

TOWN OF MONROE, CONNECTICUT

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**



FOR THE YEAR ENDED JUNE 30, 2019

TOWN OF MONROE, CONNECTICUT

Comprehensive Annual Financial Report For the Year Ended June 30, 2019



Prepared by the Finance Department

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

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

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Introductory Section

Town of Monroe



Finance Department
7 Fan Hill Road
Monroe, Connecticut 06468-1800
Phone: (203)452-2802

Ronald J. Bunovsky Jr., CPA
Director of Finance
Heidi Meade
Deputy Director of Finance

February 10, 2020

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

The Connecticut General Statutes require that all municipalities have their financial statements audited at least once annually. This report, which is published to fulfill this requirement for the fiscal year ended June 30, 2019, 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 that 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, 2019. The independent auditors' report is located at the front of the financial section of this report. Immediately following the independent auditors' report is the Management's Discussion and Analysis (MD&A) which provides an introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and 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 19,470 as of July 1, 2018. The Town has above average household income and education levels that reflect its character as a suburban bedroom community.

The Town operates under a First Selectman-Town Council form of government. The First Selectman, who is elected every two years, is responsible for planning, administering and supervising all municipal activities, except for education. The legislative power of the Town is vested with the nine member elected Town Council. It has the power to enact, amend or repeal ordinances. All financial matters of the Town are the responsibility of the First Selectman, a six member elected Board of Finance, the Finance Department and an elected Town Treasurer. The Finance Department, 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 RSI-1B in the Notes to Required Supplementary Information describes the budget process used by the Town.

The Local Economy and the Town's Fiscal Health

The 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 3.6% unemployment rate as of June 30, 2019. This is below the state and national unemployment rate of 3.7% 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.

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

The current median household income for Monroe is significantly higher than that for the State as a whole. According to the U.S. Census Bureau's 2014-2018 American Community Survey, Monroe's median household income was \$115,049, as compared to \$76,106 for the State of Connecticut.

Long-Term Financial Planning

The Town prepares an annual Capital Budget and 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. The Capital Budget and CIP are both included in the Annual Town Budget that is voted on 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, needs to have its next review completed by December of 2020. This process has begun and is currently in the early stages. 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 are implemented through zoning laws and other land use regulation tools, capital expenditures and on-going planning.

Financial Policies

The Town of Monroe has adopted a comprehensive set of financial policies. Over the course of the past few years, the level of general fund resources held in reserve has pushed through the upper limit of the range established by the Town's Fund Balance Policy. During the current year, in an effort to address this issue with the long-term fiscal health of the Town in mind, the Board of Finance amended its Policy. This Policy addresses general fund unassigned fund balance relative to the amount which should be held in reserve, the conditions under which these reserves can be used and the different procedures available to appropriate the reserves. The following is a summary of the Town's Fund Balance Policy as amended:

- (1) The level of unassigned fund balance must cover between 1 to 2 months of total appropriated expenditures as approved in the Annual Town Budget, with a target balance equal to 1½ months (12.5%) of appropriated expenditures.
- (2) The fund balance can be used to provide for the maintenance of services in the event of a revenue shortfall or an unanticipated emergency expenditure, capital needs, budgeted tax relief if there is a significant reduction in projected municipal aid from the State, and any other emergency or nonrecurring use that may be deemed necessary to benefit the Town.
- (3) The fund balance can be appropriated within the Annual Town Budget approved by the Annual Budget Referendum. If a special appropriation (an appropriation not included in the budget) of \$150,000 or less is being requested, then a recommendation by the First Selectman and the approval of the Town Council and the Board of Finance are needed. If a special appropriation in excess of \$150,000 is being requested, then a recommendation by the First Selectman and the approval of the Town Council, the Board of Finance and at a Town Meeting are required.

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, 2018 from the Government Finance Officers Association (GFOA).

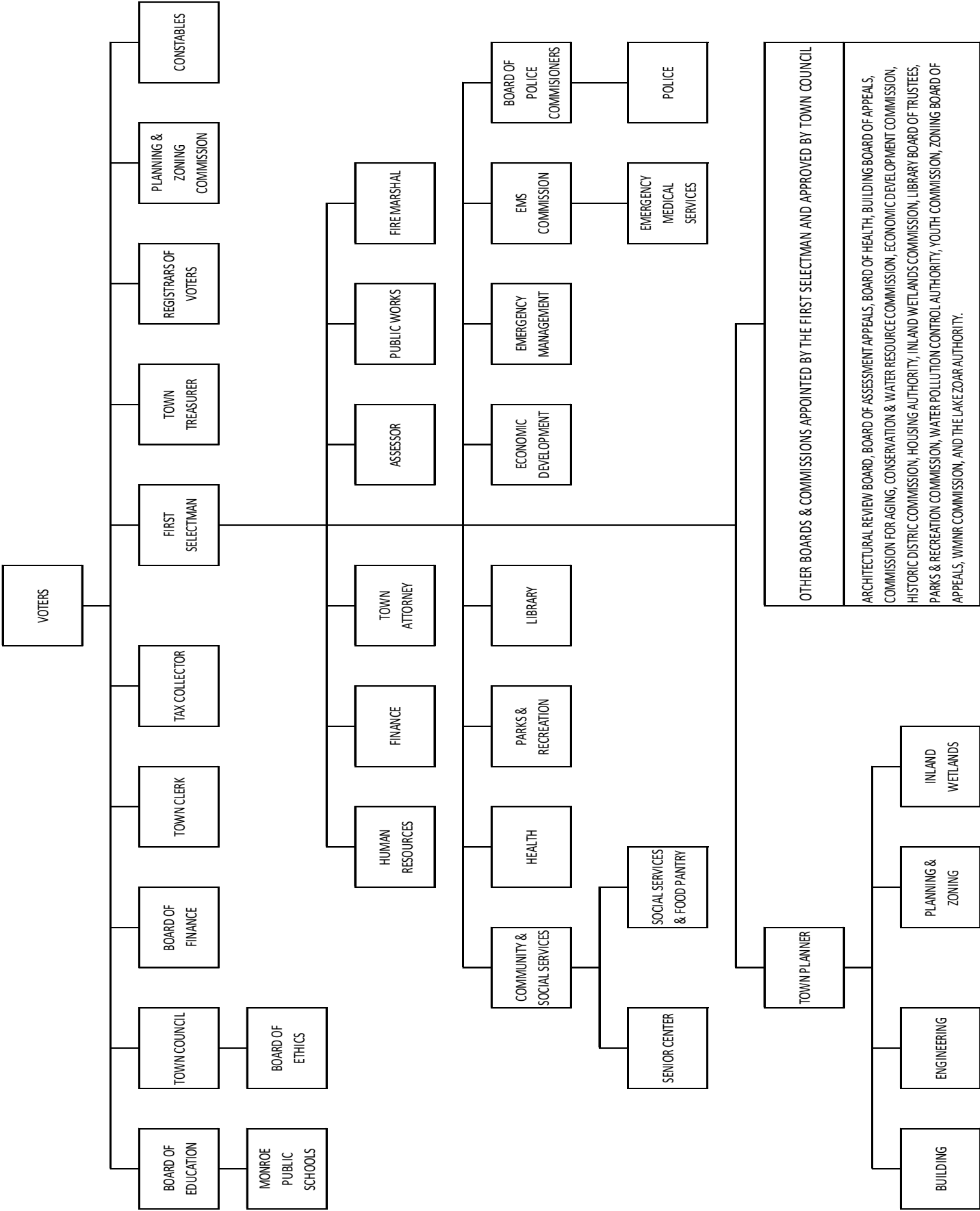
The preparation of this report would not have been possible without the effort and dedication of the Deputy Director of Finance and the entire staff of the Finance Department. I would also like to thank all departments for their assistance in providing the data necessary in the preparation of this report. 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,



Ronald J. Bunovsky Jr., CPA
Director of Finance

Town of Monroe, Connecticut Organizational Chart



Town of Monroe, Connecticut

Principal Officials

Elected Officials

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

Appointed Officials

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



Government Finance Officers Association

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

Presented to

**Town of Monroe
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

Financial Section

Independent Auditors' Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Monroe, Connecticut, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2020, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
February 10, 2020

Town of Monroe



Finance Department

7 Fan Hill Road
Monroe, Connecticut 06468-1800
Phone: (203)452-2802

Ronald J. Bunovsky Jr., CPA

Director of Finance

Heidi Meade

Deputy Director of Finance

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

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, 2019. 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 \$49,753,532 at the end of the current fiscal year, an increase of \$1,190,045. The increase is due to:
 - Positive operating results in the General Fund and Town Road Grants Fund of \$1,515,668 and \$486,933 respectively.
 - Negative operating results in the Capital Reserve Fund, Road Construction and Reconstruction Fund and Education Capital Reserve Fund of \$3,360,384, \$886,826 and \$567,062 respectively.
 - The net of the different basis of accounting (accrual versus modified accrual) for capital assets, long-term debt and pension and OPEB expense of \$4,971,608.
- The unassigned fund balance for all governmental funds, which includes the Town's General Fund, ended the current fiscal year at \$13,082,268. This increased by \$624,361 over the prior fiscal year. The unassigned fund balance of the General Fund of \$13,277,694 represents 15.6% of total budgetary expenditures and transfers out for the current fiscal year.
- On a budgetary basis, the Town's General Fund had \$1,515,668 positive operating results for the current fiscal year. \$1,478,285 of this increase was attributable to actual revenues and other financing sources in excess of the 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 discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also contains other supplementary information as well as the basic financial statements.

Government-Wide Financial Statements

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

The *statement of net position* presents information on all of the Town's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the Town's financial health. Other non-financial events such as the impact of changes in the Town's tax base or infrastructure should also be considered when evaluating the Town's financial health.

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

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

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

Fund Financial Statements

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

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

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

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

Proprietary Funds - The Town uses internal service funds which are an accounting device used to accumulate and allocate costs internally among the Town's various functions.

The Town uses internal service funds to account for its Board of Education employees and retirees' self-insured medical benefits as well as heart and hypertension costs. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

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

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

Notes to Financial Statements

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

Other Information

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

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

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

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 \$49,753,532 at the close of the 2019 fiscal year. Our analysis below focuses on the net position and changes in net position of the Town.

**Statements of Net Position
June 30**

	2019	2018
Current and other assets	\$ 27,762,637	\$ 30,812,657
Capital assets (net)	91,413,729	92,016,570
Total assets	119,176,366	122,829,227
Deferred outflows of resources	5,237,866	2,358,699
Other liabilities	12,167,088	11,596,656
Long-term liabilities	59,365,135	63,192,294
Total liabilities	71,532,223	74,788,950
Deferred inflows of resources	3,128,477	1,835,489
Net position:		
Net investment in capital assets	54,444,890	51,539,596
Restricted	1,059,000	892,032
Unrestricted	(5,750,358)	(3,868,141)
Total net position	\$ 49,753,532	\$ 48,563,487

The Town's net investment in capital assets of \$54,444,890 comprises the major portion of the net position of the Town. This figure reflects its investment in capital assets (land, buildings, infrastructure, vehicles and equipment), less any outstanding debt that was used to purchase those assets. These assets are used to provide various services to the citizens of the Town and are therefore not available for any future spending. As reflected above, the Town's net investment in capital assets increased by \$2,905,294 over the prior fiscal year, the result of a decrease in bonds payable and other related liabilities associated with capital purchases.

The Town's restricted net position, which represents resources with externally enforceable limitations placed upon them, was \$1,059,000. The vast majority of these restricted resources are from donations accepted and received by the Town for various purposes specified (restricted) by the donor.

The balance of the Town's net position, a deficit of \$(5,750,358), was unrestricted. This deficit unrestricted net position is not concerning, as the current unrestricted resources of the Town are sufficient to cover all of the Town's current obligations.

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

	2019	2018
Revenues:		
Program revenues:		
Charges for services	\$ 9,165,429	\$ 8,853,141
Operating grants and contributions	16,773,406	20,537,016
Capital grants and contributions	617,347	1,476,495
General revenues:		
Property taxes	77,141,208	77,043,922
Grants and contributions not restricted to specific programs	487,134	20,457
Income from investments	1,032,629	360,554
Gain on disposal of equipment	-	210,651
Other	49,601	197,448
Total revenues	105,266,754	108,699,684
Expenses:		
General government	8,694,492	8,578,937
Public safety	10,017,082	8,953,623
Public works	5,578,373	5,402,753
Health and welfare	433,183	332,320
Culture and recreation	3,397,814	3,426,250
Education	75,001,806	75,723,462
Interest	953,959	1,249,096
Total expenses	104,076,709	103,666,441
Increase in net position	1,190,045	5,033,243
Net position - July 1	48,563,487	43,530,244
Net position - June 30	\$ 49,753,532	\$ 48,563,487

- During the current fiscal year, the overall net position of the Town increased by \$1,190,045 as total revenues exceeded total expenses for the year. The increase is due to:
 - Positive operating results in the General Fund and Town Road Grants Fund of \$1,515,668 and \$486,933 respectively.
 - Negative operating results in the Capital Reserve Fund, Road Construction and Reconstruction Fund and Education Capital Reserve Fund of \$3,360,384, \$886,826 and \$567,062 respectively.
 - The net of the different basis of accounting (accrual versus modified accrual) for capital assets, long-term debt and pension and OPEB expense of \$4,971,608.

Large variances were as follows:

- The \$3,763,610 decrease in operating grants and contributions was due primarily to a decrease of \$3,263,576 in the State Teachers' Retirement pension and OPEB contribution on behalf amount paid by the State.
- The \$859,148 decrease in capital grants and contributions was due primarily to a decrease in LOCIP and school security grants of \$332,511 and \$289,224, respectively, due to the completion of projects.

- The \$672,075 increase in income from investments was due to better interest rates.
- The \$1,063,459 increase in public safety expense was due to a \$398,638 increase in pension related expense as the MERS liability increased and an increase in depreciation expense of \$178,768 due to significant additions this year and last year.
- The \$721,656 decrease in education expense was due to the \$3,263,576 decrease in the State Teachers' Retirement pension and OPEB contribution on behalf amount offset by an increase in the education budget of \$1,504,350. The net expense from the internal service fund increased \$531,665 from the prior year.

FINANCIAL ANALYSIS OF THE TOWN'S GOVERNMENTAL FUNDS

The Town's combined fund balance for all governmental funds was \$22,560,223, a decrease of \$2,600,160 over the course of the current fiscal year. \$13,082,268 of this amount (58%) 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 (\$2,250), restricted (\$1,056,750), committed (\$2,834,830), or assigned (\$5,584,125).

The General Fund is the main operating fund of the Town. At year-end, the total fund balance was \$16,803,542, an increase of \$1,515,668 over the prior year. This increase in fund balance was primarily due to revenues and other financing sources coming in \$1,478,285 higher than expected as discussed further in the next section.

The Capital Reserve Fund is used to account for various capital projects of the Town. It had a total fund balance of \$482,039 at year-end, \$462,542 of which was committed for specific capital projects. Fund balance decreased \$3,360,384 during the fiscal year as a result of the completion of capital projects and incurring expenditures on authorized and appropriated bonded projects for which the debt was not issued by year end.

General Fund Budgetary Highlights

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

Original budget compared to the final budget. There were two budget amendments, approved by the First Selectman, the Town Council and the Board of Finance, that increased total appropriated expenditures within the original budget by \$116,424. The first was a \$100,000 transfer from the General Fund assigned fund balance to the Capital Reserve Fund to provide resources to conduct a municipal space needs assessment. The second was an appropriation of \$16,424 for capital improvements at the senior center that was funded by a prior year donation restricted for the senior center.

The remaining budget amendments did not increase the overall expenditure budget. They were transfers made to transfer funds from within the original budget as follows:

- \$237,047 of interdepartmental transfers approved by the Board of Finance to cover various departmental budget deficits.
- \$362,620 approved by the Town Council and the Board of Finance from budgeted contingency to cover collectively bargained and nonunion wage increases.
- \$1,072,173 approved by the Board of Finance at year-end to various funds as follows:
 - \$150,000 to the Capital Reserve Fund – committed for phase I of a project to replace two firehouse roofs.

- \$100,000 to the Heart & Hypertension Fund – to fund a deficit fund balance and provide for contingent liabilities.
- \$465,699 to the Board of Education (the 'Board') Medical Reserve Fund – to cover a portion of the fund balance deficit as of yearend. This deficit resulted from prior and current year operations of the Board's self-insured health plan (the 'Plan'), as well as the incurred but not reported (IBNR) claims runoff for the Plan into fiscal year 2020. The Plan terminated as of June 30, 2019.
- \$356,474 to the Monroe Retirement Income Plan (the Town's defined benefit pension plan) – to make the Board of Education's actuarially determined employer contribution (ADEC) for the current fiscal year.

Final budget compared to actual results. The overall budget positive operating results of \$1,515,668 was driven by positive variances in total property tax revenue of \$1,139,557, the education cost sharing grant of \$1,027,727 and income from investments of \$688,490. The budgeted appropriation of fund balance of \$1,316,424 was not needed. The positive variance in the education cost sharing grant was the result of a surplus in municipal aid received from the State of Connecticut during the fiscal year. When the budget was prepared, it was unclear as to the amount the Town would receive for the education cost sharing grant, accordingly, less grant revenue was budgeted and more fund balance was appropriated. The positive variance in property tax revenue was largely because a conservative collection rate was used in calculating the mill rate and a tax sale was held during the fiscal year. The positive variance in income from investments was the result of a much higher than expected increase in the interest rate the Town received on its investments. On the expenditure side, after taking into account the budget amendments discussed above, there was only a small positive budget variance of \$37,383, the result of unused budgeted contingency.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of year-end the Town had a net investment of \$91,413,729 in capital assets for governmental activities. This amount represents a net decrease (after depreciation) of \$602,841 from the prior year. During the fiscal year, there were a total of \$4,608,651 of capital asset additions, while depreciation expense totaled \$5,211,492. The majority of the additions were 17 vehicles (including two fire trucks, three dump trucks and one ambulance) which totaled \$2,784,571, infrastructure paving and drainage projects totaling \$1,078,252 and machinery and equipment purchases of \$445,066. \$187,764 of the machinery and equipment additions came from construction in progress. Construction in progress additions totaled \$457,708, \$124,008 of which was for the EMS facility project.

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

	2019	2018
Land	\$ 14,664,016	\$ 14,664,016
Construction in progress	1,703,741	1,433,797
Land improvements	3,157,477	3,476,509
Buildings and systems	49,100,399	51,788,600
Machinery and equipment	1,718,322	1,565,729
Infrastructure	7,353,973	13,601,835
Vehicles	13,715,801	5,486,084
Total	\$ 91,413,729	\$ 92,016,570

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

Long-Term Debt

**Long-Term Debt
June 30**

	<u>2019</u>	<u>2018</u>
General obligation bonds and related	\$ 36,195,730	\$ 41,618,452
Notes payable	<u>1,162,952</u>	<u>1,439,951</u>
Totals	<u>\$ 37,358,682</u>	<u>\$ 43,058,403</u>

The Town's total bonded debt outstanding as of June 30, 2019 was \$33,750,000. This was a net decrease of \$5,045,000 during the current fiscal year.

The Town issued new and refunding general obligation bonds of \$8,855,000 on December 3, 2019 (Series 2019), and will be issuing \$3,815,000 of additional refunding bonds on January 16, 2020 (Series 2020). The new money portion of the Series 2019 issue was \$2,315,000. The Town received a rating of "AA+" from S&P Global Ratings on November 7, 2019 for both the Series 2019 and the Series 2020 general obligation bond issues. The Town continues to carry a rating of either "AA+" from S&P Global Ratings or "Aa2" from Moody's Investor Services, Inc. on all other general obligation debt outstanding. More detailed information about the Town's long-term liabilities is presented in Note III.E of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town's elected and appointed officials considered many factors in preparing the annual budget and setting the mill rate for fiscal year 2020. Some of the more significant considerations were:

- The State of Connecticut's ongoing fiscal stress and its likely negative impact on projected municipal aid that the Town will receive from the State. This has been, and will continue to be, a concern as it is management's opinion that the fiscal condition of the State is not likely to improve in the near term.
- Projection for an increase in the cost of health insurance based upon all available information.
- Projection for an increase in special education costs for the Board of Education based upon recent trends.
- Projected IBNR runout upon termination of the Board of Education self-insured health plan.
- 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.

For fiscal year 2020, municipal expenditures are trending to be at or below budgeted appropriations. However, the Board of Education's expenditures are trending to exceed their budgeted appropriation due to unexpected increases in the cost of both health insurance and special education. As a result, it is anticipated that the Town will likely require the use of the entire \$1,020,000 of contingency that was budgeted for fiscal year 2020.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

Basic Financial Statements

Town of Monroe, Connecticut

Statement of Net Position
Governmental Activities
June 30, 2019

Assets

Current assets:	
Cash	\$ 1,540,089
Investments	23,262,447
Receivables:	
Property taxes	870,497
Accounts	522,779
Intergovernmental	62,644
Total current assets	<u>26,258,456</u>
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Investments	<u>1,192,236</u>
Receivables (net):	
Property taxes	248,773
Loans	63,172
Total receivables (net)	<u>311,945</u>
Capital assets (net of accumulated depreciation):	
Land	14,664,016
Construction in progress	1,703,741
Land improvements	3,157,477
Buildings and systems	49,100,399
Machinery and equipment	1,718,322
Vehicles	7,353,973
Infrastructure	13,715,801
Total capital assets (net of accumulated depreciation)	<u>91,413,729</u>
Total noncurrent assets	<u>92,917,910</u>
Total assets	<u>119,176,366</u>
<u>Deferred Outflows of Resources</u>	
Deferred charges on refunding	389,843
Deferred outflows related to pensions	3,769,299
Deferred outflows related to OPEB	1,078,724
Total deferred outflows of resources	<u>5,237,866</u>

(Continued)

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

Town of Monroe, Connecticut

Statement of Net Position
Governmental Activities
June 30, 2019

Liabilities

Current liabilities:	
Accounts payable	\$ 2,237,541
Accrued payroll and related	456,993
Accrued interest payable	173,924
Unearned revenue	255,014
Performance bonds	1,192,236
Claims payable	875,983
Bonds and notes payable	5,282,386
Compensated absences	505,961
Special termination benefits	1,081,618
Heart and hypertension	47,576
Other	57,856
Total current liabilities	<u>12,167,088</u>
Noncurrent liabilities:	
Bonds, notes, and related liabilities	32,076,296
Compensated absences	1,517,882
Special termination benefits	5,274,271
Heart and hypertension	264,660
Net pension liability	7,552,740
Net OPEB liability	12,679,286
Total noncurrent liabilities	<u>59,365,135</u>
Total liabilities	<u>71,532,223</u>

Deferred Inflows of Resources

Deferred inflows related to pension	2,384,021
Deferred inflows related to OPEB	744,456
Total deferred inflows of resources	<u>3,128,477</u>

Net Position

Net investment in capital assets	54,444,890
Restricted for:	
Endowments	
Nonexpendable	2,250
Expendable	55,346
General government	300,812
Senior center	371,072
Town clerk historical documents	101,365
Education	45,038
Library	105,178
Residential rehabilitation	63,172
Public safety	14,767
Unrestricted	(5,750,358)
Total net position	<u>\$ 49,753,532</u>

(Concluded)

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

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

Functions/Programs	Expenses	Program Revenues			Net Expenses and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General government	\$ 8,694,492	\$ 973,097	\$ 84,338	\$ -	\$ (7,637,057)
Public safety	10,017,082	1,656,842	38,021	-	(8,322,219)
Public works	5,578,373	666,882	-	616,997	(4,294,494)
Health and welfare	433,183	89,202	18,213	-	(325,768)
Culture and recreation	3,397,814	1,119,555	285,369	-	(1,992,890)
Education	75,001,806	4,659,851	16,347,465	350	(53,994,140)
Interest	953,959	-	-	-	(953,959)
Total	\$ 104,076,709	\$ 9,165,429	\$ 16,773,406	\$ 617,347	(77,520,527)
General revenues:					
Property taxes					77,141,208
Grants and contributions not restricted to specific programs					487,134
Income from investments					1,032,629
Other					49,601
Total general revenues					78,710,572
Change in net position					1,190,045
Net position - July 1, 2018					48,563,487
Net position - June 30, 2019					\$ 49,753,532

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

Town of Monroe, Connecticut

Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash	\$ 701,938	\$ -	\$ 601,149	\$ 1,303,087
Investments	22,682,084	-	580,363	23,262,447
Restricted investments	1,192,236	-	-	1,192,236
Receivables (net):				
Property taxes	1,119,270	-	-	1,119,270
Accounts	99,179	-	423,600	522,779
Intergovernmental	-	-	62,644	62,644
Loans	-	-	63,172	63,172
Due from other funds	1,391,204	988,705	4,668,790	7,048,699
Total assets	<u>\$ 27,185,911</u>	<u>\$ 988,705</u>	<u>\$ 6,399,718</u>	<u>\$ 34,574,334</u>
<u>Liabilities</u>				
Accounts payable	\$ 1,133,812	\$ 336,460	\$ 393,925	\$ 1,864,197
Accrued payroll and related	456,993	-	-	456,993
Due to other funds	6,422,202	170,206	466,130	7,058,538
Unearned revenue	-	-	255,014	255,014
Performance bonds	1,192,236	-	-	1,192,236
Other	57,856	-	-	57,856
Total liabilities	<u>9,263,099</u>	<u>506,666</u>	<u>1,115,069</u>	<u>10,884,834</u>
<u>Deferred Inflows of Resources</u>				
Unavailable revenue:				
Property taxes	1,119,270	-	-	1,119,270
Intergovernmental	-	-	10,007	10,007
Total deferred inflows of resources	<u>1,119,270</u>	<u>-</u>	<u>10,007</u>	<u>1,129,277</u>
<u>Fund Balances</u>				
Nonspendable	-	-	2,250	2,250
Restricted	371,072	-	685,678	1,056,750
Committed	-	462,542	2,372,288	2,834,830
Assigned	3,154,776	19,497	2,409,852	5,584,125
Unassigned	13,277,694	-	(195,426)	13,082,268
Total fund balances	<u>16,803,542</u>	<u>482,039</u>	<u>5,274,642</u>	<u>22,560,223</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 27,185,911</u>	<u>\$ 988,705</u>	<u>\$ 6,399,718</u>	<u>\$ 34,574,334</u>

(Continued)

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

Town of Monroe, Connecticut

Reconciliation of Fund Balance to Net Position
June 30, 2019

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

Total fund balances (Exhibit C, Page 1)	\$ 22,560,223
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Beginning capital assets	92,016,570
Current year additions (net of construction in progress decreases)	4,608,651
Depreciation expense	(5,211,492)
Other long-term assets and deferred outflows of resources are not available resources and, therefore, are not reported in the funds:	
Deferred charges on refunding	389,843
Deferred outflows related to pensions	3,769,299
Deferred outflows related to OPEB	1,078,724
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds:	
Property tax - accrual basis change	1,119,270
Intergovernmental - accrual basis change	10,007
Internal service funds are used by management to charge the cost of medical insurance premiums and general liability and property damage premiums to individual departments:	
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	(1,314,722)
Some liabilities and deferred inflows of resources, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds and notes payable and related liabilities	(37,358,682)
Compensated absences	(2,023,843)
Special termination benefits	(6,355,889)
Net pension liability	(7,552,740)
Net OPEB liability	(12,679,286)
Accrued interest payable	(173,924)
Deferred inflows related to pension	(2,384,021)
Deferred inflows related to OPEB	(744,456)
Net position (Exhibit A)	<u>\$ 49,753,532</u>

(Concluded)

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

Town of Monroe, Connecticut

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

	General Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 77,492,761	\$ -	\$ -	\$ 77,492,761
Intergovernmental	15,003,724	-	2,703,300	17,707,024
Charges for services	1,622,022	525	4,919,388	6,541,935
Contributions	-	-	284,071	284,071
Income from investments	1,020,490	-	9,141	1,029,631
Other	41,726	-	7,875	49,601
Total revenues	<u>95,180,723</u>	<u>525</u>	<u>7,923,775</u>	<u>103,105,023</u>
Expenditures:				
Current:				
General government	8,577,863	-	44,654	8,622,517
Public safety	7,777,683	-	793,654	8,571,337
Public works	3,627,172	-	735,034	4,362,206
Health and welfare	325,475	-	106,956	432,431
Culture and recreation	1,662,887	-	1,346,126	3,009,013
Education	65,326,490	-	4,500,496	69,826,986
Debt service	5,850,200	465,904	-	6,316,104
Capital outlay	1,717	3,510,005	1,112,477	4,624,199
Total expenditures	<u>93,149,487</u>	<u>3,975,909</u>	<u>8,639,397</u>	<u>105,764,793</u>
Excess (deficiency) of revenues over expenditures	<u>2,031,236</u>	<u>(3,975,384)</u>	<u>(715,622)</u>	<u>(2,659,770)</u>
Other financing sources (uses):				
Sale of capital assets	59,610	-	-	59,610
Transfers in	39,822	615,000	505,000	1,159,822
Transfers out	<u>(615,000)</u>	<u>-</u>	<u>(544,822)</u>	<u>(1,159,822)</u>
Net other financing sources (uses)	<u>(515,568)</u>	<u>615,000</u>	<u>(39,822)</u>	<u>59,610</u>
Net change in fund balances	1,515,668	(3,360,384)	(755,444)	(2,600,160)
Fund balances - July 1, 2018	<u>15,287,874</u>	<u>3,842,423</u>	<u>6,030,086</u>	<u>25,160,383</u>
Fund balances - June 30, 2019	<u>\$ 16,803,542</u>	<u>\$ 482,039</u>	<u>\$ 5,274,642</u>	<u>\$ 22,560,223</u>

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

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

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

Net change in fund balances - total governmental funds (Exhibit D) \$ (2,600,160)

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

Capital outlay	4,608,651
Depreciation expense	<u>(5,211,492)</u>
Total	<u>(602,841)</u>

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

Change in property tax receivable - accrual basis change	(351,553)
Change in intergovernmental receivable - accrual basis change	<u>(113,208)</u>
Total	<u>(464,761)</u>

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

Principal payments:	
General obligation bonds and notes	<u>5,321,999</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:

Amortization of premiums	377,722
Pension expense	(1,549,477)
Change in:	
OPEB expense	(861,332)
Compensated absences	132,611
Special termination benefits	543,190
Accrued interest payable	23,557
Amortization of deferred charges on refunding	(84,134)
Amortization of deferred outflows of resources	2,963,301
Amortization of deferred inflows of resources	<u>(1,292,988)</u>
Total	<u>252,450</u>

Internal service funds are used by management to charge costs of medical insurance and heart and hypertension premiums to individual departments (change in net position)	<u>(716,642)</u>
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Change in net position (Exhibit B)	<u>\$ 1,190,045</u>
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The notes to financial statements are an integral part of this statement.

Town of Monroe, Connecticut

Statement of Fund Net Position
 Proprietary Fund
 June 30, 2019

	<u>Internal Service Fund</u>
<u>Assets</u>	
Current assets:	
Cash	\$ 237,002
Due from other funds	<u>408,233</u>
Total current assets	<u>645,235</u>
<u>Liabilities</u>	
Current liabilities:	
Accounts payable	16,870
Claims payable	875,983
Heart and hypertension	47,576
Due to other funds	<u>754,868</u>
Total current liabilities	<u>1,695,297</u>
Noncurrent liability:	
Heart and hypertension	<u>264,660</u>
Total liabilities	<u>1,959,957</u>
<u>Net Position</u>	
Unrestricted	<u><u>\$ (1,314,722)</u></u>

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

Town of Monroe, Connecticut

Statement of Revenues, Expenses and Changes in Fund Net Position
 Proprietary Fund
 For the Year Ended June 30, 2019

	<u>Internal Service Fund</u>
Operating revenues:	
Charges for services	<u>\$ 10,109,440</u>
Operating expenses:	
Claims and benefits	9,462,234
Insurance and administrative charges	<u>1,366,846</u>
Total operating expenses	<u>10,829,080</u>
Operating income (loss)	(719,640)
Nonoperating revenues:	
Income from investments	<u>2,998</u>
Change in net position	(716,642)
Net position - July 1, 2018	<u>(598,080)</u>
Net position - June 30, 2019	<u><u>\$ (1,314,722)</u></u>

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

Town of Monroe, Connecticut
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2019

	Internal Service Fund
Cash flows from operating activities:	
Cash received from charges for services	\$ 10,801,393
Cash paid for benefits and claims	(9,349,139)
Cash paid for administration	(1,349,976)
Net cash from operating activities	102,278
Cash flows from investing activities:	
Income from investments	2,998
Net increase (decrease) in cash	105,276
Cash - July 1, 2018	131,726
Cash - June 30, 2019	\$ 237,002
Reconciliation of operating income (loss) to net cash from operating activities:	
Operating income (loss)	\$ (719,640)
Adjustments to reconcile operating income (loss) to net cash from operating activities:	
(Increase) decrease in:	
Due from other funds	(62,915)
Increase (decrease) in:	
Accounts payable	16,870
Claims payable	56,521
Heart and hypertension	56,574
Due to other funds	754,868
Net cash from operating activities	\$ 102,278

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, 2019

	<u>Pension and OPEB Trust Funds</u>	<u>Private- Purpose Trust Fund</u>	<u>Custodial Funds</u>
<u>Assets</u>			
Cash	\$ -	\$ 11,228	\$ 223,429
Investments:			
Mutual funds:			
Equity	16,987,922	-	-
Bond	7,918,860	-	-
Commodities	523,168	-	-
Bank money market	452,209	-	-
Total investments	<u>25,882,159</u>	<u>-</u>	<u>-</u>
Due from other funds	<u>356,474</u>	<u>-</u>	<u>-</u>
Total assets	<u>26,238,633</u>	<u>11,228</u>	<u>223,429</u>
<u>Net Position</u>			
Restricted for:			
Pensions	25,233,904	-	-
OPEB	1,004,729	-	-
Individuals and organizations	<u>-</u>	<u>11,228</u>	<u>223,429</u>
Total net position	<u>\$ 26,238,633</u>	<u>\$ 11,228</u>	<u>\$ 223,429</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, 2019

	Pension and OPEB Trust Funds	Private- Purpose Trust Fund	Custodial Funds
Additions:			
Contributions:			
Employer	\$ 973,221	\$ -	\$ -
Employee	445,251	-	-
Other	47,357	-	-
Total contributions	<u>1,465,829</u>	<u>-</u>	<u>-</u>
Activity fees	<u>-</u>	<u>-</u>	<u>877,632</u>
Investment income (loss):			
Net change in fair value of investments	799,715	-	-
Interest and dividends	<u>601,411</u>	<u>173</u>	<u>-</u>
Total investment income (loss)	1,401,126	173	-
Less investment expense	<u>39,610</u>	<u>-</u>	<u>-</u>
Net investment income (loss)	<u>1,361,516</u>	<u>173</u>	<u>-</u>
Total additions	<u>2,827,345</u>	<u>173</u>	<u>877,632</u>
Deductions:			
Benefits	1,219,891	-	-
Administration	81,775	375	-
Activities and events	<u>-</u>	<u>-</u>	<u>855,069</u>
Total deductions	<u>1,301,666</u>	<u>375</u>	<u>855,069</u>
Change in net position	1,525,679	(202)	22,563
Net position - July 1, 2018	<u>24,712,954</u>	<u>11,430</u>	<u>200,866</u>
Net position - June 30, 2019	<u>\$ 26,238,633</u>	<u>\$ 11,228</u>	<u>\$ 223,429</u>

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

Town of Monroe, Connecticut

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

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

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

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

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

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

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

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

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

Town of Monroe, Connecticut

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

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

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

The Town reports the following major governmental funds:

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

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

Additionally, the Town reports the following fund types:

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

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

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

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

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

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

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

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

Town of Monroe, Connecticut

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

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

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

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

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

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

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

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

b. Investments

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

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

Town of Monroe, Connecticut

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	35.00%
International Equity	27.50%
Fixed Income	30.00%
Other	7.50%

c. Method used to value investments

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

Fair value of investments

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

- Level 1:* Quoted prices for identical investments in active markets;
- Level 2:* Quoted prices for identical investments in markets that are not active; and
- Level 3:* Unobservable inputs.

d. Risk policies

Interest rate risk – Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town'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.

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

Town of Monroe, Connecticut

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

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

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

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

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

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

b. Property taxes and other receivables

In the fund financial and government-wide financial statements, all trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 10% to 15% of outstanding receivable balances and are calculated based upon prior collections.

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

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

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

3. Restricted assets

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

Town of Monroe, Connecticut

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

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

4. Capital assets

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

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

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

5. Deferred outflows/inflows of resources

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

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

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

Town of Monroe, Connecticut

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

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.

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

6. Compensated absences

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

7. Special termination benefits

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

8. Long-term obligations

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

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

9. Net position and fund balances

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

Net Investment in Capital Assets

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

Town of Monroe, Connecticut

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

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

Unrestricted Net Position

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

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

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

Nonspendable

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

Restricted

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

Committed

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

Assigned

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

Unassigned

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

Town of Monroe, Connecticut

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

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

Minimum Fund Balance Policy

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

10. Use of Estimates

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

11. Reclassifications

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

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

Only the General Fund has a legally adopted annual budget.

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

Town of Monroe, Connecticut

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

B. Donor-restricted endowments

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

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

C. Capital projects authorizations

The following is a summary of certain capital projects:

<u>Project</u>	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Balance</u>
Fire apparatus	\$ 3,880,000	\$ 3,807,821	\$ 72,179
EMS facility phase 1	<u>180,000</u>	<u>124,008</u>	<u>55,992</u>
Totals	<u>\$ 4,060,000</u>	<u>\$ 3,931,829</u>	<u>\$ 128,171</u>

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

At year end, the Town's bank balance was \$9,882,217 and was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 119,029
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>2,382,379</u>
Total amount subject to custodial credit risk	<u>\$ 2,501,408</u>

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

Town of Monroe, Connecticut

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

A. Cash and investments (continued)

2. Investments

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

Type of Investment	Fair Value	Investment Maturities (In Years)			
		N/A	Less Than 1	5-10 Years	Over 10
Mutual funds					
Equity	\$ 16,987,922	\$ 16,987,922	\$ -	\$ -	\$ -
Bond	7,918,860	-	3,881,917	4,036,943	-
Commodities	523,168	523,168	-	-	-
Bank money market	6,999,468	-	6,999,468	-	-
Pooled fixed income	15,516,134	-	15,516,134	-	-
US government agency securities	2,391,290	-	-	-	2,391,290
Total	<u>\$ 50,336,842</u>	<u>\$ 17,511,090</u>	<u>\$ 26,397,519</u>	<u>\$ 4,036,943</u>	<u>\$ 2,391,290</u>

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

Investments by Fair Value Level	Amount	Quoted Market Prices in Active Markets	Significant Observable Inputs
		Level 1	Level 2
Mutual Funds			
Equity	\$ 16,987,922	\$ 16,987,922	\$ -
Bond	7,918,860	7,918,860	-
Commodities	523,168	523,168	-
U.S. government agency securities	2,391,290	-	2,391,290
Total Investments by Fair Value Level	<u>27,821,240</u>	<u>\$ 25,429,950</u>	<u>\$ 2,391,290</u>
<u>Other Investments</u>			
Pooled fixed income	15,516,134		
Bank money market	<u>6,999,468</u>		
Total Other Investments	<u>22,515,602</u>		
Total Investments	<u>\$ 50,336,842</u>		

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

Level 2: Quoted prices for identical investments in markets that are not active.

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

Town of Monroe, Connecticut

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

A. Cash and investments (continued)

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

Type of Investment	Ratings					Total
	AAA	AA	BBB	BB	Unrated	
Mutual Funds						
Bond	\$ -	\$ 238,172	\$ 6,409,596	\$ 1,271,092	\$ -	\$ 7,918,860
Commodities	-	-	-	-	523,168	523,168
Pooled fixed income	15,516,134	-	-	-	-	15,516,134
U.S. government agency securities	2,391,290	-	-	-	-	2,391,290
Total	<u>\$ 17,907,424</u>	<u>\$ 238,172</u>	<u>\$ 6,409,596</u>	<u>\$ 1,271,092</u>	<u>\$ 523,168</u>	<u>\$ 26,349,452</u>

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

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

	Total	Less Insured Amounts	Amount Subject to Custodial Credit Risk
U.S. government agency securities	<u>\$ 2,391,290</u>	<u>\$ 500,000</u>	<u>\$ 1,891,290</u>

B. Receivables

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

	Property Taxes		
	Taxes	Interest and lien fees	Total
Current portion	<u>\$ 638,244</u>	<u>\$ 232,253</u>	<u>\$ 870,497</u>
Long-term portion	\$ 374,841	\$ 10,932	\$ 385,773
Less allowance for uncollectibles	<u>(100,500)</u>	<u>(36,500)</u>	<u>(137,000)</u>
Net long-term portion	<u>\$ 274,341</u>	<u>\$ (25,568)</u>	<u>\$ 248,773</u>

Town of Monroe, Connecticut

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

C. Interfund accounts

1. Interfund payables and receivables

A summary of interfund balances is as follows:

	Corresponding Fund	Due From	Due To
General Fund			
Capital Reserve Fund	N/A	\$ 170,206	\$ 988,705
Other Governmental Funds	N/A	466,130	4,668,790
Internal Service Funds	N/A	754,868	408,233
Fiduciary Funds	N/A	-	356,474
Total General Fund		<u>1,391,204</u>	<u>6,422,202</u>
Capital Reserve Fund			
General Fund	N/A	<u>988,705</u>	<u>170,206</u>
Other Governmental Funds			
Special Revenue Funds			
Library grants	General Fund	8,361	-
Education grants	General Fund	6,549	-
Education programs	General Fund	366,868	-
Police grants	General Fund	5,178	-
Police private duty	General Fund	880,425	-
Recreation programs	General Fund	270,392	-
Senior center grant and program	General Fund	82,585	-
Town grants and programs	General Fund	306,585	30,943
Town road grants	General Fund	1,824,652	-
Waste disposal	General Fund	101,619	-
Wheeler library	General Fund	-	276,365
WMNR radio station	General Fund	-	193
Total Special Revenue Funds		<u>3,853,214</u>	<u>307,501</u>
Capital Projects			
Plan of conservation and development	General Fund	80,331	-
Local capital improvements	General Fund	191,243	-
Education bonded projects	General Fund	67,816	-
Road construction and reconstruction	General Fund	223,169	-
Police department renovation	General Fund	104,771	-
Education reserve	General Fund	90,650	-
Reconstruction of Pepper Street	General Fund	-	158,629
Total Capital Projects		<u>757,980</u>	<u>158,629</u>
Permanent Fund			
Cornelia Rogers		<u>57,596</u>	<u>-</u>
Total Other Governmental Funds		<u>4,668,790</u>	<u>466,130</u>

Town of Monroe, Connecticut

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

C. Interfund accounts (continued)

	<u>Corresponding Fund</u>	<u>Due From</u>	<u>Due To</u>
Internal Service Funds			
Board of Education medical and dental	General Fund	-	754,868
Heart and hypertension	General Fund	<u>408,233</u>	<u>-</u>
Total Internal Service Funds		<u>408,233</u>	<u>754,868</u>
Fiduciary Funds			
Board of Education Pension plan	General Fund	<u>356,474</u>	<u>-</u>
Total		<u><u>\$7,813,406</u></u>	<u><u>\$7,813,406</u></u>

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

2. Interfund transfers

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

	<u>Corresponding Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund			
Capital Reserve Fund	N/A	\$ -	\$ 615,000
Other Governmental Funds	N/A	<u>39,822</u>	<u>-</u>
Total General Fund		<u>39,822</u>	<u>615,000</u>
Capital Reserve Fund	General Fund	<u>615,000</u>	<u>-</u>
Other Governmental Funds			
Special Revenue Funds			
Education grants	Education capital reserve	505,000	-
Senior center grant and program	General Fund	-	15,038
Town grants and programs	General Fund	<u>-</u>	<u>24,784</u>
Total Special Revenue Funds		<u>505,000</u>	<u>39,822</u>
Capital Project Funds			
Education capital reserve	Education grants	<u>-</u>	<u>505,000</u>
Total Other Governmental Funds		<u>505,000</u>	<u>544,822</u>
Total		<u><u>\$ 1,159,822</u></u>	<u><u>\$ 1,159,822</u></u>

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

Town of Monroe, Connecticut

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

Capital asset activity for the fiscal year was as follows:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Capital Assets, Not Being Depreciated:				
Land	\$ 14,664,016	\$ -	\$ -	\$ 14,664,016
Construction in progress	<u>1,433,797</u>	<u>457,708</u>	<u>187,764</u>	<u>1,703,741</u>
Total Capital Assets, Not Being Depreciated	<u>16,097,813</u>	<u>457,708</u>	<u>187,764</u>	<u>16,367,757</u>
Capital Assets, Being Depreciated:				
Land improvements	5,120,963	-	-	5,120,963
Buildings and systems	106,964,177	30,818	-	106,994,995
Machinery and equipment	8,199,748	445,066	-	8,644,814
Vehicles	13,277,459	2,784,571	608,902	15,453,128
Infrastructure	<u>72,265,747</u>	<u>1,078,252</u>	<u>-</u>	<u>73,343,999</u>
Total Capital Assets, Being Depreciated	<u>205,828,094</u>	<u>4,338,707</u>	<u>608,902</u>	<u>209,557,899</u>
Total Capital Assets	<u>221,925,907</u>	<u>4,796,415</u>	<u>796,666</u>	<u>225,925,656</u>
Less Accumulated Depreciation For:				
Land improvements	1,644,454	319,032	-	1,963,486
Buildings and systems	55,175,577	2,719,019	-	57,894,596
Machinery and equipment	6,634,019	292,473	-	6,926,492
Vehicles	7,791,375	916,682	608,902	8,099,155
Infrastructure	<u>58,663,912</u>	<u>964,286</u>	<u>-</u>	<u>59,628,198</u>
Total Accumulated Depreciation	<u>129,909,337</u>	<u>5,211,492</u>	<u>608,902</u>	<u>134,511,927</u>
Total Capital Assets, Being Depreciated, Net	<u>75,918,757</u>	<u>(872,785)</u>	<u>-</u>	<u>75,045,972</u>
Capital Assets, Net	<u>\$ 92,016,570</u>	<u>\$ (415,077)</u>	<u>\$ 187,764</u>	<u>\$ 91,413,729</u>

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

General government	\$ 100,613
Public safety	915,390
Public works	1,266,355
Culture and recreation	393,572
Education	<u>2,535,562</u>
Total depreciation expense	<u>\$ 5,211,492</u>

Town of Monroe, Connecticut

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

E. Changes in long-term obligations

1. Summary of changes

Description	Original Amount	Year of Issue	Date of Maturity	Interest Rate	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019	Current Portion	Long-Term Portion
Bonds:										
General purpose:										
Refunding bonds	\$ 5,511,000	2009	05/01/22	2-5%	\$ 1,331,000	\$ -	\$ 366,000	\$ 965,000	\$ 365,000	\$ 600,000
Refunding bonds	3,930,000	2012	12/15/23	2-3%	1,803,000	-	499,000	1,304,000	269,000	1,035,000
General obligation (taxable)	75,000	2012	05/15/22	2.375-3.5%	40,000	-	10,000	30,000	10,000	20,000
General obligation	1,690,000	2014	06/15/22	2-4%	500,000	-	125,000	375,000	125,000	250,000
General obligation	3,270,000	2015	04/15/30	2-3%	2,790,000	-	235,000	2,555,000	235,000	2,320,000
General obligation	810,000	2016	07/01/26	1.5-4%	640,000	-	-	640,000	80,000	560,000
Refunding bonds	6,490,000	2016	09/15/28	2-4%	5,835,000	-	625,000	5,210,000	685,000	4,525,000
General obligation	5,435,000	2018	06/15/28	3-5%	5,435,000	-	545,000	4,890,000	545,000	4,345,000
Refunding bonds	2,958,000	2018	04/01/26	3-5%	2,958,000	-	363,000	2,595,000	330,000	2,265,000
Total general purpose					21,332,000	-	2,768,000	18,564,000	2,644,000	15,920,000
School bonds:										
Refunding bonds	13,464,000	2009	05/01/24	2-5%	4,884,000	-	999,000	3,885,000	1,010,000	2,875,000
Refunding bonds	4,855,000	2012	12/15/23	2-3%	537,000	-	146,000	391,000	81,000	310,000
General obligation (taxable)	385,000	2012	05/15/22	2.375-3.5%	170,000	-	40,000	130,000	40,000	90,000
General obligation	1,585,000	2014	06/15/22	2-4%	460,000	-	115,000	345,000	115,000	230,000
General obligation	2,950,000	2015	04/15/30	2-3%	2,520,000	-	210,000	2,310,000	210,000	2,100,000
General obligation	1,800,000	2016	07/01/26	1.5-4%	1,440,000	-	-	1,440,000	180,000	1,260,000
Refunding bonds	730,000	2016	09/15/28	2-4%	720,000	-	-	720,000	-	720,000
General obligation	2,650,000	2018	06/15/28	3-5%	2,650,000	-	265,000	2,385,000	265,000	2,120,000
Refunding bonds	4,082,000	2018	04/01/26	3-5%	4,082,000	-	502,000	3,580,000	455,000	3,125,000
Total school bonds					17,463,000	-	2,277,000	15,186,000	2,356,000	12,830,000
Total bonds					38,795,000	-	5,045,000	33,750,000	5,000,000	28,750,000
Premium					2,823,452	-	377,722	2,445,730	-	2,445,730
Energy financing notes	2,747,787	2013	06/26/23	1.82%	1,439,951	-	276,999	1,162,952	282,386	880,566
Total bonds/notes and related liabilities					43,058,403	-	5,699,721	37,358,682	5,282,386	32,076,296
Compensated absences					2,156,454	506,812	639,423	2,023,843	505,961	1,517,882
Special termination benefits					6,899,079	428,120	971,310	6,355,889	1,081,618	5,274,271
Heart and hypertension					255,662	121,152	64,578	312,236	47,576	264,660
Net pension liability					6,003,263	4,647,526	3,098,049	7,552,740	-	7,552,740
Net OPEB liability					11,817,954	2,180,330	1,318,998	12,679,286	-	12,679,286
Total long-term obligations					\$ 70,190,815	\$ 7,883,940	\$ 11,792,079	\$ 66,282,676	\$ 6,917,541	\$ 59,365,135

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

On December 3, 2019, the Town issued \$8,855,000 of new and refunding general obligation bonds. On January 16, 2020, the Town issued \$3,815,000 of refunding general obligation bonds. These bonds mature through 2030 and carry interest rates of 4.0 – 5.0%.

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019**E. Changes in long-term obligations (continued)**

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

Year Ended June 30,	Bond Principal	Note Principal	Total Interest
2020	\$ 5,000,000	\$ 282,386	\$ 1,182,995
2021	5,005,000	287,880	992,455
2022	4,880,000	293,484	790,384
2023	4,085,000	299,202	595,217
2024	4,135,000	-	433,098
2025	3,405,000	-	299,445
2026	2,675,000	-	198,270
2027	2,045,000	-	120,870
2028	1,440,000	-	69,270
2029	640,000	-	26,820
2030	440,000	-	11,880
Total	<u>\$ 33,750,000</u>	<u>\$ 1,162,952</u>	<u>\$ 4,720,704</u>

2. Statutory debt limitations

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

Category	Debit Limit	Net Indebtedness	Balance
General purpose	\$ 172,947,348	\$ 18,564,000	\$ 154,383,348
Schools	345,894,696	15,186,000	330,708,696
Sewer	288,245,580	-	288,245,580
Urban renewal	249,812,836	-	249,812,836
Pension deficit	230,596,464	-	230,596,464

The total overall statutory debt limit for the Town is equal to seven times annual receipts from prior year taxation, \$538,058,416.

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019**E. Changes in long-term obligations (continued)****3. Authorized/unissued bonds**

The amount of authorized, unissued bonds are as follows:

Police department facility, phase I	\$ 13,000
Schools carpet/asbestos and pool filter	113,920
Masuk High School renovation	157,546
Edith Wheeler Memorial Library	165,000
Pepper Street improvements	5,050,000
DPW dump truck 2018	1,000
Road construction and reconstruction phase 6	1,018,000
Town Hall campus safety and security project	200,000
EMS facility project phase 1	180,000
Vehicle replacement plan and purchase DPW	918,000
Refunding	<u>5,000,000</u>
Totals	<u>\$ 12,816,466</u>

In addition, the Town authorized an increase in refunding bonds to \$12,000,000 subsequent to year end, on October 28, 2019.

4. Special termination benefits

Board of Education special termination benefits 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 special termination benefits is reflected in the government-wide financial statements.

Town of Monroe, Connecticut

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

Fund balances are composed of the following:

Fund Balance Component	General Fund	Capital Reserve Fund	Other Governmental Funds	Total
Nonspendable:				
General government	\$ -	\$ -	\$ 2,250	\$ 2,250
Restricted:				
General government	-	-	306,561	306,561
Small cities	-	-	63,172	63,172
Town clerk fees	-	-	101,365	101,365
Public safety	-	-	64,364	64,364
Senior center	371,072	-	-	371,072
Library	-	-	105,178	105,178
Education	-	-	45,038	45,038
Total restricted	<u>371,072</u>	<u>-</u>	<u>685,678</u>	<u>1,056,750</u>
Committed:				
Public works	-	-	1,813,733	1,813,733
Capital projects	-	462,542	558,555	1,021,097
Total committed	<u>-</u>	<u>462,542</u>	<u>2,372,288</u>	<u>2,834,830</u>
Assigned:				
Subsequent year's budget	2,360,000	-	-	2,360,000
General government	-	-	101,519	101,519
Public safety	-	-	1,015,850	1,015,850
Public works	-	-	146,762	146,762
Culture and recreation	-	-	629,266	629,266
Education	500,000	-	436,124	936,124
Capital projects	188,960	19,497	80,331	288,788
Other purposes	105,816	-	-	105,816
Total assigned	<u>3,154,776</u>	<u>19,497</u>	<u>2,409,852</u>	<u>5,584,125</u>
Unassigned	<u>13,277,694</u>	<u>-</u>	<u>(195,426)</u>	<u>13,082,268</u>
Total	<u>\$16,803,542</u>	<u>\$ 482,039</u>	<u>\$5,274,642</u>	<u>\$22,560,223</u>

The amount of restricted net position, which was restricted by enabling legislation, totaled \$33,283.

G. Deficit fund balances

The Town had a deficit fund balance in the Reconstruction of Pepper Street Fund of \$195,426. The deficit will be eliminated by future grant revenues and general fund transfers.

Town of Monroe, Connecticut

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

IV. Other information

A. Risk management

The Town is exposed to various risks of loss including torts, theft of, damage to and destruction of assets; errors or omissions; injuries to employees and natural disasters. Generally, the Town obtains commercial insurance for these risks, but has chosen to retain limited risks for Board of Education employee medical and prescriptions claims. The Town contracts with outside organizations to pay claims and provide administrative services. Additionally, insurance coverage has been purchased to limit the Town's liability for medical claims. 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. Settled claims have not exceeded commercial coverage in any of the past three years, and there has not been any significant reductions in insurance coverage from amounts held in prior years.

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

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

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

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

Town of Monroe, Connecticut

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

A. Risk management (continued)

The Town utilizes a risk management fund (the Internal Service Fund) to account for and finance its uninsured risks of loss for Board of Education medical and dental claims. The fund records all claim expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. All Town departments and agencies are charged premiums by the Internal Service Fund, which are included in department expenditures, to cover the estimated cost of claims payment based on historical cost estimates of the amounts needed to pay prior and current year claims. Claims liabilities include an estimate of claims incurred but not reported and are the Town's best estimate based on available information.

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

	Claims Payable July 1	Current Year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30	Current Portion	Long-Term Portion
<u>Board of Education Medical and Dental</u>						
2017-2018	\$ 419,595	\$ 8,082,962	\$ 7,683,095	\$ 819,462	\$ 819,462	\$ -
2018-2019	819,462	9,285,807	9,229,286	875,983	875,983	-
<u>Heart and Hypertension</u>						
2017-2018	321,964	905	67,207	255,662	47,130	208,532
2018-2019	255,662	176,427	119,853	312,236	47,576	264,660

B. Commitments and litigation

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

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

Town of Monroe, Connecticut

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

V. Pensions and other post-employment benefit plans

A. Pension plans

1. Plan description

a. Plan administration

The Town is the administrator of a single employer public employee retirement system (“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 administered by the Pension Committee (“Committee”) which is a subcommittee of the Town Council.

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

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

b. Plan membership

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

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

Town of Monroe, Connecticut

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

A. Pension plans (continued)

2. Benefit provisions

	Town Employees	Board of Education Employees
Normal retirement	Age 65	Age 65
Service requirement	5 years	5 years
Benefit calculation	Highway employees: 1.625% of final average compensation per year of service to a maximum of 35 years Clerical and non-union: 1.75% of final average compensation per year of service to a maximum of 35 years. Supplemental benefit for employees hired prior to July 1, 2015 of \$200 per month payable for the life of retiree. Supervisors: 1.75% of final average compensation per year of service to a maximum of 35 years	1.75% of final average compensation per year of service to a maximum of 35 years
Final average compensation	Average annual rate of pay earned during the highest 5 consecutive years out of the last 10 years	Average annual rate of pay earned during the highest 5 consecutive years out of the last 10 years
Early retirement age	55	55
Early retirement service requirement	15 years	15 years
Early retirement amount	Normal accrued benefit, reduced by 0.6% for the first 60 months and 0.3% for the remaining number of months before age 65	Normal accrued benefit, reduced by 0.6% for the first 60 months and 0.3% for the remaining number of months before age 65
Vesting - Age	None	None
Vesting - Service	5 years	5 years
Vesting - Amount	100% of accrued benefit	100% of accrued benefit
Pre-retirement death benefit amount	100% of employee benefit who is eligible for normal or early retirement and married for 12 months	100% of employee benefit who is eligible for normal or early retirement and married for 12 months
Post-retirement death benefit amount	Lump sum: 100% of contributions plus interest made by the employee, less total benefits paid	Lump sum: 100% of contributions plus interest made by the employee, less total benefits paid
Cost of living increases	None	None

3. Contributions

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

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

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

Town of Monroe, Connecticut

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

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

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

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

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

b. Concentrations

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

c. Rate of return

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

Town of Monroe, Connecticut

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

A. Pension plans (continued)

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

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

d. Annual money-weighted rate of return

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

	<u>Town</u>	<u>Board of Education</u>
Rate of return	5.59%	5.86%

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

5. Net pension liability

The components of the net pension liability were as follows:

	<u>Town</u>	<u>Board of Education</u>
Total pension liability	\$ 13,264,918	\$ 14,094,088
Plan fiduciary net position	<u>12,649,427</u>	<u>12,584,477</u>
Net pension liability	<u>\$ 615,491</u>	<u>\$ 1,509,611</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>95.36%</u>	<u>89.29%</u>

Town of Monroe, Connecticut

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

A. Pension plans (continued)

6. Actuarial methods and significant assumptions

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

7. Changes from prior year

a. Changes in assumptions

The changes in assumptions was as follows:

- Inflation and payroll growth was reduced from 2.75% to 2.60% for Town and Board of Education.
- The mortality assumption was updated to better reflect anticipated experiences and was based on the Projection Scale MP-2018 from the Projection Scale MP-2016 since the prior measurement date.

b. Changes in benefit terms

There were no benefit changes during the year.

8. Discount rate

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

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

Town of Monroe, Connecticut

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

A. Pension plans (continued)

9. Changes in the net pension liability

The Town's net pension liability was measured at June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The changes in net pension liability were as follows:

Town Employees'	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2018	\$ 12,944,301	\$12,028,521	\$ 915,780
Service cost	347,759	-	347,759
Interest	879,883	-	879,883
Differences between expected and actual experience	(250,060)	-	(250,060)
Changes in assumptions	(134,918)	-	(134,918)
Contributions - employer	-	360,192	(360,192)
Contributions - member	-	143,319	(143,319)
Net investment income (loss)	-	669,078	(669,078)
Benefit payments, including refunds of member contributions	(522,047)	(522,047)	-
Administration expenses	-	(29,636)	29,636
Net change	320,617	620,906	(300,289)
Balance at June 30, 2019	\$13,264,918	\$12,649,427	\$ 615,491

Education Employees'	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2018	\$ 13,744,923	\$11,989,195	\$ 1,755,728
Service cost	390,732	-	390,732
Interest	933,269	-	933,269
Differences between expected and actual experience	(206,638)	-	(206,638)
Changes in assumptions	(139,041)	-	(139,041)
Contributions - employer	-	356,474	(356,474)
Contributions - member	-	218,017	(218,017)
Net investment income (loss)	-	642,730	(642,730)
Benefit payments, including refunds of member contributions	(629,157)	(629,157)	-
Administration expenses	-	(40,139)	40,139
Other	-	47,357	(47,357)
Net change	349,165	595,282	(246,117)
Balance at June 30, 2019	\$14,094,088	\$12,584,477	\$ 1,509,611

Town of Monroe, Connecticut

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

A. Pension plans (continued)

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

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

<u>Net Pension Liability</u>	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Town Employees	<u>\$ 2,106,342</u>	<u>\$ 615,491</u>	<u>\$ (660,208)</u>
Board of Education Employees	<u>\$ 3,210,180</u>	<u>\$ 1,509,611</u>	<u>\$ 67,065</u>

11. Pension expense and deferred outflows and inflows of resources

The Town recognized pension expense of \$331,772 for the Town Employees' and \$279,713 for the Education Employees'.

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

<u>Town Employees'</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,031	\$ (252,969)
Changes in assumptions	43,497	(403,861)
Net difference between projected and actual earnings on pension plan investments	<u>122,726</u>	<u>-</u>
Total amount of deferred outflows/ inflows	<u>\$ 172,254</u>	<u>\$ (656,830)</u>
Net amount of deferred inflows and outflows		<u>\$ (484,576)</u>

Town of Monroe, Connecticut

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

A. Pension plans (continued)

<u>Education Employees'</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,829	\$ (403,146)
Changes in assumptions	130,271	(487,033)
Net difference between projected and actual earnings on pension plan investments	<u>139,464</u>	<u>-</u>
Total amount of deferred outflows/ inflows	<u>\$ 273,564</u>	<u>\$ (890,179)</u>
Net amount of deferred inflows and outflows		<u>\$ (616,615)</u>

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

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

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

<u>Year Ending June 30,</u>	<u>Town</u>	<u>Board of Education</u>
2020	\$ (89,090)	\$ (123,129)
2021	(272,557)	(246,361)
2022	(100,963)	(174,654)
2023	(21,966)	(30,017)
2024	<u>-</u>	<u>(42,454)</u>
Total	<u>\$ (484,576)</u>	<u>\$ (616,615)</u>

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019**B. Connecticut Municipal Employees' Retirement System****1. Plan description**

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

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

The plan has 4 sub plans as follows:

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

2. 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
As of and for the Year Ended June 30, 2019**B. 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.

Pre-Retirement Death Benefit: The plan also offers a lump-sum return of contributions with interest if vested and married, the surviving spouse will receive a lifetime benefit.

3. ContributionsEmployer

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.

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

The Town reported \$5,427,638 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The Town's proportionate share of the net pension liability was based upon the Town's 2018 actuarial (expected) payroll relative to the payroll of all the participating employers as of that date. The Police's proportional share was 7.988970% for the police officers and firefighters with social security 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.

Town of Monroe, Connecticut

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

B. Connecticut Municipal Employees' Retirement System (Continued)

For the fiscal year, the Town recognized pension expense of \$377,877. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 389,880	\$ -
Change in assumptions	2,149,717	-
Change in proportional share	18,360	(233,668)
Difference between expected and actual experience	151,713	(603,344)
Town contributions subsequent to measurement date	<u>613,811</u>	<u>-</u>
Total	<u>\$ 3,323,481</u>	<u>\$ (837,012)</u>
Net amount of deferred inflow and outflow excluding Town contributions subsequent to measurement date		<u>\$ 1,872,658</u>

The \$613,811 amount reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

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

Year Ending June 30,	
2020	\$ 681,415
2021	525,493
2022	272,457
2023	<u>393,293</u>
Total	<u>\$ 1,872,658</u>

Town of Monroe, Connecticut

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

B. Connecticut Municipal Employees' Retirement System (Continued)

5. Actuarial assumptions

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

Inflation	2.50%
Salary increases	3.50-10.00%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees and the RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected 2022 with Scale BB for Police and Fire. For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

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

Long-term expected rate of return

The long-term expected rate of return on pension plan investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. 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	Allocation	Long-Term Target Expected Real Rate of Return
Domestic equity	20.0%	5.3%
Developed market international	11.0%	5.1%
Emerging market international	9.0%	7.4%
Core fixed income	16.0%	1.6%
Inflation linked bond	5.0%	1.3%
Emerging market debt	5.0%	2.9%
High yield bond	6.0%	3.4%
Real estate	10.0%	4.7%
Private equity	10.0%	7.3%
Alternative investments	7.0%	3.2%
Liquidity fund	1.0%	0.9%
Total	100.0%	

Town of Monroe, Connecticut

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

B. Connecticut Municipal Employees' Retirement System (Continued)

6. Discount rate

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

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

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

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
Town's proportional share of the net pension liability	<u>\$ 8,979,687</u>	<u>\$ 5,427,638</u>	<u>\$ 3,567,050</u>

8. Plan fiduciary net position

Detailed information about the MERS plan's fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2018.

9. Payable to the pension plan

The Town had \$0 of accounts payable to the MERS plan at year end.

The Town has no installment payable for prior service cost due to the plan.

C. Connecticut State Teachers' Retirement System

1. Plan description

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019**C. Connecticut State Teachers' Retirement System (continued)****2. Benefit provisions**

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

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

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

Disability Retirement: Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of annual average salary.

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

3. Contributions**State of Connecticut**

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

Employer (School Districts)

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

Employees

Effective January 1, 2018, each teacher is required to contribute 7% of their salary for the pension benefit.

Town of Monroe, Connecticut

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

C. Connecticut State Teachers' Retirement System (continued)

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

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

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>88,521,118</u>
Total	<u>\$ 88,521,118</u>

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

During the year the Town recognized pension expense and revenue of \$8,555,369 for on-behalf amounts for contributions to the plan by the State.

5. Actuarial assumptions

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

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

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

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

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

Town of Monroe, Connecticut

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

C. Connecticut State Teachers' Retirement System (continued)

The long-term expected rate of return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic 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	21.0%	5.8%
Developed non-U.S. equities	18.0%	6.6%
Emerging markets (non-U.S.)	9.0%	8.3%
Real estate	7.0%	5.1%
Private equity	11.0%	7.6%
Alternative investments	8.0%	4.1%
Core fixed income	7.0%	1.3%
High yield bonds	5.0%	3.9%
Emerging market bond	5.0%	3.7%
Inflation linked bond fund	3.0%	1.0%
Cash	6.0%	0.4%
Total	<u>100.0%</u>	

6. Discount rate

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

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

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

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2018.

Town of Monroe, Connecticut

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

D. Other Post-Employment Benefit Plan

1. Plan description

a. Plan administration

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

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

b. Plan membership

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

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

2. Benefit provisions

Police

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

Education

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

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

Town of Monroe, Connecticut

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

D. Other Post-Employment Benefit Plan (continued)**3. Contributions****Police**

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

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

Education

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

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

4. Investments**a. Investment policy**

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

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

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019**D. Other Post-Employment Benefit Plan (continued)****b. Concentrations**

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

c. Rate of return

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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Core Fixed Income	1.50%
Global Fixed income	2.00%
Large Cap Domestic Equity	4.85%
Small Cap Domestic Equity	5.00%
Developed International Equity	5.25%
Emerging International Equity	6.50%
Global REIT	4.25%
Commodities	2.25%
Long-Term Expected Nominal Return	6.75%

- d. The annual money-weighted rate of return on Police OPEB plan investments, net of investment expense, was 6.81%.

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

Town of Monroe, Connecticut

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

D. Other Post-Employment Benefit Plan (continued)

5. Net OPEB liability

The components of the net OPEB liability were measured as of June 30, 2019 and were as follows:

	Police	Board of Education
Total OPEB liability	\$ 2,151,691	\$ 11,532,324
Plan fiduciary net position	1,004,729	-
Net OPEB liability	<u>\$ 1,146,962</u>	<u>\$ 11,532,324</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>46.69%</u>	<u>0.00%</u>

6. Actuarial methods and significant assumptions:

	Police	Board of Education
Valuation date	July 1, 2018	July 1, 2018
Investment Rate of Return	6.50%	3.51%
Healthcare Cost Trend Rate		
Initial	7.00%	7.00%
Ultimate	4.00%	4.60%
Compensation Increases	3.50%	3.50%
Inflation	2.50%	2.60%
Cost of Living Adjustments	none	none
Mortality rates	RP-2014 Adjusted to 2006 Blue Collar Mortality Table projected to valuation date with Scale MP-2018	RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2018

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

Town of Monroe, Connecticut

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

D. Other Post-Employment Benefit Plan (continued)

7. Changes from prior year

a. Changes in assumptions

The Board of Education's plan had the following changes in assumptions:

- The interest rate decreased from 3.87% to 3.51 %.
- Rate of compensation increased from 3.50% to 3.75%.
- Inflation increased from 2.50% to 2.60%.
- Mortality tables were updated from the scale MP-2016 to MP-2018.
- The healthcare cost trend rates changed from
 - an initial rate of 7.50% to 7.00%
 - an ultimate rate of 4.50% to 4.60%

The Police's plan had the following changes in assumptions:

- The interest rate decreased from 6.75% to 6.50%.
- Rate of compensation decreased from 3.75% to 3.50%.
- Inflation decreased from 2.75% to 2.50%.
- Mortality tables were updated from the scale MP-2016 to MP-2018
- The healthcare cost trend rates changed from
 - an initial rate of 7.75% to 7.00%
 - an ultimate rate of 4.75% to 4.00%

b. Changes in benefit terms

There were no changes in benefit terms.

8. Discount rate

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

	<u>Police</u>	<u>Board of Education</u>
Discount rate	6.50%	3.51%

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the 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.

Town of Monroe, Connecticut

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

D. Other Post-Employment Benefit Plan (continued)

9. Changes in the net OPEB liability

The Town's OPEB liabilities were measured at June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2018.

Police OPEB Plan	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2018	\$ 2,376,153	\$ 695,238	\$ 1,680,915
Service cost	141,451	-	141,451
Interest	167,658	-	167,658
Differences between expected and actual experience	(394,118)	-	(394,118)
Changes in assumptions	(70,766)	-	(70,766)
Contributions - employer	-	256,555	(256,555)
Contributions - member	-	83,915	(83,915)
Net investment income	-	49,708	(49,708)
Benefit payments, including refunds of member contributions	(68,687)	(68,687)	-
Administrative expenses	-	(12,000)	12,000
Net change	(224,462)	309,491	(533,953)
Balance at June 30, 2019	\$ 2,151,691	\$ 1,004,729	\$ 1,146,962
Board of Education OPEB Plan	Total OPEB Liability		
Balance at July 1, 2018	\$10,137,039		
Service cost	325,702		
Interest	395,786		
Differences between expected and actual experience	742,226		
Changes in assumptions	407,507		
Benefit payments, including refunds of member contributions	(475,936)		
Net change	1,395,285		
Balance at June 30, 2019	\$11,532,324		

Town of Monroe, Connecticut

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

D. Other Post-Employment Benefit Plan (continued)

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

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

	1% Decrease (5.50%)	Current (6.50%)	1% Increase (7.50)%
OPEB Liability			
Police Plan (net)	\$ 1,356,963	\$ 1,146,962	\$ 959,050
	1% Decrease (2.51%)	Current (3.51%)	1% Increase (4.51%)
Board of Education Plan (total)	\$12,781,086	\$ 11,532,324	\$10,448,977

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

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

	Healthcare Cost Trend Rates		
	1% Decrease	Current trend rate	1% Increase
OPEB Liability			
Police Plan (net)	\$ 881,579	\$ 1,146,962	\$ 1,462,400
Board of Education Plan (total)	\$10,448,977	\$ 11,532,324	\$12,781,086

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

For the fiscal year, the Town recognized OPEB expense of \$151,580 for Police employees' and \$729,244 for Board of Education. The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (394,940)
Changes in assumptions	-	(65,445)
Net difference between projected and actual earnings on OPEB plan investments	24,010	-
Total	\$ 24,010	\$ (460,385)
Net amount of deferred inflows and outflows		\$ (436,375)

Town of Monroe, Connecticut

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

D. Other Post-Employment Benefit Plan (continued)

Board of Education Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 680,885	\$ (18,791)
Changes in assumptions	<u>373,829</u>	<u>(265,280)</u>
Total	<u>\$ 1,054,714</u>	<u>\$ (284,071)</u>
Net amount of deferred inflows and outflows		<u>\$ 770,643</u>

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

Plan	Years
Police	13.3
Board of Education	12.1

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

Year Ending June 30,	Police	Board of Education
2020	\$ (23,616)	\$ 68,716
2021	(30,059)	68,716
2022	(36,504)	68,716
2023	(36,503)	68,716
2024	(37,673)	68,716
Thereafter	<u>(272,020)</u>	<u>427,063</u>
Total	<u>\$(436,375)</u>	<u>\$ 770,643</u>

Town of Monroe, Connecticut

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

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

1. Plan description

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

2. Benefit provisions

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

- **Normal Retirement:** Eligibility - Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.
- **Early Retirement:** Eligibility - 25 years of Credited Service including 20 years of Connecticut service, or age 55 with 20 years of Credited Service including 15 years of Connecticut service.
- **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
As of and for the Year Ended June 30, 2019**

E. Connecticut State Teachers' Retirement Board Retiree Health Insurance 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).

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

Survivor health care coverage

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

3. Contributions

State of Connecticut

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

Employer (School Districts)

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

Employees

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

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

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

Town of Monroe, Connecticut

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

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

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>17,695,969</u>
Total	<u>\$ 17,695,969</u>

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

The Town recognized OPEB expense and revenue of \$237,366 for on-behalf amounts for contributions to the plan by the State.

5. Actuarial assumptions

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

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

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

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

Changes in assumptions and inputs

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

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

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2019**E. Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan (continued)****Long-term expected rate of return**

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

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

Affordable Care Act (ACA)

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

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

6. Discount rate

The discount rate used to measure the total OPEB liability was 3.87%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

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

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

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2018.

Town of Monroe, Connecticut

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

F. Plan Statements

Combining Statement of Fiduciary Net Position
Pension and OPEB Trust Funds
June 30, 2019

	<u>Monroe Retirement Income Plan</u>		Police Other Post- Retirement Benefits	Total Pension and OPEB Trust Funds
	Town Employees	Board of Education Employees		
<u>Assets</u>				
Investments:				
Mutual funds:				
Equity	\$ 8,355,531	\$ 8,069,522	\$ 562,869	\$ 16,987,922
Bond	3,943,620	3,737,068	238,172	7,918,860
Commodities	246,482	276,686	-	523,168
Bank money market	103,794	144,727	203,688	452,209
Total investments	12,649,427	12,228,003	1,004,729	25,882,159
Due from other funds	-	356,474	-	356,474
Total assets	12,649,427	12,584,477	1,004,729	26,238,633
<u>Net Position</u>				
Restricted for:				
Pensions	12,649,427	12,584,477	-	25,233,904
OPEB	-	-	1,004,729	1,004,729
Total net position	\$ 12,649,427	\$ 12,584,477	\$ 1,004,729	\$ 26,238,633

Town of Monroe, Connecticut

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

F. Plan Statements (continued)

Combining Statement of Changes in Fiduciary Net Position
Pension and OPEB Trust Funds
For the Year Ended June 30, 2019

	<u>Monroe Retirement Income Plan</u>			Total Pension and OPEB Trust Funds
	<u>Town Employees</u>	<u>Board of Education Employees</u>	<u>Police Other Post- Retirement Benefits</u>	
Additions:				
Contributions:				
Employer	\$ 360,192	\$ 356,474	\$ 256,555	\$ 973,221
Employee	143,319	218,017	83,915	445,251
Other	-	47,357	-	47,357
Total contributions	<u>503,511</u>	<u>621,848</u>	<u>340,470</u>	<u>1,465,829</u>
Investment income (loss):				
Net change in fair value of investments	393,446	372,090	34,179	799,715
Interest and dividends	293,906	288,686	18,819	601,411
Total investment income (loss)	<u>687,352</u>	<u>660,776</u>	<u>52,998</u>	<u>1,401,126</u>
Less investment expense	<u>18,274</u>	<u>18,046</u>	<u>3,290</u>	<u>39,610</u>
Net investment income (loss)	<u>669,078</u>	<u>642,730</u>	<u>49,708</u>	<u>1,361,516</u>
Total additions	<u>1,172,589</u>	<u>1,264,578</u>	<u>390,178</u>	<u>2,827,345</u>
Deductions:				
Benefits	522,047	629,157	68,687	1,219,891
Administration	29,636	40,139	12,000	81,775
Total deductions	<u>551,683</u>	<u>669,296</u>	<u>80,687</u>	<u>1,301,666</u>
Change in net position	620,906	595,282	309,491	1,525,679
Net position - July 1, 2018	<u>12,028,521</u>	<u>11,989,195</u>	<u>695,238</u>	<u>24,712,954</u>
Net position - June 30, 2019	<u>\$ 12,649,427</u>	<u>\$ 12,584,477</u>	<u>\$ 1,004,729</u>	<u>\$ 26,238,633</u>

**Required
Supplementary
Information**

Town of Monroe, Connecticut
Required Supplementary Information

General Fund
Schedule of Revenues, Other Financing Sources, Expenditures and Other Financing Uses
Budget and Actual
For the Year Ended June 30, 2019

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
Revenues					
Property taxes					
Tax levies	\$ 76,149,704	\$ -	\$ 76,149,704	\$ 77,037,784	\$ 888,080
Interest and lien fees	203,500	-	203,500	454,977	251,477
Total property taxes	<u>76,353,204</u>	<u>-</u>	<u>76,353,204</u>	<u>77,492,761</u>	<u>1,139,557</u>
Intergovernmental					
State and federal education grants					
Education cost sharing	4,660,000	-	4,660,000	5,687,727	1,027,727
Other					
Tax grant - disabled persons	-	-	-	1,979	1,979
Bond subsidy payments	70,682	-	70,682	-	(70,682)
Veteran exemption	9,000	-	9,000	9,087	87
Telephone access	20,000	-	20,000	32,345	12,345
Municipal stabilization revenue	367,000	-	367,000	443,723	76,723
Health grants	16,939	-	16,939	18,213	1,274
Miscellaneous grants	9,000	-	9,000	17,915	8,915
Total intergovernmental	<u>5,152,621</u>	<u>-</u>	<u>5,152,621</u>	<u>6,210,989</u>	<u>1,058,368</u>
Charges for services					
Police department permits	15,000	-	15,000	17,098	2,098
Building permits	275,000	-	275,000	226,851	(48,149)
Burning permits	1,500	-	1,500	1,750	250
Planning and zoning	36,000	-	36,000	33,785	(2,215)
Library	16,000	-	16,000	13,864	(2,136)
Refuse permits	2,000	-	2,000	2,800	800
Canine licenses	1,000	-	1,000	715	(285)
Town clerk's fees	420,000	-	420,000	448,706	28,706
Health department licenses	78,386	-	78,386	85,852	7,466
EMS revenue	544,500	-	544,500	516,452	(28,048)
Recreation department fees	169,000	-	169,000	178,685	9,685
Landfill lease	70,000	-	70,000	61,892	(8,108)
Nutrition	2,000	-	2,000	400	(1,600)
Tuition	9,000	-	9,000	16,698	7,698
Senior citizens transportation	5,000	-	5,000	2,950	(2,050)
Special police assignments	100,000	-	100,000	-	(100,000)
Inland wetland commission	14,000	-	14,000	13,524	(476)
Economic development commission	1,500	-	1,500	-	(1,500)
Total charges for services	<u>1,759,886</u>	<u>-</u>	<u>1,759,886</u>	<u>1,622,022</u>	<u>(137,864)</u>
Income from investments	<u>332,000</u>	<u>-</u>	<u>332,000</u>	<u>1,020,490</u>	<u>688,490</u>
Other	<u>75,000</u>	<u>-</u>	<u>75,000</u>	<u>41,726</u>	<u>(33,274)</u>
Total revenues	<u>83,672,711</u>	<u>-</u>	<u>83,672,711</u>	<u>86,387,988</u>	<u>2,715,277</u>
Other financing sources					
Appropriation of fund balance	1,200,000	116,424	1,316,424	-	(1,316,424)
Sale of capital assets	20,000	-	20,000	59,610	39,610
Transfers in	-	-	-	39,822	39,822
Total other financing sources	<u>1,220,000</u>	<u>116,424</u>	<u>1,336,424</u>	<u>99,432</u>	<u>(1,236,992)</u>
Total revenues and other financing sources	<u>84,892,711</u>	<u>116,424</u>	<u>85,009,135</u>	<u>86,487,420</u>	<u>1,478,285</u>

(Continued)

Town of Monroe, Connecticut
Required Supplementary Information

General Fund
Schedule of Revenues, Other Financing Sources, Expenditures and Other Financing Uses
Budget and Actual
For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Additional Appropriations and Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Expenditures					
General government					
First selectman	\$ 347,008	\$ (50,255)	\$ 296,753	\$ 296,753	\$ -
Town council	5,200	(534)	4,666	4,666	-
Board of finance	452,680	(371,366)	81,314	43,931	37,383
Registrar of voters	127,750	(12,125)	115,625	115,625	-
Town clerk	168,977	(8,008)	160,969	160,969	-
Tax collector	182,790	(2,748)	180,042	180,042	-
Town treasurer	10,839	79	10,918	10,918	-
Boards and commissions	13,515	(7,267)	6,248	6,248	-
Senior citizen	266,435	12,566	279,001	279,001	-
Economic development	26,000	(2,255)	23,745	23,745	-
Engineering	163,408	(2,286)	161,122	161,122	-
Inland wetlands commission	109,359	1,678	111,037	111,037	-
Human resources - fringe benefits	4,971,770	(82,997)	4,888,773	4,888,773	-
Finance department	329,659	4,842	334,501	334,501	-
Technology	677,412	(15,057)	662,355	662,355	-
Assessor	235,505	(2,505)	233,000	233,000	-
Building inspection department	176,263	1,542	177,805	177,805	-
Planning and zoning department	282,628	(31,250)	251,378	251,378	-
Town hall maintenance	425,652	15,515	441,167	441,167	-
Chalk Hill School expenditures	11,000	(5,688)	5,312	5,312	-
Special programs	145,828	(4,791)	141,037	141,037	-
Regional programs	48,478	-	48,478	48,478	-
Total general government	<u>9,178,156</u>	<u>(562,910)</u>	<u>8,615,246</u>	<u>8,577,863</u>	<u>37,383</u>
Public safety					
Police department	413,915	10,992	424,907	424,907	-
Police personnel	4,516,141	(83,417)	4,432,724	4,432,724	-
Police operations	457,696	(28,226)	429,470	429,470	-
Animal control	141,680	(7,631)	134,049	134,049	-
Park ranger	72,693	(77)	72,616	72,616	-
Monroe fire department	266,214	-	266,214	266,214	-
Stevenson fire department	187,448	-	187,448	187,448	-
Stepney fire department	258,232	-	258,232	258,232	-
Water distribution system	605,839	8,338	614,177	614,177	-
Fire marshal	108,169	(5,596)	102,573	102,573	-
Emergency management	13,216	(3,825)	9,391	9,391	-
Emergency medical services	884,648	(38,766)	845,882	845,882	-
Total public safety	<u>7,925,891</u>	<u>(148,208)</u>	<u>7,777,683</u>	<u>7,777,683</u>	<u>-</u>
Public works					
Public works administration	310,580	7,092	317,672	317,672	-
Highway administration	1,244,973	38,686	1,283,659	1,283,659	-
Snow removal	499,400	53,600	553,000	553,000	-
Road and building	1,098,745	(12,164)	1,086,581	1,086,581	-
Sanitation - solid waste	36,076	(20,998)	15,078	15,078	-
Sanitation - recycling	305,144	66,038	371,182	371,182	-
Total public works	<u>3,494,918</u>	<u>132,254</u>	<u>3,627,172</u>	<u>3,627,172</u>	<u>-</u>
Health and welfare					
Health department	238,485	3,142	241,627	241,627	-
Department of social services	88,169	(4,321)	83,848	83,848	-
Total health and welfare	<u>326,654</u>	<u>(1,179)</u>	<u>325,475</u>	<u>325,475</u>	<u>-</u>

(Continued)

Town of Monroe, Connecticut
Required Supplementary Information

General Fund
Schedule of Revenues, Other Financing Sources, Expenditures and Other Financing Uses
Budget and Actual
For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Additional Appropriations and Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Culture and recreation					
Library	\$ 806,912	\$ 2,267	\$ 809,179	\$ 809,179	\$ -
Recreation department	892,091	(38,383)	853,708	853,708	-
Total culture and recreation	<u>1,699,003</u>	<u>(36,116)</u>	<u>1,662,887</u>	<u>1,662,887</u>	<u>-</u>
Capital outlay					
Special projects	3,500	(1,783)	1,717	1,717	-
Debt service	<u>5,753,472</u>	<u>96,728</u>	<u>5,850,200</u>	<u>5,850,200</u>	<u>-</u>
Board of Education	<u>56,146,117</u>	<u>387,638</u>	<u>56,533,755</u>	<u>56,533,755</u>	<u>-</u>
Total expenditures	<u>84,527,711</u>	<u>(133,576)</u>	<u>84,394,135</u>	<u>84,356,752</u>	<u>37,383</u>
Other financing uses					
Transfers out	<u>365,000</u>	<u>250,000</u>	<u>615,000</u>	<u>615,000</u>	<u>-</u>
Total expenditures and other financing uses	<u>84,892,711</u>	<u>116,424</u>	<u>85,009,135</u>	<u>84,971,752</u>	<u>37,383</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses - budgetary basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,515,668</u>	<u>\$ 1,515,668</u>

Reconciliation to Exhibit D

	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis - RSI 1	\$ 86,387,988	\$ 84,356,752
State Teachers' Pension on behalf amount	8,555,369	8,555,369
State Teachers' OPEB on behalf amount	<u>237,366</u>	<u>237,366</u>
GAAP Basis - Exhibit D	<u>\$ 95,180,723</u>	<u>\$ 93,149,487</u>

(Concluded)

Town of Monroe, Connecticut

Notes to Required Supplementary Information

**Budgets and Budgetary Accounting
June 30, 2019**

The Town adheres to the following procedures in establishing the budgetary data included in the general fund financial statements. The operating budget, which is prepared by function and department, includes proposed expenditures and the means of financing. This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following

1. The Town does not budget for as revenue or expenditures payments made for the State Teachers' pension and OPEB by the Town's behalf.
2. Encumbrances are reported as expenditures for the budgetary basis of accounting.

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.

There were \$116,424 of additional appropriations made during the year.

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.

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

Town of Monroe, Connecticut
Required Supplementary Information
Town of Monroe Retirement Income Plan - Town Employees
Last Six Years (1)

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

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

Town of Monroe, Connecticut

Required Supplementary Information

Town of Monroe Retirement Income Plan - Town Employees
 Schedule of Contributions
 Last Ten Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contributions	\$ 360,192	\$ 354,017	\$ 389,752	\$ 382,281	\$ 394,666	\$ 388,045	\$ 381,679	\$ 564,832	\$ 555,705	\$ 146,417
Contributions in relation to the actuarially determined contribution	<u>360,192</u>	<u>355,000</u>	<u>390,000</u>	<u>383,000</u>	<u>391,857</u>	<u>341,866</u>	<u>301,267</u>	<u>102,101</u>	<u>106,684</u>	<u>106,684</u>
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ 983</u>	<u>\$ 248</u>	<u>\$ 719</u>	<u>\$ (2,809)</u>	<u>\$ (46,179)</u>	<u>\$ (80,412)</u>	<u>\$ (462,731)</u>	<u>\$ (449,021)</u>	<u>\$ (39,733)</u>
Covered payroll	<u>\$ 3,816,631</u>	<u>\$ 3,854,118</u>	<u>\$ 3,714,813</u>	<u>\$ 3,576,586</u>	<u>\$ 3,439,025</u>	<u>\$ 3,166,740</u>	<u>\$ 2,732,999</u>	<u>\$ 3,205,710</u>	<u>\$ 3,205,710</u>	<u>\$ 3,205,710</u>
Contributions as a percentage of covered payroll	<u>9.44%</u>	<u>9.21%</u>	<u>10.50%</u>	<u>10.71%</u>	<u>11.39%</u>	<u>10.80%</u>	<u>11.02%</u>	<u>3.18%</u>	<u>3.33%</u>	<u>3.33%</u>

Town of Monroe, Connecticut

Notes to Required Supplementary Information

Town of Monroe Retirement Income Plan - Town Employees
 Schedule of Contributions
 Last Six Years (1)

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

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

Town of Monroe, Connecticut

Required Supplementary Information

Town of Monroe Retirement Income Plan - Education Employees
Last Six Years (1)

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

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

Town of Monroe, Connecticut

Required Supplementary Information

Town of Monroe Retirement Income Plan - Education Employees
Schedule of Contributions
Last Ten Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contributions	\$ 356,475	\$ 350,452	\$ 385,429	\$ 376,663	\$ 356,619	\$ 349,519	\$ 357,276	\$ 348,507	\$ 304,258	\$ 295,652
Contributions in relation to the actuarially determined contribution	<u>356,474</u>	<u>350,342</u>	<u>385,429</u>	<u>367,541</u>	<u>367,541</u>	<u>349,519</u>	<u>357,276</u>	<u>357,276</u>	<u>304,258</u>	<u>295,652</u>
Contribution excess (deficiency)	<u>\$ (1)</u>	<u>\$ (110)</u>	<u>\$ -</u>	<u>\$ (9,122)</u>	<u>\$ 10,922</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,769</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 4,760,437</u>	<u>\$ 4,170,830</u>	<u>\$ 4,020,077</u>	<u>\$ 4,435,017</u>	<u>\$ 4,264,439</u>	<u>\$ 4,439,312</u>	<u>N/A</u>	<u>\$ 3,839,606</u>	<u>\$ 3,839,606</u>	<u>\$ 3,828,126</u>
Contributions as a percentage of covered payroll	<u>7.49%</u>	<u>8.40%</u>	<u>9.59%</u>	<u>8.29%</u>	<u>8.62%</u>	<u>7.87%</u>	<u>N/A</u>	<u>9.31%</u>	<u>7.92%</u>	<u>7.72%</u>

Town of Monroe, Connecticut

Notes to Required Supplementary Information

Town of Monroe Retirement Income Plan - Education Employees
 Schedule of Contributions
 Last Six Years (1)

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

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

Town of Monroe, Connecticut

Required Supplementary Information

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Schedule of Proportionate Share of the Net Pension Liability</u>					
Town's proportion of the net pension liability for the police and fire with social security sub plan	<u>7.988970%</u>	<u>8.332825%</u>	<u>8.332825%</u>	<u>8.754860%</u>	<u>8.754860%</u>
Town's proportionate share of the net pension (asset) liability	<u>\$ 5,427,638</u>	<u>\$ 3,331,755</u>	<u>\$ 3,895,673</u>	<u>\$ 2,678,744</u>	<u>\$ 2,116,810</u>
Town's covered payroll	<u>\$ 4,525,278</u>	<u>\$ 3,858,797</u>	<u>\$ 3,858,797</u>	<u>\$ 3,507,399</u>	<u>\$ 3,507,399</u>
Town's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	<u>119.94%</u>	<u>86.34%</u>	<u>100.96%</u>	<u>76.37%</u>	<u>60.35%</u>
Total plan fiduciary net position as a percentage of the total pension liability	<u>73.60%</u>	<u>91.68%</u>	<u>88.29%</u>	<u>92.75%</u>	<u>90.48%</u>
<u>Schedule of Contributions</u>					
Contractually required contribution	<u>\$ 706,224</u>	<u>\$ 645,577</u>	<u>\$ 645,577</u>	<u>\$ 633,992</u>	<u>\$ 608,354</u>
Contributions in relation to the contractually required contribution	<u>706,224</u>	<u>645,577</u>	<u>645,577</u>	<u>633,992</u>	<u>608,354</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 4,122,732</u>	<u>\$ 3,768,692</u>	<u>\$ 3,858,799</u>	<u>\$ 3,789,552</u>	<u>\$ 3,636,306</u>
Contributions as a percentage of covered payroll	<u>17.13%</u>	<u>17.13%</u>	<u>16.73%</u>	<u>16.73%</u>	<u>16.73%</u>

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

Town of Monroe, Connecticut

Notes to Required Supplementary Information
 Connecticut Municipal Employees' Retirement System
 Schedule of Contributions
 Last Five Years (1)

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

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

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

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

Schedule of Contributions

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

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

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

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

Town of Monroe, Connecticut

Notes to Required Supplementary Information

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

	2019	2018	2017	2016	2015
Changes of Benefit Terms	Beginning January 1, 2018, member contributions increased from 6% to 7% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2018	July 1, 2016	July 1, 2016	July 1, 2014	July 1, 2014
Actuarial methods and assumptions used to determine contribution rates:					
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining Amortization Period	17.6 years	20.4 years	20.4 years	21.4 years	22.4 years
Asset Valuation Method	4 year smoothed market	4 year smoothed market	4 year smoothed market	4 year smoothed market	4 year smoothed market
Inflation	2.75%	2.75%	2.75%	3.00%	3.00%
Salary Increases	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Investment Rate of Return	8.00%	8.00%	8.00%	8.00%	8.00%
Mortality	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries.	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries.

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

Town of Monroe, Connecticut

Required Supplementary Information

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

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

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

Town of Monroe, Connecticut

Required Supplementary Information

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contributions	\$ 187,868	\$ 186,574	\$ 109,498	\$ 106,000	\$ 179,057	\$ 175,750	\$ 162,881	\$ 159,926	\$ 112,070	\$ 109,531
Contributions in relation to the actuarially determined contribution	<u>256,555</u>	<u>223,631</u>	<u>189,896</u>	<u>94,479</u>	<u>27,390</u>	<u>31,212</u>	<u>46,500</u>	<u>42,515</u>	<u>45,143</u>	<u>20,631</u>
Contribution excess (deficiency)	<u>\$ 68,687</u>	<u>\$ 37,057</u>	<u>\$ 80,398</u>	<u>\$ (11,521)</u>	<u>\$ (151,667)</u>	<u>\$ (144,538)</u>	<u>\$ (116,381)</u>	<u>\$ (117,411)</u>	<u>\$ (66,927)</u>	<u>\$ (88,900)</u>
Covered payroll	<u>\$ 3,399,727</u>	<u>\$ 3,377,844</u>	<u>\$ 3,287,439</u>	<u>\$ 3,129,570</u>	<u>\$ 3,129,570</u>	<u>\$ 2,732,999</u>	<u>\$ 2,732,999</u>	<u>\$ 2,702,454</u>	<u>\$ 2,702,454</u>	<u>\$ 2,567,152</u>
Contributions as a percentage of covered payroll	<u>7.55%</u>	<u>6.62%</u>	<u>5.78%</u>	<u>3.02%</u>	<u>0.88%</u>	<u>1.14%</u>	<u>1.70%</u>	<u>1.57%</u>	<u>1.67%</u>	<u>0.80%</u>

Town of Monroe, Connecticut

Notes to Required Supplementary Information

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

	2019	2018	2017
Changes of Benefit Terms	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2016	July 1, 2016	July 1, 2014
Actuarial methods and assumptions used to determine contribution rates:			
Actuarial Cost Method	Entry age normal	Entry age normal	Projected unit credit
Amortization Method	Level percentage	Level percentage	Level dollar
Asset Valuation Method	Market value	Market value	Market value
Inflation	2.75%	2.75%	N/A
Salary Increases	3.75%	3.75%	N/A
Discount Rate	6.75%	6.75%	7.00%
Mortality Rate	RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2016	RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2016	RP-2000 Mortality Table with separate male and female rates, with no collar adjustment, separate table for non-annuitants and annuitants, projected to the valuation date with Scale BB.

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.
 N/A - Not Available

Town of Monroe, Connecticut

Required Supplementary Information

Board of Education Other Post-Employment Benefit ("OPEB") Plan
Last Two Years (1)Schedule of Changes in OPEB Liability

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

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

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

Town of Monroe, Connecticut

Required Supplementary Information

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

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

Schedule of Contributions

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

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

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

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

Town of Monroe, Connecticut

Notes to Required Supplementary Information

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

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

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

Supplemental Schedules

General Fund

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

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

Grand List Year	Uncollected Taxes July 1, 2018	Current Levy	Lawful Corrections		Transfers to Suspense	Adjusted Amount Collectible	Taxes	Collections Interest and Liens	Total	Uncollected Taxes June 30, 2019
			Additions	Deductions						
2010	\$ 4,006	\$ -	\$ -	\$ -	\$ -	\$ 4,006	\$ 4,006	\$ 5,006	\$ 9,012	\$ -
2011	8,185	-	-	-	-	8,185	8,185	10,574	18,759	-
2012	8,819	-	-	-	174	8,645	8,525	8,538	17,063	120
2013	32,906	-	-	-	267	32,639	22,372	13,436	35,808	10,267
2014	80,455	-	17,438	-	-	97,893	87,545	36,362	123,907	10,348
2015	319,210	-	2,490	2,195	94,595	224,910	211,213	80,119	291,332	13,697
2016	<u>834,822</u>	<u>-</u>	<u>5,806</u>	<u>11,154</u>	<u>-</u>	<u>829,474</u>	<u>589,555</u>	<u>136,973</u>	<u>726,528</u>	<u>239,919</u>
Total Prior Years	1,288,403	-	25,734	13,349	95,036	1,205,752	931,401	291,008	1,222,409	274,351
2017	<u>-</u>	<u>76,893,784</u>	<u>80,295</u>	<u>181,267</u>	<u>328</u>	<u>76,792,484</u>	<u>76,053,750</u>	<u>205,453</u>	<u>76,259,203</u>	<u>738,734</u>
Totals	<u>\$ 1,288,403</u>	<u>\$ 76,893,784</u>	<u>\$ 106,029</u>	<u>\$ 194,616</u>	<u>\$ 95,364</u>	<u>\$ 77,998,236</u>	<u>\$ 76,985,151</u>	<u>\$ 496,461</u>	<u>\$ 77,481,612</u>	<u>\$ 1,013,085</u>

Interest receivable	243,185
Allowance for uncollectible amounts	<u>(137,000)</u>
Taxes receivable, net	<u>\$ 1,119,270</u>

Capital Reserve Fund

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

Town of Monroe, Connecticut

Statement of Changes in Fund Balance by Project
 Capital Reserve Fund
 For the Year Ended June 30, 2019

	Beginning Fund Balance	Transfers In	Other Revenues	Current Year Expenditures	Internal Transfers	Ending Fund Balance
Committed Fund Balance						
EMS vehicle	\$ 136,100	\$ 75,000	\$ -	\$ 188,899	\$ -	\$ 22,201
Fire apparatus	1,571,252	-	-	1,522,563	-	48,689
Public works - vehicle and equipment	482,123	-	-	1,008,688	-	(526,565)
Parks and recreation - new athletic field - Wolfe Park	421,703	-	525	2,043	-	420,185
Parks and recreation - splash pad at Wolfe Park pool	178,000	-	-	-	-	178,000
Town Hall computers	22,249	-	-	-	-	22,249
MVFD facility study	30,000	-	-	7,000	-	23,000
EMS study	12,000	-	-	-	-	12,000
Fire study	23,983	-	-	11,151	-	12,832
Fire department vehicles	131,200	-	-	-	-	131,200
Parks and recreation equipment vehicles	-	-	-	-	44,000	44,000
Emergency repairs	59,863	-	-	47,951	-	11,912
MS4 project	130,000	20,000	-	62,454	-	87,546
Capital financing	(363,030)	200,000	-	7,176	-	(170,206)
Premium debt service	465,545	-	-	465,532	-	13
Municipal space report	-	100,000	-	44,000	105,000	161,000
Vehicle replacement plan	-	-	-	251,764	-	(251,764)
EMS facility	-	-	-	124,008	-	(124,008)
Fire rescue tools	-	-	-	46,347	46,347	-
Parks and recreation - headquarter's maintenance	-	-	-	15,068	15,068	-
GIS open space	-	-	-	4,664	10,000	5,336
Fire lift bag replacement	-	-	-	8,894	8,894	-
Highway garage generator	-	-	-	-	55,500	55,500
Stepney and Stevenson fire house roof	-	150,000	-	-	-	150,000
Assessors office - revaluation reserve	237,129	70,000	-	157,707	-	149,422
Total Committed	3,538,117	615,000	525	3,975,909	284,809	462,542
Assigned Fund Balance						
Assigned for unspecified projects	304,306	-	-	-	(284,809)	19,497
Total Fund Balance	\$ 3,842,423	\$ 615,000	\$ 525	\$ 3,975,909	\$ -	\$ 482,039

Other Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

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 and state 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 – The 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.

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.

Other Governmental Funds (continued)

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.

Capital Project Funds

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

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 (POCD).

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.

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.

Permanent Fund

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

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.

Town of Monroe, Connecticut

Combining Balance Sheet
Other Governmental Funds
June 30, 2019

Special Revenue Funds

	Library Grants	Wheeler Library	School Cafeteria	Education Grants	Education Programs	WMNR Radio Station	Police Grants	Police Private Duty
<u>Assets</u>								
Cash	\$ -	\$ -	\$ 131,915	\$ -	\$ -	\$ 155,811	\$ -	\$ -
Investments	-	373,247	-	-	-	207,116	-	-
Receivables:								
Accounts	-	-	-	-	80,294	9,132	-	135,425
Intergovernmental	-	-	27,713	15,335	-	-	9,589	-
Loans	-	-	-	-	-	-	-	-
Due from other funds	8,361	-	-	6,549	366,868	-	5,178	880,425
Total assets	\$ 8,361	\$ 373,247	\$ 159,628	\$ 21,884	\$ 447,162	\$ 372,059	\$ 14,767	\$ 1,015,850
<u>Liabilities</u>								
Accounts payable	\$ -	\$ 65	\$ 86,198	\$ -	\$ 4,113	\$ 5,835	\$ -	\$ -
Due to other funds	-	276,365	-	-	-	193	-	-
Unearned revenue	-	-	40,147	10,129	6,925	-	-	-
Total liabilities	-	276,430	126,345	10,129	11,038	6,028	-	-
<u>Deferred Inflows of Resources</u>								
Unavailable revenue-intergovernmental	-	-	-	-	-	-	-	-
<u>Fund Balances</u>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	8,361	96,817	33,283	11,755	-	-	14,767	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	436,124	366,031	-	1,015,850
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	8,361	96,817	33,283	11,755	436,124	366,031	14,767	1,015,850
Total liabilities, deferred inflows of resources and fund balances	\$ 8,361	\$ 373,247	\$ 159,628	\$ 21,884	\$ 447,162	\$ 372,059	\$ 14,767	\$ 1,015,850

(Continued)

Town of Monroe, Connecticut

Combining Balance Sheet
Other Governmental Funds
June 30, 2019

	Special Revenue Funds						Total Special Revenue Funds	Capital Project Funds Plan of Conservation and Development
	Recreation Programs	Senior Center Grant and Program	Town Grants and Programs	Town Road Grants	Waste Disposal	Small Cities		
<u>Assets</u>								
Cash	\$ -	\$ -	\$ 313,423	\$ -	\$ -	\$ -	\$ 601,149	\$ -
Investments	-	-	-	-	-	-	580,363	-
Receivables:								
Accounts	-	-	89,193	-	109,556	-	423,600	-
Intergovernmental	-	-	-	-	-	-	52,637	-
Loans	-	-	-	-	-	63,172	63,172	-
Due from other funds	270,392	82,585	306,585	1,824,652	101,619	-	3,853,214	80,331
Total assets	\$ 270,392	\$ 82,585	\$ 709,201	\$ 1,824,652	\$ 211,175	\$ 63,172	\$ 5,574,135	\$ 80,331
<u>Liabilities</u>								
Accounts payable	\$ 21,789	\$ 3,360	\$ 41,342	\$ 10,919	\$ 64,413	\$ -	\$ 238,034	\$ -
Due to other funds	-	-	30,943	-	-	-	307,501	-
Unearned revenue	122,502	75,311	-	-	-	-	255,014	-
Total liabilities	144,291	78,671	72,285	10,919	64,413	-	800,549	-
<u>Deferred Inflows of Resources</u>								
Unavailable revenue-intergovernmental	-	-	-	-	-	-	-	-
<u>Fund Balances</u>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	402,177	-	-	63,172	630,332	-
Committed	-	-	-	1,813,733	-	-	1,813,733	-
Assigned	126,101	3,914	234,739	-	146,762	-	2,329,521	80,331
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	126,101	3,914	636,916	1,813,733	146,762	63,172	4,773,586	80,331
Total liabilities, deferred inflows of resources and fund balances	\$ 270,392	\$ 82,585	\$ 709,201	\$ 1,824,652	\$ 211,175	\$ 63,172	\$ 5,574,135	\$ 80,331

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Town of Monroe, Connecticut

Combining Balance Sheet
Other Governmental Funds
June 30, 2019

	Capital Project Funds						Total Capital Project Funds	Permanent Fund	Total Other Governmental Funds
	Local Capital Improvements	Education Bonded Projects	Road Construction and Reconstruction	Reconstruction of Pepper Street	Police Department Renovation	Education Capital Reserve		Cornelia Rogers	
<u>Assets</u>									
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 601,149
Investments	-	-	-	-	-	-	-	-	580,363
Receivable:									
Accounts	-	-	-	-	-	-	-	-	423,600
Intergovernmental	-	-	-	10,007	-	-	10,007	-	62,644
Loans	-	-	-	-	-	-	-	-	63,172
Due from other funds	191,243	67,816	223,169	-	104,771	90,650	757,980	57,596	4,668,790
Total assets	\$ 191,243	\$ 67,816	\$ 223,169	\$ 10,007	\$ 104,771	\$ 90,650	\$ 767,987	\$ 57,596	\$ 6,399,718
<u>Liabilities</u>									
Accounts payable	\$ -	\$ -	\$ 28,565	\$ 36,797	\$ 90,529	\$ -	\$ 155,891	\$ -	\$ 393,925
Due to other funds	-	-	-	158,629	-	-	158,629	-	466,130
Unearned revenue	-	-	-	-	-	-	-	-	255,014
Total liabilities	-	-	28,565	195,426	90,529	-	314,520	-	1,115,069
<u>Deferred Inflows of Resources</u>									
Unavailable revenue-intergovernmental	-	-	-	10,007	-	-	10,007	-	10,007
<u>Fund Balances</u>									
Nonspendable	-	-	-	-	-	-	-	2,250	2,250
Restricted	-	-	-	-	-	-	-	55,346	685,678
Committed	191,243	67,816	194,604	-	14,242	90,650	558,555	-	2,372,288
Assigned	-	-	-	-	-	-	80,331	-	2,409,852
Unassigned	-	-	-	(195,426)	-	-	(195,426)	-	(195,426)
Total fund balances	191,243	67,816	194,604	(195,426)	14,242	90,650	443,460	57,596	5,274,642
Total liabilities, deferred inflows of resources and fund balances	\$ 191,243	\$ 67,816	\$ 223,169	\$ 10,007	\$ 104,771	\$ 90,650	\$ 767,987	\$ 57,596	\$ 6,399,718

(Concluded)

Town of Monroe, Connecticut

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

	Special Revenue Funds							
	Library Grants	Wheeler Library	School Cafeteria	Education Grants	Education Programs	WMNR Radio Station	Police Grants	Police Private Duty
Revenues:								
Intergovernmental	\$ 8,780	\$ -	\$ 191,738	\$ 1,675,265	\$ -	\$ -	\$ 38,021	\$ -
Charges for services	-	-	1,156,838	-	862,821	511,796	39,200	1,046,013
Contributions	-	25,000	-	-	-	194,885	-	-
Income from investments	-	4,642	-	-	-	4,499	-	-
Other	-	-	-	-	-	6,748	-	-
Total revenues	<u>8,780</u>	<u>29,642</u>	<u>1,348,576</u>	<u>1,675,265</u>	<u>862,821</u>	<u>717,928</u>	<u>77,221</u>	<u>1,046,013</u>
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	43,078	686,765
Public works	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	8,995	36,742	-	-	-	690,686	-	-
Education	-	-	1,361,120	2,180,265	959,111	-	-	-
Capital outlay	-	-	-	-	-	-	-	159,939
Total expenditures	<u>8,995</u>	<u>36,742</u>	<u>1,361,120</u>	<u>2,180,265</u>	<u>959,111</u>	<u>690,686</u>	<u>43,078</u>	<u>846,704</u>
Excess (deficiency) of revenues over expenditures	<u>(215)</u>	<u>(7,100)</u>	<u>(12,544)</u>	<u>(505,000)</u>	<u>(96,290)</u>	<u>27,242</u>	<u>34,143</u>	<u>199,309</u>
Other financing sources (uses):								
Transfers in	-	-	-	505,000	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>505,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(215)	(7,100)	(12,544)	-	(96,290)	27,242	34,143	199,309
Fund balances - July 1, 2018	<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>
Fund balances - June 30, 2019	<u>\$ 8,361</u>	<u>\$ 96,817</u>	<u>\$ 33,283</u>	<u>\$ 11,755</u>	<u>\$ 436,124</u>	<u>\$ 366,031</u>	<u>\$ 14,767</u>	<u>\$ 1,015,850</u>

(Continued)

Town of Monroe, Connecticut

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

	Special Revenue Funds						Total Special Revenue Funds	Capital Project Funds
	Recreation Programs	Senior Center Grant and Program	Town Grants and Programs	Town Road Grants	Waste Disposal	Small Cities		Plan of Conservation and Development
Revenues:								
Intergovernmental	\$ -	\$ 56,704	\$ -	\$ 530,997	\$ -	\$ 2,237	\$ 2,503,742	\$ -
Charges for services	356,604	38,137	305,789	-	595,869	-	4,913,067	-
Contributions	-	-	64,186	-	-	-	284,071	-
Income from investments	-	-	-	-	-	-	9,141	-
Other	-	1,127	-	-	-	-	7,875	-
Total revenues	<u>356,604</u>	<u>95,968</u>	<u>369,975</u>	<u>530,997</u>	<u>595,869</u>	<u>2,237</u>	<u>7,717,896</u>	<u>-</u>
Expenditures:								
Current:								
General government	-	-	37,849	-	-	6,805	44,654	-
Public safety	-	-	63,811	-	-	-	793,654	-
Public works	-	-	-	44,064	555,439	-	599,503	-
Health and welfare	-	-	106,956	-	-	-	106,956	-
Culture and recreation	327,878	83,906	197,919	-	-	-	1,346,126	-
Education	-	-	-	-	-	-	4,500,496	-
Capital outlay	-	-	-	-	-	-	159,939	-
Total expenditures	<u>327,878</u>	<u>83,906</u>	<u>406,535</u>	<u>44,064</u>	<u>555,439</u>	<u>6,805</u>	<u>7,551,328</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>28,726</u>	<u>12,062</u>	<u>(36,560)</u>	<u>486,933</u>	<u>40,430</u>	<u>(4,568)</u>	<u>166,568</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	505,000	-
Transfers out	-	(15,038)	(24,784)	-	-	-	(39,822)	-
Net other financing sources (uses)	<u>-</u>	<u>(15,038)</u>	<u>(24,784)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>465,178</u>	<u>-</u>
Net change in fund balances	28,726	(2,976)	(61,344)	486,933	40,430	(4,568)	631,746	-
Fund balances - July 1, 2018	<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>	<u>80,331</u>
Fund balances - June 30, 2019	<u>\$ 126,101</u>	<u>\$ 3,914</u>	<u>\$ 636,916</u>	<u>\$ 1,813,733</u>	<u>\$ 146,762</u>	<u>\$ 63,172</u>	<u>\$ 4,773,586</u>	<u>\$ 80,331</u>

(Continued)

Town of Monroe, Connecticut

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

	Capital Project Funds						Permanent Fund	Total Other Governmental Funds	
	Local Capital Improvements	Education Bonded Projects	Road Construction and Reconstruction	Reconstruction of Pepper Street	Police Department Renovation	Education Capital Reserve	Total Capital Project Funds		Cornelia Rogers
Revenues:									
Intergovernmental	\$ 86,000	\$ -	\$ -	\$ 113,208	\$ -	\$ 350	\$ 199,558	\$ -	\$ 2,703,300
Charges for services	6,321	-	-	-	-	-	6,321	-	4,919,388
Contributions	-	-	-	-	-	-	-	-	284,071
Income from investments	-	-	-	-	-	-	-	-	9,141
Other	-	-	-	-	-	-	-	-	7,875
Total revenues	<u>92,321</u>	<u>-</u>	<u>-</u>	<u>113,208</u>	<u>-</u>	<u>350</u>	<u>205,879</u>	<u>-</u>	<u>7,923,775</u>
Expenditures:									
Current:									
General government	-	-	-	-	-	-	-	-	44,654
Public safety	-	-	-	-	-	-	-	-	793,654
Public works	98,735	-	-	36,796	-	-	135,531	-	735,034
Health and welfare	-	-	-	-	-	-	-	-	106,956
Culture and recreation	-	-	-	-	-	-	-	-	1,346,126
Education	-	-	-	-	-	-	-	-	4,500,496
Capital outlay	-	-	886,826	-	3,300	62,412	952,538	-	1,112,477
Total expenditures	<u>98,735</u>	<u>-</u>	<u>886,826</u>	<u>36,796</u>	<u>3,300</u>	<u>62,412</u>	<u>1,088,069</u>	<u>-</u>	<u>8,639,397</u>
Excess (deficiency) of revenues over expenditures	<u>(6,414)</u>	<u>-</u>	<u>(886,826)</u>	<u>76,412</u>	<u>(3,300)</u>	<u>(62,062)</u>	<u>(882,190)</u>	<u>-</u>	<u>(715,622)</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	505,000
Transfers out	-	-	-	-	-	(505,000)	(505,000)	-	(544,822)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(505,000)</u>	<u>(505,000)</u>	<u>-</u>	<u>(39,822)</u>
Net change in fund balances	(6,414)	-	(886,826)	76,412	(3,300)	(567,062)	(1,387,190)	-	(755,444)
Fund balances - July 1, 2018	<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>	<u>57,596</u>	<u>6,030,086</u>
Fund balances - June 30, 2019	<u>\$ 191,243</u>	<u>\$ 67,816</u>	<u>\$ 194,604</u>	<u>\$ (195,426)</u>	<u>\$ 14,242</u>	<u>\$ 90,650</u>	<u>\$ 443,460</u>	<u>\$ 57,596</u>	<u>\$ 5,274,642</u>

(Concluded)

Internal Service Funds

Internal service funds are used to account for the providing of goods or services provided by one department to the other departments of the Town on a cost reimbursement basis or accounting for risk retention as allowed by GASB Statement No. 10.

Board of Education Medical and Dental Fund

The Board of Education Medical and Dental Fund is used to account for the 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.

Town of Monroe, Connecticut

Internal Service Funds
Combining Statement of Fund Net Position
June 30, 2019

	<u>Board of Education Medical and Dental</u>	<u>Heart and Hypertension</u>	<u>Total</u>
<u>Assets</u>			
Current assets:			
Cash	\$ 237,002	\$ -	\$ 237,002
Due from other funds	<u>-</u>	<u>408,233</u>	<u>408,233</u>
Total current assets	<u>237,002</u>	<u>408,233</u>	<u>645,235</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	16,870	-	16,870
Claims payable	875,983	-	875,983
Heart and hypertension	-	47,576	47,576
Due to other funds	<u>754,868</u>	<u>-</u>	<u>754,868</u>
Total current liabilities	1,647,721	47,576	1,695,297
Noncurrent liability:			
Heart and hypertension	<u>-</u>	<u>264,660</u>	<u>264,660</u>
Total Liabilities	<u>1,647,721</u>	<u>312,236</u>	<u>1,959,957</u>
<u>Net Position</u>			
Unrestricted	<u>\$ (1,410,719)</u>	<u>\$ 95,997</u>	<u>\$ (1,314,722)</u>

Town of Monroe, Connecticut

Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2019

	Board of Education Medical and Dental	Heart and Hypertension	Total
Operating revenues:			
Charges for services	<u>\$ 9,907,672</u>	<u>\$ 201,768</u>	<u>\$ 10,109,440</u>
Operating expenses:			
Claims and benefits	9,285,807	176,427	9,462,234
Insurance and administrative charges	<u>1,347,846</u>	<u>19,000</u>	<u>1,366,846</u>
Total operating expenses	<u>10,633,653</u>	<u>195,427</u>	<u>10,829,080</u>
Operating income (loss)	(725,981)	6,341	(719,640)
Nonoperating revenues:			
Income from investments	<u>2,998</u>	<u>-</u>	<u>2,998</u>
Change in net position	(722,983)	6,341	(716,642)
Net position - July 1, 2018	<u>(687,736)</u>	<u>89,656</u>	<u>(598,080)</u>
Net position - June 30, 2019	<u><u>\$ (1,410,719)</u></u>	<u><u>\$ 95,997</u></u>	<u><u>\$ (1,314,722)</u></u>

Town of Monroe, Connecticut

Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2019

	<u>Board of Education Medical and Dental</u>	<u>Heart and Hypertension</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from charges for services	\$ 10,662,540	\$ 138,853	\$ 10,801,393
Cash paid for benefits and claims	(9,229,286)	(119,853)	(9,349,139)
Cash paid for administration	<u>(1,330,976)</u>	<u>(19,000)</u>	<u>(1,349,976)</u>
Net cash from operating activities	102,278	-	102,278
Cash flows from investing activities:			
Income from investments	<u>2,998</u>	<u>-</u>	<u>2,998</u>
Net increase (decrease) in cash	105,276	-	105,276
Cash - July 1, 2018	<u>131,726</u>	<u>-</u>	<u>131,726</u>
Cash - June 30, 2019	<u>\$ 237,002</u>	<u>\$ -</u>	<u>\$ 237,002</u>
Reconciliation of operating income (loss) to net cash from operating activities:			
Operating income (loss)	\$ (725,981)	\$ 6,341	\$ (719,640)
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
(Increase) decrease in:			
Due from other funds	-	(62,915)	(62,915)
Increase (decrease) in:			
Accounts payable	16,870	-	16,870
Claims payable	56,521	-	56,521
Heart and hypertension	-	56,574	56,574
Due to other funds	<u>754,868</u>	<u>-</u>	<u>754,868</u>
Net cash from operating activities	<u>\$ 102,278</u>	<u>\$ -</u>	<u>\$ 102,278</u>

Statistical Section

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

CONTENTS

FINANCIAL TRENDS (TABLES 1 - 4)

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

REVENUE CAPACITY (TABLES 5 - 8)

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

DEBT CAPACITY (TABLES 9 - 12)

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

DEMOGRAPHIC AND ECONOMIC INFORMATION (TABLES 13 - 15)

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

OPERATING INFORMATION (TABLES 16 - 17)

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

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

Town of Monroe, Connecticut

Net Position by Component
Last Ten Years
(Unaudited)

	June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net Investment in Capital Assets	\$ 54,444,890	\$ 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
Restricted	1,059,000	892,032	1,030,376	891,323	1,365,940	190,831	190,026	189,760	521,924	71,347
Unrestricted	(5,750,358)	(3,868,141)	(9,011,321)	170,081	73,315	122,549	(3,702,895)	633,908	(3,052,383)	(1,403,609)
Total Net Position	<u>\$ 49,753,532</u>	<u>\$ 48,563,487</u>	<u>\$ 43,530,244</u>	<u>\$ 48,705,465</u>	<u>\$ 44,574,429</u>	<u>\$ 43,183,485</u>	<u>\$ 39,853,863</u>	<u>\$ 38,911,152</u>	<u>40,092,369</u>	<u>42,396,413</u>

Town of Monroe, Connecticut

Changes In Net Position
Last Ten Years
(Unaudited)

Year Ended June 30

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
General government	\$ 8,694,492	\$ 8,578,937	\$ 8,196,290	\$ 8,196,272	\$ 8,686,745	\$ 8,572,236	\$ 7,823,123	\$ 8,229,750	\$ 6,972,475	\$ 6,619,837
Public safety	10,017,082	8,953,623	8,727,631	8,472,241	8,368,234	8,209,708	8,278,987	8,326,453	7,339,882	6,937,172
Public works	5,578,373	5,402,753	4,894,353	4,800,989	5,091,569	5,494,186	4,683,225	5,631,004	5,260,746	6,086,321
Subrecipient	-	-	-	-	-	-	-	-	251,916	301,854
Health and welfare	433,183	332,320	338,798	357,310	267,102	325,502	270,271	260,055	246,230	189,603
Culture and recreation	3,397,814	3,426,250	3,796,280	3,432,231	3,148,479	3,185,250	3,037,069	3,091,287	2,987,392	3,183,429
Education	75,001,806	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
Interest	953,959	1,249,096	1,465,752	1,407,195	1,459,435	1,414,240	1,367,013	1,438,356	2,334,757	1,942,141
Total Expenses	104,076,709	103,666,441	102,944,755	95,648,838	94,019,637	92,378,232	90,650,971	90,695,363	91,151,372	88,606,211
Program Revenues										
Charges for Services										
General government	973,097	639,367	563,500	815,083	581,190	2,935,327	2,928,731	2,246,309	2,388,653	2,709,335
Public safety	1,656,842	1,872,862	1,638,735	1,589,696	1,326,736	893,263	1,024,540	1,099,902	1,006,970	763,407
Public works	666,882	647,757	623,166	640,562	607,745	587,700	711,957	693,659	846,172	878,765
Health and welfare	89,202	87,347	90,905	79,429	6,955	1,505	1,292	1,015	895	29,977
Culture and recreation	1,119,555	1,342,163	1,802,181	1,320,089	1,288,639	1,196,565	1,090,762	1,133,228	1,205,517	1,328,896
Education	4,659,851	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
Operating Grants and Contributions										
General government	84,338	149,335	515,909	70,984	217,551	65,026	47,962	41,332	42,729	30,165
Public safety	38,021	126,324	301,087	286,757	346,340	456,541	757,257	38,793	99,203	250,679
Public works	-	55,640	-	7,482	42,441	-	48,994	-	-	23,271
Health and welfare	18,213	85,990	70,300	68,789	43,647	85,899	66,216	22,305	21,877	-
Culture and recreation	285,369	278,228	202,573	219,867	184,112	301,076	241,004	302,034	219,207	154,019
Education	16,347,465	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
Capital Grants and Contributions										
General government	-	934,845	407,228	-	69,394	-	-	-	81,180	23,320
Public safety	-	-	96,225	-	500,000	306,353	-	-	-	-
Public works	616,997	531,808	340,304	1,129,774	319,407	-	219,608	679,721	938,011	212,423
Subrecipient	-	-	-	-	-	-	-	-	251,916	301,854
Health and welfare	-	-	-	-	-	-	-	5,500	-	-
Culture and recreation	-	-	-	-	25,000	-	-	-	-	450,000
Education	350	9,842	38,295	38,189	52,996	356,534	488,676	99,994	113,812	301,686
Interest	-	-	-	-	62,602	-	-	-	-	-
Total Program Revenues	26,556,182	30,866,652	29,644,397	25,151,773	23,446,616	24,330,215	23,795,728	22,720,672	23,321,169	23,224,069
Net Expense/Revenue	(77,520,527)	(72,799,789)	(73,300,358)	(70,497,065)	(70,573,021)	(68,048,017)	(66,855,243)	(67,974,691)	(67,830,203)	(65,382,142)
General Revenues										
Property taxes	77,141,208	77,043,922	75,241,086	74,032,714	71,725,240	70,175,208	67,726,473	66,103,448	64,727,759	62,496,456
Grants and contributions not restricted to specific programs	487,134	20,457	2,486	11,734	2,307	370,374	527,634	336,908	375,640	476,260
Income from investment	1,032,629	360,554	126,258	291,025	(54,166)	125,872	80,527	353,118	410,461	524,401
Gain on disposal of equipment	-	210,651	-	-	2,000	-	-	-	-	-
Other	49,601	197,448	463,027	292,627	191,884	706,185	-	-	-	-
Total General Revenues	78,710,572	77,833,032	75,832,857	74,628,100	71,867,265	71,377,639	68,334,634	66,793,474	65,513,860	63,497,117
Change in Net Position	\$ 1,190,045	\$ 5,033,243	\$ 2,532,499	\$ 4,131,035	\$ 1,294,244	\$ 3,329,622	\$ 1,479,391	\$ (1,181,217)	\$ (2,316,343)	\$ (1,885,025)

Town of Monroe, Connecticut
Fund Balances of Governmental Funds
Last Ten Years
(Unaudited)

June 30

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund										
Nonspendable	\$ -	\$ 55,908	\$ 95,242	\$ 166,433	\$ 219,005	\$ 34,269	\$ 328,814	\$ 76,893	\$ 88,057	\$ 103,844
Restricted	371,072	388,069	388,966	389,539	801,126	-	-	-	-	-
Assigned	3,154,776	2,094,776	2,008,743	1,112,641	810,881	692,998	735,552	555,927	982,162	1,642,722
Unassigned	13,277,694	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
Total General Fund	16,803,542	15,287,874	12,456,885	9,752,359	8,041,078	6,672,272	5,752,550	4,622,970	4,333,618	4,600,816
All Other Governmental Funds										
Nonspendable	2,250	69,990	2,250	2,250	3,568	72,792	72,787	73,716	74,172	72,665
Restricted	685,678	501,713	448,168	499,534	562,564	119,357	118,557	118,303	450,478	-
Committed	2,834,830	4,982,562	1,959,645	2,945,006	3,827,955	2,551,484	2,139,309	5,897,523	3,402,912	-
Assigned	2,429,349	4,609,458	3,049,611	1,980,446	1,627,794	-	-	-	-	1,847,933
Unassigned	(195,426)	(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	5,756,681	9,872,509	3,585,374	4,354,615	4,767,712	1,701,618	883,218	5,548,950	2,655,590	(1,037,627)
Total Governmental Funds	\$ 22,560,223	\$ 25,160,383	\$ 16,042,259	\$ 14,106,974	\$ 12,808,790	\$ 8,373,890	\$ 6,635,768	\$ 10,171,920	\$ 6,989,208	\$ 3,563,189

Town of Monroe, Connecticut

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

	Year Ended June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Property taxes	\$ 77,492,761	\$ 76,743,249	\$ 75,225,166	\$ 73,956,951	\$ 71,851,017	\$ 70,058,508	\$ 67,784,322	\$ 66,287,184	\$ 64,441,364	\$ 62,534,910
Intergovernmental	17,707,024	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
Charges for services	6,541,935	7,036,966	5,545,982	5,627,376	5,138,944	5,270,591	6,141,159	6,003,762	6,642,003	6,284,881
Contributions	284,071	352,058	335,896	339,509	312,305	407,052	326,550	286,946	263,790	163,950
Income from investments	1,029,631	402,762	125,216	289,665	(55,124)	124,867	68,510	267,455	405,815	495,517
Other	49,601	249,416	606,971	393,093	264,595	303,635	260,264	147,411	95,639	322,743
Total Revenues	103,105,023	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
Expenditures										
Current										
General government	8,622,517	8,427,313	8,451,070	8,108,538	8,539,233	8,362,032	7,596,367	7,215,604	6,264,127	6,053,554
Public safety	8,571,337	8,298,211	7,877,095	7,799,005	7,895,770	7,755,072	7,435,179	6,698,766	6,639,468	6,264,598
Public works	4,362,206	3,685,397	3,922,005	3,859,645	4,155,970	4,214,507	3,236,889	4,108,126	4,115,290	3,834,665
Subrecipient expenditures	-	-	-	-	-	-	-	-	251,916	301,854
Health and welfare	432,431	411,418	418,303	445,898	346,892	325,747	270,149	260,054	246,109	189,603
Culture and recreation	3,009,013	2,900,068	2,850,797	3,005,709	2,751,270	2,838,529	2,675,306	2,657,336	2,514,753	2,715,281
Education	69,826,986	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
Debt service										
Principal	5,045,000	4,895,000	5,085,000	4,640,837	4,589,519	4,620,083	3,940,046	3,560,670	3,527,348	2,913,764
Interest	1,271,104	1,211,639	1,311,328	1,352,220	1,330,962	1,432,689	1,497,314	1,571,389	1,754,416	2,102,617
Bond issuance costs	-	142,997	64,978	1,072	183,104	129,379	-	187,350	183,192	-
Capital outlay	4,624,199	5,466,112	5,949,231	4,193,161	3,486,263	7,546,807	5,827,956	1,851,409	3,229,951	4,860,780
Total Expenditures	105,764,793	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
Excess (Deficiency) of Revenues Over Expenditures	(2,659,770)	191,694	(2,266,842)	1,318,183	(2,113,793)	(5,769,491)	(3,536,152)	(1,036,694)	(2,101,793)	(3,572,681)
Other Financing Sources (Uses)										
Sale of capital assets	59,610	307,092	-	-	-	-	-	-	-	186,000
Lease financing	-	-	-	-	-	4,114,646	-	-	-	-
Issuance of refunding bonds	-	7,040,000	7,220,000	-	-	-	-	8,785,000	10,805,000	-
Payment to refunded bonds escrow agent	-	(7,463,559)	(7,917,578)	-	-	-	-	(9,082,302)	(11,105,918)	-
Issuance of debt	-	8,085,000	2,610,000	-	6,220,000	3,275,000	-	4,065,000	5,325,000	-
Premium	-	957,897	996,900	-	131,996	117,967	-	451,708	491,431	-
Transfers in	1,159,822	1,202,713	1,042,524	1,381,811	1,613,613	647,276	1,042,447	505,950	271,164	804,776
Transfers out	(1,159,822)	(1,202,713)	(1,062,524)	(1,401,811)	(1,633,613)	(647,276)	(1,042,447)	(505,950)	(271,164)	(804,776)
Total Other Financing Sources (Uses)	59,610	8,926,430	2,889,322	(20,000)	6,331,996	7,507,613	-	4,219,406	5,515,513	186,000
Net Change in Fund Balances	\$ (2,600,160)	\$ 9,118,124	\$ 622,480	\$ 1,298,183	\$ 4,218,203	\$ 1,738,122	\$ (3,536,152)	\$ 3,182,712	\$ 3,413,720	\$ (3,386,681)
Debt Service as a Percentage of Non-Capital Expenditures	6.2%	6.2%	6.5%	6.5%	6.7%	6.8%	6.2%	6.1%	6.4%	6.0%

Town of Monroe, Connecticut

Assessed and Estimated Actual Value of Taxable Property
Last Ten Years
(Unaudited)

Fiscal Year	Grand List Dated	Real Estate				Motor Vehicles	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							
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	
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	
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	
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	
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	
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	
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	
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	
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	
2019	10/1/2017	1,646,277,486	251,811,130	27,414,240	168,675,972	102,767,145	25,323,099	2,171,622,874	3,138,494,247	35.24	

Source: Town Records - Assessor's Office

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

* Revaluation Year

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

Name	2019			2010		
	Assessed Value	Rank	Percentage Net Taxable Grand List (1)	Assessed Value	Rank	Percentage Net Taxable Grand List (1)
FirstLight Hydro Generating Company	\$ 32,470,000	1	1.50%	\$ 11,946,870	1	0.56%
Eversource Energy	26,383,310	2	1.21%	-	-	0.00%
Aquarion Water Company	13,301,780	3	0.61%	-	-	0.00%
Victorinox Swiss Army Inc.	11,574,010	4	0.53%	11,429,710	2	0.54%
RGS Property LLC / Really Good Stuff	7,935,700	5	0.37%	-	-	0.00%
One Eleven Century Plaza LLC	9,242,200	6	0.43%	7,127,330	4	0.34%
Clocktower Square #1 LLC	6,594,100	7	0.30%	-	-	0.00%
Maril LLC	6,212,900	8	0.29%	3,635,863	10	0.00%
Nissan Infiniti LT	6,034,412	9	0.28%	-	-	0.00%
Lake Zoar Properties LLC	6,006,870	10	0.28%	7,359,780	3	0.00%
CBL Inc.	-	-	0.00%	5,815,900	5	0.27%
Tartaglia / Salce LLC #1	-	-	0.00%	5,140,860	6	0.24%
Quarry Ridge Associates LLC	-	-	0.00%	4,214,390	7	0.20%
Stepney LLC	-	-	0.00%	3,996,130	8	0.19%
Fifteen Eighty Five Monroe Turnpike LLC	-	-	0.00%	3,804,820	9	0.18%
Total	<u>\$ 125,755,282</u>		<u>5.79%</u>	<u>\$ 64,471,653</u>		<u>2.52%</u>
(1) - Based on October 1, 2017 and 2008 net taxable grand list of :	<u>\$ 2,171,622,874</u>			<u>\$ 2,117,900,075</u>		

Source: Town assessor department.

Town of Monroe, Connecticut

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

Year Ended June 30	(1) Mill Rate	(2) Total Adjusted Tax Levy	Net Current Levy Tax Collections	Percentage of Current Taxes Collected	Collections in Subsequent Years	Total Collection	Percent of Levy Collected	Current Delinquent Balance
2010	29.50	\$ 62,457,178	\$ 61,657,391	98.72%	\$ 799,787	\$ 62,457,178	100.00%	\$ -
2011	28.26	64,320,324	63,469,681	98.68%	850,643	64,320,324	100.00%	-
2012	28.79	65,702,953	64,923,280	98.81%	779,673	65,702,953	100.00%	-
2013	29.26	67,158,611	66,544,399	99.09%	614,212	67,158,611	100.00%	-
2014	30.41	69,989,113	69,304,734	99.02%	684,259	69,988,993	100.00%	120
2015	31.01	71,651,461	70,803,834	98.82%	837,360	71,641,194	99.99%	10,267
2016	34.35	73,622,328	72,929,270	99.06%	682,710	73,611,980	99.99%	10,348
2017	35.00	75,013,051	74,237,133	98.97%	762,221	74,999,354	99.98%	13,697
2018	35.76	76,796,399	75,961,577	98.91%	594,903	76,556,480	99.69%	239,919
2019	35.24	76,792,484	76,053,750	99.04%	-	76,053,750	99.04%	738,734

(1) There are no overlapping tax rates.

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

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

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

<u>Year Ended June 30</u>	<u>General Obligation Bonds (1)</u>	<u>Notes</u>	<u>Total</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2010	\$ 44,329,807	\$ 4,407,692	\$ 48,737,499	5.81%	\$ 2,508
2011	47,061,726	860,344	47,922,070	5.62%	2,462
2012	48,210,633	584,674	48,795,307	5.40%	2,480
2013	44,333,428	334,628	44,668,056	4.66%	2,257
2014	43,490,557	6,098,006	49,588,563	5.20%	2,500
2015	45,544,061	2,475,296	48,019,357	4.97%	2,417
2016	40,751,295	2,101,958	42,853,253	4.41%	2,161
2017	38,229,731	1,753,338	39,983,069	4.03%	2,021
2018	41,618,452	1,439,951	43,058,403	4.57%	2,193
2019	36,195,730	1,162,952	37,358,682	3.94%	1,919

(1) Presented net of original issuance discounts and premiums for 2010 through 2014,
and net of premiums for 2015 through 2019.

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

Table 9

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

<u>Year Ended June 30</u>	<u>General Obligation Bonds (1)</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2010	\$ 44,329,807	1.45%	\$ 2,281
2011	47,061,726	1.43%	2,418
2012	48,210,633	1.46%	2,450
2013	44,333,428	1.34%	2,240
2014	43,490,557	1.31%	2,193
2015	45,544,061	1.37%	2,292
2016	40,751,295	1.32%	2,055
2017	38,229,731	1.23%	1,932
2018	41,618,452	1.34%	2,120
2019	36,195,730	1.15%	1,859

(1) Presented net of original issuance discounts and premiums for 2010 through 2014, and net of premiums for 2015 through 2019.

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

Town of Monroe, Connecticut
Schedule of Debt Limitation
Connecticut Statutes, Section 7-374(b)
June 30, 2019
(Unaudited)

Tax base:					
Total tax collections (including interest and lien fees) for the prior year					<u>\$ 76,865,488</u>
	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2 1/4 times base	\$ 172,947,348	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	345,894,696	-	-	-
3 3/4 times base	-	-	288,245,580	-	-
3 1/4 times base	-	-	-	249,812,836	-
3 times base	-	-	-	-	230,596,464
Total limitations	172,947,348	345,894,696	288,245,580	249,812,836	230,596,464
Indebtedness:					
Bonds	<u>18,564,000</u>	<u>15,186,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding debt	<u>\$ 154,383,348</u>	<u>\$ 330,708,696</u>	<u>\$ 288,245,580</u>	<u>\$ 249,812,836</u>	<u>\$ 230,596,464</u>
The total net indebtedness above amounts to:					<u>\$ 33,750,000</u>
In no event shall total indebtedness exceed seven time the base for debt limitation computation:					<u>\$ 538,058,416</u>
There is no overlapping debt for the Town of Monroe.					

Town of Monroe, Connecticut
Legal Debt Margin Information
Last Ten Years
(Unaudited)

Year Ended June 30	Debt Limit	Net Debt Applicable To Limit	Legal Debt Margin	Total Net Debt Applicable
2010	\$ 425,922,777	\$ 46,071,226	\$ 379,851,551	10.82%
2011	436,807,133	43,511,668	393,295,465	9.96%
2012	451,562,881	43,348,945	408,213,936	9.60%
2013	463,725,157	45,944,429	417,780,728	9.91%
2014	475,559,903	42,661,612	432,898,291	8.97%
2015	491,311,450	49,012,000	442,299,450	9.98%
2016	503,896,071	42,562,828	461,333,243	8.45%
2017	527,532,894	47,777,596	479,755,298	9.06%
2018	536,968,838	38,795,000	498,173,838	7.22%
2019	538,058,416	33,750,000	504,308,416	6.27%

Source: Town audit reports.

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

Fiscal Year Ended June 30	Population	Median Age	Personal Income	Per Capita Personal Income	Median Household Income	Education Level of Schooling		School Enrollment	Unemployment Rate*
						High School Graduate or Higher	Bachelor's Degree or Higher		
2010	19,435	41.0	\$ 838,192,680	\$ 43,128	\$ 116,058	N/A	N/A	3,899	7.90%
2011	19,466	41.8	853,428,372	43,842	109,727	N/A	N/A	3,761	7.80%
2012	19,675	41.9	903,239,900	45,908	108,478	N/A	N/A	3,589	7.20%
2013	19,794	42.4	957,633,720	48,380	112,605	N/A	N/A	3,488	6.40%
2014	19,834	42.6	954,372,412	48,118	103,589	N/A	N/A	3,379	5.70%
2015	19,867	43.0	966,311,013	48,639	108,688	N/A	N/A	3,299	5.10%
2016	19,833	43.5	971,777,334	48,998	110,558	78%	50%	3,180	4.50%
2017	19,784	44.1	993,057,880	50,195	113,333	79%	50%	3,189	4.50%
2018	19,635	44.5	942,303,285	47,991	109,631	81%	52%	3,149	4.20%
2019	19,470	43.8	948,987,270	48,741	115,049	78%	47%	3,108	3.60%

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

* Average for the Fiscal Year

N/A - Information not available.

Table 13

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

<u>Employer</u>	<u>2019</u>			<u>2010</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage Of Total Town Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage Of Total Town Employment</u>
Town of Monroe	646	1	11.52%	742	1	11.45%
Big Y Supermarket	154	2	2.75%	165	4	2.55%
Victorinox (Swiss Army)	149	3	2.66%	150	5	2.31%
Northeast Laser Engraving	145	4	2.59%	-	-	0.00%
Stop & Shop	126	5	2.25%	-	-	0.00%
M Cubed Technologies	113	6	2.01%	-	-	0.00%
Church Hill Classics LTD	93	7	1.66%	-	-	0.00%
Pella Windows & Doors	82	8	1.46%	-	-	0.00%
Practitioner Support Services	80	9	1.43%	-	-	0.00%
The Waterview LLC	75	10	1.34%	-	-	0.00%
Vitramon	-	-	0.00%	350	2	5.40%
Really Good Stuff	-	-	0.00%	200	3	3.08%
U.S. Post Office	-	-	0.00%	125	6	1.93%
United Beauty Supply Co	-	-	0.00%	100	7	1.54%
Lake Zoar Properties	-	-	0.00%	100	8	1.54%
Robohand	-	-	0.00%	90	9	1.39%
Edgerton, Inc.	-	-	0.00%	62	10	0.96%
Total	<u>1,663</u>		<u>29.65%</u>	<u>2,084</u>		<u>32.15%</u>

Source: Town of Monroe Assessor's Office

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

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government:										
First Selectman	2.5	2.5	2.5	2.5	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	3.0	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Tax Collector	2.7	2.7	2.7	2.7	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	4.8	4.7	4.7	4.5	4.5	4.5	4.5	5.5	5.5	5.5
Economic Development	-	-	-	-	-	-	-	-	-	1.0
Planning - Building, P&Z, I/W, & Engineering	10.0	8.5	8.5	9.0	9.0	9.0	8.5	8.5	6.5	6.5
Finance Department	5.2	5.2	5.2	5.0	5.0	5.0	5.0	5.0	5.0	5.5
Human Resources	1.7	1.7	1.7	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	3.7	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	42.1	40.5	40.5	40.6	39.9	39.9	39.4	40.4	37.7	39.2
Public Safety:										
Police Department	48.0	48.0	51.0	55.0	55.0	53.0	51.0	49.0	48.0	48.0
Animal Control	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Park Ranger	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Fire Marshal	2.3	2.3	2.3	2.3	2.3	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	0.5	1.0	0.5	0.5	0.5	-	-	-
Public Safety Total	54.7	54.7	57.7	62.2	61.7	59.2	57.2	54.7	53.7	53.7
Public Works:										
Administration	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.0	5.5	5.5
Highway	20.0	20.4	20.4	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	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Public Works Total	24.9	25.3	25.3	29.0	28.9	28.9	28.9	28.4	29.9	29.9
Health and Welfare:										
Health Department	3.3	3.3	3.3	3.0	-	-	-	-	-	-
Social Services	1.7	1.7	1.7	1.7	1.7	1.2	1.0	1.0	1.0	1.0
Health and Welfare Total	5.0	5.0	5.0	4.7	1.7	1.2	1.0	1.0	1.0	1.0
Culture and Recreation:										
Library	13.5	13.5	13.5	14.0	13.5	13.5	13.5	13.5	12.5	12.0
Parks and Recreation	23.1	23.1	23.1	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Radio Station (WMNR)	6.5	6.5	6.5	7.0	7.0	7.0	7.0	7.0	7.0	-
Culture and Recreation Total	43.1	43.1	43.1	37	36.5	36.5	36.5	36.5	35.5	28.0
Education:										
Administration	23.0	23.0	24.0	24.0	24.0	24.0	20.4	20.9	22.2	22.8
Teachers and Other Certified Staff	265.0	264.4	267.9	271.5	277.1	280.1	285.0	285.5	279.8	296.5
Paraprofessionals	85.0	78.0	81.0	84.0	84.0	84.0	87.3	89.0	85.1	83.8
Other Non-Certified Staff	103.0	90.6	90.6	90.6	92.6	92.6	91.6	90.0	94.0	99.6
Education Total	476.0	456.0	463.5	470.1	477.7	480.7	484.3	485.4	481.1	502.7
Total Town Employees by Function	645.8	624.6	635.1	643.6	646.4	646.4	647.3	646.4	638.9	654.5

Source: Town records

Town of Monroe, Connecticut

Operating Indicators By Function/Program
Last Ten Years
(Unaudited)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government:										
Building Permits:										
Total permits issued	476	437	509	413	416	355	418	412	331	279
Total estimated value of permits	\$ 10,737,278	\$ 21,627,389	\$ 21,347,271	\$ 14,952,059	\$ 9,664,084	\$ 8,941,578	\$10,280,932	\$ 8,740,546	\$ 9,700,117	\$ 6,247,294
Public Safety:										
Police:										
Calls for service	23,315	24,654	27,680	28,125	31,492	27,134	29,018	26,021	24,735	25,282
Arrests	256	232	247	162	159	128	130	141	173	152
Traffic citations	3,218	3,128	3,236	3,723	5,297	4,036	4,127	3,202	3,619	4,133
EMS:										
Total service calls	1,360	1,390	1,328	1,435	1,374	1,337	1,356	1,421	1,309	1,342
Billable calls	835	901	823	829	832	787	835	861	832	902
Fire*:										
Townwide calls	522	626	605	592	581	482	523	657	825	657
Mutual aid calls (all departments)	621	716	751	663	692	446	365	442	462	446
Total responses	1,143	1,342	1,356	1,255	1,273	928	888	1,099	1,287	1,103
Culture and Recreation:										
Wolfe Park Facility reservations	126	124	120	117	126	103	107	104	108	110
Wolfe Park Pool attendance	16,284	16,593	15,326	20,594	18,504	18,076	19,625	24,084	19,796	N/A
Great Hollow Lake attendance	14,861	15,909	17,994	20,060	18,504	18,748	17,844	17,089	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
Capital Asset Statistics by Function/Program
Last Ten Years
(Unaudited)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
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	13	12	13	13	13	13	13	14	14
Ambulances	3	3	3	3	3	3	3	3	3	3
Public Works:										
Garage	1	1	1	1	1	1	1	1	1	1
Dump/Plow Truck Fleet	20	20	20	20	20	20	20	20	20	20
Streets (Miles)	143	143	143	143	143	143	143	143	143	143
Health & Welfare:										
Food Pantry	1	1	1	1	1	1	1	1	1	1
Culture and Recreation:										
Edith Wheeler Memorial Library	1	1	1	1	1	1	1	1	1	1
Parks	4	4	4	4	4	4	4	4	4	4
Education - Schools:										
High	1	1	1	1	1	1	1	1	1	1
Middle	1	1	1	1	1	1	1	2	2	2
Elementary	3	3	3	3	3	3	3	3	3	3

Source: Town records