (Continued)

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). There are three choices for coverage under the CTRB Sponsored Medicare Supplemental Plans. The choices and 2017 calendar year premiums charged for each choice are shown in the table below

• Medicare Supplement with Prescriptions	\$ 92
• Medicare Supplement with Prescriptions and Dental	136
• Medicare Supplement with Prescriptions, Dental, Vision & Hearing	141

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

Survivor Health Care Coverage

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

Contributions

State of Connecticut

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

Employer (School Districts)

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

Employees

Each member is required to contribute 1.25% of their annual salary. Contributions in excess of \$500,000 will be credited to the Retiree Health Insurance Plan.

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

14. OPEB Plan – Connecticut State Teachers’ Retirement Plan (Continued)

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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

Town’s proportionate share of the net OPEB liability	\$ -
State of Connecticut’s proportionate share of the net OPEB liability associated with the Town	<u>24,319,519</u>
Total	<u>\$ 24,319,519</u>

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016. The Town has no proportionate share of the net OPEB liability.

The Town recognized OPEB expense and revenue of \$1,127,089 for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Health care costs trend rate	7.25% decreasing to 5.00% by 2022
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.56%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2018

Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale was used.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

14. OPEB Plan – Connecticut State Teachers’ Retirement Plan (Continued)

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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected rate of return is 2.75%.

Changes in assumptions and inputs

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

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

Other changes were as follows:

- The discount rate has been increased from 3.01% to 3.56% as a based upon the increase in the municipal bond index.

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

Affordable Care Act (ACA)

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

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

14. OPEB Plan – Connecticut State Teachers’ Retirement Plan (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 3.56%. 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.

Sensitivity of the OPEB Liability to Changes in the Discount Rate and the Health Care Cost Trend Rate

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

Plan Fiduciary Net Position

Detailed information about the Connecticut State Teachers’ OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2017.

15. Plan Statements

	<u>Monroe Retirement Income Plan</u>			Total
	Town Employees	Education Employees	Police Other Post- Retirement Benefits	
ASSETS				
Investments, at fair value				
Mutual funds				
Money market	\$ 168,473	\$ 119,531	\$ 695,238	\$ 983,242
Equity	7,916,457	8,000,860	-	15,917,317
Bond	3,686,910	3,580,669	-	7,267,579
Commodities	256,681	288,135	-	544,816
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 12,028,521</u>	<u>\$ 11,989,195</u>	<u>\$ 695,238</u>	<u>\$ 24,712,954</u>
NET POSITION				
Restricted for				
Pension benefits	\$ 12,028,521	\$ 11,989,195	\$ -	\$ 24,017,716
OPEB benefits	-	-	695,238	695,238
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Net Position	<u>\$ 12,028,521</u>	<u>\$ 11,989,195</u>	<u>\$ 695,238</u>	<u>\$ 24,712,954</u>

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

15. Plan Statements (Continued)

	<u>Monroe Retirement Income Plan</u>			Total
	Town Employees	Education Employees	Police Other Post- Retirement Benefits	
ADDITIONS				
Contributions				
Employer	\$ 355,000	\$ 350,342	\$ 223,631	\$ 928,973
Plan members	<u>142,277</u>	<u>218,797</u>	<u>72,824</u>	<u>433,898</u>
Total Contributions	<u>497,277</u>	<u>569,139</u>	<u>296,455</u>	<u>1,362,871</u>
Investment Income				
Net change in fair value	540,037	529,492	-	1,069,529
Interest and dividends	<u>242,506</u>	<u>240,123</u>	<u>5,332</u>	<u>487,961</u>
Total Investment Income	<u>782,543</u>	<u>769,615</u>	<u>5,332</u>	<u>1,557,490</u>
Total Additions	<u>1,279,820</u>	<u>1,338,754</u>	<u>301,787</u>	<u>2,920,361</u>
DEDUCTIONS				
Benefit payments	536,908	627,400	33,631	1,197,939
Administrative expenses	<u>37,605</u>	<u>33,816</u>	<u>-</u>	<u>71,421</u>
Total Deductions	<u>574,513</u>	<u>661,216</u>	<u>33,631</u>	<u>1,269,360</u>
Change in Net Position	<u>705,307</u>	<u>677,538</u>	<u>268,156</u>	<u>1,651,001</u>
Net Position - Beginning of Year	<u>11,323,214</u>	<u>11,311,657</u>	<u>427,082</u>	<u>23,061,953</u>
Net Position - End of Year	<u>\$ 12,028,521</u>	<u>\$ 11,989,195</u>	<u>\$ 695,238</u>	<u>\$24,712,954</u>

16. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance except as noted below. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or three prior years.

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

16. Risk Management (Continued)

The Town currently is a member of the Connecticut Interlocal Risk Management Agency (“CIRMA”), a public entity risk pool established under the provisions of Connecticut General Statutes Section 7-479a et. seq. for some of its insurance. 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 coverage with no deductible retention. A separate agreement states limits on the member's obligation to pay indemnification obligations and expenses should CIRMA be unable to do so.

The Board of Education self-insures its employees for medical and dental claims through the use of an internal service fund. Maximum liability to the board of education per covered participant is \$175,000. The Board of Education retains an insurance policy for employee claims in excess of \$175,000 (\$5,000,000 lifetime maximum payout per member). The board of education also retains an insurance policy to cover claims for all covered members combined in excess of a \$1,000,000 annual maximum for medical claims only. A third party administers the plan for which the Town pays an administrative fee. The plan is funded monthly by budget appropriations and employee contributions, as required.

The following is a summary of changes in claims liability during the year:

Year Ended	Beginning Claims Payable	Current Year Claims and Changes in Estimates	Claims Paid	Ending Claims Payable
2017	\$ 740,266	\$ 8,040,049	\$ 8,360,720	\$ 419,595
2018	419,595	8,082,962	7,683,095	819,462

The Town self-insures for heart and hypertension claims of Town police officers through the use of an internal service fund. The death benefits liability is adjusted annually to reflect cost of living increases. The present value of benefits was computed at an assumed rate of return of three percent. The plan is funded monthly by budget appropriations and employee contributions, as required.

The following is a summary of changes in claims liability during the year:

Year Ended	Beginning Claims Payable	Current Year Claims and Changes in Estimates	Claims Paid	Ending Claims Payable
2017	\$ 355,300	\$ 47,403	\$ 80,739	\$ 321,964
2018	321,964	905	67,207	255,662

The internal service funds are substantially funded by the Town’s General Fund based on estimates for the number of employees and type of coverage (single or family) and trends in the insurance claims and estimates for administration. The claims liabilities, reported in the internal service funds at June 30, 2018, are based on the amount of the possible loss that can be reasonably estimated. The amount of claim accrual estimated is based on the ultimate cost of settling the claim which includes past experience data, inflation, other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual estimate does not include other allocated or unallocated claims adjustment expenses.

Town of Monroe, Connecticut

Notes to Financial Statements
For Year Ended June 30, 2018

17. Contingencies and Litigation

The Town participates in various Federal and State grant programs. These programs are subject to program compliance audits pursuant to the Federal and State Single Audit Acts. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, to be immaterial.

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

18. Prior period adjustment and fund reclassification

Beginning equity balances were restated as follows as the result of implementation of new accounting standards and to record grant revenue as earned. The Capital Reserve Fund has been reclassified from a nonmajor fund to a major fund. As a result, the nonmajor fund balance decreased by \$853,828.

	Government Wide Activities	Capital Reserve Fund	Other Governmental Funds	Custodial Funds
Net position as previously reported at June 30, 2017	\$ 50,036,296	\$ -	\$ 2,272,569	\$ -
To reclassify Capital Reserve Fund as a major fund	-	853,828	(853,828)	-
To record revenue for grants that have been earned Town Road Grants	1,312,805	-	1,312,805	-
To add in net position as a result of the implementation of GASB 84	-	-	-	212,347
To remove net OPEB obligation as a result of the implementation of GASB 75	2,430,607	-	-	-
To record total OPEB liability as a result of the implementation of GASB 75	<u>(10,249,464)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position as restated at July 1, 2017	<u>\$ 43,530,244</u>	<u>\$ 853,828</u>	<u>\$ 2,731,546</u>	<u>\$ 212,347</u>

**REQUIRED
SUPPLEMENTARY
INFORMATION**

Required Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budgetary Basis) - General Fund
 For the Year Ended June 30, 2018

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
REVENUES					
Property Taxes					
Tax levies	\$ 76,245,878	\$ -	\$ 76,245,878	\$ 76,432,360	\$ 186,482
Interest and lien fees	203,500	-	203,500	277,474	73,974
	<u>76,449,378</u>	<u>-</u>	<u>76,449,378</u>	<u>76,709,834</u>	<u>260,456</u>
Intergovernmental					
State and Federal Education Grants					
Education cost sharing	2,090,703	-	2,090,703	5,596,482	3,505,779
School transportation	50,000	-	50,000	-	(50,000)
Other					
Revenue sharing grant	581,867	-	581,867	98,984	(482,883)
Tax grant - disabled persons	2,400	-	2,400	2,201	(199)
PILOT - state property	10,555	-	10,555	42	(10,513)
Tax grant - circuit breaker	156,000	-	156,000	-	(156,000)
Bond subsidy payments	151,030	-	151,030	221,712	70,682
Veteran exemption	11,000	-	11,000	9,993	(1,007)
Mashantucket Pequot grant	33,847	-	33,847	33,321	(526)
Telephone access	40,000	-	40,000	33,415	(6,585)
Miscellaneous grants	30,976	-	30,976	36,563	5,587
	<u>3,158,378</u>	<u>-</u>	<u>3,158,378</u>	<u>6,032,713</u>	<u>2,874,335</u>
Charges for Services					
Police department permits	519,500	-	519,500	764,024	244,524
Building permits	275,000	-	275,000	346,032	71,032
Burning permits	1,500	-	1,500	1,780	280
Planning and zoning	35,000	-	35,000	20,125	(14,875)
Library	15,000	-	15,000	12,096	(2,904)
Refuse permits	2,000	-	2,000	1,860	(140)
Canine licenses	2,000	-	2,000	1,295	(705)
Town clerk's fees	400,000	-	400,000	439,480	39,480
Health department licenses	77,630	-	77,630	82,560	4,930
Recreation department fees	180,000	-	180,000	158,864	(21,136)
Landfill lease	70,000	-	70,000	55,881	(14,119)
Nutrition	2,000	-	2,000	-	(2,000)
Tuition	9,000	-	9,000	24,557	15,557
Senior citizens transportation	5,000	-	5,000	4,787	(213)
Senior citizens registration	1,000	-	1,000	-	(1,000)
Special police assignments	100,000	-	100,000	-	(100,000)
Inland wetland commission	10,000	-	10,000	3,583	(6,417)
Economic development commission	1,500	-	1,500	-	(1,500)
	<u>1,706,130</u>	<u>-</u>	<u>1,706,130</u>	<u>1,916,924</u>	<u>210,794</u>
Interest and Dividends	<u>207,000</u>	<u>-</u>	<u>207,000</u>	<u>526,679</u>	<u>319,679</u>
Miscellaneous Income	<u>75,000</u>	<u>-</u>	<u>75,000</u>	<u>162,448</u>	<u>87,448</u>
Other Financing Sources					
Appropriation of fund balance	1,200,000	611,152	1,811,152	-	(1,811,152)
Sale of capital assets	20,000	105,000	125,000	307,092	182,092
	<u>1,220,000</u>	<u>716,152</u>	<u>1,936,152</u>	<u>307,092</u>	<u>(1,629,060)</u>
Total Revenues	<u>82,815,886</u>	<u>716,152</u>	<u>83,532,038</u>	<u>85,655,690</u>	<u>2,123,652</u>

(Continued)

Required Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budgetary Basis) - General Fund (Continued)
 For the Year Ended June 30, 2018

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
EXPENDITURES					
General Government					
First selectman	\$ 347,733	\$ (7,925)	\$ 339,808	\$ 326,732	\$ 13,076
Town council	3,750	1,525	5,275	5,275	-
Board of finance	1,093,580	(744,501)	349,079	135,887	213,192
Registrar of voters	127,750	-	127,750	103,550	24,200
Town clerk	175,251	-	175,251	160,958	14,293
Tax collector	176,240	1,148	177,388	175,036	2,352
Town treasurer	10,839	-	10,839	10,839	-
Boards and commissions	10,450	-	10,450	6,348	4,102
Senior citizen	256,911	1,212	258,123	239,144	18,979
Economic development	15,500	-	15,500	13,951	1,549
Engineering	160,523	2,388	162,911	162,748	163
Inland wetlands commission	107,514	1,017	108,531	102,108	6,423
Human resources - fringe benefits	4,705,746	(103,100)	4,602,646	4,602,646	-
Finance department	323,494	3,730	327,224	317,214	10,010
Technology	632,762	-	632,762	622,321	10,441
Assessor	235,850	398	236,248	211,315	24,933
Building inspection department	171,258	1,568	172,826	167,585	5,241
Planning and zoning department	188,356	720	189,076	185,359	3,717
Town hall maintenance	411,435	-	411,435	390,421	21,014
Chalk Hill School expenditures	50,000	-	50,000	49,125	875
Special programs	145,483	-	145,483	137,488	7,995
Regional programs	48,994	-	48,994	48,864	130
	<u>9,399,419</u>	<u>(841,820)</u>	<u>8,557,599</u>	<u>8,174,914</u>	<u>382,685</u>
Public Safety					
Police department	5,205,518	82,275	5,287,793	5,062,981	224,812
Animal control	141,529	-	141,529	133,490	8,039
Park ranger	70,254	-	70,254	68,567	1,687
Monroe fire department	263,665	-	263,665	263,665	-
Stevenson fire department	188,665	-	188,665	188,665	-
Stepney fire department	247,855	-	247,855	247,855	-
Water distribution system	574,071	10,889	584,960	584,960	-
Fire marshal	108,569	2,017	110,586	100,581	10,005
Emergency management	13,116	-	13,116	13,107	9
Emergency medical services	853,359	(10,889)	842,470	818,849	23,621
	<u>7,666,601</u>	<u>84,292</u>	<u>7,750,893</u>	<u>7,482,720</u>	<u>268,173</u>
Public Works					
Highway administration	308,512	3,364	311,876	297,609	14,267
General maintenance	1,344,073	(61,967)	1,282,106	1,282,106	-
Snow removal	400,045	77,880	477,925	477,925	-
Operations	366,063	(6,456)	359,607	357,819	1,788
Tree warden	40,000	-	40,000	39,925	75
Traffic control	71,994	(7,812)	64,182	63,180	1,002
Sanitation - solid waste	29,652	-	29,652	11,300	18,352
Sanitation - recycling	288,494	-	288,494	280,273	8,221
	<u>2,848,833</u>	<u>5,009</u>	<u>2,853,842</u>	<u>2,810,137</u>	<u>43,705</u>
Health and Welfare					
Health department	233,456	3,097	236,553	231,696	4,857
Department of social services	98,208	-	98,208	83,870	14,338
	<u>331,664</u>	<u>3,097</u>	<u>334,761</u>	<u>315,566</u>	<u>19,195</u>

(Continued)

Required Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budgetary Basis) - General Fund (Continued)
 For the Year Ended June 30, 2018

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Culture and Recreation					
Library	\$ 777,988	\$ 2,054	\$ 780,042	\$ 774,328	\$ 5,714
Recreation department	<u>854,900</u>	<u>1,267</u>	<u>856,167</u>	<u>849,267</u>	<u>6,900</u>
	<u>1,632,888</u>	<u>3,321</u>	<u>1,636,209</u>	<u>1,623,595</u>	<u>12,614</u>
Capital Outlay					
Special projects	<u>3,500</u>	<u>-</u>	<u>3,500</u>	<u>3,010</u>	<u>490</u>
Debt Service	<u>6,021,214</u>	<u>122,971</u>	<u>6,144,185</u>	<u>6,144,185</u>	<u>-</u>
Other Financing Uses					
Transfers out	<u>270,000</u>	<u>887,653</u>	<u>1,157,653</u>	<u>1,157,653</u>	<u>-</u>
Total General Government	<u>28,174,119</u>	<u>264,523</u>	<u>28,438,642</u>	<u>27,711,780</u>	<u>726,862</u>
Board of Education					
Salaries	34,605,769	(17,620)	34,588,149	34,454,517	133,632
Benefits	9,347,682	46,031	9,393,713	9,775,939	(382,226)
Transportation	3,352,331	250	3,352,581	3,352,511	70
Special education instruction	2,500,115	22,321	2,522,436	2,572,873	(50,437)
Energy	1,288,361	-	1,288,361	1,242,512	45,849
Facilities	1,160,580	(148,287)	1,012,293	1,012,293	-
Textbooks and supplies	756,699	(75,206)	681,493	643,566	37,927
Technology	598,393	1,260	599,653	491,934	107,719
Other professional services	1,011,283	-	1,011,283	901,519	109,764
Lease payments	346,702	-	346,702	331,781	14,921
Other	(326,148)	622,880	296,732	313,951	(17,219)
Total Board of Education	<u>54,641,767</u>	<u>451,629</u>	<u>55,093,396</u>	<u>55,093,396</u>	<u>-</u>
Total Expenditures	<u>82,815,886</u>	<u>716,152</u>	<u>83,532,038</u>	<u>82,805,176</u>	<u>726,862</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,850,514</u>	<u>\$ 2,850,514</u>

(Continued)

Required Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budgetary Basis) - General Fund (Continued)
 For the Year Ended June 30, 2018

Reconciliation to Exhibit 4

	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis - RSI 1	\$ 85,348,598	\$ 81,647,523
State Teachers' Pension on behalf amount	10,929,222	10,929,222
State Teachers' OPEB on behalf amount	1,127,089	1,127,089
Accrued payroll adjustment	-	(139,078)
Unrealized gain (loss) on investments not recorded on a budgetary basis	(84,270)	-
Unbudgeted activity from assigned and restricted fund balance		
Legal settlement proceeds, attorney fees and settlement payout	35,000	84,036
Pension - actuarial expense	-	23,827
Senior center - Wilton Estate	-	1,470
	<u> </u>	<u> </u>
GAAP Basis - Exhibit 4	<u>\$ 97,355,639</u>	<u>\$ 93,674,089</u>

Notes to Required Supplementary Information: 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 recognize as income or expenditures payments made for the teacher's retirement and OPEB by the State of Connecticut on the Town's behalf. 2. The general government records its payroll on a cash basis of accounting for budgetary purposes.

The Board of Education expenditures are shown in the above schedule allocated based on the major categories of spending. However, the legal level of control is with the total Board of Education department.

(Concluded)

Required Supplementary Information
Town of Monroe Retirement Income Plan - Town
Schedule of Changes in Net Pension Liability and Related Ratios
Last Five Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Town of Monroe Employee Retirement Plan					
Total Pension Liability					
Service cost	\$ 339,442	\$ 320,580	\$ 279,200	\$ 268,462	\$ 258,136
Interest on total pension liability	835,744	933,432	880,508	802,505	760,256
Effect of economic/demographic gains (losses)	-	(108,021)	32,827	(140,267)	-
Effect of assumption changes or inputs	-	(687,325)	-	587,242	-
Benefit payments	<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	638,278	(87,078)	681,104	1,051,294	554,186
Total pension liability, beginning	<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, ending	<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>
Fiduciary Net Position					
Employer contributions	355,000	390,000	383,000	391,857	341,866
Member contributions	142,277	144,665	145,302	137,917	137,271
Investment income net of investment expenses	782,543	1,100,157	43,338	399,506	1,265,162
Benefit payments	(536,908)	(545,744)	(511,431)	(466,648)	(464,206)
Administrative expenses	(37,605)	(6,403)	(22,358)	(30,021)	(58,327)
Other	<u>-</u>	<u>-</u>	<u>80</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	705,307	1,082,675	37,931	432,611	1,221,766
Fiduciary net position, beginning	<u>11,323,214</u>	<u>10,240,539</u>	<u>10,202,608</u>	<u>9,769,997</u>	<u>8,548,231</u>
Fiduciary net position, ending	<u>12,028,521</u>	<u>11,323,214</u>	<u>10,240,539</u>	<u>10,202,608</u>	<u>9,769,997</u>
Net pension liability, ending	<u>\$ 915,780</u>	<u>\$ 982,809</u>	<u>\$ 2,152,562</u>	<u>\$ 1,509,389</u>	<u>\$ 890,706</u>
Fiduciary net position as a % of total pension liability	92.93%	92.01%	82.63%	87.11%	91.64%
Covered payroll	\$ 3,854,118	\$ 3,714,813	\$ 3,576,586	\$ 3,439,025	\$ 3,166,740
Net pension liability as a % of covered payroll	23.76%	26.46%	60.18%	43.89%	28.13%

This schedule is intended to show 10 years of data. Additional years will be displayed as they become available.

Required Supplementary Information
 Town of Monroe Retirement Income Plan - Town
 Last Five Years

Schedule of Employer Contributions

	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 354,017	\$ 389,752	\$ 382,281	\$ 394,666	\$ 388,045
Contributions in relation to the actuarially determined contribution	<u>355,000</u>	<u>390,000</u>	<u>383,000</u>	<u>391,857</u>	<u>341,866</u>
Contribution deficiency (excess)	<u>\$ (983)</u>	<u>\$ (248)</u>	<u>\$ (719)</u>	<u>\$ 2,809</u>	<u>\$ 46,179</u>
Covered payroll	\$ 3,854,118	\$ 3,714,813	\$ 3,576,586	\$ 3,439,025	\$ 3,166,740
Contributions as a percentage of covered payroll	9.21%	10.50%	10.71%	11.39%	10.80%
Annual Money-Weighted Rate of Return, Net of Investment Expenses	6.81%	10.93%	0.43%	4.15%	15.10%

Notes to the Schedule

Changes in Assumptions

2017:

1. The mortality table was updated from RP-2014 mortality table with no collar adjustment projected to valuation date with Scale MP-2014 to RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2016
2. The retirement age was changed from 100% at age 65 to increasing rates from age 55 to 75.
3. The rate of compensation increase was changed from 4.00% to 3.75%.
4. The investment rate of return was changed from 7.50% to 6.75%.

Valuation Date July 1, 2016

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent
Remaining amortization period	18 years
Asset valuation method	Expected Asset value plus or minus 20% of the difference between the Expected Value and the Fair Value of assets.
Inflation	2.75%
Salary increases	3.75% (including inflation)
Investment rate of return	6.75%
Retirement age	Increasing rates from age 55 to 75
Mortality	RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2016

This schedule is intended to show 10 years of data. Additional years will be displayed as they become available.

Required Supplementary Information
 Town of Monroe Retirement Income Plan - Board of Education
 Schedule of Changes in Net Pension Liability and Related Ratios
 Last Five Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Town of Monroe Employee Retirement Plan					
Total Pension Liability					
Service cost	\$ 381,387	\$ 423,345	\$ 397,551	\$ 382,260	\$ 367,558
Interest on total pension liability	889,277	998,818	943,960	903,638	849,759
Effect of economic/demographic gains (losses)	-	(133,712)	12,337	(857,153)	-
Effect of assumption changes or inputs	-	(744,769)	-	673,066	-
Benefit payments	<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	643,264	(116,880)	717,572	577,143	714,305
Total pension liability, beginning	<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, ending	<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>
Fiduciary Net Position					
Employer contributions	350,342	385,429	367,541	367,541	349,519
Member contributions	218,797	209,551	204,700	210,767	198,033
Investment income net of investment expenses	769,615	1,105,691	38,494	253,090	1,213,572
Benefit payments	(627,400)	(660,562)	(636,276)	(524,668)	(503,012)
Administrative expenses	(33,816)	(9,746)	(16,620)	(14,664)	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,034</u>	<u>-</u>
Net change in plan fiduciary net position	677,538	1,030,363	(42,161)	301,100	1,258,112
Fiduciary net position, beginning	<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>
Fiduciary net position, ending	<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, ending	<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>
Fiduciary net position as a % of total pension liability	87.23%	86.34%	77.78%	82.58%	84.05%
Covered payroll	\$ 4,170,830	\$ 4,020,077	\$ 4,435,017	\$ 4,264,439	\$ 4,439,312
Net pension liability as a % of covered payroll	42.10%	44.53%	66.23%	51.06%	42.83%

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This schedule is intended to show 10 years of data. Additional years will be displayed as they become available.

Required Supplementary Information
 Town of Monroe Retirement Income Plan - Board of Education
 Last Five Years

Schedule of Employer Contributions

	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 350,452	\$ 385,429	\$ 376,663	\$ 356,619	\$ 349,519
Contributions in relation to the actuarially determined contribution	<u>350,342</u>	<u>385,429</u>	<u>367,541</u>	<u>367,541</u>	<u>349,519</u>
Contribution deficiency (excess)	<u>\$ 110</u>	<u>\$ -</u>	<u>\$ 9,122</u>	<u>\$ (10,922)</u>	<u>\$ -</u>
Covered payroll	\$ 4,170,830	\$ 4,020,077	\$ 4,435,017	\$ 4,264,439	\$ 4,439,312
Contributions as a percentage of covered payroll	8.40%	9.59%	8.29%	8.62%	7.87%
Annual Money-Weighted Rate of Return, Net of Investment Expenses	6.74%	10.91%	0.38%	2.62%	13.80%

Notes to the Schedule

Changes in Assumptions

2017:

1. The mortality table was updated from RP-2014 mortality table with no collar adjustment projected to valuation date with Scale MP-2014 to RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2016
2. The retirement age was changed from 100% at age 65 to increasing rates from age 55 to 75.
3. The rate of compensation increase was changed from 4.00% to 3.75%.
4. The investment rate of return was changed from 7.50% to 6.75%.

Valuation Date July 1, 2016

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent
Remaining amortization period	18 years
Asset valuation method	Expected Asset value plus or minus 20% of the difference between the Expected Value and the Fair Value of assets.
Inflation	2.75%
Salary increases	3.75% (including inflation)
Investment rate of return	6.75%
Retirement age	Increasing rates from age 55 to 75
Mortality	RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2016

This schedule is intended to show 10 years of data. Additional years will be displayed as they become available.

Required Supplementary Information
 Connecticut Municipal Employees' Retirement System
 Last Four Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Schedule of Changes in Net Pension Liability and Related Ratios				
Town's percentage of collective net pension liability (police and fire with social security)	<u>8.332825%</u>	<u>8.332825%</u>	<u>8.754860%</u>	<u>8.754860%</u>
Town's portion net pension liability	<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>\$ 3,858,797</u>	<u>\$ 3,858,797</u>	<u>\$ 3,507,399</u>	<u>\$ 3,507,399</u>
Town's portion net pension liability as a % of covered payroll	<u>86.34%</u>	<u>100.96%</u>	<u>76.37%</u>	<u>60.35%</u>
Plan Fiduciary net position as a % of total pension liability	<u>91.68%</u>	<u>88.29%</u>	<u>92.75%</u>	<u>90.48%</u>

Schedule of Employer Contributions

Town's contractually required contribution	\$ 645,577	\$ 645,577	\$ 633,992	\$ 608,354
Town's contributions in relation to the contractually required contribution	<u>645,577</u>	<u>645,577</u>	<u>633,992</u>	<u>608,354</u>
Town's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 3,858,797</u>	<u>\$ 3,858,797</u>	<u>\$ 3,507,399</u>	<u>\$ 3,507,399</u>
Town's contributions as a percentage of covered payroll	<u>16.73%</u>	<u>16.73%</u>	<u>18.08%</u>	<u>17.34%</u>

Notes to Schedule

Changes in assumptions	None
Changes in benefit term	None
Actuarial cost method	Entry age, normal cost method
Amortization method	Level dollar, closed
Remaining amortization period	25 years
Inflation	3.25%
Investment rate of return	8.0% net of investment expense, including inflation

This schedule is intended to show 10 years of data. Additional years will be displayed as they become available.

Town of Monroe, Connecticut

Required Supplementary Information
Connecticut Teachers Retirement System
Last Four Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Schedule of Changes in Net Pension Liability and Related Ratios				
Town's percentage of collective net pension liability	0.00%	0.00%	0.00%	0.00%
State's percentage of collective net pension liability	100.00%	100.00%	100.00%	100.00%
Totals	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Town's proportionate dollar share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -
State's proportionate dollar share of the collective net pension liability associated with the Town of Monroe	94,485,584	99,683,015	76,967,634	71,141,153
Total proportionate share of the collective net pension liability	<u>\$94,485,584</u>	<u>\$99,683,015</u>	<u>\$76,967,634</u>	<u>\$71,141,153</u>
Town's covered employee payroll	(1) NA	NA	NA	NA
Town's proportionate share of the collective net pension liability as a % of covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a % of total pension liability	55.93%	52.26%	59.50%	61.50%
Schedule of Employer Contributions				
Contractually required Town contribution	(2) \$ -	\$ -	\$ -	\$ -

This schedule is intended to show 10 years of data. Additional years will be displayed as they become available.

(1) Not applicable since the Town has 0% of the proportionate share of the net pension liability

(2) The Town is not required to contribute to the plan. The State contributes on behalf of the Town.

(Continued)

Town of Monroe, Connecticut

Required Supplementary Information
 Connecticut Teachers Retirement System (Continued)
 Last Four Years

Notes to Schedule

Changes in benefit term	None
Changes in assumptions	<ol style="list-style-type: none"> 1. Reduce the inflation assumption from 3.00% to 2.75% 2. Reduce the real rate of return assumption from 5.5% to 5.25% which, when combined with the inflation assumption change, results in a decrease in the investment rate of return assumption from 8.5% to 8.0% 3. Reduce the annual rate of wage increase assumption from .75% to .50% 4. Slightly modify the merit portion of the salary scale 5. Reduce the payroll growth assumption from 3.75% to 3.25% 6. Update the mortality tables to projected versions of the RPH-2014 mortality tables 7. Increase normal retirement rates for females at most ages and prorate retirement rates for males at most ages 8. Increase rates of withdrawal 9. Decrease rates of disability for males
Actuarial cost method	Entry Age
Amortization method	Level percent of salary, closed
Remaining amortization period	21.4 years
Asset valuation method	4 year smoothed market
Inflation	2.75%
Salary increases	3.25%-6.50%, average, including inflation
Investment rate of return	8.0% net of investment expense, including inflation
Mortality	RPH-2014 White Collar table

This schedule is intended to show 10 years of data. Additional years will be displayed as they become available.

(Concluded)

Town of Monroe, Connecticut

Required Supplementary Information
 Other Post Employment Benefits Plan - Police
 Schedule of Changes in Net OPEB Liability and Related Ratios
 Last Two Years

	<u>2018</u>	<u>2017</u>
Town of Monroe Other Post Employment Benefits Plan		
Total OPEB Liability		
Service cost	\$ 134,375	\$ 130,779
Interest	153,598	138,377
Differences between expected and actual experience	(35,893)	(11,163)
Benefit payments	<u>(33,631)</u>	<u>(49,256)</u>
Net change in total OPEB liability	218,449	208,737
Total OPEB liability, beginning	<u>2,157,704</u>	<u>1,948,967</u>
Total OPEB liability, ending	<u>2,376,153</u>	<u>2,157,704</u>
Fiduciary Net Position		
Employer contributions	223,631	189,896
Member contributions	72,824	33,807
Investment income net of investment expenses	5,332	297
Benefit payments	<u>(33,631)</u>	<u>(49,256)</u>
Net change in plan fiduciary net position	268,156	174,744
Fiduciary net position, beginning	<u>427,082</u>	<u>252,338</u>
Fiduciary net position, ending	<u>695,238</u>	<u>427,082</u>
Net OPEB liability, ending	<u>\$ 1,680,915</u>	<u>\$ 1,730,622</u>
Fiduciary net position as a % of total OPEB liability	29.26%	19.79%
Covered payroll	\$ 3,377,844	\$ 3,287,439
Net OPEB liability as a % of covered payroll	49.76%	52.64%

This schedule is intended to show 10 years of data. Additional years will be displayed as they become available.

Town of Monroe, Connecticut

Required Supplementary Information
 Other Post Employment Benefits Plan - Police
 Last Eight Years

Schedule of Employer Contributions

	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contributions	\$ 186,574	\$ 109,498	\$ 106,000	\$ 179,057	\$ 175,750	\$ 162,881	\$ 159,926	\$ 112,070
Contributions in relation to the actuarially determined contribution	223,631	189,896	94,479	27,390	31,212	46,500	42,515	45,143
Contribution deficiency (excess)	\$ (37,057)	\$ (80,398)	\$ 11,521	\$ 151,667	\$ 144,538	\$ 116,381	\$ 117,411	\$ 66,927
Covered payroll	\$3,377,844	\$3,287,439	\$3,129,570	\$3,129,570	\$2,732,999	\$2,732,999	\$2,702,454	\$2,702,454
Contributions as a percentage of covered payroll	6.62%	5.78%	3.02%	0.88%	1.14%	1.70%	1.57%	1.67%
Annual Money-Weighted Rate of Return, Net of Investment Expenses	1.16%	0.09%	N/A	N/A	N/A	N/A	N/A	N/A

Notes to the Schedule

- Change in Assumptions
1. The mortality table was updated from RP-2000 mortality table with no collar adjustment projected to valuation date with Scale BB to RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2016
 2. The discount rate was changed from 7.00% to 6.75%.
 3. The medical trend rates were changed from 9.0% for 2014 decreasing 0.5% per year to an ultimate rate of 5.0% for 2022 and later to 7.75% for 2016 decreasing 0.5% per year, to an ultimate rate of 4.75% for 2022 and later.

Valuation date July 1, 2016

Methods and assumptions:

Actuarial cost method	Entry Age Normal Actuarial Cost Method
Amortization method	Level percent
Closed, open or layered	Open
Amortization period	20 years
Asset valuation method	Fair Value
Inflation	2.50%
Payroll growth	3.75%
Discount rate	6.75%
Healthcare cost trends	7.75% for 2016 decreasing .5% per year to 4.75% for 2022 and after
Post-retirement mortality	RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2016

These schedules are intended to show 10 years of data. Additional years will be displayed as they become available.

Required Supplementary Information
 Other Post Employment Benefits Plan - Education
 Schedule of Changes in Total OPEB Liability
 Year Ended June 30, 2018

	<u>2018</u>
Total OPEB Liability	
Service cost	\$ 326,852
Interest	370,243
Differences between expected and actual experience	(22,271)
Changes of assumption	(314,406)
Benefit payments	<u>(472,843)</u>
Net change in total OPEB liability	(112,425)
Total OPEB liability, beginning (as restated)	<u>10,249,464</u>
Total OPEB liability, ending *	<u>\$ 10,137,039</u>
Covered Payroll	<u>\$ 33,795,006</u>
Total OPEB liability as a % of covered payroll	<u>30.00%</u>

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

This schedule is intended to show 10 years of data.
 Additional years will be displayed as they become available.

Town of Monroe, Connecticut

Required Supplementary Information
 State Teachers' Retirement Board Retiree Health Insurance Plan
 June 30, 2018

Schedule of Proportionate Share of the Net OPEB Liability

	<u>2018</u>
Town's proportion of the net OPEB liability	<u>0.00%</u>
Town's proportionate share of the net OPEB liability	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	<u>24,319,519</u>
Total	<u>\$ 24,319,519</u>
Town's covered payroll	(2) <u>N/A</u>
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>1.79%</u>

Schedule of Contributions

	<u>2018</u>
Contractually required contribution	(1) \$ -
Contributions in relation to the contractually required contribution	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>
Town's covered payroll	(2) <u>N/A</u>
Contributions as a percentage of covered-employee payroll	<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

Note: These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

(Continued)

Town of Monroe, Connecticut

Required Supplementary Information

State Teachers' Retirement Board Retiree Health Insurance Plan (Continued)

Notes to Required Supplementary Information

June 30, 2018

Changes of benefit terms	None
	2016:
	The discount rate has been lowered from 4.50% to 4.25% to reflect the decrease in the rate of inflation
	The payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase
Changes of assumptions	The demographic assumptions of salary growth, payroll growth, the rates of withdrawal, the rates of retirement, the rates of mortality, and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the Board
	The assumed initial per capita health care costs, the assumed rates of healthcare inflation used to project the per capita costs, and the participation assumptions have been revised
Actuarial Cost Method	Entry age
Amortization Method	Level percentage, open
Asset Valuation Method	Fair Value
Inflation	2.75%
Healthcare inflation rate - Initial	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary Increases	3.25% to 6.50%, including inflation
Investment Rate of Return	4.25%
Mortality Rate	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale

Note: These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

(Concluded)

SUPPLEMENTARY SCHEDULES

MAJOR GOVERNMENTAL FUNDS

- **General Fund** - The General Fund constitutes the primary operating fund of the Town and is used to account for and report all financial resources not accounted for and reported in another fund.
- **Capital Reserve Fund** - The Capital Reserve Fund is used to account for capital projects and acquisition which, by their nature, occur over the course of multiple years. These projects are either funded through transfers appropriated from the General Fund or proceeds from the issuance of General Obligation Bonds.

Statement of Changes in Fund Balance - By Project
 Capital Reserve
 For the Year Ended June 30, 2018

	Beginning Fund Balance	Transfers In	New Debt	Refunded Debt	Other Revenues	Current Year Expenditures	Transfers Out	Internal Transfers	Ending Fund Balance
Committed Fund Balance									
EMS vehicle	\$ 136,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 136,100
EMS chest compression system	5,727	-	-	-	-	-	-	(5,727)	-
EMS facility study	5,000	-	-	-	-	-	-	(5,000)	-
Fire apparatus	(651)	-	3,880,000	-	-	(2,308,097)	-	-	1,571,252
Public works - fire cistern STEAP grant	(80,332)	-	-	-	85,907	-	-	(5,575)	-
Public works - UST removal	42,663	-	-	-	-	(17,407)	-	(25,256)	-
Public works - vehicle and equipment	79,575	-	405,000	-	-	(11,561)	-	9,109	482,123
Health department - reserve for start up costs	30,048	-	-	-	-	-	-	(30,048)	-
Parks and recreation - new athletic field - Wolfe Park	477,113	-	-	-	-	(10,350)	(45,060)	-	421,703
Parks and recreation - new dock at Lake Zoar boat ramp	(89)	-	-	-	-	-	-	89	-
Parks and recreation - splash pad at Wolfe Park pool	178,000	-	-	-	-	-	-	-	178,000
Town Hall computers	27,000	-	-	-	-	(4,751)	-	-	22,249
MVFD facility study	30,000	-	-	-	-	-	-	-	30,000
Senior Center wheelchair van - Town pays 20%	13,000	-	-	-	-	(12,862)	-	(138)	-
EMS study	12,000	-	-	-	-	-	-	-	12,000
Fire study	50,000	-	-	-	-	(26,017)	-	-	23,983
Fire Department vehicles	-	-	132,000	-	-	(800)	-	-	131,200
Fire truck outfitting	-	105,000	-	-	-	(105,000)	-	-	-
Park and recreation equipment vehicles	-	-	-	-	-	(12,000)	-	12,000	-
Emergency Repairs	-	75,000	-	-	-	(15,137)	-	-	59,863
BOE Chromebooks	-	149,272	-	-	-	(149,272)	-	-	-
BOE laptops	-	131,880	-	-	-	(131,880)	-	-	-
MS4 project	-	130,000	-	-	-	-	-	-	130,000
Library repairs and maintenance	-	-	-	-	-	(5,564)	-	5,564	-
Capital financing	(478,033)	200,000	-	-	-	(84,997)	-	-	(363,030)
Premium debt service	-	-	-	(423,559)	957,897	(94,047)	-	25,254	465,545
Assessors office - revaluation reserve	167,129	70,000	-	-	-	-	-	-	237,129
Total Committed	694,250	861,152	4,417,000	(423,559)	1,043,804	(2,989,742)	(45,060)	(19,728)	3,538,117
Assigned Fund Balance									
Assigned for unspecified projects	159,578	125,000	-	-	-	-	-	19,728	304,306
Total Fund Balance	\$ 853,828	\$986,152	\$4,417,000	\$ (423,559)	\$1,043,804	\$ (2,989,742)	\$ (45,060)	\$ -	\$3,842,423

NON-MAJOR GOVERNMENTAL FUNDS

- **Library Grants Fund** - The Library Grants Fund is used to account for various federal, state and local grants received for the library.
- **Wheeler Library Fund** - The Wheeler Library Fund is used to account for revenue received from the Edith S. Wheeler Trust for the benefit of the library.
- **School Cafeteria Fund** - The School Cafeteria Fund is used for operations of the schools' cafeterias funded by federal grants and faculty and student meal purchases.
- **Education Grants Fund** - The Education Grants Fund is used to account for various federal, state and local grants received for educational purposes.
- **Education Programs Fund** - The Education Programs Fund is used to account for educational programs, athletic surcharges, facility usage fees and other miscellaneous Board of Education program revenues to be used for the various educational and extracurricular activities for which the fees were collected.
- **WMNR Radio Station Fund** - The WMNR Radio Station Fund is used for private donations received which fund the operations of the WMNR Radio Station.
- **Police Grants Fund** - Police Grants Fund is used to account for various federal, state and local grants received for law enforcement.
- **Police Private Duty Fund** - The Police Private Duty Fund is used to account for private duty police assignment revenue (i.e. traffic control) used to cover the associated private duty labor and vehicle costs. From time to time, the surplus in this fund is transferred to the Town's General Fund.
- **Recreation Programs Fund** - The Recreation Programs Fund is used to account for Recreation program revenue used to cover the associated expenditures required to run various programs by Parks and Recreation. From time to time, the surplus in this fund is either transferred to the Town's General Fund or appropriated for a capital expenditure at one of the Town's parks.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

- **Senior Center Grant and Program Fund** - The Senior Center Grant and Program Fund is used to account for grant and program revenue used to fund various program expenditures at the Senior Center for the benefit of senior citizens.
- **Town Grants and Programs Fund** - The Town Grants and Programs Fund is used to account for grant, donation and program revenue received by the Town for various specified purposes.
- **Town Road Grants Fund** - The Town Road Grants Fund is used to account for State Town Aid Road and municipal projects state grant revenue and related expenditures.
- **Waste Disposal Fund** - The Waste Disposal Fund is used to account for refuse hauler fees and dump truck ticket revenue used to fund the Town's proportionate usage of the Trumbull Transfer Station.
- **Small Cities Fund** - The Small Cities Fund is used to account for the Community Development Block Grant to be used for housing rehabilitation.
- **STEAP Grants Fund** - The STEAP Grants Fund is used to account for the revenues and expenditures relating to the STEAP grant for the Monroe Volunteer EMS Headquarters.
- **Plan of Conservation and Development Fund** - The Plan of Conservation and Development Fund is funded on an annual basis with an appropriation from the General Fund and is used to account for expenditures related to the updating and implementation of the Plan of Conservation and Development (PCOD).
- **Local Capital Improvements Fund** - The Local Capital Improvements Fund is used to account for state grant revenue and corresponding expenditures relating to the Local Capital Improvement Program (LOCIP).
- **Education Bonded Projects Fund** - The Education Bonded Projects Fund is used to account for the bond revenues and expenditures associated with various Board of Education capital projects.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

- **Road Construction and Reconstruction Fund** - The Road Construction and Reconstruction Fund is used to account for all road construction and reconstruction projects (paving, drainage, etc.) which are funded with the issuance of General Obligation Bonds.
- **Reconstruction of Pepper Street Fund** - The Pepper Street Reconstruction Fund is used to account for the grant revenue and related expenditures for the reconstruction of Pepper Street. This project is being funded utilizing federal funds under STP Urban Component of the Surface Transportation Program. 80% will be funded with federal funds, 10% with state funds and the remaining 10% with Town funds.
- **Police Department Renovation Fund** - The Police Department Renovation Fund is used to account for the revenue and expenditures related to the renovation of the police station. This project was funded with the issuance of General Obligation Bonds and a \$500,000 grant.
- **Education Capital Reserve Fund** - The Education Capital Reserve Fund was established pursuant to Section 10-248a of the Connecticut General Statutes, it is funded with the transfer of a Board of Education budget surplus which remains at the end of any fiscal year.
- **Cornelia Rogers Fund** - The Cornelia Rogers Fund is the Town's only permanent fund. It was established 1911 with a contribution of \$2,250. The principal of the fund is to remain intact, and the annual income is to be used from time to time as the Town may authorize.

Combining Balance Sheet
 Other Governmental Funds
 June 30, 2018

	Special Revenue Fund	Capital Projects Fund	Permanent Fund Cornelia Rogers	Total Other Governmental Funds
ASSETS				
Cash	\$ 612,434	\$ -	\$ -	\$ 612,434
Investments	546,222	-	-	546,222
Receivables				
Accounts	429,566	-	-	429,566
Loans	67,740	-	-	67,740
Intergovernmental	160,348	412,439	-	572,787
Due from other funds	3,314,544	1,909,743	57,596	5,281,883
Total Assets	<u>\$ 5,130,854</u>	<u>\$ 2,322,182</u>	<u>\$ 57,596</u>	<u>\$ 7,510,632</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 350,238	\$ 96,479	\$ -	\$ 446,717
Due to other funds	361,373	271,838	-	633,211
Unearned revenues	277,403	-	-	277,403
Total Liabilities	<u>989,014</u>	<u>368,317</u>	<u>-</u>	<u>1,357,331</u>
Deferred Inflows of Resources				
Unavailable revenues - intergovernmental	<u>-</u>	<u>123,215</u>	<u>-</u>	<u>123,215</u>
Fund Balances				
Nonspendable	67,740	-	2,250	69,990
Restricted	446,367	-	55,346	501,713
Committed	-	1,444,445	-	1,444,445
Assigned	3,647,109	658,043	-	4,305,152
Unassigned	(19,376)	(271,838)	-	(291,214)
Total Fund Balances	<u>4,141,840</u>	<u>1,830,650</u>	<u>57,596</u>	<u>6,030,086</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,130,854</u>	<u>\$ 2,322,182</u>	<u>\$ 57,596</u>	<u>\$ 7,510,632</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Other Governmental Funds
 For the Year Ended June 30, 2018

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cornelia Rogers	Total Other Governmental Funds
REVENUES				
Intergovernmental	\$ 3,098,662	\$ 707,735	\$ -	\$ 3,806,397
Charges for services	5,113,160	6,882	-	5,120,042
Contributions	352,058	-	-	352,058
Investment earnings	3,937	-	-	3,937
Miscellaneous	8,384	-	-	8,384
Total Revenues	<u>8,576,201</u>	<u>714,617</u>	<u>-</u>	<u>9,290,818</u>
EXPENDITURES				
Current				
General government	186,546	-	-	186,546
Public safety	800,366	-	-	800,366
Public works	1,136,016	-	-	1,136,016
Health and welfare	97,746	-	-	97,746
Culture and recreation	1,342,984	-	-	1,342,984
Education	4,091,886	-	-	4,091,886
Debt service				
Bond issuance costs	-	22,207	-	22,207
Capital outlay	12,809	2,186,279	-	2,199,088
Total Expenditures	<u>7,668,353</u>	<u>2,208,486</u>	<u>-</u>	<u>9,876,839</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>907,848</u>	<u>(1,493,869)</u>	<u>-</u>	<u>(586,021)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	45,060	171,501	-	216,561
Issuance of debt	-	3,668,000	-	3,668,000
Net Other Financing Sources (Uses)	<u>45,060</u>	<u>3,839,501</u>	<u>-</u>	<u>3,884,561</u>
Net Change in Fund Balance	952,908	2,345,632	-	3,298,540
Fund Balances - Beginning of Year (as restated)	<u>3,188,932</u>	<u>(514,982)</u>	<u>57,596</u>	<u>2,731,546</u>
Fund Balances - End of Year	<u>\$ 4,141,840</u>	<u>\$ 1,830,650</u>	<u>\$ 57,596</u>	<u>\$ 6,030,086</u>

Town of Monroe, Connecticut

Combining Balance Sheet
 Special Revenue Funds
 June 30, 2018

	Library Grants	Wheeler Library	School Cafeteria	Education Grants	Education Programs	WMNR Radio Station	Police Grants	Police Private Duty
ASSETS								
Cash	\$ -	\$ -	\$ 174,982	\$ -	\$ -	\$ 141,088	\$ -	\$ -
Investments	-	343,605	-	-	-	202,617	-	-
Receivables								
Accounts	-	-	-	-	132,693	3,912	-	150,869
Loans	-	-	-	-	-	-	-	-
Intergovernmental	-	-	28,689	25,823	-	-	105,836	-
Due from other funds	8,576	-	1,144	4,247	404,946	-	-	673,052
Total Assets	<u>\$ 8,576</u>	<u>\$ 343,605</u>	<u>\$ 204,815</u>	<u>\$ 30,070</u>	<u>\$ 537,639</u>	<u>\$ 347,617</u>	<u>\$ 105,836</u>	<u>\$ 823,921</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ -	\$ 248	\$ 118,572	\$ 16,756	\$ -	\$ 3,298	\$ 14,712	\$ 7,380
Due to other funds	-	239,440	1,144	-	-	5,530	101,746	-
Unearned revenues	-	-	39,272	1,559	5,225	-	8,754	-
Total Liabilities	<u>-</u>	<u>239,688</u>	<u>158,988</u>	<u>18,315</u>	<u>5,225</u>	<u>8,828</u>	<u>125,212</u>	<u>7,380</u>
Fund Balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	103,917	-	11,755	-	-	-	-
Assigned	8,576	-	45,827	-	532,414	338,789	-	816,541
Unassigned	-	-	-	-	-	-	(19,376)	-
Total Fund Balances	<u>8,576</u>	<u>103,917</u>	<u>45,827</u>	<u>11,755</u>	<u>532,414</u>	<u>338,789</u>	<u>(19,376)</u>	<u>816,541</u>
Liabilities and Fund Balances	<u>\$ 8,576</u>	<u>\$ 343,605</u>	<u>\$ 204,815</u>	<u>\$ 30,070</u>	<u>\$ 537,639</u>	<u>\$ 347,617</u>	<u>\$ 105,836</u>	<u>\$ 823,921</u>

(Continued)

Town of Monroe, Connecticut

Combining Balance Sheet (Continued)
 Special Revenue Funds
 June 30, 2018

	Recreation Programs	Senior Center Grant and Program	Town Grants and Programs	Town Road Grants	Waste Disposal	Small Cities	Total Special Revenue Funds
ASSETS							
Cash	\$ -	\$ -	\$ 296,364	\$ -	\$ -	\$ -	\$ 612,434
Investments	-	-	-	-	-	-	546,222
Receivables							
Accounts	-	-	23,156	-	118,936	-	429,566
Loans	-	-	-	-	-	67,740	67,740
Intergovernmental	-	-	-	-	-	-	160,348
Due from other funds	<u>286,268</u>	<u>78,852</u>	<u>429,913</u>	<u>1,392,074</u>	<u>35,472</u>	<u>-</u>	<u>3,314,544</u>
Total Assets	<u>\$ 286,268</u>	<u>\$ 78,852</u>	<u>\$ 749,433</u>	<u>\$ 1,392,074</u>	<u>\$ 154,408</u>	<u>\$ 67,740</u>	<u>\$ 5,130,854</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 34,019	\$ 4,243	\$ 37,660	\$ 65,274	\$ 48,076	\$ -	\$ 350,238
Due to other funds	-	-	13,513	-	-	-	361,373
Unearned revenues	<u>154,874</u>	<u>67,719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>277,403</u>
Total Liabilities	<u>188,893</u>	<u>71,962</u>	<u>51,173</u>	<u>65,274</u>	<u>48,076</u>	<u>-</u>	<u>989,014</u>
Fund Balances							
Nonspendable	-	-	-	-	-	67,740	67,740
Restricted	-	-	330,695	-	-	-	446,367
Assigned	97,375	6,890	367,565	1,326,800	106,332	-	3,647,109
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,376)</u>
Total Fund Balances	<u>97,375</u>	<u>6,890</u>	<u>698,260</u>	<u>1,326,800</u>	<u>106,332</u>	<u>67,740</u>	<u>4,141,840</u>
Liabilities and Fund Balances	<u>\$ 286,268</u>	<u>\$ 78,852</u>	<u>\$ 749,433</u>	<u>\$ 1,392,074</u>	<u>\$ 154,408</u>	<u>\$ 67,740</u>	<u>\$ 5,130,854</u>

(Concluded)

Town of Monroe, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Special Revenue Funds

For the Year Ended June 30, 2018

	Library Grants	Wheeler Library	School Cafeteria	Education Grants	Education Programs	WMNR Radio Station	Police Grants	Police Private Duty
REVENUES								
Intergovernmental	\$ 19,918	\$ -	\$ 183,600	\$ 2,005,106	\$ -	\$ -	\$ 63,895	\$ -
Charges for services	-	-	1,076,053	-	1,145,834	465,820	34,123	871,128
Contributions	-	25,000	-	-	-	163,782	-	-
Investment earnings	-	1,173	86	-	-	2,678	-	-
Miscellaneous	-	-	-	-	-	2,448	-	-
Total Revenues	<u>19,918</u>	<u>26,173</u>	<u>1,259,739</u>	<u>2,005,106</u>	<u>1,145,834</u>	<u>634,728</u>	<u>98,018</u>	<u>871,128</u>
EXPENDITURES								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	108,624	653,641
Public works	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	11,342	66,148	-	-	-	683,261	-	-
Education	-	-	1,209,218	2,003,405	879,263	-	-	-
Capital outlay	-	-	-	-	-	2,547	10,262	-
Total Expenditures	<u>11,342</u>	<u>66,148</u>	<u>1,209,218</u>	<u>2,003,405</u>	<u>879,263</u>	<u>685,808</u>	<u>118,886</u>	<u>653,641</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>8,576</u>	<u>(39,975)</u>	<u>50,521</u>	<u>1,701</u>	<u>266,571</u>	<u>(51,080)</u>	<u>(20,868)</u>	<u>217,487</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Net Change in Fund Balance	8,576	(39,975)	50,521	1,701	266,571	(51,080)	(20,868)	217,487
Fund Balances - Beginning of Year (as restated)	-	143,892	(4,694)	10,054	265,843	389,869	1,492	599,054
Fund Balances - End of Year	<u>\$ 8,576</u>	<u>\$ 103,917</u>	<u>\$ 45,827</u>	<u>\$ 11,755</u>	<u>\$ 532,414</u>	<u>\$ 338,789</u>	<u>\$ (19,376)</u>	<u>\$ 816,541</u>

(Continued)

Town of Monroe, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Special Revenue Funds
For the Year Ended June 30, 2018

	Recreation Programs	Senior Center Grant and Program	Town Grants and Programs	Town Road Grants	Waste Disposal	Small Cities	STEAP Grants	Total Special Revenue Funds
REVENUES								
Intergovernmental	\$ -	\$ 80,031	\$ 19,564	\$ 531,808	\$ -	\$ 84,740	\$ 110,000	\$ 3,098,662
Charges for services	358,069	32,224	428,427	-	701,482	-	-	5,113,160
Contributions	-	-	163,276	-	-	-	-	352,058
Investment earnings	-	-	-	-	-	-	-	3,937
Miscellaneous	-	5,936	-	-	-	-	-	8,384
Total Revenues	<u>358,069</u>	<u>118,191</u>	<u>611,267</u>	<u>531,808</u>	<u>701,482</u>	<u>84,740</u>	<u>110,000</u>	<u>8,576,201</u>
EXPENDITURES								
Current								
General government	-	-	59,546	-	-	17,000	110,000	186,546
Public safety	-	-	38,101	-	-	-	-	800,366
Public works	-	-	46,298	517,813	571,905	-	-	1,136,016
Health and welfare	-	-	97,746	-	-	-	-	97,746
Culture and recreation	315,153	117,423	149,657	-	-	-	-	1,342,984
Education	-	-	-	-	-	-	-	4,091,886
Capital outlay	-	-	-	-	-	-	-	12,809
Total Expenditures	<u>315,153</u>	<u>117,423</u>	<u>391,348</u>	<u>517,813</u>	<u>571,905</u>	<u>17,000</u>	<u>110,000</u>	<u>7,668,353</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>42,916</u>	<u>768</u>	<u>219,919</u>	<u>13,995</u>	<u>129,577</u>	<u>67,740</u>	<u>-</u>	<u>907,848</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	45,060	-	-	-	-	45,060
Net Change in Fund Balance	42,916	768	264,979	13,995	129,577	67,740	-	952,908
Fund Balances - Beginning of Year (as restated)	<u>54,459</u>	<u>6,122</u>	<u>433,281</u>	<u>1,312,805</u>	<u>(23,245)</u>	<u>-</u>	<u>-</u>	<u>3,188,932</u>
Fund Balances - End of Year	<u>\$ 97,375</u>	<u>\$ 6,890</u>	<u>\$ 698,260</u>	<u>\$ 1,326,800</u>	<u>\$ 106,332</u>	<u>\$ 67,740</u>	<u>\$ -</u>	<u>\$ 4,141,840</u>

(Concluded)

Combining Balance Sheet
 Capital Projects Funds
 June 30, 2018

	Plan of Conservation and Development	Local Capital Improvements	Education Bonded Projects	Road Construction and Reconstruction	Reconstruction of Pepper Street	Police Department Renovation	Education Capital Reserve	Total Capital Projects Funds
ASSETS								
Receivables								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 123,215	\$ -	\$ 289,224	\$ 412,439
Due from other funds	80,331	197,657	67,816	1,081,430	-	114,021	368,488	1,909,743
Total Assets	<u>\$ 80,331</u>	<u>\$ 197,657</u>	<u>\$ 67,816</u>	<u>\$ 1,081,430</u>	<u>\$ 123,215</u>	<u>\$ 114,021</u>	<u>\$ 657,712</u>	<u>\$ 2,322,182</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 96,479	\$ -	\$ 96,479
Due to other funds	-	-	-	-	271,838	-	-	271,838
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>271,838</u>	<u>96,479</u>	<u>-</u>	<u>368,317</u>
Deferred Inflows of Resources								
Unavailable revenues - intergovernmental	-	-	-	-	123,215	-	-	123,215
Fund Balances								
Committed	-	197,657	67,816	1,081,430	-	17,542	80,000	1,444,445
Assigned	80,331	-	-	-	-	-	577,712	658,043
Unassigned	-	-	-	-	(271,838)	-	-	(271,838)
Total Fund Balances	<u>80,331</u>	<u>197,657</u>	<u>67,816</u>	<u>1,081,430</u>	<u>(271,838)</u>	<u>17,542</u>	<u>657,712</u>	<u>1,830,650</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 80,331</u>	<u>\$ 197,657</u>	<u>\$ 67,816</u>	<u>\$ 1,081,430</u>	<u>\$ 123,215</u>	<u>\$ 114,021</u>	<u>\$ 657,712</u>	<u>\$ 2,322,182</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Capital Projects Funds
 For the Year Ended June 30, 2018

	Plan of Conservation and Development	Local Capital Improvements	Education Bonded Projects	Road Construction and Reconstruction	Reconstruction of Pepper Street	Police Department Renovation	Education Capital Reserve	Total Capital Projects Funds
REVENUES								
Intergovernmental	\$ -	\$ 418,511	\$ -	\$ -	\$ -	\$ -	\$ 289,224	\$ 707,735
Charges for services	-	6,882	-	-	-	-	-	6,882
Total Revenues	-	425,393	-	-	-	-	289,224	714,617
EXPENDITURES								
Debt service								
Bond issuance costs	-	-	16,044	6,163	-	-	-	22,207
Capital outlay	-	11,500	1,691,705	454,360	-	-	28,714	2,186,279
Total Expenditures	-	11,500	1,707,749	460,523	-	-	28,714	2,208,486
Excess (Deficiency) of Revenues Over Expenditures	-	413,893	(1,707,749)	(460,523)	-	-	260,510	(1,493,869)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	171,501	171,501
Issuance of debt	-	-	2,650,000	1,018,000	-	-	-	3,668,000
Net Other Financing Sources (Uses)	-	-	2,650,000	1,018,000	-	-	171,501	3,839,501
Net Change in Fund Balance	-	413,893	942,251	557,477	-	-	432,011	2,345,632
Fund Balances - Beginning of Year (as restated)	80,331	(216,236)	(874,435)	523,953	(271,838)	17,542	225,701	(514,982)
Fund Balances - End of Year	\$ 80,331	\$ 197,657	\$ 67,816	\$ 1,081,430	\$ (271,838)	\$ 17,542	\$ 657,712	\$ 1,830,650

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for those operations that provide services to the Town. The follow are the Town's internal service funds:

Board of Education Medical and Dental Fund - The Board of Education Medical and Dental Fund is used to account for Board of Education's Medical and Dental Plans.

Heart and Hypertension Fund - The Heart and Hypertension Fund is used to account for Heart and Hypertension claims of police officers.

Combining Statement of Net Position
 Internal Service Funds
 June 30, 2018

	Board of Education Medical and Dental	Heart and Hypertension	Totals
ASSETS			
Current Assets			
Cash	\$ 131,726	\$ -	\$ 131,726
Due from other funds	<u>-</u>	<u>345,318</u>	<u>345,318</u>
Total Current Assets	<u>\$ 131,726</u>	<u>\$ 345,318</u>	<u>\$ 477,044</u>
LIABILITIES			
Current Liabilities			
Risk management claims payable	\$ 819,462	\$ 47,130	\$ 866,592
Noncurrent Liabilities			
Risk management claims payable	<u>-</u>	<u>208,532</u>	<u>208,532</u>
Total Liabilities	<u>819,462</u>	<u>255,662</u>	<u>1,075,124</u>
NET POSITION			
Unrestricted	<u>\$ (687,736)</u>	<u>\$ 89,656</u>	<u>\$ (598,080)</u>

Combining Statement of Revenues, Expenses and Changes in Net Position
 Internal Service Funds
 For the Year Ended June 30, 2018

	Board of Education Medical and Dental	Heart and Hypertension	Totals
OPERATING REVENUES			
Premiums	\$ 6,893,339	\$ 87,207	\$ 6,980,546
Employee contributions	<u>2,183,483</u>	<u>-</u>	<u>2,183,483</u>
Total Operating Revenues	<u>9,076,822</u>	<u>87,207</u>	<u>9,164,029</u>
OPERATING EXPENSES			
Claims and benefits	8,082,962	905	8,083,867
Premiums and administrative charges	<u>1,268,335</u>	<u>-</u>	<u>1,268,335</u>
Total Operating Expenses	<u>9,351,297</u>	<u>905</u>	<u>9,352,202</u>
Income (Loss) from Operations	<u>(274,475)</u>	<u>86,302</u>	<u>(188,173)</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment earnings	<u>3,196</u>	<u>-</u>	<u>3,196</u>
Change in Net Position	(271,279)	86,302	(184,977)
Total Net Position - Beginning of Year	<u>(416,457)</u>	<u>3,354</u>	<u>(413,103)</u>
Total Net Position - End of Year	<u>\$ (687,736)</u>	<u>\$ 89,656</u>	<u>\$ (598,080)</u>

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2018

	Board of Education Medical and Dental	Heart and Hypertension	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from employer contributions	\$ 6,700,730	\$ 67,207	\$ 6,767,937
Cash received from employee contributions	2,183,483	-	2,183,483
Cash payments for benefits and claims	(7,683,095)	(67,207)	(7,750,302)
Cash payments to vendors and others	<u>(1,268,335)</u>	<u>-</u>	<u>(1,268,335)</u>
Net Cash from Operating Activities	<u>(67,217)</u>	<u>-</u>	<u>(67,217)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	<u>3,196</u>	<u>-</u>	<u>3,196</u>
Net Increase (Decrease) in Cash	(64,021)	-	(64,021)
Cash - Beginning of Year	<u>195,747</u>	<u>-</u>	<u>195,747</u>
Cash - End of Year	<u>\$ 131,726</u>	<u>\$ -</u>	<u>\$ 131,726</u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES			
Income (loss) from operations	\$ (274,475)	\$ 86,302	\$ (188,173)
Changes in operating assets and liabilities			
Due from other funds	-	(20,000)	(20,000)
Due to other funds	(192,609)	-	(192,609)
Risk management claims payable	<u>399,867</u>	<u>(66,302)</u>	<u>333,565</u>
Net Cash from Operating Activities	<u>\$ (67,217)</u>	<u>\$ -</u>	<u>\$ (67,217)</u>

STATISTICAL SECTION (UNAUDITED)

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statement, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

Financial trends information is intended to assist users in understanding and assessing how financial position has changed over time.

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.)

Debt capacity information is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.

Demographic and economic information is intended 1) to assist users in understanding the socioeconomic environment, and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.

Operation information is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

TOWN OF MONROE, CONNECTICUT

Table 1

Net Position by Component
Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
		<i>(as restated)</i>								
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 51,539,596	\$ 51,511,189	\$ 47,644,061	\$ 43,135,174	\$ 42,870,105	\$ 43,366,732	\$ 38,087,484	\$ 42,622,828	\$ 43,728,675	\$ 44,771,393
Restricted	892,032	1,030,376	891,323	1,365,940	190,831	190,026	189,760	521,924	71,347	189,492
Unrestricted	(3,868,141)	(9,011,321)	170,081	73,315	122,549	(3,702,895)	633,908	(3,052,383)	(1,403,609)	(1,017,505)
Total Governmental Activities Net Position	<u>\$ 48,563,487</u>	<u>\$ 43,530,244</u>	<u>\$ 48,705,465</u>	<u>\$ 44,574,429</u>	<u>\$ 43,183,485</u>	<u>\$ 39,853,863</u>	<u>\$ 38,911,152</u>	<u>40,092,369</u>	<u>42,396,413</u>	<u>43,943,380</u>

TOWN OF MONROE, CONNECTICUT

Table 2

Changes In Net Position
Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
EXPENSES										
Governmental Activities										
General government	\$ 8,578,937	\$ 8,196,290	\$ 8,196,272	\$ 8,686,745	\$ 8,572,236	\$ 7,823,123	\$ 8,229,750	\$ 6,972,475	\$ 6,619,837	\$ 6,553,044
Public safety	8,953,623	8,727,631	8,472,241	8,368,234	8,209,708	8,278,987	8,326,453	7,339,882	6,937,172	6,783,194
Public works	5,402,753	4,894,353	4,800,989	5,091,569	5,494,186	4,683,225	5,631,004	5,260,746	6,086,321	6,366,467
Health and welfare	332,320	338,798	357,310	267,102	325,502	270,271	260,055	246,230	189,603	175,593
Culture and recreation	3,426,250	3,796,280	3,432,231	3,148,479	3,185,250	3,037,069	3,091,287	2,987,392	3,183,429	2,852,323
Education	75,723,462	75,525,651	68,982,600	66,998,073	65,177,110	65,191,283	63,718,458	65,757,974	63,345,854	61,718,188
Sub-recipient	-	-	-	-	-	-	-	251,916	301,854	-
Miscellaneous	-	-	-	-	-	-	-	-	-	33,803
Interest on long-term debt	1,249,096	1,465,752	1,407,195	1,459,435	1,414,240	1,367,013	1,438,356	2,334,757	1,942,141	2,094,758
Total Governmental Activities Expenses	<u>\$ 103,666,441</u>	<u>\$ 102,944,755</u>	<u>\$ 95,648,838</u>	<u>\$ 94,019,637</u>	<u>\$ 92,378,232</u>	<u>\$ 90,650,971</u>	<u>\$ 90,695,363</u>	<u>\$ 91,151,372</u>	<u>\$ 88,606,211</u>	<u>\$ 86,577,370</u>
PROGRAM REVENUES										
Governmental Activities										
Charges for Services										
General government	\$ 639,367	\$ 563,500	\$ 815,083	\$ 581,190	\$ 2,935,327	\$ 2,928,731	\$ 2,246,309	\$ 2,388,653	\$ 2,709,335	\$ 2,841,484
Public safety	1,872,862	1,638,735	1,589,696	1,326,736	893,263	1,024,540	1,099,902	1,006,970	763,407	1,010,880
Public works	647,757	623,166	640,562	607,745	587,700	711,957	693,659	846,172	878,765	968,394
Health and welfare	87,347	90,905	79,429	6,955	1,505	1,292	1,015	895	29,977	56,666
Culture and recreation	1,342,163	1,802,181	1,320,089	1,288,639	1,196,565	1,090,762	1,133,228	1,205,517	1,328,896	1,101,519
Education	4,263,645	3,536,570	3,584,177	3,565,079	1,963,319	2,647,635	2,588,406	3,038,590	2,769,593	2,706,317
Operating Grants and Contributions										
General government	149,335	515,909	70,984	217,551	65,026	47,962	41,332	42,729	30,165	2,265
Public safety	126,324	301,087	286,757	346,340	456,541	757,257	38,793	99,203	250,679	20,300
Public works	587,448	340,304	436,374	57,793	-	48,994	-	-	23,271	-
Health and welfare	85,990	70,300	68,789	43,647	85,899	66,216	22,305	21,877	-	-
Culture and recreation	278,228	202,573	219,867	184,112	301,076	241,004	302,034	219,207	154,019	30,210
Education	19,841,499	19,417,419	15,300,895	14,206,782	15,181,107	13,521,094	13,768,474	13,066,437	12,996,679	12,549,032
Capital Grants and Contributions										
General government	934,845	407,228	-	69,394	-	-	-	81,180	23,320	17,994
Public safety	-	96,225	-	500,000	306,353	-	-	-	-	-
Public works	-	-	700,882	304,055	-	219,608	679,721	938,011	212,423	328,941
Health and welfare	-	-	-	-	-	-	5,500	-	-	-
Culture and recreation	-	-	-	25,000	-	-	-	-	450,000	500,000
Education	9,842	38,295	38,189	52,996	356,534	488,676	99,994	113,812	301,686	280,139
Sub-recipient revenues	-	-	-	-	-	-	-	251,916	301,854	-
Interest on long-term debt	-	-	-	62,602	-	-	-	-	-	-
Total Governmental Activities Program Revenues	<u>\$ 30,866,652</u>	<u>\$ 29,644,397</u>	<u>\$ 25,151,773</u>	<u>\$ 23,446,616</u>	<u>\$ 24,330,215</u>	<u>\$ 23,795,728</u>	<u>\$ 22,720,672</u>	<u>\$ 23,321,169</u>	<u>\$ 23,224,069</u>	<u>\$ 22,414,141</u>
Net Expense/Revenue Governmental Activities	<u>\$ (72,799,789)</u>	<u>\$ (73,300,358)</u>	<u>\$ (70,497,065)</u>	<u>\$ (70,573,021)</u>	<u>\$ (68,048,017)</u>	<u>\$ (66,855,243)</u>	<u>\$ (67,974,691)</u>	<u>\$ (67,830,203)</u>	<u>\$ (65,382,142)</u>	<u>\$ (64,163,229)</u>

(Continued)

TOWN OF MONROE, CONNECTICUT

Table 2

Changes In Net Position (Continued)
Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
GENERAL REVENUES										
Governmental Activities										
Property taxes	\$ 77,043,922	\$ 75,241,086	\$ 74,032,714	\$ 71,725,240	\$ 70,175,208	\$ 67,726,473	\$ 66,103,448	\$ 64,727,759	\$ 62,496,456	\$ 61,007,640
Grants and contributions not restricted to specific programs	20,457	2,486	11,734	2,307	370,374	527,634	336,908	375,640	476,260	483,079
Unrestricted investment earnings	360,554	126,258	291,025	(54,166)	125,872	80,527	353,118	410,461	524,401	581,141
Gain on disposal of equipment	210,651	-	-	2,000	-	-	-	-	-	-
Miscellaneous	197,448	463,027	292,627	191,884	706,185	-	-	-	-	-
Total Governmental Activities	<u>\$ 77,833,032</u>	<u>\$ 75,832,857</u>	<u>\$ 74,628,100</u>	<u>\$ 71,867,265</u>	<u>\$ 71,377,639</u>	<u>\$ 68,334,634</u>	<u>\$ 66,793,474</u>	<u>\$ 65,513,860</u>	<u>\$ 63,497,117</u>	<u>\$ 62,071,860</u>
Change in Net Position										
Governmental Activities	<u>\$ 5,033,243</u>	<u>\$ 2,532,499</u>	<u>\$ 4,131,035</u>	<u>\$ 1,294,244</u>	<u>\$ 3,329,622</u>	<u>\$ 1,479,391</u>	<u>\$ (1,181,217)</u>	<u>\$ (2,316,343)</u>	<u>\$ (1,885,025)</u>	<u>\$ (2,091,369)</u>
										<i>(Concluded)</i>

TOWN OF MONROE, CONNECTICUT

Table 3

Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2018	2017 <i>(as restated)</i>	2016	2015	2014	2013	2012	2011	2010	2009
GENERAL FUND										
Nonspendable	\$ 55,908	\$ 95,242	\$ 166,433	\$ 219,005	\$ 34,269	\$ 328,814	\$ 76,893	\$ 88,057	\$ 103,844	\$ 126,851
Restricted	388,069	388,966	389,539	801,126	-	-	-	-	-	-
Assigned	2,094,776	2,008,743	1,112,641	810,881	692,998	735,552	555,927	982,162	1,642,722	927,719
Unassigned	12,749,121	9,963,934	8,083,746	6,210,066	5,945,005	4,688,184	3,990,150	3,263,399	2,854,250	3,383,247
Total General Fund	<u>\$ 15,287,874</u>	<u>\$ 12,456,885</u>	<u>\$ 9,752,359</u>	<u>\$ 8,041,078</u>	<u>\$ 6,672,272</u>	<u>\$ 5,752,550</u>	<u>\$ 4,622,970</u>	<u>\$ 4,333,618</u>	<u>\$ 4,600,816</u>	<u>\$ 4,437,817</u>
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable	\$ 69,990	\$ 2,250	\$ 2,250	\$ 3,568	\$ 72,792	\$ 72,787	\$ 73,716	\$ 74,172	\$ 72,665	\$ 197,421
Restricted	501,713	448,168	499,534	562,564	119,357	118,557	118,303	450,478	-	-
Committed	4,982,562	1,959,645	2,945,006	3,827,955	2,551,484	2,139,309	5,897,523	3,402,912	-	-
Assigned	4,609,458	3,049,611	1,980,446	1,627,794	-	-	-	-	1,847,933	1,976,574
Unassigned	(291,214)	(1,874,300)	(1,072,621)	(1,254,169)	(1,042,015)	(1,447,435)	(540,592)	(1,271,972)	(2,958,225)	-
Total All Other Governmental Funds	<u>\$ 9,872,509</u>	<u>\$ 3,585,374</u>	<u>\$ 4,354,615</u>	<u>\$ 4,767,712</u>	<u>\$ 1,701,618</u>	<u>\$ 883,218</u>	<u>\$ 5,548,950</u>	<u>\$ 2,655,590</u>	<u>\$(1,037,627)</u>	<u>\$ 2,173,995</u>
Total Governmental Funds	<u>\$ 25,160,383</u>	<u>\$ 16,042,259</u>	<u>\$ 14,106,974</u>	<u>\$ 12,808,790</u>	<u>\$ 8,373,890</u>	<u>\$ 6,635,768</u>	<u>\$ 10,171,920</u>	<u>\$ 6,989,208</u>	<u>\$ 3,563,189</u>	<u>\$ 6,611,812</u>

Note: Information for years prior to implementation of GASB Statement No. 54 has been restated.

TOWN OF MONROE, CONNECTICUT

Table 4

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
REVENUES										
Property taxes	\$ 76,743,249	\$ 75,225,166	\$ 73,956,951	\$ 71,851,017	\$ 70,058,508	\$ 67,784,322	\$ 66,287,184	\$ 64,441,364	\$ 62,534,910	\$ 60,629,712
Intergovernmental	21,947,913	21,034,700	17,664,197	15,602,770	17,116,247	15,999,077	15,413,059	15,311,579	14,975,639	14,609,877
Charges for services	7,036,966	5,545,982	5,627,376	5,138,944	5,270,591	6,141,159	6,003,762	6,642,003	6,284,881	6,570,412
Contributions	352,058	335,896	339,509	312,305	407,052	326,550	286,946	263,790	163,950	-
Investment earnings (loss)	402,762	125,216	289,665	(55,124)	124,867	68,510	267,455	405,815	495,517	571,608
Miscellaneous	249,416	606,971	393,093	264,595	303,635	260,264	147,411	95,639	322,743	452,534
Total Revenues	\$ 106,732,364	\$ 102,873,931	\$ 98,270,791	\$ 93,114,507	\$ 93,280,900	\$ 90,579,882	\$ 88,405,817	\$ 87,160,190	\$ 84,777,640	\$ 82,834,143
EXPENDITURES										
Current										
General government	\$ 8,427,313	\$ 8,451,070	\$ 8,108,538	\$ 8,539,233	\$ 8,362,032	\$ 7,596,367	\$ 7,215,604	\$ 6,264,127	\$ 6,053,554	\$ 5,906,917
Public safety	8,298,211	7,877,095	7,799,005	7,895,770	7,755,072	7,435,179	6,698,766	6,639,468	6,264,598	6,323,766
Public works	3,685,397	3,922,005	3,859,645	4,155,970	4,214,507	3,236,889	4,108,126	4,115,290	3,834,665	4,164,540
Health and welfare	411,418	418,303	445,898	346,892	325,747	270,149	260,054	246,109	189,603	175,593
Culture and recreation	2,900,068	2,850,797	3,005,709	2,751,270	2,838,529	2,675,306	2,657,336	2,514,753	2,715,281	2,412,803
Education	71,102,515	69,210,966	63,546,523	61,949,317	61,825,546	61,636,828	61,331,807	60,535,413	59,113,605	56,082,316
Sub-recipient expenditures	-	-	-	-	-	-	-	251,916	301,854	33,803
Debt service										
Principal	4,895,000	5,085,000	4,640,837	4,589,519	4,620,083	3,940,046	3,560,670	3,527,348	2,913,764	3,725,209
Interest	1,211,639	1,311,328	1,352,220	1,330,962	1,432,689	1,497,314	1,571,389	1,754,416	2,102,617	2,064,599
Bond issuance costs	142,997	64,978	1,072	183,104	129,379	-	187,350	183,192	-	236,323
Capital outlay	5,466,112	5,949,231	4,193,161	3,486,263	7,546,807	5,827,956	1,851,409	3,229,951	4,860,780	3,154,237
Total Expenditures	106,540,670	105,140,773	96,952,608	95,228,300	99,050,391	94,116,034	89,442,511	89,261,983	88,350,321	84,280,106
Excess (Deficiency) of Revenues										
Over Expenditures	191,694	(2,266,842)	1,318,183	(2,113,793)	(5,769,491)	(3,536,152)	(1,036,694)	(2,101,793)	(3,572,681)	(1,445,963)
OTHER FINANCING SOURCES (USES)										
Transfers in	\$ 1,202,713	\$ 1,042,524	\$ 1,381,811	\$ 1,613,613	\$ 647,276	\$ 1,042,447	\$ 505,950	\$ 271,164	\$ 804,776	\$ 1,503,108
Transfers out	(1,202,713)	(1,062,524)	(1,401,811)	(1,633,613)	(647,276)	(1,042,447)	(505,950)	(271,164)	(804,776)	(1,930,742)
Sale of capital assets	307,092	-	-	-	-	-	-	-	186,000	-
Lease financing	-	-	-	-	4,114,646	-	-	-	-	486,639
Issuance of refunding bonds	7,040,000	7,220,000	-	-	-	-	8,785,000	10,805,000	-	18,975,000
Premium on refunding bonds	491,473	800,320	-	-	-	-	425,288	423,261	-	1,826,241
Payment to refunded bonds escrow agent	(7,463,559)	(7,917,578)	-	-	-	-	(9,082,302)	(11,105,918)	-	(20,621,000)
Premium on bond anticipation notes	-	-	-	-	23,631	-	-	-	-	-
Issuance of general obligation bonds	8,085,000	2,610,000	-	6,220,000	3,275,000	-	4,065,000	5,325,000	-	4,855,000
Premium on general obligation bonds	466,424	196,580	-	131,996	94,336	-	26,420	68,170	-	-
Total Other Financing Sources (Uses)	8,926,430	2,889,322	(20,000)	6,331,996	7,507,613	-	4,219,406	5,515,513	186,000	5,094,246
Net Change in Fund Balances	\$ 9,118,124	\$ 622,480	\$ 1,298,183	\$ 4,218,203	\$ 1,738,122	\$ (3,536,152)	\$ 3,182,712	\$ 3,413,720	\$ (3,386,681)	\$ 3,648,283
Debt Service as a Percentage of Non-Capital Expenditures										
	6.0%	6.4%	6.5%	6.5%	6.6%	6.2%	5.9%	6.1%	6.0%	7.1%

TOWN OF MONROE, CONNECTICUT

Table 5

Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Grand List Dated	Real Estate			Motor Vehicles	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						
2018	10/1/2016	\$ 1,640,527,840	\$ 246,377,500	\$ 30,745,803	\$ 167,903,024	\$ 95,313,866	\$ 22,090,976	\$ 2,158,777,057	\$ 3,115,525,761	35.76
2017	10/1/2015	1,637,841,440	242,904,936	32,162,073	167,301,230	90,398,935	17,297,222	2,153,311,392	3,100,869,449	35.00
2016	10/1/2014 *	1,636,392,900	243,819,216	32,825,420	163,276,216	86,481,284	16,683,328	2,146,111,708	3,089,707,194	34.35
2015	10/1/2013	1,788,623,260	240,281,903	57,092,438	162,084,062	83,973,333	20,635,956	2,311,419,040	3,331,507,137	31.01
2014	10/1/2012	1,785,703,412	240,872,126	58,103,838	156,954,517	83,513,266	17,162,517	2,307,984,642	3,321,638,799	30.41
2013	10/1/2011	1,784,313,791	237,512,033	58,042,628	156,689,468	80,346,311	20,188,798	2,296,715,433	3,309,863,187	29.26
2012	10/1/2010	1,781,550,580	238,448,260	58,617,908	150,399,886	80,587,807	19,825,455	2,289,778,986	3,299,434,916	28.79
2011	10/1/2009 *	1,781,803,568	238,305,618	57,100,238	143,313,912	85,254,852	22,425,741	2,283,352,447	3,293,968,840	28.26
2010	10/1/2008	1,678,449,336	187,059,210	48,621,554	144,037,577	82,022,355	22,289,957	2,117,900,075	3,057,414,331	29.50
2009	10/1/2007	1,671,924,035	182,394,840	46,913,094	157,031,282	79,313,888	22,039,675	2,115,537,464	3,053,681,627	28.68

* Revaluation Yea

Source: Town Records - Assessor's Office

Note: The above information presents the information for each period for which it is levied. A tax levy provides taxes remitted in the following year. There are no overlapping governments that collect property taxes from Town residents.

Tax Revenues by Source - Current Year Levy, Governmental Fund
Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Motor Vehicle	Total
2018	\$ 67,409,467	\$ 2,629,737	\$ 5,922,373	\$ 75,961,577
2017	65,802,077	2,582,122	5,852,934	74,237,133
2016	64,411,148	2,420,539	6,097,583	72,929,270
2015	63,437,694	2,115,323	5,250,817	70,803,834
2014	62,138,425	2,090,714	5,075,595	69,304,734
2013	59,763,283	1,893,913	4,887,203	66,544,399
2012	58,425,817	1,922,870	4,574,593	64,923,280
2011	57,209,783	1,990,898	4,269,000	63,469,681
2010	55,156,304	2,032,617	4,468,470	61,657,391
2009	53,404,214	1,938,454	4,752,588	60,095,256
% change 2018-2009	26.22%	35.66%	24.61%	26.40%

Source: Town records - Tax Collector's Rate Book

TOWN OF MONROE, CONNECTICUT

Table 7

Principal Taxpayers
Current Year and Nine Years Ago

2018 (2016 Grand List)				
Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation
1	FirstLight Hydro Generating Company	Hydro Electric Generation	\$32,470,000	1.50 %
2	Conn Light + Power Co Inc	Electric Utility Supplier	20,175,200	0.93 %
3	Aquarion Water Co of Connecticut	Water Utility	13,330,860	0.62 %
4	One Eleven Century Plaza LLC	Retail Lease & Mgmt	9,242,200	0.43 %
5	Swiss Army Land Inc (Victorinox)	Corporate Headquarters	9,187,500	0.43 %
6	Clocktower Square #1 LLC	Retail Lease & Mgmt	6,594,100	0.31 %
7	Maril LLC	Retail Lease & Mgmt	6,212,900	0.29 %
8	Lake Zoar Properties LLC	Banquet Facility	6,006,870	0.28 %
9	Nissan Infiniti LT	Leased Motor Vehicles	5,689,502	0.26 %
10	RGS Property LLC	Retail Lease & Mgmt	4,740,200	0.22 %
	Total		<u>\$113,649,332</u>	<u>5.26 %</u>

2009 (2007 Grand List)				
Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation
1	FirstLight Hydro Generating Company	Hydro Electric Generation	\$ 11,937,630	0.56 %
2	Swiss Army Land Inc (Victorinox)	Corporate Headquarters	7,807,002	0.37 %
3	Lake Zoar Properties LLC	Banquet Facility	7,697,731	0.36 %
4	One Eleven Century Plaza LLC	Retail Lease & Mgmt	7,127,330	0.34 %
5	CBL Inc.	Golf Course	6,240,112	0.29 %
6	Tartaglia/Salce LLC #1	Retail Lease & Mgmt	5,140,860	0.24 %
7	Fifteen Eighty Five Monroe Turnpike	Lumber Yard	3,804,820	0.18 %
8	Monroe Land Holdings	Retail Lease & Mgmt	3,761,650	0.18 %
9	Stepney, LLC	Retail Lease & Mgmt	3,513,060	0.17 %
10	Village Square Inc.	Retail Lease & Mgmt	3,445,860	0.16 %
	Total		<u>\$ 60,476,055</u>	<u>2.86 %</u>

Source: 2016 and 2007 grand lists, respectively.

TOWN OF MONROE, CONNECTICUT

Table 8

Property Tax Levies and Collections
Last Ten Fiscal Years

Year	Town Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2018	\$ 76,796,399	\$ 75,961,577	98.91 %	\$ -	\$ 75,961,577	98.91 %
2017	75,013,051	74,237,133	98.97	414,298	74,651,431	99.52
2016	73,622,328	72,929,270	99.06	507,980	73,437,250	99.75
2015	71,651,461	70,803,834	98.82	718,577	71,522,411	99.82
2014	69,989,113	69,304,734	99.02	581,939	69,886,673	99.85
2013	67,158,611	66,544,399	99.09	506,128	67,050,527	99.84
2012	65,702,953	64,923,280	98.81	685,610	65,608,890	99.86
2011	64,320,324	63,469,681	98.68	737,995	64,207,676	99.82
2010	62,457,178	61,657,391	98.72	739,080	62,396,471	99.90
2009	60,656,250	60,095,256	99.08	521,867	60,617,123	99.94

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

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Per Capita (2)	Other Governmental Activities Debt		Total Primary Government	Per Capita (2)	Percentage of Personal Income (2)
	General Obligation Bonds Outstanding (1)	Percentage of Actual Taxable Value of Property (2)		Notes Payable	Capital Leases			
2018	\$ 41,618,452	0.0193 %	N/A	\$ -	\$ 1,439,951	\$ 43,058,403	\$ 2,193	0.0457 %
2017	38,229,731	0.0178	1,932	-	1,753,338	39,983,069	2,021	0.0403
2016	40,751,295	0.0190	2,055	-	2,101,958	42,853,253	2,161	0.0441
2015	45,544,061	0.0197	2,292	-	2,475,296	48,019,357	2,417	0.0497
2014	43,490,557	0.0188	2,193	2,950,000	3,148,006	49,588,563	2,500	0.0520
2013	44,333,428	0.0193	2,240	-	334,628	44,668,056	2,257	0.0466
2012	48,210,633	0.0211	2,450	-	584,674	48,795,307	2,480	0.0540
2011	47,061,726	0.0206	2,418	-	860,344	47,922,070	2,462	0.0562
2010	44,329,807	0.0209	2,281	3,000,000	1,407,692	48,737,499	2,508	0.0581
2009	46,908,654	0.0222	2,423	225,000	1,866,456	49,000,110	2,531	N/A

(1) Presented net of original issuance discounts and premiums for 2009 through 2014, and net of premiums for 2015 through 2018.
 (2) Actual Taxable Value data can be found in the Schedule of Assessed Value and Population and Personal Income data can be found in the Schedule of Demographic and Economic statistics.

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

Computation of Legal Debt Limit
June 30, 2018

Total tax collections (including interest and fees)	<u>\$ 76,709,834</u>
Legal Debt Limit - Seven times Base	<u>\$ 536,968,838</u>

Statutory Debt Limitation Multiples by Classification

Debt Limitation Multiples	General Purpose	Schools	Sewer	Urban Renewal	Pension Deficit
2-1/4 times base	\$ 172,597,127	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	345,194,253	-	-	-
3-3/4 times base	-	-	287,661,878	-	-
3-1/4 times base	-	-	-	249,306,961	-
3 times base	-	-	-	-	230,129,502
 Total debt limitation	 <u>172,597,127</u>	 <u>345,194,253</u>	 <u>287,661,878</u>	 <u>249,306,961</u>	 <u>230,129,502</u>
 Indebtedness					
Bonds payable	<u>21,332,000</u>	<u>17,463,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Debt Limitation in Excess of Indebtedness	 <u>\$ 151,265,127</u>	 <u>\$ 327,731,253</u>	 <u>\$ 287,661,878</u>	 <u>\$ 249,306,961</u>	 <u>\$ 230,129,502</u>

TOWN OF MONROE, CONNECTICUT

Table 11

Legal Debt Margin
Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Legal Debt Limit	\$ 536,968,838	\$ 527,532,894	\$ 503,896,071	\$ 491,311,450	\$ 475,559,903	\$ 463,725,157	\$ 451,562,881	\$ 436,807,133	\$ 425,922,777	\$ 403,001,648
Total Indebtedness (as defined) Applicable to Limit	38,795,000	47,777,596	42,562,828	49,012,000	42,661,612	45,944,429	43,348,945	43,511,668	46,071,226	44,106,552
Legal Debt Margir	<u>\$ 498,173,838</u>	<u>\$ 479,755,298</u>	<u>\$ 461,333,243</u>	<u>\$ 442,299,450</u>	<u>\$ 432,898,291</u>	<u>\$ 417,780,728</u>	<u>\$ 408,213,936</u>	<u>\$ 393,295,465</u>	<u>\$ 379,851,551</u>	<u>\$ 358,895,096</u>
Total Indebtedness (as defined) Applicable to the Limit as a % of Legal Debt Limit	7.22%	9.06%	8.45%	9.98%	8.97%	9.91%	9.60%	9.96%	10.82%	10.94%

Connecticut General Statutes Section 7-374 sets limits on the debt, as defined by the statutes, which can be incurred by the Town and other governmental agencies within the Town.

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Population	Median Age	Personal Income	Per Capita Personal Income	Median Household Income	School Enrollment	Unemployment Rate*
2018	19,635	44.5	\$ 942,303,285	\$ 47,991	\$109,631	3,149	4.2 %
2017	19,784	44.1	993,057,880	50,195	113,333	3,189	4.5
2016	19,833	43.5	971,777,334	48,998	110,558	3,180	4.5
2015	19,867	43.0	966,311,013	48,639	108,688	3,299	5.1
2014	19,834	42.6	954,372,412	48,118	103,589	3,379	5.7
2013	19,794	42.4	957,633,720	48,380	112,605	3,488	6.4
2012	19,675	41.9	903,239,900	45,908	108,478	3,589	7.2
2011	19,466	41.8	853,428,372	43,842	109,727	3,761	7.8
2010	19,435	41.0	838,192,680	43,128	116,058	3,899	7.9
2009	19,359	N/A	N/A	N/A	N/A	4,050	7.0

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

* Average for the Fiscal Year

N/A - Information not available.

TOWN OF MONROE, CONNECTICUT

Table 13

Principal Employers
Current Year And Nine Years Ago

EMPLOYER	2018			EMPLOYER	2009		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT		EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Town of Monroe	625	1	11.14 %	Town of Monroe	742	1	11.45 %
Big Y Supermarket	154	2	2.75	Vitramon, Inc.	350	2	5.40
Victorinox (Swiss Army)	149	3	2.66	Really Good Stuff	200	3	3.08
Northeast Laser Engraving	145	4	2.59	Big Y Supermarket	165	4	2.55
Stop & Shop	126	5	2.25	Victorinox (Swiss Army)	150	5	2.31
M Cubed Technologies	113	6	2.01	U.S. Post Office	125	6	1.93
Church Hill Classics LTD	93	7	1.66	United Beauty Supply Co.	100	7	1.54
Pella Windows & Doors	82	8	1.46	Lake Zoar Properties	100	8	1.54
Aquarion Water Co.	70	9	1.25	Robohand	90	9	1.39
Sippin Energ Products	60	10	1.07	Edgerton, Inc.	62	10	0.96
	<u>1,617</u>		<u>28.84</u>		<u>2,084</u>		<u>32.15</u>

Source: Town of Monroe Assessor's Office

TOWN OF MONROE, CONNECTICUT

Table 14

Full-Time Equivalent Town Government Employees By Function
Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government:										
First Selectman	2.5	2.5	2.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Registrars of Voters	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Town Clerk	3.0	3.0	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Tax Collector	2.7	2.7	2.7	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Town Treasurer	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Senior Center	4.7	4.7	4.5	4.5	4.5	4.5	5.5	5.5	5.5	5.5
Economic Development	-	-	-	-	-	-	-	-	1.0	1.0
Planning - Building, P&Z, I/W, & Engineering	8.5	8.5	9.0	9.0	9.0	8.5	8.5	6.5	6.5	7.0
Finance Department	5.2	5.2	5.0	5.0	5.0	5.0	5.0	5.0	5.5	5.5
Human Resources	1.7	1.7	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Information Technology	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.0	3.0	3.0
Assessor	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Town Hall Maintenance	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
General Government Total	40.5	40.5	40.6	39.9	39.9	39.4	40.4	37.7	39.2	39.7
Public Safety:										
Police Department	48.0	51.0	55.0	55.0	53.0	51.0	49.0	48.0	48.0	47.0
Animal Control	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Park Ranger	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Fire Marshal	2.3	2.3	2.3	2.3	1.8	1.8	1.8	1.8	1.8	1.8
Emergency Management	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Emergency Medical Services (EMS)	0.5	0.5	1.0	0.5	0.5	0.5	-	-	-	-
Public Safety Total	54.7	57.7	62.2	61.7	59.2	57.2	54.7	53.7	53.7	52.7
Public Works:										
Administration	4.5	4.5	4.5	4.5	4.5	4.5	4.0	5.5	5.5	5.5
Highway	20.4	20.4	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1
Tree Warden	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Solid Waste	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Public Works Total	25.3	25.3	29.0	28.9	28.9	28.9	28.4	29.9	29.9	29.9
Health & Welfare:										
Health Department	3.3	3.3	3.0	-	-	-	-	-	-	-
Social Services	1.7	1.7	1.7	1.7	1.2	1.0	1.0	1.0	1.0	1.0
Health & Welfare Total	5.0	5.0	4.7	1.7	1.2	1.0	1.0	1.0	1.0	1.0
Culture & Recreation:										
Library	13.5	13.5	14.0	13.5	13.5	13.5	13.5	12.5	12.0	11.0
Parks & Recreation	23.1	23.1	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Radio Station (WMNR)	6.5	6.5	7.0	7.0	7.0	7.0	7.0	7.0	-	-
Culture & Recreation Total	43.1	43.1	37.0	36.5	36.5	36.5	36.5	35.5	28.0	27.0
Education:										
Administration	23.0	24.0	24.0	24.0	24.0	20.4	20.9	22.2	22.8	22.8
Teachers & Other Certified Staff	264.4	267.9	271.5	277.1	280.1	285.0	285.5	279.8	296.5	315.4
Paraprofessionals	78.0	81.0	84.0	84.0	84.0	87.3	89.0	85.1	83.8	85.6
Other Non-Certified Staff	90.6	90.6	90.6	92.6	92.6	91.6	90.0	94.0	99.6	101.8
Education Total	456.0	463.5	470.1	477.7	480.7	484.3	485.4	481.1	502.7	525.6
Total Town Employees by Function	624.6	635.1	643.6	646.4	646.4	647.3	646.4	638.9	654.5	675.9

Source: Town records

TOWN OF MONROE, CONNECTICUT

Operating Indicators By Function/Program
Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government:										
Building Permits:										
Total permits issued	437	509	413	416	355	418	412	331	279	359
Total estimated value of permits	\$21,627,389	\$21,347,271	\$14,952,059	\$ 9,664,084	\$ 8,941,578	\$10,280,932	\$ 8,740,546	\$ 9,700,117	\$ 6,247,294	\$ 14,824,226
Public Safety:										
Police:										
Calls for service	24,654	27,680	28,125	31,492	27,134	29,018	26,021	24,735	25,282	29,011
Arrests	232	247	162	159	128	130	141	173	152	218
Traffic citations	3,128	3,236	3,723	5,297	4,036	4,127	3,202	3,619	4,133	5,683
EMS:										
Total service calls	1,390	1,328	1,435	1,374	1,337	1,356	1,421	1,309	1,342	1,243
Billable calls	901	823	829	832	787	835	861	832	902	892
Fire*:										
Townwide calls	626	605	592	581	482	523	657	825	657	636
Mutual aid calls (all departments)	716	751	663	692	446	365	442	462	446	495
Total responses	1,342	1,356	1,255	1,273	928	888	1,099	1,287	1,103	1,131
Culture & Recreation:										
Wolfe Park Facility reservations	124	120	117	126	103	107	104	108	110	120
Wolfe Park Pool attendance	16,593	15,326	20,594	18,504	18,076	19,625	24,084	19,796	N/A	N/A
Great Hollow Lake attendance	15,909	17,994	20,060	18,504	18,748	17,844	17,089	N/A	N/A	N/A

Source: Town Records

* The Town has 3 separate volunteer fire departments. Townwide 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 townwide and mutual aid calls. (Example: One fire incident may require the response of all three departments - one townwide call and 2 mutual aid calls.)

N/A - Data not available

TOWN OF MONROE, CONNECTICUT

Table 16

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</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 - Town owned										
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 - Town owned	13	12	13	13	13	13	13	14	14	9
Ambulances	3	3	3	3	3	3	3	3	3	3
Public Works:										
Garage	1	1	1	1	1	1	1	1	1	1
Dump/Plow Truck Fleet	20	20	20	20	20	20	20	20	20	20
Streets (Miles)	143	143	143	143	143	143	143	143	143	143
Health & Welfare:										
Food Pantry	1	1	1	1	1	1	1	1	1	1
Culture & 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	2	2	2	2
Elementary	3	3	3	3	3	3	3	3	3	3

Source: Town records