

TOWN OF MONROE, CONNECTICUT

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**



FISCAL YEAR ENDED JUNE 30, 2016

TOWN OF MONROE, CONNECTICUT

Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2016



Prepared by the Finance Department

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

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Town of Monroe, Connecticut
 Comprehensive Annual Financial Report

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This section includes the following schedules:

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

**INTRODUCTORY
SECTION**

**Town of Monroe, Connecticut
Elected and Appointed Officials as of June 30, 2016**

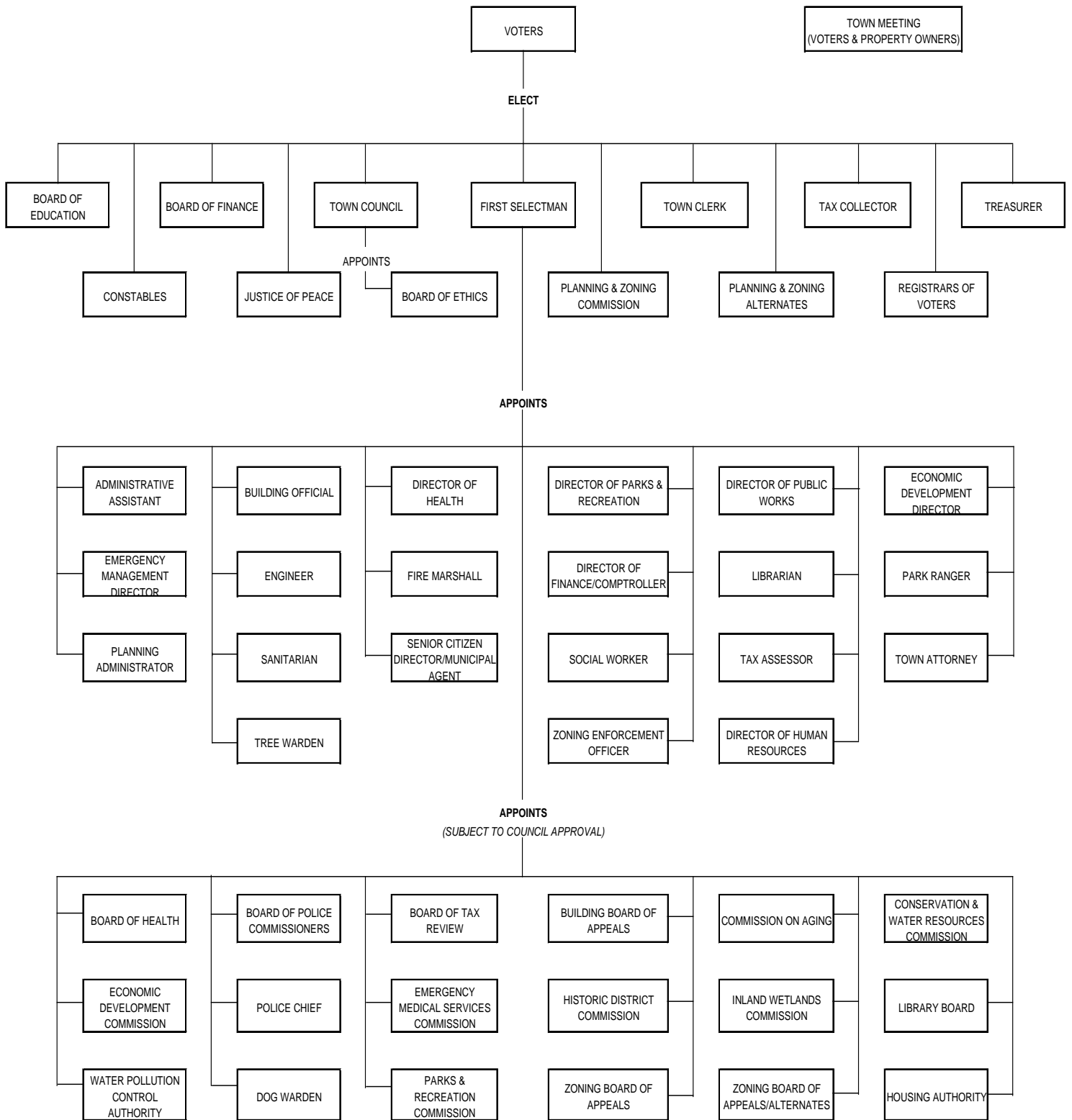
Elected Officials

First Selectman	Stephen Vavrek Jr.	
Town Council	Frank Lieto, Chairman Phyllis Kansky Kenneth Kellogg Sean O'Rourke Terry Rooney	Enid Lipeles, Vice-Chairman Nicholas Kapoor Dee Dee Martin Kevin Reid
Board of Finance	Michael Manjos, Chairman Debra Dutches Ted Quinlan	John Ostaszewski, Vice-Chairman Carl Ferraro Christine Rigby
Tax Collector	Manny Cambra, CCMC	
Town Clerk	Vida Stone	
Town Treasurer	Deborah Heim	
Registrars of Voters	Judith Stripay (R)	Susan Koneff (D)
Board of Education	Donna Lane, Chairman Shannon Reilly-Monaco, Secretary Christine Cascella James Martinez Jerry Stevens	George King III, Vice-Chairman Jeff Guttman Carlos Reinoso, Jr. Alan Vaglivello

Appointed Officials

Town Attorney	John Fracassini, Esq.
Director of Finance	Ron Bunovsky Jr., CPA
Deputy Director of Finance	Heidi Meade
Assessor	Richard Laskey Jr., CCMA
Chief of Police	John Salvatore
Director of Public Works	Chris Nowacki
Director of Human Resources	Catherine Lombardi
Director of Parks & Recreation	Frank Cooper
Director of Community & Social Services	Barbara Yeager
Director of Health	Nancy Brault, MPH, RS
Fire Marshal	William Davin
Town Engineer/Wetlands Agent	Scott Schatzlein, P.E.
Chief Building Official	James Sandor
Planning & Zoning Administrator	William Agresta, AICP
Zoning Enforcement Officer	Joe Chapman
Superintendent of Schools	James Agostine
Director of Finance & Mgmt Services - BOE	Gabriella DiBlasi

Town of Monroe, Connecticut Organization Chart



Town of Monroe



Stephen J. Vavrek
First Selectman
Phone: (203)452-2821 / Fax: (203)452-5475
Email: svavrek@monroect.org

Office of the First Selectman
Town Hall
7 Fan Hill Road
Monroe, Connecticut 06468-1800

February 28, 2017

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

The Connecticut General Statutes require that all municipalities have their financial statements audited at least once annually. This report, which is published to fulfill this requirement for the fiscal year ended June 30, 2016, is prepared in conformity with generally accepted accounting principles (GAAP) and standards set forth by the Governmental Accounting Standards Board (GASB).

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

Our auditors, PKF O'Connor Davies, LLP, have issued an unqualified (clean) opinion on the Town's financial statements for the fiscal year ended June 30, 2016. The independent auditor's report is located at the front of the financial section of this report. Immediately following the independent auditor's report is the Management's Discussion and Analysis (MD&A) which provides an introduction, overview and analysis of the basic financial statements. The MD&A is designed to compliment this letter of transmittal and should be read in conjunction with it.

Profile of the Town

The Town of Monroe was incorporated in 1823. It covers an area of 26.4 square miles and is located in the southwestern part of Connecticut, approximately 70 miles east of New York City. According to the Connecticut Department of Public Health, the Town's population was 19,833 as of July 1, 2015. The Town has above average household income and education levels that reflect its character as a suburban bedroom community.

The Town is administered by an elected First Selectman, who acts as the Chief Executive Officer, and a 9-member Town Council that constitute the First Selectman/Council form of government. The First Selectman is responsible for planning, organizing and directing all routine municipal activities, except for education. Other Commissions are either elected or appointed by the First Selectman with approval of the Town Council. The Town Council is the legislative body of the Town. Financial matters are the responsibility of the First Selectman and a six member Board of Finance, elected to four-year terms, in conjunction with the Director of Finance and part-time Treasurer. The Finance Department, which is managed by the Director of Finance who also serves as the Comptroller, maintains all financial records and operations of the Town. The Treasurer is elected biannually and is responsible for investing funds of the Town.

The Charter defines the Town's budgetary policy. Department heads, chairpersons of boards or commissions or any agency submit departmental requests to the First Selectman as scheduled. The First Selectman's Budget is delivered to the Town Council by February 8th. The Town Council shall hold one public hearing prior to forwarding the Budget to the Board of Finance by February 28th. The Board of Finance must hold one public hearing prior to submitting the budget back to the First Selectman no later than March 21st. A summary of the Budget is then published in a newspaper having a general circulation in Town at least 5 days prior to the Annual Budget Referendum (Referendum), which is held on the 1st Tuesday in April. In the event that the proposed Annual Town Budget is rejected at the Referendum, the First Selectman shall revise the proposed budget after receiving input from the Board of Finance, the Town Council and the Board of Education. A second Referendum will then be called by the First Selectman to be held three weeks from the date of the first Referendum. In the event the second Referendum rejects the proposed budget, all succeeding budget referenda shall be held two weeks following the previous referendum and shall follow the same procedures as outlined for the second Referendum.

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 Board of Education is independent from the municipal government in governance and operation of the school system. The Board of Education is required by Town Charter to submit its proposed budget to the First Selectman and Director of Finance. The Board of Education budget is included in the Town's operating budget and submitted to the Town Council who cannot alter the education budget but can make recommendations to the Board of Finance on that budget. The total budget is then submitted to the Board of Finance who may adjust only the total amount of the Board of Education budget.

The Local Economy and the Town's Fiscal Health

The economy in the State of Connecticut has remained weak over the last several years and continues to have a negative outlook. The Town of Monroe, however, has managed to remain in line economically with the nation as reflected by its 4.6% unemployment rate as of June 30, 2016. This is well below the State's 5.4% unemployment rate and is more in line with the nation's 4.9% unemployment rate as of the same date. The location of the Town within Fairfield County, the wealthiest county in Connecticut, is the most significant reason for its' economic stability.

Major industries located within Monroe or in close proximity include financial institutions, defense manufacturers, hospitals, universities and retail stores. The Town itself, including the school district, has a significant economic presence in the area, as it employs more than 600 teachers, administrators, police officers, various other professionals and support staff.

The current median household income for Monroe is significantly higher than that for the State as a whole. According to the U.S. Census Bureau's 2011-2015 American Community Survey, Monroe's median household income was \$110,558, as compared to the State's of \$70,331.

Due to the stable local economy and the conservative fiscal management of the Town, Monroe has maintained its solid Aa2 credit rating from Moody's Investor Service, Inc. since 2010, at which time it was upgraded from Aa3.

Long-term Financial Planning

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

Pursuant to the Connecticut General Statutes, the Town is required to review its Plan of Conservation and Development (POCD) every 10 years. Monroe's POCD, which was last reviewed and updated in 2010, will need to be reviewed again by 2020. The intent of the plan is to guide the conservation and development actions of the Town over a ten year period and for the Town to implement the plan's recommendations in order to achieve its goals. The recommendations of the plan get implemented through zoning laws and other land use regulation tools, capital expenditures and on-going planning.

Relevant Financial Policies

The financial policies of the Town have been applied consistently throughout the fiscal year. For the fiscal year ending June 30, 2016 one of these policies was of particular relevance. At the end of any fiscal year in which the Town sustains an operating surplus, The Board of Finance ('the Board') will review any potential capital or nonrecurring expenditure needs that the Town may have and assign a portion of the surplus to cover those needs. At the end of the current fiscal year the Board assigned \$500,000 of the Town's operating surplus to the Board of Education Medical Reserve Fund ('Medical Reserve'), which is currently operating below prescribed levels. It will not be known until later this year whether or not these funds will have to be transferred to the Medical Reserve. If an actual transfer is required, the approval of both the Town Council and a Town Meeting will be needed to appropriate the funds. The Board also reviewed the available fund balance in the Town's Capital Reserve Fund, which is used to cover emergency and other nonrecurring capital expenditures, and assigned \$200,000 of the operating surplus to it.


Acknowledgements

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. We would also like to thank all departments for their assistance in providing the data necessary in the preparation of this report. The 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,



Stephen J. Vavrek
First Selectman



Ronald J. Bunovsky Jr., CPA
Director of Finance

**FINANCIAL
SECTION**

Independent Auditors' Report

**The 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, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2017 on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

February 23, 2017

**Town of Monroe, Connecticut
Management's Discussion and Analysis
June 30, 2016**

This discussion and analysis of the financial performance for the Town of Monroe, Connecticut (the "Town") provides an overview of the Town's financial activities for the fiscal year ended June 30, 2016. It should be read in conjunction with the financial statements included herein, which begin with Exhibit 1.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the Town's net position increased \$4.13m over the prior year. This was due to an increase in the Town's net investment in capital assets of \$4.5m which was the result of a reduction in general obligation bond indebtedness of \$4.58m. The Town's total net position at the end of the current fiscal year was \$48.7m.
- The unassigned fund balance for all governmental funds, which includes the Town's general fund, ended the current fiscal year at \$7.01m. This increased by \$2.05m over the prior fiscal year and represents 8.56% of total budgeted expenditures for the current fiscal year.
- On a budgetary basis, the Town's general fund operated at a \$2.25m surplus for the current year. After making adjustments for Generally Accepted Accounting Principles (GAAP), the GAAP basis surplus was \$1.71m. See Exhibit RSI-1 in the Required Supplementary Information section of this financial report for additional details.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

This CAFR consists of a series of financial statements. The government-wide financial statements, which include the Statement of Net Position and the Statement of Activities (Exhibits 1 and 2), provide information about the activities of the Town as a whole and present a longer-term view of Town's finances. The fund financial statements, which tell how services were financed in the short term as well as what remains for future spending, start with Exhibit 3. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town either (i) accounts for and allocates costs internally among various town functions, or (ii) acts solely as a trustee or agent for the benefit of those outside of the government.

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

Our analysis of the Town as a whole begins with Exhibit 1. The Statement of Net Position and the Statement of Activities report information about the Town on a government-wide basis that provides the information necessary to determine the overall financial position of the Town and the results of its current year's activities. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

Town of Monroe, Connecticut
Management's Discussion and Analysis
June 30, 2016

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

The Fund Financial Statements - Reporting the Town's Funds

Our analysis of the Town's funds begin with Exhibits 3 and 4 of the basic financial statements. The Balance Sheet for the Governmental Funds (Exhibit 3) provides detailed information about the Town's general fund and all other governmental funds combined. The detail of all other governmental funds can be found in the Combining Fund Financial Statements (Statements 1-6) included within this financial report. Some funds are required to be established by State law or by bond covenants. However, the Board of Finance has established many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grant revenue, donations, or any other restricted money received.

- *Governmental funds.* The Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine the level of financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in a reconciliation at the bottom of the fund financial statements.
- *Proprietary funds*—When the Town charges customers for the services it provides—whether to outside customers or to other units of the Town—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The Town's only proprietary funds are internal service funds.
- *Fiduciary funds.* The Town is the trustee, or *fiduciary*, for the activity funds at the school, school scholarships, the Town defined benefit pension plan and performance bonds collected by the land use group. These funds do not belong to the Town. The Town's fiduciary activities are reported in the Statement of Fiduciary Net Position in Exhibit 8 and Statement of Changes in Fiduciary Net Position in Exhibit 9. We exclude these activities from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS - THE TOWN AS A WHOLE

The Town's *combined* net position increased by \$4.13m from a year ago—*increasing* from \$44.57m to \$48.7. Last year net position *increased* by \$1.29m. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town.

**Table 1
Change in Net Position (on Exhibit 1)**

	2016	Change During Year		2015
		Dollars	Percent	
Current and other assets	\$ 24,097,806	\$ 304,473	1.28%	\$ 23,793,333
Capital assets	89,828,767	(579,258)	-0.64%	90,408,025
Total assets	113,926,573	(274,785)	-0.24%	114,201,358
Deferred outflows of resources	4,031,062	965,879	31.51%	3,065,183
Long-term debt outstanding	61,731,035	(2,922,732)	-4.52%	64,653,767
Other liabilities	6,852,165	252,489	3.83%	6,599,676
Total liabilities	68,583,200	(2,670,243)	-3.75%	71,253,443
Deferred inflows of resources	668,970	(769,699)	-53.50%	1,438,669
Net position				
Net investment in capital assets	47,644,061	4,508,887	10.45%	43,135,174
Restricted	891,323	(474,617)	-34.75%	1,365,940
Unrestricted	170,081	96,766	131.99%	73,315
Total net position	\$ 48,705,465	\$ 4,131,036	9.27%	\$ 44,574,429

- The increase in deferred outflows of resources and decrease in deferred inflows of resources relate primarily to the various defined benefit pension plans that Town employees participate in (see Note 4 to the Financial Statements). More specifically, the increase in deferred outflows of resources was driven by an increase in the differences between projected and actual earnings of the Town of Monroe Retirement Income Plan investments of \$510k for the Town portion \$486k for the Board of Education portion. The decrease of \$770k in deferred inflows of resources was driven by a net reduction of \$605k in the difference between projected and actual earning of the Connecticut Municipal Employees Retirement System (CMERS).
- The decrease in long-term debt of \$2.92m resulted from a reduction in general obligation bond (GOB) indebtedness of \$4.58m, which was offset by a net increase in pension obligations of \$1.96m. The Town did not issue any new bonds during the current fiscal year and made principal payments of \$4.58m on existing debt. This reduction in GOB indebtedness was also the driving factor in the Town's increase in its net investment in capital assets of \$4.5m, as previously discussed. The detailed explanation for the Town's \$4.13m increase in its total net position follows.

**Town of Monroe, Connecticut
Management's Discussion and Analysis
June 30, 2016**

**Table 2
Change in Net Position (on Exhibit 2)**

	2016	Change During Year		2015
		Dollars	Percent	
Revenues				
Program revenues:				
Charges for services	\$ 8,029,036	\$ 652,692	8.85%	\$ 7,376,344
Operating grants and contributions	16,383,666	1,327,441	8.82%	15,056,225
Capital grants and contributions	739,071	(274,976)	-27.12%	1,014,047
General revenues:				
Property taxes	74,032,714	2,307,474	3.22%	71,725,240
Grants and contributions	11,734	9,427	408.63%	2,307
Interest and investment earnings	291,025	345,191	-637.28%	(54,166)
Gain (loss) on disposal of equipment	-	(2,000)	-100.00%	2,000
Other general revenues	292,627	100,743	52.50%	191,884
Total revenues	99,779,873	4,465,992	4.69%	95,313,881
Program expenses				
General government	8,196,272	(490,473)	-5.65%	8,686,745
Public safety	8,472,241	104,007	1.24%	8,368,234
Public works	4,800,989	(290,580)	-5.71%	5,091,569
Health and welfare	357,310	90,208	33.77%	267,102
Culture and recreation	3,432,231	283,752	9.01%	3,148,479
Education	68,982,600	1,984,527	2.96%	66,998,073
Interest on long-term debt	1,407,195	(52,240)	-3.58%	1,459,435
Total expenses	95,648,838	1,629,201	1.73%	94,019,637
Change in net position	4,131,035	2,836,791	219.19%	1,294,244
Net position - beginning of year	44,574,430	1,294,244	2.99%	43,280,186
Net position - end of year	\$ 48,705,465	\$ 4,131,035	9.27%	\$ 44,574,430

- The increase in charges for services revenue of \$652k resulted primarily from increases in Town Clerk fee revenue (\$77k), building permit revenue (\$111k), Health Department revenue (\$73k), Police private duty revenue (\$77k) and Board of Education medical benefits revenue (\$122k). The Town Clerk fee and building permit revenue increases were both driven by an uptick in real estate sales and development in town. The Health Department began operating in Town at the beginning of the current fiscal year and therefore did not have any revenue in the prior fiscal year. Police private duty revenue was up year over year due to an increase in road and utility work throughout the Town. The Board of Education (BOE) medical benefit revenue increase resulted from an increase in the employee cost of health insurance for participating employees.
- The increase of \$1.33m in operating grants and contributions resulted from an increase of \$829k in the pension contribution made by the State of Connecticut on behalf of the Town for the Connecticut Teachers' Retirement and an increase in Town Road Grants Fund revenue recognized during the current fiscal year of \$414k. The Teachers' pension contribution made on behalf of the Town by the State was actuarially determined and reported to the Town by the Connecticut State Teachers' Retirement Board. The grant revenue in the Town Road Grants Fund, which is not recognized until it is spent, relates to Town Aid Road and Municipal Grants in Aid previously received from the State and expended in the current fiscal year.
- The decrease of \$275k in capital grants and contributions resulted from a \$500k Small Town Economic Assistance Program (STEAP) Grant revenue received from the State for the renovation of the Towns' Police Department which was recognized as revenue in FY2015 on the government-wide Statement of Activities. This decrease was partially offset by an increase in grant proceeds of \$397k received from the State for the Towns' Pepper Street Reconstruction Project that is in progress.

**Town of Monroe, Connecticut
Management's Discussion and Analysis
June 30, 2016**

- The year over year increase of \$2.31m in property tax revenue was the result of the following -
 - The projected increase in tax revenue over the prior year on the current levy from the increase in the mill rate of \$1.49m.
 - A higher realized tax collection rate than projected of \$412k.
 - Property tax revenue from supplemental taxes on motor vehicles increased \$145k.
 - Tax revenue from prior levies were up \$361k.
 - Suspense, liens and interest tax revenue were down by a net total of \$103k, offsetting the above increases.

- The year over year increase in interest and investment earnings of \$345k was largely driven by a positive fair value adjustment of \$317k on the Town's investment in U.S. Agency Bonds. The increase in fair value of the bonds resulted from a decline of yields in the bond market throughout the fiscal year, which resulted in the increase in the fair value of the Town's bond investments.

- See Table 3 for the discussion of the Town's program expenses.

Governmental Activities

Table 3 presents the cost of each of the Towns governmental programs as well as each governmental program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

**Table 3
Governmental Type Activities**

	Total Cost of Services			Incr. Decr.	Net Cost of Services		
	2016	2015			2016	2015	Incr. Decr.
Governmental Activities							
General government	\$ 8,196,272	\$ 8,686,745	-5.65%	\$ 7,310,205	\$ 7,818,610	-6.50%	
Public safety	8,472,241	8,368,234	1.24%	6,595,788	6,195,158	6.47%	
Public works	4,800,989	5,091,569	-5.71%	3,023,171	4,121,976	-26.66%	
Health and welfare	357,310	267,102	33.77%	209,092	216,500	-3.42%	
Culture and recreation	3,432,231	3,148,479	9.01%	1,892,275	1,650,728	14.63%	
Education	68,982,600	66,998,073	2.96%	50,059,339	49,173,216	1.80%	
Interest on long-term debt	1,407,195	1,459,435	-3.58%	1,407,195	1,396,833	0.74%	
Totals	\$ 95,648,838	\$ 94,019,637	1.73%	\$ 70,497,065	\$ 70,573,021	-0.11%	

- Both total and net general government service costs declined by approximately \$500k as the result of a range of factors, including the following -
 - Legal expenses were dropped \$75k as a result of fewer lawsuits in which the Town was involved.
 - Insurance expense was down by \$136k as the Town realized a savings from changing its health insurance provider.
 - The Director of Finance's salary expense declined by \$57k because two salaries were paid during a portion of the prior year while the former director was on sick leave.
 - There was a year over year reduction of \$75k because a facility study was conducted in the prior year that was not done in the current year.
 - The responsibility for the nurse of the parochial school in town, which the state requires each town to provide, was transferred from the general government function to education. This resulted in a decrease of \$50k in general government expense.

- The increase in net public safety service costs was attributed to a \$500k STEAP grant recognized from the State of Connecticut in the prior year as previously mentioned.

**Town of Monroe, Connecticut
Management's Discussion and Analysis
June 30, 2016**

- The net cost of service for public works decreased by \$1.1m, which was primarily the result of an \$810k increase in grant revenue recognized over the prior year. The two grants were received from the State of Connecticut and were spent on the Pepper Street Reconstruction Project and two new dump/plow trucks for public works.
- The increase in education expenses was largely driven by the previously mentioned increase in pension funding of \$829k by the State to the teachers' pension and a \$535k increase in BOE operating expenses. The teachers' pension funding by the State is recognized as both revenue and expense by the Town and is therefore neutral to the Town's net cost of education. The BOE operating expense increase was substantially from annual salary increases across the school district.

FINANCIAL ANALYSIS OF THE TOWN'S GOVERNMENTAL FUNDS

The combined fund balance for the Town's governmental funds was \$14.1m, of which \$7.01m was unassigned. The combined fund balance for the Town's governmental funds increased by \$1.3m over the prior year. This increase was driven by the operating surplus (GAAP Basis) realized by the general fund of \$1.71m, which was offset by a net deficit in the other governmental funds of (\$413k). The general fund's operating surplus resulted from a combination of stronger than expected tax revenues, while operating expenditures throughout the Town were significantly less than anticipated.

General Fund Budgetary Highlights

Upon request of 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 within the fiscal year. No transfer may be made from any appropriations for debt service or other statutory charges. Additional appropriations shall not be made except from the contingency fund. Appropriations from the contingency fund shall be approved by the First Selectman, the Town Council, and the Board of Finance. The contingency fund is not to exceed one half of one mill of the grand list within the annual budget. Transfers within a department must be approved by Town Council. Below is a summarized view of the final budget and actual results for the General Fund:

**Town of Monroe, Connecticut
Management's Discussion and Analysis
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**Table 4
General Fund - Budget Summary**

	Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 72,809,358	\$ 73,912,163	\$ 1,102,805
Licenses and permits	613,700	803,155	189,455
Intergovernmental	7,457,654	7,298,438	(159,216)
Charges for services	362,250	289,852	(72,398)
Interest and dividends	137,000	199,462	62,462
Miscellaneous	60,000	292,627	232,627
Operating transfers in	-	5,492	5,492
Total Revenues	81,439,962	82,801,189	1,361,227
Expenditures			
General government	8,711,607	8,168,563	543,044
Public safety	7,064,377	6,829,684	234,693
Public works	3,551,699	3,342,748	208,951
Health and welfare	272,032	219,986	52,046
Culture and recreation	1,663,652	1,644,812	18,840
Capital outlay	203,500	203,038	462
Debt service	6,009,340	5,993,057	16,283
Operating transfers out	598,645	598,645	-
Education	53,808,755	53,548,151	260,604
Total Expenditures	81,883,607	80,548,684	1,334,923
Increase (Decrease) in Fund Balance	\$ (443,645)	\$ 2,252,505	\$ 2,696,150

The General Fund is the operating fund of the Town. The budget surplus of \$2.25m resulted from a combination of positive variances in both revenues and expenditures, each accounting for approximately 50% of the budget surplus. The significant variances are summarized as follows:

Revenues

- Property tax revenue realized a positive budget variance of \$1.1m due to the following surpluses-
 - Current year taxes of \$344k (higher than budgeted collection rate).
 - Motor vehicle supplemental taxes of \$268k.
 - Prior year taxes of \$216
 - Taxes in suspense of \$82k.
 - Interest and liens on taxes of \$192k.

- License and permit revenue realized a positive variance of \$189k. This was driven by surpluses in both Town Clerk and Building Department revenues from greater than expected real estate transactions and building permits.

- The negative variance of \$159k in intergovernmental revenue resulted from not receiving an anticipated revenue sharing grant from the State of Connecticut for \$168k.

- The positive variance in interest and dividend revenue of \$62k resulted from an increase in interest rates earned on investments over what was projected.

- The positive variance in miscellaneous revenue of \$233k resulted from a variety of nonrecurring revenue sources. Such amounts are not anticipated and are therefore never budgeted.

**Town of Monroe, Connecticut
Management's Discussion and Analysis
June 30, 2016**

Expenditures

- General government expenditures were \$543k less than appropriated as a result of the following positive variances -
 - \$49k in legal fees as a result of a decline in anticipated legal activity in which the Town was involved.
 - \$41k of unused budgeted contingency.
 - \$235k in insurance driven by unanticipated savings realized by a change in the Town's health insurance provider early in the fiscal year.
 - \$52k in planning & zoning expenditures resulting from an unfilled position and unused consulting fees.
- Public safety realized a positive budget variance of \$235k, \$232k which came from both unfilled uniform and dispatch positions budgeted within the police department.
- The positive variance for public works of \$209k was driven by a milder winter than anticipated. The following expenditures were all below their appropriated amount -
 - \$50k in snow removal operations.
 - \$77k in equipment repairs & maintenance.
 - \$53 in other public works operations.
- Education realized a positive budget variance of \$260k. Actual costs for facility operations (\$136k), supplies (\$61k) and transportation (\$62k) were all below their appropriation by the amounts stated. Energy efficiency improvements done in the prior year and lower fuel costs were the drivers for the savings.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of this year the Town had a net investment of \$89.83 in capital assets for governmental activities. This amount represents a net decrease of \$579k from the prior year. This is the result of depreciation expense for the year exceeding capital additions by \$249k and a net write-off of capital assets which were no longer in service of \$330k. More detailed information about the Town's capital assets is presented in Note 3D of the financial statements.

Debt

The Town's total long-term debt as of June 30, 2016 was \$61.73m, a net decline of \$2.92m from the prior year. Included in that amount were \$38.96m in general obligation bonds outstanding, which decreased \$4.58m from the prior year. As previously discussed, this was offset by a year over year increase in the Town's total net pension liability of \$1.96m.

The Town continues to carry a rating of Aa2 from Moody's Investor Services, Inc. on its general obligation debt.

More detailed information about the Town's long-term liabilities is presented in Note 3E of the financial statements. Additional information about the Town's pension plans can be located in Note 4 of the financial statements and Schedule 3 of the supplementary schedules.

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 2017. Some of the more significant considerations were:

- The overall poor fiscal condition of the State of Connecticut and how it would likely have a negative impact on projected revenues that the Town receives from the State in the form of municipal aid.
- The status of any open collective bargaining agreements.
- A projected decline in student enrollment of 69 students from the prior fiscal year.
- The status of all lawsuits relative to assessment appeals which could have a negative impact on the grand list.

As a result of the conservative budget practices followed by considering these and other factors in assessing the state and local economy, the fiscal year 2017 revenues are currently trending to exceed budgeted estimates and expenditures are trending to be at or below budgeted appropriations.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

**BASIC FINANCIAL
STATEMENTS**

Statement of Net Position
June 30, 2016

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 16,393,785
Investments	4,507,969
Receivables	
Taxes, net	1,259,343
Accounts, net	737,127
Intergovernmental	1,199,582
Capital assets	
Nondepreciable	15,123,844
Depreciable, net of accumulated depreciation	<u>74,704,923</u>
Total Assets	<u>113,926,573</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding bonds	668,547
Difference between expected and actual experience	36,338
Net difference between projected and actual earnings	1,866,493
Change in pension assumptions	825,692
Contributions to the pension plan after the measurement date	<u>633,992</u>
Total deferred outflows of resources	<u>4,031,062</u>
LIABILITIES	
Accounts payable	3,275,720
Accrued payroll and related	712,757
Retainage payable	35,762
Risk management claims payable	1,106,549
Accrued interest payable	216,961
Unearned revenues	1,504,416
Non-current liabilities	
Due within one year	7,133,468
Due in more than one year	<u>54,597,567</u>
Total Liabilities	<u>68,583,200</u>
DEFERRED INFLOWS OF RESOURCES	
Difference between expected and actual experience	<u>668,970</u>
NET POSITION	
Net investment in capital assets	47,644,061
Restricted net position	
Expendable	889,073
Nonexpendable - trust fund principal	2,250
Unrestricted net position	<u>170,081</u>
Total Net Position	<u>\$ 48,705,465</u>

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

Statement of Activities
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental activities					Governmental Activities
General government	\$ 8,196,272	\$ 815,083	\$ 70,984	\$ -	\$ (7,310,205)
Public safety	8,472,241	1,589,696	286,757	-	(6,595,788)
Public works	4,800,989	640,562	436,374	700,882	(3,023,171)
Health and welfare	357,310	79,429	68,789	-	(209,092)
Culture and recreation	3,432,231	1,320,089	219,867	-	(1,892,275)
Education	68,982,600	3,584,177	15,300,895	38,189	(50,059,339)
Interest on long-term debt	1,407,195	-	-	-	(1,407,195)
Total Governmental Activities	<u>95,648,838</u>	<u>8,029,036</u>	<u>16,383,666</u>	<u>739,071</u>	<u>(70,497,065)</u>
General Revenues					
Property taxes, payments in lieu of taxes, interest and liens					74,032,714
Grants and contributions not restricted to specific programs					11,734
Unrestricted interest and investment earnings					291,025
Other general revenues					<u>292,627</u>
Total General Revenues					<u>74,628,100</u>
Change in Net Position					4,131,035
Net Position - Beginning of Year					<u>44,574,430</u>
Net Position - End of Year					<u>\$ 48,705,465</u>

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

Balance Sheet
 Governmental Funds
 June 30, 2016

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and equivalents	\$ 14,149,319	\$ 752,792	\$ 14,902,111
Investments	4,215,568	292,401	4,507,969
Taxes receivable, net of allowance for uncollectible amounts	1,259,343	-	1,259,343
Other receivables			
Accounts	402,740	334,387	737,127
Intergovernmental	596,973	602,609	1,199,582
Due from other funds	1,160,610	6,547,186	7,707,796
Total Assets	<u>\$21,784,553</u>	<u>\$ 8,529,375</u>	<u>\$ 30,313,928</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 958,624	\$ 1,084,060	\$ 2,042,684
Accrued payroll and related	701,671	11,086	712,757
Other accrued liabilities	35,762	-	35,762
Due to other funds	8,370,409	1,160,610	9,531,019
Unearned revenues	78,183	1,426,233	1,504,416
Total Liabilities	<u>\$10,144,649</u>	<u>\$ 3,681,989</u>	<u>\$ 13,826,638</u>
Deferred Inflows of Resources			
Unavailable revenues	1,887,545	492,771	2,380,316
Fund Balances (Deficits)			
Nonspendable	\$ 166,433	\$ 2,250	\$ 168,683
Restricted	389,539	499,534	889,073
Committed	-	2,945,006	2,945,006
Assigned	1,113,291	1,980,446	3,093,737
Unassigned	8,083,096	(1,072,621)	7,010,475
Total Fund Balances (Deficits)	<u>9,752,359</u>	<u>4,354,615</u>	<u>14,106,974</u>
Total Liabilities, Deferred inflows of Resources and Fund Balances (Deficits)	<u>\$21,784,553</u>	<u>\$ 8,529,375</u>	<u>\$ 30,313,928</u>

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

Reconciliation of Governmental Funds Balance Sheet
to the Government Wide Statement of Net Position - Governmental Activities
June 30, 2016

Fund Balances - Total Governmental Funds	\$ 14,106,974
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	89,828,767
Internal service funds are used by management to charge the costs of insurance and general services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	975,312
Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	(1,117,748)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	2,380,316
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(216,961)
Bonds payable	(38,965,000)
Capital leases payable	(2,101,958)
Compensated absences	(2,264,206)
Termination benefits payable	(4,685,196)
Retired employee obligations	(933,571)
Pension obligations payable	(7,768,551)
Other post-employment benefits obligations payable	(3,226,258)
Deferred outflows on pensions	3,362,515
Deferred inflows on pensions	(668,970)
Net Position of Governmental Activities	<u>\$ 48,705,465</u>

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

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2016

	General	Other Governmental Funds	Total Governmental Funds
REVENUES			
Property taxes	\$ 73,956,951	\$ -	\$ 73,956,951
Intergovernmental	13,437,840	4,226,357	17,664,197
Licenses, permits and other charges	803,155	-	803,155
Charges for services	839,146	3,985,075	4,824,221
Contributions	-	339,509	339,509
Investment earnings (loss)	288,436	1,229	289,665
Miscellaneous	312,010	81,083	393,093
Total Revenues	<u>89,637,538</u>	<u>8,633,253</u>	<u>98,270,791</u>
EXPENDITURES			
Current expenditures			
General government	8,063,744	44,794	8,108,538
Public safety	7,202,341	596,664	7,799,005
Public works	3,321,288	538,357	3,859,645
Health and welfare	310,587	135,311	445,898
Culture and recreation	1,625,939	1,379,770	3,005,709
Education	59,684,089	3,862,434	63,546,523
Debt service			
Principal	4,640,837	-	4,640,837
Interest	1,352,220	-	1,352,220
Bond issuance costs	-	1,072	1,072
Capital outlay	<u>367,551</u>	<u>3,825,610</u>	<u>4,193,161</u>
Total Expenditures	<u>86,568,596</u>	<u>10,384,012</u>	<u>96,952,608</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,068,942</u>	<u>(1,750,759)</u>	<u>1,318,183</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	5,492	1,376,319	1,381,811
Transfers out	<u>(1,363,153)</u>	<u>(38,658)</u>	<u>(1,401,811)</u>
Total Other Financing Sources (Uses)	<u>(1,357,661)</u>	<u>1,337,661</u>	<u>(20,000)</u>
Net Change in Fund Balance	1,711,281	(413,098)	1,298,183
Fund Balances - Beginning of Year	<u>8,041,078</u>	<u>4,767,713</u>	<u>12,808,791</u>
Fund Balances - End of Year	<u>\$ 9,752,359</u>	<u>\$ 4,354,615</u>	<u>\$ 14,106,974</u>

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

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2016

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 1,298,183</u>
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.</p>	
Capital outlay expenditures	4,255,689
Depreciation expense	(4,504,706)
Undepreciated basis of assets disposed of or sold	<u>(330,241)</u>
	<u>(579,258)</u>
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Real property taxes and other revenues in the General Fund	(123,555)
Revenues in the Waste Disposal Fund	(21,775)
Revenues in the Police Private Duty Fund	(72,303)
Revenues in the EMS Fund	(63,223)
Grant revenues in the Capital Reserve Fund	(20,000)
Grant revenues in the Pepper Street Grant Fund	73,450
Grant revenues in the Police Renovation Fund	<u>(500,000)</u>
	<u>(727,406)</u>
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>	
Principal payments on long-term debt	4,958,339
Amortization of loss on refunding bonds, issuance premium and issuance costs	<u>207,766</u>
	<u>5,166,105</u>
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, including the change in</p>	
Accrued interest	(54,975)
Change in compensated absences	(237,530)
Change in termination benefits	(46,004)
Change in retired employee obligations	124,939
Change in pension liability	(422,919)
Change in other post employment benefits liability	(119,938)
Change in MERS pension liability and related deferred inflows and outflows	<u>271,617</u>
	<u>(484,810)</u>
<p>Internal service funds are used by management to charge the costs of medical, risk management and other claims to individuals funds. The net revenue of certain activities of internal service funds is reported with governmental activities.</p>	
	<u>(541,779)</u>
Change in Net Position of Governmental Activities	<u>\$ 4,131,035</u>

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

Statement of Net Position
 Internal Service Funds
 June 30, 2016

	Governmental Activities
	<u>Internal Service Funds</u>
ASSETS	
Current Assets	
Cash and equivalents	\$ 1,491,674
Receivables	
Due from other funds	<u>590,187</u>
Total Current Assets	<u>2,081,861</u>
LIABILITIES	
Current Liabilities	
Claims payable	<u>795,474</u>
Noncurrent Liabilities	
Claims payable	<u>311,075</u>
Total Liabilities	<u>1,106,549</u>
NET POSITION	
Unrestricted	<u>\$ 975,312</u>

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

Statement of Revenues, Expenses and Changes in Net Position
 Internal Service Funds
 For the Year Ended June 30, 2016

	Governmental Activities <u>Internal Service Funds</u>
OPERATING REVENUES	
Employer contributions	\$ 5,707,996
Charges for services	<u>2,143,104</u>
Total Operating Revenues	<u>7,851,100</u>
OPERATING EXPENSES	
Claims and benefits	7,106,025
Premiums and administrative charges	<u>1,308,214</u>
Total Operating Expenses	<u>8,414,239</u>
Loss from Operations	<u>(563,139)</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest income	<u>1,360</u>
Loss Before Transfers	(561,779)
Transfers in	<u>20,000</u>
Change in Net Position	(541,779)
Net Position - Beginning of Year	<u>1,517,091</u>
Net Position - End of Year	<u>\$ 975,312</u>

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

Statement of Cash Flows
 Internal Service Funds
 For the Year Ended June 30, 2016

	Governmental Activities
	<u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from employer contributions	\$ 5,707,996
Cash received from charges for services	2,143,104
Cash payments for benefits and claims	(6,939,004)
Cash payments to vendors and others	<u>(1,334,279)</u>
Net Cash from Operating Activities	<u>(422,183)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers in	<u>20,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>1,360</u>
Net Increase (Decrease) in Cash and Equivalents	(400,823)
Cash and Equivalents - Beginning of Year	<u>1,892,497</u>
Cash and Equivalents - End of Year	<u>\$ 1,491,674</u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES	
Income (loss) from operations	\$ (563,139)
Changes in operating assets and liabilities	
Due from other funds	(46,065)
Accounts payable	(478)
Risk management claims payable	<u>187,499</u>
Net Cash from Operating Activities	<u>\$ (422,183)</u>

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

Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2016

	Pension Trust Funds	Private Purpose Trust Fund - School Scholarships	Agency Funds
ASSETS			
Cash	\$ -	\$ 58,070	\$ 225,607
Investments, at fair value			
Mutual fund - money market	913,905	-	-
Mutual fund - equity	13,121,695	-	-
Mutual fund - bond	6,010,116	-	-
Mutual fund - other	476,050	-	-
Due from other funds	-	-	1,233,036
	<u>20,521,766</u>	<u>58,070</u>	<u>1,458,643</u>
Total Assets			
	<u>20,521,766</u>	<u>58,070</u>	<u>1,458,643</u>
LIABILITIES			
Due to others	-	-	1,458,643
	<u>-</u>	<u>-</u>	<u>1,458,643</u>
NET POSITION			
Restricted for pensions and other purposes	<u>\$ 20,521,766</u>	<u>\$ 58,070</u>	<u>\$ -</u>

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

Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 For the Year Ended June 30, 2016

	Pension Trust Funds	Private Purpose Trust Fund - School Scholarships
	<u> </u>	<u> </u>
ADDITIONS		
Contributions		
Employer	\$ 750,541	\$ -
Plan members	350,002	-
Private donations	<u>-</u>	<u>445</u>
Total Contributions	<u>1,100,543</u>	<u>445</u>
Investment Income		
Net change in fair value of investments	(226,732)	-
Interest and dividends	<u>352,437</u>	<u>13</u>
Total Investment Income	<u>125,705</u>	<u>13</u>
Total Additions	<u>1,226,248</u>	<u>458</u>
DEDUCTIONS		
Benefit payments	1,147,707	5,300
Administrative expenses	<u>74,113</u>	<u>490</u>
Total Deductions	<u>1,221,820</u>	<u>5,790</u>
Change in Net Position	<u>4,428</u>	<u>(5,332)</u>
Net Position - Beginning of Year	<u>20,517,338</u>	<u>63,402</u>
Net Position - End of Year	<u>\$ 20,521,766</u>	<u>\$ 58,070</u>

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

Town of Monroe, Connecticut

Notes to Financial Statements
June 30, 2016

1. Summary of Significant Accounting Policies

The Town of Monroe, Connecticut ("Town") was incorporated in 1823. The Town operates under a Selectman/Council form of government. The 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 taxation matters as prescribed by Connecticut General Statutes, and is responsible for presenting fiscal operating budgets for Town Council approval. The Board of Education is responsible for operation of the school system. The Town operates under a charter and provides the following services as authorized by such: public safety, public works, recycling, health and welfare, culture and recreation, education, planning and zoning and general administration.

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

A. Financial Reporting Entity

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

In evaluating how to define the financial reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in this reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. The criterion has been considered and there are no agencies or entities which should be presented with this government.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the Town as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities (if any), which rely to a significant extent on fees and charges for support.

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

1. Summary of Significant Accounting Policies (Continued)

C. Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Town maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. The Town maintains proprietary and fiduciary funds, which are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the enterprise funds and the internal service funds are charges to customers for services. Operating expenses for the enterprise funds and the internal service funds include the cost of services, administrative expenses, depreciation costs and benefit costs. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

The Town's resources are reflected in the fund financial statements in three broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

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

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

1. Summary of Significant Accounting Policies (Continued)

The Town also reports the following non-major governmental funds:

Special Revenue Funds – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specific purpose other than debt service or capital projects. The non-major Special Revenue Funds of the Town are:

- Library Grants – Various federal, state and local grants received for the library.
- Wheeler Library – Revenue received from the Edith S. Wheeler Trust for the benefit of the library.
- School Cafeteria – Operations of the schools' cafeterias funded by federal grants and faculty and student meal purchases.
- Education Grants – Various federal, state and local grants received for educational purposes.
- Education Programs – Educational programs, athletic team 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 – Private donations received which fund the operations of the WMNR Radio Station.
- Police Grants – Various federal, state and local grants received for law enforcement.
- Police Private Duty – 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 – Parks and 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 – Grant and program revenue used to fund various program expenditures at the Senior Center for the benefit of senior citizens.
- Emergency Medical Service – Agent billing revenue from patient transportation used to fund EMS operations.
- Town Grants and Programs – Grant, donation and program revenue received by the Town for various specified purposes.
- Local Capital Improvements – State grant revenue and corresponding expenditures relating to the Local Capital Improvement Program (LOCIP).

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

1. Summary of Significant Accounting Policies (Continued)

- Town Road Grants – Town Aid Road and Municipal Projects grant revenue received from the State, and all related expenditures.
- Waste Disposal – Refuse hauler fees and dump truck ticket revenue used to fund the Town's proportionate usage of the Trumbull Transfer Station.

Capital Projects Funds - Capital project funds are used to account for the acquisition of major capital facilities or improvements other than those financed by proprietary funds. The following are the Town's non-major capital projects funds:

- Plan of Conservation and Development – This is funded on an annual basis with an appropriation from the General Fund and is used to account for expenditures related to the updating and implementation of the Plan of Conservation and Development (PCOD).
- BOE Bonded Projects – This capital project fund is used to account for the bond revenues and expenditures associated with various Board of Education capital projects.
- Capital Reserve – To account for non-major 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 received from the issuance of General Obligation Bonds.
- Road Construction and Reconstruction – 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 – To account for the grant revenue and related expenditures for the reconstruction of Pepper Street. This project is being funded utilizing federal funds under the STP Urban Component of the Surface Transportation Program. Eighty percent (80%) will be funded with federal funds, ten percent (10%) with state funds and the remaining ten percent (10%) with Town funds.
- Police Department Renovation – 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 state grant.
- Education Capital Reserve – Established pursuant to Section 10-248a of the Connecticut General Statutes, it has historically been funded with the transfer of any Board of Education budget surplus which remains at the end of a fiscal year.
- Capital Financing – This fund is used to internally finance certain capital vehicle and equipment purchases. An appropriation is budgeted in the general fund on an annual basis and is transferred into this fund. The vehicle and equipment purchases made through this fund are amortized over a period not to exceed 5 years. The amortization expense within the fund for any given year must not be greater than the budget appropriation to be transferred into the fund for that fiscal year. This fund is expected to carry a deficit fund balance.

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

1. Summary of Significant Accounting Policies (Continued)

Permanent Funds – Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the Town's programs. The Town has the following permanent fund:

- Cornelia Rogers – This fund was established in 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.
- b. Proprietary Funds - Proprietary funds include internal service funds. Internal Service funds are used to account for those operations that provide services to the Town. The following are the Town's non-major internal service funds:
- Town Dental – is used to account for the Town's Dental plan.
 - Board of Education Medical and Dental – is used to account for the Board of Education's Medical and Dental plans.
 - Heart and Hypertension – is used to account for Heart and Hypertension claims of police officers.
 - Post-Retirement Benefits – is used to account for Other Post-Employment Benefits provided to police after retirement. Subsequent to yearend the Town established a Trust Fund for these benefits.
- c. Fiduciary Funds - The Fiduciary Funds are used to account for assets held by the Town in an agency capacity on behalf of others. These include Pension Trust, Private Purpose Trust and Agency funds. The Pension Trust Fund is provided to account for the activities of the Town of Monroe Retirement Income Plan. This Plan is a defined pension plan, which accumulates resources in two separate asset pools for pension benefit payments to qualified employees upon retirement. One asset pool is for the benefit of qualified Board of Education employees and the other is for qualified Town of Monroe employees. The Private Purpose Trust Fund was established to fund scholarships for students in the schools. Agency Funds are primarily utilized to account for monies held as custodian for outside student groups and performance bonds.

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds and pension trust funds. The Agency Fund has no measurement focus, but utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

1. Summary of Significant Accounting Policies (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 collectible within the current period or soon enough thereafter to pay liabilities of the current period.

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

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

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

Deposits, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts, certificates of deposit, money market funds, State of Connecticut Treasurer's Short-Term Investment Fund, Tax Exempt Proceeds Funds and treasury bills with original maturities of less than three months.

The Town's custodial credit risk policy is to only allow the Town to use banks that are in the State of Connecticut. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk-based capital ratio. The Short-Term Investment Fund ("STIF") is a money market investment pool managed by the Cash Management Division of the State Treasurer's Office created by Section 3-27 of the Connecticut General Statutes ("CGS"). Pursuant to CGS 3-27a through 3-27f, the State, municipal entities, and political subdivisions of the State are eligible to invest in the fund. The fund is considered a "2a7-like" pool and reports its investments at amortized cost (which approximates fair value). The pool is rated AAAM by Standard & Poor. This is the highest rating for money market funds and investment pools. The pooled investment funds' risk category cannot be determined since the Town does not own identifiable securities but invests as a shareholder of the investment pool.

Investments - The investment policies of the Town conform to the policies as set forth by the State of Connecticut and Chapter VIII, Section 7(e) of the Town Charter. The Town's policy is to only allow prequalified financial institution broker/dealers and advisors.

1. Summary of Significant Accounting Policies (Continued)

The Town policy allows investments in the following: (1) obligations of the United States and its agencies; (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short-Term Investment Fund and the Tax Exempt Proceeds Fund.

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

Investments are stated at fair value.

The pension and self-insurance funds allow for investments in certain alternative investments. Alternative investments may include private equity partnerships, infrastructure limited partnerships, hedge and absolute return funds for which there may be no ready market to determine fair value. These investments are valued using the most recent valuation available from the external fund manager. These estimated values do not necessarily represent the amounts that will ultimately be realized upon the disposition of those assets, which may be materially higher or lower than values determined if a ready market for the securities existed.

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

These funds are each considered a "2a7-like" pool and, as such, report its investments at amortized cost (which approximates fair value). A 2a7-like pool is not necessarily registered with the Security and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940 that allows money market mutual funds to use the amortized cost to report net assets.

1. Summary of Significant Accounting Policies (Continued)

The pooled investment funds' risk category cannot be determined since the Town does not own identifiable securities but invests as a shareholder of the investment pool.

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.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town's policy for custodial credit risk is to invest in obligations allowable under the Connecticut General Statutes as described previously.

Credit Risk – Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town does not have a formal credit risk policy other than restrictions to obligations allowable under the Connecticut General Statutes.

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

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

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

An allowance for uncollectible taxes of \$140,000 has been recorded net with taxes receivable as of June 30, 2016.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the Town. Receivables are recorded and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate.

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

1. Summary of Significant Accounting Policies (Continued)

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Reported amounts are equally offset by nonspendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute “available spendable resources” even though they are a component of current assets.

Due From/To Other Funds - During the course of its operations, the Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2016, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

Intangible assets lack physical substance, is nonfinancial in nature and its useful life extends beyond a single reporting period. These are reported at historical cost if identifiable. Intangible assets with no legal, contractual, regulatory, technological or other factors limiting their useful life are considered to have an indefinite useful life and are not amortized.

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

Assets	Years	Capitalization Threshold
Land improvements	20-30	\$ 5,000
Buildings and improvements	20-40	5,000
Machinery and equipment	5-12	5,000
Vehicles	3-15	5,000
Infrastructure	30-50	5,000

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

1. Summary of Significant Accounting Policies (Continued)

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

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

Also, deferred revenues in the fund financial statements (Exhibit 3) are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Such amounts in the fund financial statements have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Long-Term Liabilities - In the government-wide, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

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

Compensated Absences and Termination Benefits – Employees are granted sick and vacation leave in varying amounts. Upon retirement, termination, or death, eligible employees are compensated for unused sick and vacation leave (subject to certain limitations) at specified payment rates established by union contract, regulation or policy. Additionally, Board of Education administrators and teachers are eligible for retirement incentive amounts that are amortized over four years upon retirement.

All compensated absences are accrued when incurred in the government-wide financial statements. Expenditures for compensated absences are recognized in the government fund financial statements 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.

Net Pension Liability in the Municipal Employee Retirement System – The net pension liability includes the Town's proportionate share of the net pension liability of the Connecticut Municipal Employees Retirement System ("MERS") as well as its own pension funds. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement Nos. 68 *Accounting and Financial Reporting for Pensions* and 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

1. Summary of Significant Accounting Policies (Continued)

Net Position - Net position represents the difference between assets, liabilities and deferred outflows/inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes, net investment in capital assets and restricted. The balance is classified as unrestricted.

In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

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

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

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)

June 30, 2016

1. Summary of Significant Accounting Policies (Continued)

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

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

F. Encumbrances

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

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is February 23, 2017.

2. Stewardship, Compliance and Accountability

A. Budget Basis

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

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

2. Stewardship, Compliance and Accountability (Continued)

- **Teachers' Retirement** - The Town does not recognize as income or expenditures payments made for the teachers' retirement by the State of Connecticut on the Town's behalf in its budget. The Governmental Accounting Standards Board's Statement 24 requires that the employer government recognize payments for salaries and fringe benefits paid on behalf of its employees.
- **General Government Accrued Payroll** – The general government records its payroll on a cash basis of accounting for budgetary purposes.
- **Encumbrances** - Unless committed through a formal encumbrance (e.g., purchase orders, signed contracts), all annual appropriations lapse at fiscal year-end. Encumbrances outstanding at year end are reported on the budgetary basis statements as expenditures.

B. Budget Calendar

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.

C. Budget Control

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

Upon request of 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 within the fiscal year. No transfer may be made from any appropriations for debt service or other statutory charges. Additional appropriations shall not be made except from the contingency fund. Appropriations from the contingency fund shall be approved by the First Selectman, the Town Council, and the Board of Finance.

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
 June 30, 2016

2. Stewardship, Compliance and Accountability (Continued)

The contingency fund is not to exceed one half of one mill of the grand list within the annual budget. Transfers within a department must be approved by Town Council.

D. Application of Accounting Standards

For the year ended June 30, 2016, the Town implemented:

- GASB Statement 72 – *Fair Value Measurement and Application* – This Statement, addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes.
- GASB Statement 76 – *The Hierarchy of Generally Accepted Accounting Principles (GAAP) for State and Local Governments* – This statement identifies the current hierarchy of GAAP.
- Certain provisions of GASB Statement 79 – *Certain External Investment Pools and Pool Participants* for pool participants - This statement provides criteria for when an external investment pool may use amortized cost instead of Fair Value.

E. Fund Deficit

The following funds had deficit unassigned fund balances at June 30, 2016. These are expected to be covered by receivables which were not available so that no revenue was recorded as of June 30th; future revenues into the fund; or, a transfer from the General Fund or other existing fund:

	Deficit	Expected Coverage		
		Collection of Receivables	Future Revenues	Internal Transfers
Special Revenue Funds:				
Police Grants	\$ 2,226	\$ -	\$ 2,226	\$ -
Senior Center Grant & Program	40	-	40	-
Capital Projects Funds:				
BOE Bonded Projects	127,669	-	127,669	-
Reconstruction of Pepper Street	237,028	123,215	113,813	-
Capital Financing	705,658	-	-	705,658

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
 June 30, 2016

3. Detailed Notes on All Funds

A. Cash, Cash Equivalents and Investments

Cash and investments of the Town consist of the following at June 30, 2016:

Statement of Net Position	
Cash and equivalents	\$ 16,393,785
Investments	4,507,969
	<u>20,901,754</u>
Fiduciary Funds	
Cash and equivalents	\$ 283,677
Investments	20,521,766
	<u>20,805,443</u>
Total Cash and Investments	<u>\$ 41,707,197</u>

Cash and Cash Equivalents - As of June 30, 2016 the carrying amount of the Town's deposits with financial institutions was:

Cash and Cash Equivalents	
Deposits with financial institutions	\$ 12,008,964
Plus external investment pools	4,668,498
	<u>\$ 16,677,462</u>

The bank balance of the deposits was \$13,563,221 and was exposed to custodial credit risk as follows:

Covered by Federal Depository Insurance	\$ 1,217,530
Uninsured and uncollateralized	12,345,691
	<u>\$ 13,563,221</u>

Investments – Investments reported in Governmental Funds are summarized as follows:

	General Fund	Other Governmental Funds	Total Investments
Mutual funds - money market	\$ -	\$ 292,401	\$ 292,401
U.S. agency bonds	4,215,568	-	4,215,568
	<u>\$ 4,215,568</u>	<u>\$ 292,401</u>	<u>\$ 4,507,969</u>

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

3. Detailed Notes on All Funds (Continued)

Investments reported in Fiduciary Funds are summarized as follows:

	Town Employees' Retirement Plan	Board of Education Pension Plan	Total Investments
Mutual funds			
Equity	\$ 6,543,236	\$ 6,578,459	\$ 13,121,695
Money market	459,049	454,856	913,905
Bonds	2,998,275	3,011,841	6,010,116
Mutual fund - commodities	239,978	236,072	476,050
	<u>\$ 10,240,538</u>	<u>\$ 10,281,228</u>	<u>\$ 20,521,766</u>

Below is a summary of the interest rate risk and credit risk as of June 30, 2016:

Type of Investment	Average Credit Rating	Fair Value	Investment Maturities (in Years)		
			Less Than 1 Year	1-5 Years	Over 5 Years
Mutual funds					
Equity	NR	\$ 13,121,695	\$ 13,121,695	\$ -	\$ -
Money market	Aaa	1,206,306	-	1,206,306	-
Bonds	BBB	6,010,116	6,010,116	-	-
Mutual fund - commodities	NR	476,050	476,050	-	-
U.S. treasury notes	NR	4,215,568	-	-	4,215,568
Total		<u>\$ 25,029,735</u>	<u>\$ 19,607,861</u>	<u>\$ 1,206,306</u>	<u>\$ 4,215,568</u>
NR	Not rated				

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

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

Type of Investment	Investments not Measured at Fair Value	Quoted Prices in active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Mutual funds					
Equity	\$ -	\$ 13,121,695	\$ -	\$ -	\$ 13,121,695
Money market	-	1,206,306	-	-	1,206,306
Bonds	-	6,010,116	-	-	6,010,116
Other	-	476,050	-	-	476,050
U.S. treasury notes	-	4,215,568	-	-	4,215,568
Total	<u>\$ -</u>	<u>\$ 25,029,735</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,029,735</u>

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
 June 30, 2016

3. Detailed Notes on All Funds (Continued)

B. Receivables, Deferred Revenue and Unearned Revenue

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. The following were reported as *deferred revenue* because they were not received within 60 days of the year end:

	General Fund	Other Governmental Funds
Property taxes	\$ 1,076,436	\$ -
Intergovernmental revenue	596,973	412,439
Other	214,136	80,332
	<u>\$ 1,887,545</u>	<u>\$ 492,771</u>

Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. This is recorded as the liability *unearned revenue* at June 30, 2016:

	General Fund	Other Governmental Funds
Taxes collected in advance	\$ 78,183	\$ -
Advances on grants	-	1,243,200
Fees collected in advance	-	183,033
	<u>\$ 78,183</u>	<u>\$ 1,426,233</u>

C. Interfund Transactions

The outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made. At June 30, 2016 these were summarized as follows:

Receivable fund	Payable Fund	Amount
General Fund	Other Governmental Funds	\$ 1,160,610
Other Governmental Funds	General Fund	6,547,186
Proprietary Funds	General Fund	590,187
Fiduciary Funds	General Fund	1,233,036
		<u>\$ 9,531,019</u>

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

3. Detailed Notes on All Funds (Continued)

Fund transfers are generally used to fund special projects with general fund revenues. Transfers during the year ended June 30, 2016 were as follows:

	Transfers into			Total
	General Fund	Other Governmental Funds	Proprietary Funds	
Transfers out of				
General Fund	\$ -	\$ 1,343,153	\$ 20,000	\$ 1,363,153
Other Governmental Funds	5,492	33,166	-	38,658
	<u>\$ 5,492</u>	<u>\$ 1,376,319</u>	<u>\$ 20,000</u>	<u>\$ 1,401,811</u>

D. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land	\$ 13,922,971	\$ -	\$ -	\$ 13,922,971
Construction in progress	431,338	1,572,082	(802,547)	1,200,873
	<u>\$ 14,354,309</u>	<u>\$ 1,572,082</u>	<u>\$ (802,547)</u>	<u>\$ 15,123,844</u>
Capital assets being depreciated				
Land improvements	2,631,208	7,741	-	2,638,949
Buildings and systems	105,151,228	874,577	(1,740,250)	104,285,555
Machinery and equipment	10,270,980	309,823	(3,273,865)	7,306,938
Vehicles	10,768,923	1,230,554	(276,697)	11,722,780
Infrastructure	69,460,750	1,063,459	-	70,524,209
	<u>198,283,089</u>	<u>3,486,154</u>	<u>(5,290,812)</u>	<u>196,478,431</u>
Less accumulated depreciation for:				
Land improvements	(1,025,758)	(93,464)	-	(1,119,222)
Buildings and systems	(48,775,108)	(2,572,692)	1,412,030	(49,935,770)
Machinery and equipment	(9,183,998)	(230,394)	3,271,844	(6,142,548)
Vehicles	(7,605,110)	(577,967)	276,697	(7,906,380)
Infrastructure	(55,639,399)	(1,030,189)	-	(56,669,588)
	<u>(122,229,373)</u>	<u>(4,504,706)</u>	<u>4,960,571</u>	<u>(121,773,508)</u>
	<u>\$ 90,408,025</u>	<u>\$ 553,530</u>	<u>\$ (1,132,788)</u>	<u>\$ 89,828,767</u>

Depreciation and amortization expense was charged to functions/programs of the governmental activities as follows:

General government	\$ 90,198
Public safety	650,562
Public works	1,169,540
Culture and recreation	354,318
Education	2,240,088
	<u>\$ 4,504,706</u>

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

3. Detailed Notes on All Funds (Continued)

E. Long-Term Liabilities

The following table summarizes changes in the Town’s long-term indebtedness for the year ending June 30, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	\$ 43,550,000	\$ -	\$ (4,585,000)	\$ 38,965,000	\$ 5,045,000
Premium on bonds	1,994,061	-	(207,766)	1,786,295	-
	45,544,061	-	(4,792,766)	40,751,295	5,045,000
Capital leases	2,475,296	-	(373,338)	2,101,958	379,081
Compensated absences	2,026,676	243,332	(5,802)	2,264,206	751,966
Special termination benefits	4,639,192	125,265	(79,261)	4,685,196	481,600
Retired employee obligations	1,058,510	298,629	(423,568)	933,571	475,821
Pension obligations	5,803,711	3,108,317	(1,143,477)	7,768,551	-
OPEB obligations	3,106,320	792,100	(672,162)	3,226,258	-
	<u>\$ 64,653,766</u>	<u>\$ 4,567,643</u>	<u>\$ (7,490,374)</u>	<u>\$ 61,731,035</u>	<u>\$ 7,133,468</u>

Each governmental funds liability is liquidated by the respective fund, primarily the General Fund. Interest on these obligations is expensed to the respective fund, primarily the General Fund.

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the Town and pledge the full faith and credit of the Town. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. General obligation bonds outstanding as of June 30, 2016 consisted of the following:

Purpose	Year of Issue	Original Amount	Final Maturity	Interest Rates	Amount Outstanding
Various School and General Projects	2009	18,975,000	5/1/2024	2-5%	\$ 9,615,000
Various School and General Projects	2010	10,805,000	4/1/2026	2-4%	8,640,000
Purchase of Vehicles/Road Repairs	2010	5,325,000	9/15/2025	2-3%	4,365,000
Various School and General Projects	2012	8,785,000	12/15/2023	2-3%	3,850,000
General and School Renovations	2012	3,605,000	5/15/2027	2-3%	2,930,000
General and School Renovations	2012	460,000	5/15/2022	2.375-3.5%	310,000
Paving/Roof Improvements	2014	3,275,000	7/21/1905	2-4%	3,035,000
Paving/Roof Improvements	2015	6,220,000	4/15/2030	2-3%	6,220,000
					<u>\$ 38,965,000</u>

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
 June 30, 2016

3. Detailed Notes on All Funds (Continued)

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

Year End	General Obligation Bonds		Year End	General Obligation Bonds	
	Principal	Interest		Principal	Interest
2017	\$ 5,045,000	\$ 1,206,284	2024	\$ 3,155,000	\$ 267,010
2018	4,440,000	1,040,727	2025	2,415,000	181,870
2019	4,305,000	885,952	2026	1,670,000	115,876
2020	4,070,000	730,677	2027	995,000	73,920
2021	4,065,000	595,515	2028	660,000	47,370
2022	3,925,000	464,646	2029	655,000	29,770
2023	3,125,000	352,814	2030	440,000	11,880
				<u>\$ 38,965,000</u>	<u>\$ 6,004,311</u>

Interest incurred and expensed on general obligation bonds for the year ended June 30, 2016 totaled \$1,366,255.

Capital Leases Payable

The Town has entered into multi-year lease agreements to finance the acquisition of vehicles and building improvements. The cost of the vehicles and improvements is included in the capital assets with a cost of \$3,926,784 and accumulated depreciation of \$1,058,935. These leases qualify as capital leases for accounting purposes. The Town’s capital lease obligation at June 30, 2016 is as follows:

Total payments on capital lease(s) for year ending	
2017	\$ 413,877
2018	338,230
2019	296,874
2020	297,196
2021	297,525
2022	297,865
2023	298,218
	<u>2,239,785</u>
Less the amount representing interest	<u>(137,827)</u>
Present value of future minimum lease payments	<u>\$ 2,101,958</u>

Interest incurred and expensed on capital leases payable for the year ended June 30, 2016 totaled \$40,940.

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

3. Detailed Notes on All Funds (Continued)

Operating Leases Payable

The Town is a lessee in an operating lease as follows:

Lease of		<u>Munis software</u>
Total payments on operating lease(s) for year ending		
	2017	\$ 112,930
	2018	112,930
	2019	28,233
		<u>\$ 254,093</u>

Compensated Absences

Vacation time earned during the fiscal year can be carried over to the succeeding year, subject to limitations as provided in the respective collective bargaining agreements. Employees are entitled to accumulate sick leave up to a maximum amount stipulated in each contract. Payment for accumulated sick leave is dependent upon the length of service and accumulated days. Certain Board of Education employees are granted retirement incentive payments payable over four years upon retirement. Management estimate's the net present value of all compensated absences has been reflected in the government-wide financial statements as of June 30, 2016 is as follows:

Town		
Vested - Vacation	\$	578,278
Board of Education		
Vested		
Sick		938,450
Vacation		75,795
Non-vested		
Sick		671,683
	\$	<u>2,264,206</u>

Special Termination Benefits

Termination benefits represent the present value of future benefits to be paid to former employees. Certain Board of Education employees were granted retirement awards based on years of service and other provisions in their contracts. The net present value of all special termination benefits has been reflected in the government-wide financial statements. Management's estimate of the vested and non-vested potential liability for payments to employees as of June 30, 2016 is as follows:

Vested	\$	2,140,604
Non-vested		2,544,592
	\$	<u>4,685,196</u>

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
 June 30, 2016

3. Detailed Notes on All Funds (Continued)

Retired Employee Obligations

Board of Education retirement obligations represent payments owed to retired employees for termination benefits and payments for unused compensated absences that are payable over several years. The net present value of all retired employee obligations has been reflected in the government-wide financial statements. The Town's retired employee obligation as of June 30, 2016 is payable as follows:

Year End		
2017	\$	453,163
2018		215,322
2019		112,299
2020		82,270
2021		70,517
	\$	<u>933,571</u>

Prior Year Defeasance of Debt

In prior years, the Town defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. At June 30, 2016, \$21,581,500 of bonds outstanding are considered defeased.

Legal Debt Limit

Connecticut General Statutes Section 7-374 sets limits on the debt, as defined by the statutes, which can be incurred by the Town and other governmental agencies within the Town. The limitations for the Town of Monroe, Connecticut are as follows:

Total tax collections (including interest and lien fees) for the year - primary government	\$ 73,912,163
Reimbursement for revenue loss on tax relief for the elderly (C.G.S. 12-129d)	<u>174,970</u>
Debt limitation base	<u>\$ 74,087,133</u>

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation					
2 1/4 times base	\$ 166,696,049	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	333,392,099	-	-	-
3 3/4 times base	-	-	277,826,749	-	-
3 1/4 times base	-	-	-	240,783,182	-
3 times base	-	-	-	-	222,261,399
Total debt limitation	<u>\$ 166,696,049</u>	<u>\$ 333,392,099</u>	<u>\$ 277,826,749</u>	<u>\$ 240,783,182</u>	<u>\$ 222,261,399</u>

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

3. Detailed Notes on All Funds (Continued)

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Indebtedness					
Bonds payable	\$ 20,284,000	\$ 18,681,000	\$ -	\$ -	\$ -
Bonds authorized but not yet issued	5,228,000	271,466	-	-	-
Amount to be provided by CT	-	(596,973)	-	-	-
Total indebtedness	<u>\$ 25,512,000</u>	<u>\$ 18,355,493</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Debt limitation in excess of debt outstanding and authorized	<u>\$ 141,184,049</u>	<u>\$ 315,036,606</u>	<u>\$ 277,826,749</u>	<u>\$ 240,783,182</u>	<u>\$ 222,261,399</u>

In no case shall total indebtedness exceed seven times the annual receipts from taxation \$ 518,609,931

F. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position – Nonexpendable – the component of net position that reflects funds set aside in accordance with laws, regulations, grants, and other agreements that must be kept intact and cannot be spent. This is made up of \$2,250 of trust principal.

Restricted Net Position – Expendable – the component of net position that reflects funds that can only be spent subject to the laws, regulations, grants, and other agreements relating to these funds. This is made up of:

General government	\$ 105,483
Wilton Estate donations - senior center	389,539
Town clerk fees	95,192
Education	2,149
Library	182,988
Capital projects	33,828
Other purposes	79,894
	<u>\$ 889,073</u>

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

G. Fund Balances

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

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

3. Detailed Notes on All Funds (Continued)

	General Fund	Other Governmental Funds
	<u> </u>	<u> </u>
Nonspendable		
Not in spendable form		
Prepaid expenditures	\$ -	\$ -
Long-term receivables	166,433	-
Required to be maintained		
Trust principal	-	2,250
	<u>\$ 166,433</u>	<u>\$ 2,250</u>
Restricted		
General government donations	\$ -	\$ 105,483
Wilton Estate donations - senior center	389,539	-
Town clerk fees	-	95,192
Education	-	2,149
Library	-	182,988
Capital projects	-	33,828
Other purposes	-	79,894
	<u>\$ 389,539</u>	<u>\$ 499,534</u>
Committed		
Capital projects	<u>\$ -</u>	<u>\$ 2,945,006</u>
Assigned		
General government	\$ 196,384	\$ 201,886
Education	500,000	322,431
Public safety	-	435,581
Culture and recreation	-	155,787
WMNR	-	478,353
Debt	409,400	-
Capital projects	-	380,510
Other purposes	7,507	5,898
	<u>\$ 1,113,291</u>	<u>\$ 1,980,446</u>

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

4. Pension and Other Post Retirement Plans

A. The Retirement Plan of the Town of Monroe, Connecticut

Plan Description - The Town is the administrator of a single employer public employee retirement system (“PERS”) established and administered by the Town to provide pension benefits for its general government and Board of Education employees (excluding teachers covered under the CT State Teachers’ Retirement System). The PERS is considered to be part of the Town’s financial reporting entity and is included in the Town’s financial statement as a pension trust fund. A separate stand-alone financial report is not issued. The Plan is governed by the Retirement Plans Investment Advisor Committee (“Committee”) which is a subcommittee of the Board of Finance.

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

Plan Membership – As of the date of the latest actuarial valuation (July 1, 2014), membership consisted of the following:

	Town	BOE	Total
Retirees and beneficiaries receiving benefits	43	48	91
Terminated employees entitled to benefits, but not yet receiving them	28	25	53
Active members	67	89	156
	<u>138</u>	<u>162</u>	<u>300</u>

Contribution Policy – Employees are required to contribute at the following percentage of salary:

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

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

Investment Policy – The investment policy has been to protect the assets in the fund by not having a concentration of assets in any one type of investment.

Long-term expected rate of return – The best estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting volatility and correlation.

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

4. Pension and Other Post Retirement Plans (Continued)

Below shows the Board's target asset class allocation and the long-term expected rate of return calculated as geometric means:

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

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

Net money-weighted rate of return for the year ended June 30, 2016

Town	0.43%
Board of Education	0.38%

Net Pension Liability

The components of the net pension liability of the Town as of June 30, 2016 were as follows:

	Town	BOE	Total
Total pension liability	\$ 12,393,101	\$ 13,218,539	\$ 25,611,640
Plan fiduciary net position	10,240,539	10,281,294	20,521,833
Net pension liability (asset)	<u>\$ 2,152,562</u>	<u>\$ 2,937,245</u>	<u>\$ 5,089,807</u>
Plan fiduciary net position as a percentage of total pension liability	82.63%	77.78%	80.13%

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

4. Pension and Other Post Retirement Plans (Continued)

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

	Town	Board of Education
Total Pension Liability		
Service cost	\$ 279,200	\$ 397,551
Interest on total pension liability	880,508	943,960
Effect of economic/demographic gains (losses)	32,827	12,337
Benefit payments	(511,431)	(636,276)
Net change in total pension liability	681,104	717,572
Total pension liability, beginning	11,711,997	12,500,967
Total pension liability, ending	<u>\$12,393,101</u>	<u>\$13,218,539</u>
Fiduciary Net Position		
Employer contributions	\$ 383,000	\$ 367,541
Member contributions	145,302	204,700
Investment income net of investment expenses	43,338	38,494
Benefit payments	(511,431)	(636,276)
Administrative expenses	(22,358)	(16,620)
Other	80	-
Net change in plan fiduciary net position	37,931	(42,161)
Fiduciary net position, beginning	10,202,608	10,323,455
Fiduciary net position, ending	<u>\$10,240,539</u>	<u>\$10,281,294</u>
Net pension liability, beginning	21,914,605	22,824,422
Net pension liability, ending	<u>\$ 2,152,562</u>	<u>\$ 2,937,245</u>

Actuarial Methods and Significant Assumptions

The following actuarial methods and assumptions were used in the July 1, 2014 valuation (Valuation and Measurement Date) and projected forward to June 30, 2016 (Reporting Date):

Valuation timing	Actuarially determined contribution rates are calculated as of July 1, 24 months prior to the beginning of the fiscal year in which the contributions are reported.
Actuarial cost method	Entry Age Actuarial Cost Method (level percentage of salary).
Amortization method	
Level percent or level dollar	Level percent
Closed, open or layered	Open periods
Amortization period at 1/1/14	20 years
Amortization growth rate	0.00%
Asset valuation method	The expected asset value plus or minus 20% of the difference between the expected value and the market value of assets. The actuarial value will fall within the range of 70% to 130% of the market value of assets
Inflation	3.00%
Salary increases	4.00%
Investment rate of return	7.50%
Cost of living adjustment	None
Retirement age	65
Turnover	None
Pre-retirement mortality	None
Post-retirement mortality	RP-2014 Mortality Table

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

4. Pension and Other Post Retirement Plans (Continued)

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

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Town			
Net Pension Liability (Asset)	\$ 3,601,050	\$ 2,152,562	\$ 923,099
Board of Education			
Net Pension Liability (Asset)	\$ 4,528,468	\$ 2,937,245	\$ 1,591,709

Pension Expense – The total pension expense recognized for the year ended June 30, 2016 was \$2,216,775. Pension expense for the next 5 years will be affected by the following deferred outflows and inflows of resources for the Town:

Increase (Decrease) in Pension Expense from the Recognition of the Effects of:

	Recognized in		To Be Recognized in				
	2016	2017	2018	2019	2020	2021	Total
Differences between Expected and Actual Experience							
2015	\$ (25,975)	\$ (25,975)	\$ (25,975)	\$ (25,975)	\$ (10,392)	\$ -	\$ (88,317)
2016	\$ 6,699	\$ 6,699	\$ 6,699	\$ 6,699	\$ 6,031	\$ -	\$ 26,128
Recognition of the Effects of Changes in Assumptions							
2015	\$ 108,749	\$ 108,749	\$ 108,749	\$ 108,749	\$ 43,497	\$ -	\$ 369,744
Differences between Projected and Actual Earnings on Pension Plan Investments							
2015	\$ 66,893	\$ 66,893	\$ 66,893	\$ 66,891	\$ -	\$ -	\$ 200,677
2016	\$ 144,332	\$ 144,332	\$ 144,332	\$ 144,332	\$ 144,331	\$ -	\$ 577,327

For the Board of Education:

Increase (Decrease) in Pension Expense from the Recognition of the Effects of:

	Recognized in		To Be Recognized in				
	2016	2017	2018	2019	2020	2021	Total
Differences between Expected and Actual Experience							
2015	\$ (138,250)	\$ (138,250)	\$ (138,250)	\$ (138,250)	\$ (138,250)	\$ (27,653)	\$ (580,653)
2016	\$ 2,127	\$ 2,127	\$ 2,127	\$ 2,127	\$ 2,127	\$ 1,702	\$ 10,210
Recognition of the Effects of Changes in Assumptions							
2015	\$ 108,559	\$ 108,559	\$ 108,559	\$ 108,559	\$ 108,559	\$ 21,712	\$ 455,948
Differences between Projected and Actual Earnings on Pension Plan Investments							
2015	\$ 99,938	\$ 99,938	\$ 99,938	\$ 99,938	\$ -	\$ -	\$ 299,814
2016	\$ 146,559	\$ 146,559	\$ 146,559	\$ 146,559	\$ 146,559	\$ -	\$ 586,236

4. Pension and Other Post Retirement Plans (Continued)

B. Connecticut Municipal Employee's Retirement System

Plan Description

The Town's Police Department participates in the Municipal Employees' Retirement System ("MERS"). This is a cost sharing multiple employer public employee retirement system ("PERS") established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits for the employees of participating local government authorities. The plan was established in 1947 and is governed by Connecticut General Statutes Title 7, Chapter 113.

Plan Membership – Any local government authority in the State of Connecticut, including towns, cities, boroughs, regional school districts, housing authorities, or other special districts, may elect to participate for one or more of its departments, including elective officers; only teachers who are covered under the Connecticut State Teachers' Retirement System are ineligible.

Plan Benefits – Plan provisions are set by statute of the State of Connecticut. MERS provides retirement benefits, as well as death and disability benefits. Annual cost of living increases are paid to disabled members and non-disabled retirement benefits and vary based on member age and date of retirement. For members that retired prior to January 1, 2002, increases between 3.0% and 5.0% are paid to those who have reached age 65 and (effective January 1, 2002) increases of 2.5% are paid to those who have not yet reached age 65.

For members that retired after December 31, 2001, increases between 2.5% and 6.0% are paid, regardless of age. Benefits vest after 5 years of continuous service or 15 years of active aggregate service. Vested members who retire after age 55 or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life, in an amount for each year of service equal to:

- If not covered by Social Security: 2% of the average of the three highest paid years of service times years of service.
- If covered by Social Security: 1.5% of the average of the three highest paid years of service not in excess of the year's breakpoint, plus 2% of the average of the three highest paid years of service in excess of the year's breakpoint. The year's breakpoint for 2014 is \$69,200.

Funding Policy – Covered employees are required by State Statute to contribute 2.25% of earnings upon which social security tax is paid plus 5% of earnings on which no social security tax is paid. Employees not covered by Social Security are required to contribute 5% of all earnings. Each participating municipality is required by State Statute to contribute the amounts necessary to finance the remaining costs of the plan. The annual contribution consists 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 MERS not met by member contributions.

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

4. Pension and Other Post Retirement Plans (Continued)

Each covered municipality is required by State Statute to pay an actuarially determined percentage of covered payroll to provide for benefits based on current service. This percentage varies by police and fire versus general employees, and within those two groups, for populations covered by Social Security versus those not covered by Social Security. The statute also requires each municipality to pay an annual amount for benefits based on service prior to the unit's date of participation. This amount is a level dollar amortization (including interest and principal) over varying time periods depending upon the unit's date of participation and other factors. The required employer contribution rates for the year ended June 30, 2016 were:

General employees	
With social security	11.56%
Without social security	11.13%
Police and fire	
With social security	17.06%
Without social security	15.12%

The total amount contributed for the fiscal year ended June 30, 2016 was \$633,992.

Obtaining a Report of the Plan – MERS is considered to be a part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. The reports include information on the plan's assets, deferred outflows of resource, liabilities, deferred inflows of resources, and fiduciary net position. More information can be obtained by contacting the Municipal Employees' Retirement System – Fund B, Office of the State Comptroller or on their website (<http://www.osc.ct.gov/rbsd/cmers/plandoc/index.html>).

The Town of Monroe, Connecticut's proportionate share has been determined on the same basis as that used by the plan as has the basis of accounting, including policies with respect to benefit payments (including refunds of employee contributions) and the valuation of plan investments.

Actuarial Methods and Significant Assumptions – The following assumptions were used in the pension valuations, prepared as of June 30, 2014 (the Valuation Date and Measurement Date) for use in the June 30, 2016 financial statements (Reporting Date):

Actuarial cost method	Entry Age Normal Cost method
Experience study dates	July 1, 2005 - June 30, 2010
Asset valuation method	Market value
Inflation	3.25%
Salary increases	4.25-11.00%, including inflation
Investment rate of return	8.00%, net of investment related expense, including inflation using
Discount rate	8.00%, the projection of cash flows assumed that plan member contributions will be made at the current contribution rate and employer contributions will be made at the actuarially determined rates in future years.
Cost of living adjustment	Annually compounded increases vary based on member age and date of retirement and range from 2.50% to 6% maximum.
Post-retirement mortality	RP2000 Mortality Table for Annuitant and non-Annuitants

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

4. Pension and Other Post Retirement Plans (Continued)

There were no changes in assumptions or benefits that affected the measurement of the total pension liability since the prior measurement date.

Target Asset Allocation and Rates of Return – The table below shows the target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are to be provided by the Fiduciary of the Plan:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large Cap U.S. Equities	16.00%	5.80%
Developed Non-U.S. Equities	14.00%	6.60%
Emerging Markets (Non-U.S.)	7.00%	8.30%
Core Fixed Income	8.00%	1.30%
Inflation Linked Bond Fund	5.00%	1.00%
Emerging Market Bond	8.00%	3.70%
High Yield Bonds	14.00%	3.90%
Real Estate	7.00%	5.10%
Private Equity	10.00%	7.60%
Alternative Investments	8.00%	4.10%
Liquidity Fund	3.00%	0.40%

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

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Net Pension Liability (Asset)	\$ 5,013,384	\$ 2,678,744	\$ 733,336

Town of Monroe, Connecticut's Proportionate Share

Net Pension Liability	\$ 2,678,744
Net Pension Liability percentage of the total	1.3898371%
Deferred outflows of resources	
Contributions subsequent to the Measurement Date	\$ 633,992
Net difference projected and actual earnings on investments	\$ 202,439
Pension expense	\$ 561,898
Proportion Basis	Reported Payroll
Change in proportion since prior measurement date	None for 2015

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

4. Pension and Other Post Retirement Plans (Continued)

The contributions subsequent to the measurement date, shown as a deferred inflow of resources, will be recognized as a reduction of the net pension liability next year. Other amounts reported at deferred inflows of resources will be recognized in pension expense as follows:

2017	\$	12,768
2018		12,768
2019		12,768
2020		164,135
	\$	<u>202,439</u>

C. Teachers' Retirement System

Plan Description

Teachers and certain other certified personnel in the Town are eligible to participate in the Connecticut State Teachers' Retirement System, a cost-sharing multiple employer public employee retirement system described in the Connecticut General Statutes, Chapter 167a. The TRS has been established to provide retirement and other benefits for teachers, their survivors and beneficiaries. The Teachers' Retirement System is administered by the Teachers' Retirement Board.

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

Plan Benefits – Plan provisions are set by statute of the State of Connecticut. Teachers' Retirement System provides retirement benefits, as well as death and disability benefits. A member is eligible to receive a normal retirement benefit who (1) has reached the age of sixty and has accumulated twenty years of credited service in the public schools of Connecticut or (2) has attained any age and has accumulated thirty-five years of credited service, at least twenty-five years of which are service in the public schools of Connecticut.

The normal retirement benefit is two percent times the number of years of credited service multiplied by their average annual salary received during the three years of highest salary. In no event will such benefit exceed seventy-five percent of the average annual salary.

A minimum monthly benefit of \$1,200 is provided for teachers who retire under the normal retirement provisions and who have completed at least twenty-five years of full time Connecticut service.

A member is eligible to receive an early retirement benefit who (1) has attained any age and has accumulated twenty-five years of credited service, at least twenty years of which are service in the public schools of Connecticut or (2) has reached the age of fifty-five and has accumulated twenty years of credited service, at least fifteen years of which are service in the public schools of Connecticut.

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

4. Pension and Other Post Retirement Plans (Continued)

The early retirement benefit is reduced six percent per year for the first five years preceding normal retirement age and four percent per year for the next five years preceding normal retirement age. Effective July 1, 1999, the reductions for individuals with 30 or more years of service is three percent per year by which retirement precedes normal retirement date.

Benefits are fully vested after ten years of service. Benefits are payable at age sixty and early retirement reductions are based on the number of years of service the member would have had if they had continued to work until age sixty.

Funding Policy – In accordance with the Connecticut General Statutes, Section 10-183z, contribution requirements of active employees and the State of Connecticut is amended and certified by the 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 earning, 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.

The Town is not required to make contributions to the plan. The statutes require the State of Connecticut to make contributions on-behalf of the Town in an actuarially determined amount. The total amount contributed from the State, on behalf of the Town, for the fiscal year ended June 30, 2016 was \$6,167,047.

Members are required to contribute six percent of their annual salary for the pension benefit.

The Town's proportionate share has been determined on the same basis as that used by the plan as has the basis of accounting, including policies with respect to benefit payments (including refunds of employee contributions) and the valuation of plan investments.

Actuarial Methods and Significant Assumptions – The following assumptions were used in the pension valuations, prepared as of June 30, 2014 (the Valuation Date and Measurement Date) for use in the June 30, 2016 financial statements (Reporting Date):

Experience study dates	July 1, 2005 - June 30, 2010
Inflation	3.00%
Salary increases	3.75-7.00%, including inflation
Investment rate of return	8.50%, net of investment related expense, including inflation
Discount rate	8.50%, the projection of cash flows assumed that plan member contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the difference between the actuarially determined rate and the member rate.
Cost of living adjustment	Annually compounded increases vary based on member age and date of retirement and range from 2.00% to 6.00%
Post-retirement mortality	RP-2000 Combined Mortality Table projected 19 years

Changes in Assumptions – In 2011, rates of withdrawal, retirement and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five year period ended June 30, 2010.

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

4. Pension and Other Post Retirement Plans (Continued)

Target Asset Allocation and Rates of Return – The long-term expected rate of return on plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return are developed for each major asset class. The table below shows the target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are to be provided by the Fiduciary of the Plan:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large Cap U.S. Equities	21.00%	5.80%
Developed Non-U.S. Equities	18.00%	6.50%
Emerging Markets (Non-U.S.)	9.00%	8.30%
Core Fixed Income	7.00%	1.30%
Inflation Linked Bond Fund	3.00%	1.00%
Emerging Market Bond	5.00%	3.70%
High Yield Bonds	5.00%	3.90%
Real Estate	7.00%	5.10%
Private Equity	11.00%	7.60%
Alternative Investments	8.00%	4.10%
Cash	6.00%	0.40%

Town's Proportionate Share of the Collective Net Pension Liability

Town's Net Pension Liability	\$	-
State's share of the Net Pension Liability associated with the Town		76,967,634
Net Pension Liability	\$	<u>76,967,634</u>
Net Pension Liability percentage of the total		0.701489%
Deferred inflows of resources		
Net difference projected and actual earnings on investments	\$	553,384
Pension expense	\$	6,167,047
Proportion Basis		Employee contributions
Change in proportion since prior measurement date		None for 2015

Other amounts reported as deferred inflows of resources will be recognized in pension expense by the State as follows:

2017	\$	(237,251)
2018		(237,251)
2019		(237,237)
2020		1,265,123
	\$	<u>553,384</u>

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
 June 30, 2016

4. Pension and Other Post Retirement Plans (Continued)

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

	1% Decrease 7.50%	Current Discount Rate 8.50%	1% Increase 9.50%
Net Pension Liability (Asset)	\$ 97,062,472	\$ 76,967,634	\$ 59,886,937

Support Provided by Nonemployer Contributing Entities – The Town has recognized \$6,167,047 as revenue in support provided by the State of Connecticut’s contributions to the plan on behalf of the Town’s employees.

Obtaining a Report of the Plan – Teachers’ Retirement System is considered to be a part of the State of Connecticut’s financial reporting entity and is included in the State’s financial reports as a pension trust fund. The reports include information on the plan’s assets, deferred outflows of resource, liabilities, deferred inflows of resources, and fiduciary net position. The stand-alone financial report may be obtained through the Teachers’ Retirement Board at www.ct.gov/trb.

D. Other Post-Employment Benefits (“OPEB”)

From an accrual accounting perspective, the cost of post-employment health care benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. The Town recognizes the cost of post-employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town’s future cash flows. The liability accumulated from the years prior to adopting this accounting procedure will be phased in over 30 years.

1) Town Police Plan

Plan Description - The Town provides certain health care benefits for retired police employees through a single-employer defined benefit plan administered by the Town of Monroe, Connecticut in accordance with the police collective bargaining agreements. The plan does not issue a separate financial statement.

Eligibility	Police with 25 years of service are eligible for pre-65 medical coverage at retirement.
Cost Sharing	The retiree pays 25% of the cost of single coverage and 25% of the HRS single deductible. The Town pays the remaining. The retiree pays 100% of the cost of coverage for the spouse (if applicable)
Duration	The earlier of age 65 or 15 years of coverage at retirement. No coverage thereafter.
Retirees – Post 65	No coverage for retiree or spouse after age 65.

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

4. Pension and Other Post Retirement Plans (Continued)

At July 1, 2014, plan membership consisted of the following:

Retired members	2
Active plan members	37
	<u>39</u>

Funding Policy – The Town funding and payment of post-employment benefits are accounted for in both the General Fund and in an internal service fund. During the year ended June 30, 2016, the Town established the Town of Monroe, Connecticut Other Post-Employment Benefits Trust Fund for the plan. 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.

Annual OPEB Cost (“AOC”) and Net OPEB Obligation (“NOO”)

Amortization Component:

Actuarial Accrued Liability as of July 1, 2014	\$ 998,000
Assets at Market Value	<u>232,000</u>
Unfunded Actuarial Accrued Liability (“UAAL”)	<u>\$ 766,000</u>
Funded Ratio	23.25%
Covered Payroll (Active plan members)	\$ 3,129,570
UAAL as a Percentage of Covered Payroll	24.48%
Annual Required Contribution	\$ 106,000
Interest on Net OPEB Obligation	51,779
Adjustment to Annual Required Contribution	<u>(55,700)</u>
Annual OPEB Cost	102,079
Contributions made	<u>(94,479)</u>
Increase in net OPEB Obligation (Asset)	7,600
Net OPEB Obligation (Asset) - Beginning of the year	<u>739,698</u>
Net OPEB Obligation (Asset) - End of the year	<u>\$ 747,298</u>

Actuarial Methods and Significant Assumptions - The Town’s annual other postemployment benefit cost (expense) is calculated based on the annual required contribution (“ARC”), an amount actuarially determined in accordance with the parameters of GASB. GASB establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees’ medical insurance.

The “normal cost” is derived for each active participant as the actuarial present value of the projected benefits that are attributed to expected service in the current plan year. The normal cost for the plan is the total of the individual normal costs for each participant. The accrued liability is equal to the portion of the present value of future benefits that is allocated to years of service before the valuation date.

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

4. Pension and Other Post Retirement Plans (Continued)

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

The Town is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members.

Other actuarial methods and significant assumptions are summarized as follows:

Latest Actuarial Date	July 1, 2014
Actuarial Cost Method	Projected Unit Credit
Discount Rate	7.00%
Medical Inflation	9% for 2014, reducing .5% per year to a final 5% for 2022 and later
Amortization Method	Level dollar amortization
Amortization	30 years, open
Mortality	RP-2000 Mortality Table, projected to the valuation date with Scale BB
Participation	90%
Retirement	Based on percentages at differing ages

Three year trend information is as follows:

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contributions Made	Percentage of AOC Contributed	Net OPEB Obligation (NOO)
6/30/2014	\$ 169,451	\$ 31,212	18.4%	\$ 596,232
6/30/2015	170,856	27,390	16.0%	739,698
6/30/2016	102,079	94,479	92.6%	747,298

Funding Progress

As of the last valuation date, July 1, 2014, the actuarial accrued liability was \$998,000, and the actuarial valuation of the plan assets was \$232,000, resulting in an unfunded actuarial accrued liability of \$766,000. The covered payroll (annual payroll of active employees covered by the plan) is \$3,129,570. The schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. There is no requirement for funding but the plan has been partially funded. The July 1, 2014 valuation has been updated for the establishment of the trust in 2016.

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

4. Pension and Other Post Retirement Plans (Continued)

Schedule of Funding Progress

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
7/1/2010	\$ -	\$ 1,568,829	\$ 1,568,829	0.00%	\$ 2,702,454	58.05%
7/1/2012	-	1,702,216	1,702,216	0.00%	2,732,999	62.28%
7/1/2014	232,000	766,000	534,000	30.29%	3,129,570	17.06%

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution (ARC)	Percentage Contributed
6/30/2014	\$ 175,750	18.4%
6/30/2015	179,057	16.0%
6/30/2016	106,000	92.6%

2) Board of Education Plan

Plan Description - The Town provides certain health care benefits for retired Board of Education employees through a single-employer defined benefit plan administered by the Town of Monroe, Connecticut in accordance with various collective bargaining agreements. The plan does not issue a separate financial statement.

- Eligibility Certified teachers and administrators – Retirement under the State Teachers’ Plan. Non-certified – Age 55 with 15 years of service or age 65 with 5 years of service.
- Cost 100% of the cost less the BOE offset which is:
- Sharing Certified – Payable for retirement after July 1, 2011 for the earlier of 10 years or attainment of age 65. The offset is based on hire date and years of service and ranges from:
 - \$1,125 and \$3,000 for single coverage
 - \$2,475 and \$6,600 for two-person coverage
 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.
- Duration Certified – Age 65 for those eligible for Medicare, life for those not eligible for Medicare. Non-certified – Life

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

4. Pension and Other Post Retirement Plans (Continued)

At July 1, 2014, plan membership consisted of the following:

Retired members	80
Spouses of retired members	24
Active plan members	464
	<u>568</u>

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

Annual OPEB Cost (“AOC”) and Net OPEB Obligation (“NOO”)

Amortization Component:

Actuarial Accrued Liability as of July 1, 2014	\$ 10,703,353
Assets at Market Value	-
Unfunded Actuarial Accrued Liability (“UAAL”)	<u>\$ 10,703,353</u>
Funded Ratio	0.00%
Covered Payroll (Active plan members)	\$ 29,387,000
UAAL as a Percentage of Covered Payroll	36.42%
Annual Required Contribution	\$ 722,572
Interest on Net OPEB Obligation	106,498
Adjustment to Annual Required Contribution	(139,049)
Annual OPEB Cost	<u>690,021</u>
Contributions made	<u>(577,683)</u>
Increase in net OPEB Obligation (Asset)	112,338
Net OPEB Obligation (Asset) - Beginning of the year	<u>2,366,622</u>
Net OPEB Obligation (Asset) - End of the year	<u>\$ 2,478,960</u>

Actuarial Methods and Significant Assumptions - The Town’s annual other postemployment benefit cost (expense) is calculated based on the annual required contribution (“ARC”), an amount actuarially determined in accordance with the parameters of GASB. GASB establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees’ medical insurance. As a result, reporting of expenses and liabilities is using a per capita claims cost will be determined, which will be used to determine a “normal cost”, an “actuarial accrued liability”, and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

4. Pension and Other Post Retirement Plans (Continued)

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

The Town is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members.

Other actuarial methods and significant assumptions are summarized as follows:

Latest Actuarial Date	July 1, 2014
Actuarial Cost Method	Projected Unit Credit
Discount Rate	4.5%
Medical Inflation	8% for 2014, reducing .5% per year to a final 4.5% for 2021 and later
Amortization Method	Level dollar amortization
Amortization	30 years, open
Mortality	Certified – RP-2000 Mortality Table projected forward 19 years using scale AA Non-certified – RP-2014 Mortality Table, projected to valuation date with Scale MP-2014
Participation	Based on percentages depending on cost to employee
Retirement	Certified – Based on percentages from CT State TRS 2014 OPEB Valuation Non-certified – Age 55 with 15 years of service or age 65 with 5 years of service

Three year trend information is as follows:

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contributions Made	Percentage of AOC Contributed	Net OPEB Obligation (NOO)
6/30/2014	\$ 535,563	\$ 387,594	72.4%	\$ 2,461,953
6/30/2015	674,419	769,750	114.1%	2,366,622
6/30/2016	690,021	577,683	83.7%	2,478,960

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

4. Pension and Other Post Retirement Plans (Continued)

Funding Progress

As of the last valuation date, July 1, 2014, the actuarial accrued liability was \$10,703,353, and the actuarial valuation of the plan assets was \$0, resulting in an unfunded actuarial accrued liability of \$10,703,353. The covered payroll (annual payroll of active employees covered by the plan) is \$29,387,000. The schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. There is no requirement for funding and the plan has not been funded.

Schedule of Funding Progress

Valuation Date	Actuarial Value of Assets	Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
7/1/2010	\$ -	\$ 10,403,104	\$ 10,403,104	0.00%	N/A	N/A
7/1/2012	-	9,652,132	9,652,132	0.00%	N/A	N/A
7/1/2014	-	10,703,353	10,703,353	0.00%	29,387,000	36.42%

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution (ARC)	Percentage Contributed
6/30/2014	\$ 567,391	72.4%
6/30/2015	708,282	114.1%
6/30/2016	722,572	83.7%

5. Other Information

A. Litigation

The Town is a defendant in various lawsuits. Litigation where loss to the Town is reasonable possible has not been accrued; however, Town management and Counsel estimate such loss to total \$700,000. The outcome of the remaining claims cannot be determined at this time.

B. Contingencies

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

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

5. Other Information (Continued)

School Building Grants - Section 10-283(a)(3)(A) of the Connecticut General Statutes states that if the Town abandons, sells, leases, demolishes or otherwise redirects the use of a school building project authorized on or after July 1, 1996, paid partially with State funding, to other than a public school, will owe a portion of the State funding back to the State.

For projects with a cost of over two million dollars or over, the contingency will be amortized over twenty years. For smaller projects, the contingency will be amortized over ten years.

C. Risk Management

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

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

The Town self-insures its employees for dental claims through the use of an internal service fund. A third party administers the plan for which the Town pays an administrative fee. The plan is funded monthly by budget appropriations and employee contributions, as required.

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

Year Ended	Beginning Claims Payable	Current Year Claims	Claim Payments	Ending Claims Payable
2015	\$ 9,134	\$ 113,552	\$ (112,717)	\$ 9,969
2016	9,969	121,075	(120,061)	10,983

The Board of Education self-insures its employees for medical and dental claims through the use of an internal service fund. Maximum liability to the Board of Education per covered participant is \$150,000. The Board of Education retains an insurance policy for employee claims in excess of \$150,000 (\$5,000,000 lifetime maximum payout per member). The Board of Education also retains an insurance policy to cover claims for all covered members combined in excess of a \$1,000,000 annual maximum for medical claims only. A third party administers the plan for which the Town pays an administrative fee. The plan is funded monthly by budget appropriations and employee contributions, as required.

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

5. Other Information (Continued)

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

Year Ended	Beginning Claims Payable	Current Year Claims	Claim Payments	Ending Claims Payable
2015	\$ 509,159	\$ 6,850,587	\$(6,856,163)	\$ 503,583
2016	503,583	7,211,372	(6,974,689)	740,266

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

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

Year Ended	Beginning Claims Payable	Claims and Changes in Estimates	Claim Payments	Ending Claims Payable
2014	\$ 509,676	\$ (60,290)	\$ (8,555)	\$ 440,831
2015	440,831	(29,378)	(5,955)	405,498
2016	405,498	(38,923)	(11,275)	355,300

The internal service funds are substantially funded by the Town's General Fund based on estimates for the number of employees and type of coverage (single or family) and trends in the insurance claims and estimates for administration. The claims liabilities, reported in the internal service funds at June 30, 2016, are based on the amount of the possible loss that can be reasonably estimated. The amount of claim accrual estimated is based on the ultimate cost of settling the claim which includes past experience data, inflation, other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual estimate does not include other allocated or unallocated claims adjustment expenses.

D. Risks and Uncertainties

The Town invests in various securities, including commercial paper, government-sponsored enterprises, and alternative investments. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. The ongoing credit and liquidity crisis in the United States and throughout the global financial systems has resulted in substantial volatility in financial markets and the banking system. This and other economic events have had a significant adverse impact on investment portfolios. Due to the level of risks associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position and activities.

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

5. Other Information (Continued)

F. Subsequent Debt Issues

On July 12, 2016, the Town issued \$2,610,000 of General Obligation Bonds, with interest at 1.50 – 4.00% (yield of 0.64 – 1.30%) to finance the Masuk High School Track and Field reconstruction project, public works vehicles and equipment, and Stepney Elementary School oil tank removal. and July 1 each year.

On October 18, 2016, the Town issued \$7,220,000 of General Obligation Refunding Bonds, with interest at 2.00 – 4.00% (yield of 0.80 – 2.12%) to partially refund the 2010, 2012, and 2014 General Obligation Bonds. The bonds mature annually through September 2028 with interest payable semi-annually on March 15 and September 15 each year.

G. Other Subsequent Events

On November 11, 2015 the Town Council approved an ordinance establishing an OPEB trust. On July 25, 2016, the Town Council approved a resolution authorization the establishment of the trust within a Money Market Fund. These trust assets will be reflected in the financial statements for the year ending June 30, 2017.

H. Motor Vehicle Tax Cap

Beginning in fiscal year 2017, the State of Connecticut Office of Policy and Management (“OPM”) capped the mill rate for motor vehicle taxes. The motor vehicle mill rate cap for fiscal year 2017 will be 37 mills. The rate cap in fiscal year 2018 and thereafter will be 32 mills.

I. Municipal Spending Cap

Beginning in fiscal year 2018, OPM will impose a cap on municipal spending to limit general budget expenditures to 2.5 percent above the previous year, or the rate of inflation, whichever is greater. Exemptions to the cap include debt service, special education expenditures, expenditures for implementing court orders, arbitration awards, expenditures related to major disaster or emergency declaration, and grants distributed to a special taxing district under certain circumstances. Municipalities that increase their adopted budget expenditures over the previous fiscal year by an amount that exceeds the cap receive a reduced municipal revenue sharing grant. The reduction is equal to 50 cents for every dollar the municipality spend over the cap. However, OPM may not reduce a municipality’s grant in any year which its adopted budget expenditures exceed the cap by an amount proportionate to its population increase over the previous fiscal year (based on the most recent Department of Public Health population estimate). The total municipal revenue sharing grant for the Town for the year ending June 30, 2017, before any reductions, is \$404,221. This amount is subject to change based on changes in the State of Connecticut’s budget.

J. Minimum Budget Requirement

The State of Connecticut has established a Minimum Budget Requirement (“MBR”) for education expenditures. The MBR prohibits a town from budgeting less for education than it did in the previous year unless, and with limits, the town can demonstrate (1) a decrease in school enrollment or (2) savings through increased efficiencies. If the Town receives and increase or decrease in their Education Cost Sharing grant, the MBR will increase or decrease by the same amount.

5. Other Information (Continued)

K. GASB Pronouncements Issued, But Not Yet Effective

The Governmental Accounting Standards Board (GASB) is the standard setting board for governmental entities. The following are statements which have been approved by GASB, but are not yet effective:

- GASB Statement 72 – *Fair Value Measurement and Application* – This Statement, addresses GASB Statement 73 – *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB 68* – This Statement establishes requirements for defined benefit and contribution pensions that are not within the scope of Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. This is effective for fiscal years beginning after June 15, 2016.
- GASB Statement 74 – *Financial Reporting for Postemployment Benefit Plans Other than Pensions* – This Statement establishes new accounting and financial reporting requirements for governments whose employees are provided with Other Post-Employment Benefits (OPEB), as well as for certain non-employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. This is effective for fiscal years beginning after June 15, 2016.
- GASB Statement 75 – *Accounting and Financial Reporting for Postemployment Benefits (OPEB) Other than Pensions* – This Statement establishes standards of accounting and financial reporting for defined benefit OPEB and defined contribution OPEB that are provided to the employees of state and local governmental employers through OPEB plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) and applies to all governments whose employees are provided with OPEB. The requirements of this Statement are effective for fiscal years beginning after June 15, 2017.
- GASB Statement 77 – *Tax Abatement Disclosures* – This Statement requires governments to disclose information about their tax abatements and agreements and is effective for periods beginning after December 15, 2015.
- GASB Statement 78 – *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans* – This Statement amends the scope and applicability of Statement 68 to exclude certain pensions provided through certain cost-sharing multiple-employer defined benefit plan and is effective for periods beginning after December 15, 2015.
- GASB Statement 79 – *Certain External Investment Pools and Pool Participants* – This Statement establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost and is effective for periods beginning after December 15, 2015 for certain provisions applicable to the external investment pool. Certain provisions, applicable to pool participants, have been adopted. Management does not expect this to have any financial impact on the Town.
- GASB Statement 80 – *Blending Requirements for Certain Component Units* – This Statement amends the blending requirements of Statement 14 to require the blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member and is effective for periods beginning after June 15, 2016.

Town of Monroe, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

5. Other Information (Continued)

- GASB Statement 81 – *Irrevocable Split-Interest Agreements* – This Statement provides recognition and measurement guidance for situations in which a government is a beneficiary of the agreement and is effective for periods beginning after December 15, 2016.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

Required Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budgetary Basis) - General Fund
 For the Year Ended June 30, 2016

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
REVENUES					
Property Taxes					
Tax levies	\$ 72,659,358	\$ -	\$ 72,659,358	\$ 73,569,665	\$ 910,307
Interest and lien fees	150,000	-	150,000	342,498	192,498
	<u>72,809,358</u>	<u>-</u>	<u>72,809,358</u>	<u>73,912,163</u>	<u>1,102,805</u>
Licenses and Permits					
Police department permits	8,000	-	8,000	24,226	16,226
Building permits	185,000	-	185,000	288,852	103,852
Burning permits	2,000	-	2,000	2,059	59
Planning and zoning	35,000	-	35,000	35,678	678
Library	17,500	-	17,500	14,912	(2,588)
Refuse permits	4,000	-	4,000	1,800	(2,200)
Canine licenses	2,000	-	2,000	685	(1,315)
Town clerk's fees	360,000	-	360,000	434,943	74,943
Driveway permits	200	-	200	-	(200)
	<u>613,700</u>	<u>-</u>	<u>613,700</u>	<u>803,155</u>	<u>189,455</u>
Intergovernmental					
State and Federal Education Grants					
Education cost sharing	6,613,738	-	6,613,738	6,539,105	(74,633)
School transportation	-	-	-	53,238	53,238
Other					
Revenue sharing grant	168,128	-	168,128	-	(168,128)
Tax grant - disabled persons	2,400	-	2,400	2,688	288
PILOT - state property	12,000	-	12,000	-	(12,000)
Tax grant - circuit breaker	170,000	-	170,000	174,970	4,970
Bond subsidy payments	428,388	-	428,388	428,388	-
Veteran exemption	11,000	-	11,000	11,709	709
Mashantucket Pequot grant	12,000	-	12,000	34,506	22,506
Telephone access	40,000	-	40,000	44,788	4,788
Miscellaneous grants	-	-	-	9,046	9,046
	<u>7,457,654</u>	<u>-</u>	<u>7,457,654</u>	<u>7,298,438</u>	<u>(159,216)</u>
Charges for Services					
Recreation department fees	185,000	-	185,000	180,658	(4,342)
Landfill lease	41,000	-	41,000	69,072	28,072
Nutrition	2,750	-	2,750	2,182	(568)
Tuition	10,000	-	10,000	14,312	4,312
Senior citizens transportation	5,000	-	5,000	4,078	(922)
Senior citizens registration	3,500	-	3,500	-	(3,500)
Special police assignments	100,000	-	100,000	-	(100,000)
Inland wetland commission	15,000	-	15,000	18,025	3,025
Economic development commission	-	-	-	1,525	1,525
	<u>362,250</u>	<u>-</u>	<u>362,250</u>	<u>289,852</u>	<u>(72,398)</u>
Interest and Dividends	<u>137,000</u>	<u>-</u>	<u>137,000</u>	<u>199,462</u>	<u>62,462</u>
Miscellaneous Income	<u>60,000</u>	<u>-</u>	<u>60,000</u>	<u>292,627</u>	<u>232,627</u>
Other Financing Sources					
Operating transfers in	-	-	-	5,492	5,492
Total Revenues	<u>81,439,962</u>	<u>-</u>	<u>81,439,962</u>	<u>82,801,189</u>	<u>1,361,227</u>

(Continued)

Required Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budgetary Basis) - General Fund (Continued)
 For the Year Ended June 30, 2016

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
EXPENDITURES					
General Government					
Selectman	\$ 420,406	\$ 3,186	\$ 423,592	\$ 372,339	\$ 51,253
Town council	4,600	-	4,600	4,037	563
Board of finance	91,080	-	91,080	45,982	45,098
Registrar of voters	111,520	-	111,520	106,721	4,799
Town clerk	191,164	2,802	193,966	163,411	30,555
Tax collector	182,059	33,419	215,478	215,476	2
Town treasurer	10,839	100	10,939	6,253	4,686
Boards and commissions	10,950	-	10,950	6,563	4,387
Senior citizen	232,611	4,168	236,779	233,274	3,505
Economic development	5,000	332	5,332	5,332	-
Engineering	157,503	3,135	160,638	153,730	6,908
Inland wetlands commission	98,063	3,973	102,036	102,036	-
Human resources - fringe benefits	5,187,413	(309,894)	4,877,519	4,639,120	238,399
Finance department	316,062	6,001	322,063	308,289	13,774
Technology	673,726	-	673,726	641,066	32,660
Assessor	227,403	3,619	231,022	207,077	23,945
Building inspection department	157,193	5,454	162,647	162,646	1
Planning and zoning department	233,086	5,594	238,680	186,297	52,383
Town hall maintenance	427,103	2,032	429,135	402,484	26,651
Special programs	157,341	-	157,341	154,110	3,231
Regional programs	52,564	-	52,564	52,320	244
	<u>8,947,686</u>	<u>(236,079)</u>	<u>8,711,607</u>	<u>8,168,563</u>	<u>543,044</u>
Public Safety					
Police department	5,165,839	23,641	5,189,480	4,995,687	193,793
Animal control	130,497	1,961	132,458	132,458	-
Park ranger	56,853	1,114	57,967	57,366	601
Monroe fire department	238,350	2	238,352	238,352	-
Stevenson fire department	197,000	-	197,000	197,000	-
Stepney fire service	259,000	-	259,000	259,000	-
Fire service	563,768	-	563,768	534,205	29,563
Fire marshal	113,922	1,389	115,311	105,080	10,231
Emergency management	11,900	-	11,900	11,396	504
Emergency medical services	213,060	86,081	299,141	299,140	1
	<u>6,950,189</u>	<u>114,188</u>	<u>7,064,377</u>	<u>6,829,684</u>	<u>234,693</u>
Public Works					
Highway administration	286,863	8,900	295,763	295,763	-
General maintenance	1,294,902	92,118	1,387,020	1,387,020	-
Snow removal	454,045	-	454,045	400,759	53,286
Operations	990,566	-	990,566	860,676	129,890
Tree warden	45,280	1,914	47,194	47,194	-
Traffic control	79,395	-	79,395	69,055	10,340
Sanitation - solid waste	16,216	-	16,216	15,158	1,058
Sanitation - recycling	281,500	-	281,500	267,123	14,377
	<u>3,448,767</u>	<u>102,932</u>	<u>3,551,699</u>	<u>3,342,748</u>	<u>208,951</u>
Health and Welfare					
Health department	169,200	-	169,200	134,336	34,864
Department of social services	102,832	-	102,832	85,650	17,182
	<u>272,032</u>	<u>-</u>	<u>272,032</u>	<u>219,986</u>	<u>52,046</u>

(Continued)

Required Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budgetary Basis) - General Fund (Continued)
 For the Year Ended June 30, 2016

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Culture and Recreation					
Library	\$ 762,070	\$ 7,242	\$ 769,312	\$ 762,149	\$ 7,163
Recreation department	882,623	11,717	894,340	882,663	11,677
	<u>1,644,693</u>	<u>18,959</u>	<u>1,663,652</u>	<u>1,644,812</u>	<u>18,840</u>
Capital Outlay					
Special projects	3,500	-	3,500	3,038	462
Appropriation for equipment replacement	200,000	-	200,000	200,000	-
	<u>203,500</u>	<u>-</u>	<u>203,500</u>	<u>203,038</u>	<u>462</u>
Debt Service	<u>6,009,340</u>	<u>-</u>	<u>6,009,340</u>	<u>5,993,057</u>	<u>16,283</u>
Other Financing Uses					
Operating transfers out	598,645	-	598,645	598,645	-
Total General Government	<u>28,074,852</u>	<u>-</u>	<u>28,074,852</u>	<u>27,000,533</u>	<u>1,074,319</u>
Board of Education Expenditures	<u>53,808,755</u>	<u>-</u>	<u>53,808,755</u>	<u>53,548,151</u>	<u>260,604</u>
Total Expenditures	<u>81,883,607</u>	<u>-</u>	<u>81,883,607</u>	<u>80,548,684</u>	<u>1,334,923</u>
Excess (Deficiency) of Revenues Over Expenditures - Budgetary Basis	<u>\$ (443,645)</u>	<u>\$ -</u>	<u>\$ (443,645)</u>	2,252,505	<u>\$ 2,696,150</u>
Adjustments to Generally Accepted Accounting Principles (GAAP):					
Payments on Behalf of the Town Not Recorded on a Budgetary Basis:					
Revenues from Teachers' Retirement				6,167,047	
Expenditures for Teachers' Retirement				(6,167,047)	
Change in the General Government's Accrued Payroll not recorded in the Budget				107,857	
Previous Year Encumbrance recorded on Modified Accrual Basis				(192,641)	
Unrealized Gain (Loss) on Investments Not Recorded on a Budgetary Basis				108,357	
Transfer of surplus to Town Capital Reserve as approved by Board of Finance				(200,000)	
Transfer of BOE Surplus to BOE Capital Reserve as approved by Board of Finance				(260,604)	
Close out of funds to the General Fund				(104,193)	
Revenues net on the Budget Basis					
Revenues from EMS operations				476,125	
Expenditures from EMS operations				(476,125)	
Revenues from Health District operations				90,312	
Expenditures from Health District operations				(90,312)	
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses - GAAP Basis (Exhibit 4)				<u>\$ 1,711,281</u>	

Notes to Required Supplementary Information: This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exceptions: 1. The Town does not recognize as income or expenditures payments made for the teacher's retirement by the State of Connecticut on the Town's behalf; 2. The Town records its payroll on a cash basis of accounting for budgetary purposes; 3. Encumbrances are treated as expenditures against the budget in the year committed.

Required Supplementary Information
Town of Monroe Employee Retirement Plan - Town
Schedule of Changes in Net Pension Liability and Related Ratios
Since Inception of GASB 67/68

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Town of Monroe Employee Retirement Plan			
Total Pension Liability			
Service cost	\$ 279,200	\$ 268,462	\$ 258,136
Interest on total pension liability	880,508	802,505	760,256
Effect of economic/demographic gains (losses)	32,827	(140,267)	-
Effect of assumption changes or inputs	-	587,242	-
Benefit payments	<u>(511,431)</u>	<u>(466,648)</u>	<u>(464,206)</u>
Net change in total pension liability	681,104	1,051,294	554,186
Total pension liability, beginning	<u>11,711,997</u>	<u>10,660,703</u>	<u>10,106,517</u>
Total pension liability, ending	<u>12,393,101</u>	<u>11,711,997</u>	<u>10,660,703</u>
Fiduciary Net Position			
Employer contributions	383,000	391,857	341,866
Member contributions	145,302	137,917	137,271
Investment income net of investment expenses	43,338	399,506	1,265,162
Benefit payments	(511,431)	(466,648)	(464,206)
Administrative expenses	(22,358)	(30,021)	(58,327)
Other	<u>80</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	37,931	432,611	1,221,766
Fiduciary net position, beginning	<u>10,202,608</u>	<u>9,769,997</u>	<u>8,548,231</u>
Fiduciary net position, ending	<u>10,240,539</u>	<u>10,202,608</u>	<u>9,769,997</u>
Net pension liability, ending	<u>\$ 2,152,562</u>	<u>\$ 1,509,389</u>	<u>\$ 890,706</u>
Fiduciary net position as a % of total pension liability	82.63%	87.11%	91.64%
Covered payroll	\$ 3,439,025	\$ 3,439,025	\$ 3,166,740
Net pension liability as a % of covered payroll	62.59%	43.89%	28.13%

Required Supplementary Information
 Town of Monroe Employee Retirement Plan - Town
 Schedule of Employer Contributions
 Since Inception of GASB 67/68

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 382,281	\$ 394,666	\$ 388,045
Contributions in relation to the actuarially determined contribution	<u>\$ 383,000</u>	<u>\$ 391,857</u>	<u>\$ 341,866</u>
Contribution deficiency (excess)	<u>\$ (719)</u>	<u>\$ 2,809</u>	<u>\$ 46,179</u>
Covered employee payroll	\$3,439,025	\$3,439,025	\$3,166,740
Contributions as a percentage of covered employee payroll	11.14%	11.39%	10.80%

Notes to the Schedule

Valuation Date Actuarially determined contribution rates are calculated as of July 1, twelve months prior to the beginning of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent
Remaining amortization period	20 years
Asset valuation method	Expected Asset value plus or minus 20% of the difference between the Expected Value and the Market Value of Assets.
Inflation	3.00%
Salary increases	4.00%
Investment rate of return	7.50%
Retirement age	65
Mortality	RP-2000 Mortality with no collar adjustment projected to valuation date with Scale MP-2014.

Required Supplementary Information
Town of Monroe Employee Retirement Plan - Town
Annual Money-Weighted Rate of Return
Since Inception of GASB 67/68

<u>Fiscal Year Ending June 30</u>	<u>Net Money-Weighted Rate of Return</u>
2016	0.43%
2015	4.15%
2014	15.10%
2013	NA
2012	NA
2011	NA
2010	NA
2009	NA
2008	NA
2007	NA

Required Supplementary Information
 Town of Monroe Employee Retirement Plan - Board of Education
 Schedule of Changes in Net Pension Liability and Related Ratios
 Since Inception of GASB 67/68

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Town of Monroe Employee Retirement Plan			
Total Pension Liability			
Service cost	\$ 397,551	\$ 382,260	\$ 367,558
Interest on total pension liability	943,960	903,638	849,759
Effect of economic/demographic gains (losses)	12,337	(857,153)	-
Effect of assumption changes or inputs	-	673,066	-
Benefit payments	<u>(636,276)</u>	<u>(524,668)</u>	<u>(503,012)</u>
Net change in total pension liability	717,572	577,143	714,305
Total pension liability, beginning	<u>12,500,967</u>	<u>11,923,824</u>	<u>11,209,519</u>
Total pension liability, ending	<u>13,218,539</u>	<u>12,500,967</u>	<u>11,923,824</u>
Fiduciary Net Position			
Employer contributions	367,541	367,541	349,519
Member contributions	204,700	210,767	198,033
Investment income net of investment expenses	38,494	253,090	1,213,572
Benefit payments	(636,276)	(524,668)	(503,012)
Administrative expenses	(16,620)	(14,664)	-
Other	-	9,034	-
Net change in plan fiduciary net position	<u>(42,161)</u>	<u>301,100</u>	<u>1,258,112</u>
Fiduciary net position, beginning	<u>10,323,455</u>	<u>10,022,355</u>	<u>8,764,243</u>
Fiduciary net position, ending	<u>10,281,294</u>	<u>10,323,455</u>	<u>10,022,355</u>
Net pension liability, ending	<u>\$ 2,937,245</u>	<u>\$ 2,177,512</u>	<u>\$ 1,901,469</u>
Fiduciary net position as a % of total pension liability	77.78%	82.58%	84.05%
Covered payroll	\$ 4,264,439	\$ 4,264,439	\$ 4,439,312
Net pension liability as a % of covered payroll	68.88%	51.06%	42.83%

Required Supplementary Information
 Town of Monroe Employee Retirement Plan - Board of Education
 Schedule of Employer Contributions
 Since Inception of GASB 67/68

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 376,663	\$ 356,619	\$ 349,519
Contributions in relation to the actuarially determined contribution	<u>\$ 367,541</u>	<u>\$ 367,541</u>	<u>\$ 349,519</u>
Contribution deficiency (excess)	<u>\$ 9,122</u>	<u>\$ (10,922)</u>	<u>\$ -</u>
Covered employee payroll	\$ 4,264,439	\$ 4,264,439	\$ 4,439,312
Contributions as a percentage of covered employee payroll	8.62%	8.62%	7.87%

Notes to the Schedule

Valuation Date Actuarially determined contribution rates are calculated as of July 1, twelve months prior to the beginning of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent
Remaining amortization period	20 years
Asset valuation method	Expected Asset value plus or minus 20% of the difference between the Expected Value and the Market Value of Assets.
Inflation	3.00%
Salary increases	4.00%
Investment rate of return	7.50%
Retirement age	65
Mortality	RP-2000 Mortality with no collar adjustment projected to valuation date with Scale MP-2014.

Required Supplementary Information
Town of Monroe Employee Retirement Plan - Board of Education
Annual Money-Weighted Rate of Return
Since Inception of GASB 67/68

Fiscal Year Ending June 30	Net Money-Weighted Rate of Return
2016	0.38%
2015	2.62%
2014	13.80%
2013	NA
2012	NA
2011	NA
2010	NA
2009	NA
2008	NA
2007	NA

Required Supplementary Information
Other Post Employment Benefits Plan
June 30, 2016

**Schedule of Funding Progress
Last Three Valuations**

Valuation Date	Actuarial Value of Assets	Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
Town of Monroe Board of Education OPEB Plan						
7/1/2014	\$ -	\$ 10,703,353	\$ 10,703,353	0.00%	\$ 29,387,000	36.42%
7/1/2012	-	9,652,132	9,652,132	0.00%	N/A	N/A
7/1/2010	-	10,403,104	10,403,104	0.00%	N/A	N/A
Town of Monroe Police OPEB Plan						
7/1/2014	\$ 232,000	\$ 766,000	\$ 534,000	30.29%	\$ 3,129,570	17.06%
7/1/2012	-	1,702,216	1,702,216	0.00%	2,732,999	62.28%
7/1/2010	-	1,568,829	1,568,829	0.00%	2,702,454	58.05%

**Schedule of Employer Contributions
Last Six Fiscal Years**

Fiscal Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contributed
Town of Monroe Board of Education OPEB Plan			
6/30/2016	\$ 722,572	\$ 577,683	79.95%
6/30/2015	708,282	769,750	108.68%
6/30/2014	567,391	387,594	68.31%
6/30/2013	545,568	466,832	85.57%
6/30/2012	545,568	498,525	91.38%
6/30/2011	766,819	550,020	71.73%
Town of Monroe Police OPEB Plan			
6/30/2016	\$ 106,000	\$ 94,479	89.13%
6/30/2015	179,057	27,390	15.30%
6/30/2014	175,750	31,212	17.76%
6/30/2013	162,881	46,500	28.55%
6/30/2012	159,926	42,515	26.58%
6/30/2011	112,070	45,143	40.28%

Notes to Schedule

Status of plan:	The OPEB plans are not in a trust. Subsequent to year end a trust was established.
Changes in benefit term	None
Changes in assumptions	None
Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar
Remaining Amortization Period	30 years
Discount rates	Board of Education - 4.5%; Police - 7.0%

See Independent Auditors' Report

Required Supplementary Information
 Connecticut Municipal Employees' Retirement System
 June 30, 2016

	<u>2016</u>	<u>2015</u>
Schedule of Changes in Net Pension Liability and Related Ratios Since Inception of GASB 68		
Town's percentage of collective net pension liability (police and fire with social security)	<u>8.754860%</u>	<u>8.754860%</u>
Town's portion net pension liability	<u>\$ 2,678,744</u>	<u>\$ 2,116,810</u>
Town's covered payroll	<u>\$ 3,507,399</u>	<u>\$ 3,507,399</u>
Town's portion net pension liability as a % of covered payroll	<u>76.37%</u>	<u>60.35%</u>
Plan Fiduciary net position as a % of total pension liability	<u>90.52%</u>	<u>90.48%</u>

Schedule of Employer Contributions Since Inception of GASB 68

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

Notes to Schedule

Changes in benefit term	None
Changes in assumptions	None
Actuarial cost method	Entry age, normal cost method
Amortization method	Level dollar, closed
Remaining amortization period	25 years
Asset valuation method	5 year smoothed market
Investment rate of return	8.0% net of investment expense, including inflation

Required Supplementary Information
 Connecticut Teachers Retirement System
 June 30, 2016

	<u>2016</u>	<u>2015</u>
Schedule of Changes in Net Pension Liability and Related Ratios Since Inception of GASB 68		
Town's percentage of collective net pension liability	0.00%	0.00%
Town's proportionate share of the collective net pension liability	\$ -	\$ -
State's proportionate share of the collective net pension liability associated with the Town	<u>\$76,967,634</u>	<u>\$71,141,153</u>
Total proportionate share of the collective net pension liability	<u>\$76,967,634</u>	<u>\$71,141,153</u>
Town's covered employee payroll	<u>\$26,840,361</u>	<u>\$26,840,361</u>
Town's proportionate share of the collective net pension liability as a % of covered payroll	0.00%	0.00%
Plan fiduciary net position as a % of total pension liability	59.50%	61.51%

Schedule of Employer Contributions Since Inception of GASB 68

Contractually required Town contribution	<u>\$ -</u>	<u>\$ -</u>
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The Town is not required to contribute to the plan. The State contributes on behalf of the Town.

Notes to Schedule

Changes in benefit term	None
Changes in assumptions	In 2011, rates of withdrawal, retirement and assumed rates of salary increase were adjusted as recommended by the Experience Study for the System.
Actuarial cost method	Entry Age
Amortization method	Level percent of salary, closed
Remaining amortization period	22.4 years
Asset valuation method	4 year smoothed market
Investment rate of return	8.5% net of investment expense, including inflation

NON-MAJOR GOVERNMENTAL FUNDS

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

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

- **Senior Center Grant and Program Fund** - The Senior Center Grant and Program Fund is used to account for grant and program revenue used to fund various program expenditures at the Senior Center for the benefit of senior citizens.
- **Emergency Medical Service Fund** - The Emergency Medical Service Fund is used to account for various agent billing revenue for patient transportation used to fund EMS operations.
- **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.
- **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).
- **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.
- **Plan of Conservation and Development Fund** - The Plan of Conservation and Development Fund is funded on an annual basis with an appropriation from the General Fund and is used to account for expenditures related to the updating and implementation of the Plan of Conservation and Development (PCOD).
- **BOE Bonded Projects Fund** - The BOE Bonded Projects Fund is used to account for the bond revenues and expenditures associated with various Board of Education capital projects.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

- **Capital Reserve Fund** - The Capital Reserve Fund is used to account for non-major capital projects and acquisition which, by their nature, occur over the course of multiple years. These projects are either funded through transfers appropriated from the General Fund or proceeds from the issuance of General Obligation Bonds.
- **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.
- **Capital Financing Fund** - The Capital Financing Fund is used to internally finance capital project funds. The capital expenditure is paid from the fund and then reimbursed over time from other funds. This fund is expected to carry a deficit fund balance.

Combining Balance Sheet
 Other Governmental Funds
 June 30, 2016

	Special Revenue Funds	Capital Projects Funds	Permanent Funds - Cornelia Rogers	Total Other Governmental Funds
ASSETS				
Cash and equivalents	\$ 752,792	\$ -	\$ -	\$ 752,792
Investments	292,401	-	-	292,401
Other receivables		-		
Accounts	254,055	80,332	-	334,387
Intergovernmental	190,170	412,439	-	602,609
Due from other funds	2,531,669	3,957,921	57,596	6,547,186
Total Assets	<u>\$ 4,021,087</u>	<u>\$ 4,450,692</u>	<u>\$ 57,596</u>	<u>\$ 8,529,375</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable	\$ 368,923	\$ 715,137	\$ -	\$ 1,084,060
Accrued payroll and related	4,756	6,330	-	11,086
Due to other funds	179,317	981,293	-	1,160,610
Unearned revenues	1,426,233	-	-	1,426,233
Total Liabilities	<u>1,979,229</u>	<u>1,702,760</u>	<u>-</u>	<u>3,681,989</u>
Deferred Inflows of Resources				
Deferred revenues	-	492,771	-	492,771
Fund Balances (Deficits)				
Nonspendable	-	-	2,250	2,250
Restricted	444,188	-	55,346	499,534
Committed	-	2,945,006	-	2,945,006
Assigned	1,599,936	380,510	-	1,980,446
Unassigned	(2,266)	(1,070,355)	-	(1,072,621)
Total Fund Balances	<u>2,041,858</u>	<u>2,255,161</u>	<u>57,596</u>	<u>4,354,615</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 4,021,087</u>	<u>\$ 4,450,692</u>	<u>\$ 57,596</u>	<u>\$ 8,529,375</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Other Governmental Funds
 For the Year Ended June 30, 2016

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cornelia Rogers	Total Other Governmental Funds
REVENUES				
Intergovernmental	\$ 2,794,491	\$ 1,431,866	\$ -	\$ 4,226,357
Charges for services	3,985,075	-	-	3,985,075
Contributions	339,509	-	-	339,509
Investment earnings	1,229	-	-	1,229
Miscellaneous	31,587	49,496	-	81,083
Total Revenues	<u>7,151,891</u>	<u>1,481,362</u>	<u>-</u>	<u>8,633,253</u>
EXPENDITURES				
Current				
General government	30,912	-	13,882	44,794
Public safety	596,664	-	-	596,664
Public works	538,357	-	-	538,357
Health and welfare	83,038	52,273	-	135,311
Culture and recreation	1,379,770	-	-	1,379,770
Education	3,862,434	-	-	3,862,434
Debt service				
Bond issuance costs	-	1,072	-	1,072
Capital outlay	428,892	3,396,718	-	3,825,610
Total Expenditures	<u>6,920,067</u>	<u>3,450,063</u>	<u>13,882</u>	<u>10,384,012</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>231,824</u>	<u>(1,968,701)</u>	<u>(13,882)</u>	<u>(1,750,759)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	137,070	1,239,249	-	1,376,319
Transfers out	(33,166)	(5,492)	-	(38,658)
Total Other Financing Sources (Uses)	<u>103,904</u>	<u>1,233,757</u>	<u>-</u>	<u>1,337,661</u>
Net Change in Fund Balance	335,728	(734,944)	(13,882)	(413,098)
Fund Balances - Beginning of Year	<u>1,706,130</u>	<u>2,990,105</u>	<u>71,478</u>	<u>4,767,713</u>
Fund Balances - End of Year	<u>\$ 2,041,858</u>	<u>\$ 2,255,161</u>	<u>\$ 57,596</u>	<u>\$ 4,354,615</u>

See Independent Auditors' Report

Combining Balance Sheet
 Special Revenue Funds
 June 30, 2016

	Library Grants	Wheeler Library	School Cafeteria	Education Grants	Education Programs	WMNR Radio Station	Police Grants	Police Private Duty
ASSETS								
Cash and equivalents	\$ -	\$ -	\$ 82,921	\$ -	\$ 1,010	\$490,502	\$ -	\$ -
Investments	-	292,401	-	-	-	-	-	-
Other receivables								
Accounts	-	-	-	-	26,996	4,927	-	168,637
Intergovernmental	-	-	27,227	148,062	-	-	14,881	-
Due from other funds	17,749	-	-	-	304,134	-	12,349	242,160
Total Assets	<u>\$17,749</u>	<u>\$292,401</u>	<u>\$110,148</u>	<u>\$148,062</u>	<u>\$332,140</u>	<u>\$495,429</u>	<u>\$ 27,230</u>	<u>\$ 410,797</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)								
Liabilities								
Accounts payable	\$ 532	\$ 2,717	\$ 89,237	\$ 86,400	\$ 3,624	\$ 14,229	\$ 12,773	\$ -
Accrued payroll and related	-	-	-	4,756	-	-	-	-
Due to other funds	-	106,696	-	50,912	-	2,847	-	-
Unearned revenues	17,217	-	-	3,845	26,996	-	16,683	-
Total Liabilities	<u>17,749</u>	<u>109,413</u>	<u>89,237</u>	<u>145,913</u>	<u>30,620</u>	<u>17,076</u>	<u>29,456</u>	<u>-</u>
Fund Balances (Deficits)								
Restricted	-	182,988	-	2,149	-	-	-	-
Assigned	-	-	20,911	-	301,520	478,353	-	410,797
Unassigned	-	-	-	-	-	-	(2,226)	-
Total Fund Balances (Deficits)	<u>-</u>	<u>182,988</u>	<u>20,911</u>	<u>2,149</u>	<u>301,520</u>	<u>478,353</u>	<u>(2,226)</u>	<u>410,797</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$17,749</u>	<u>\$292,401</u>	<u>\$110,148</u>	<u>\$148,062</u>	<u>\$332,140</u>	<u>\$495,429</u>	<u>\$ 27,230</u>	<u>\$ 410,797</u>

(continued)

Combining Balance Sheet (Continued)
 Special Revenue Funds
 June 30, 2016

	Recreation Programs	Senior Center Grant and Program	Town Grants and Programs	Local Capital Improvements	Town Road Grants	Waste Disposal	Total Special Revenue Funds
ASSETS							
Cash and equivalents	\$ -	\$ -	\$178,359	\$ -	\$ -	\$ -	\$ 752,792
Investments	-	-	-	-	-	-	292,401
Other receivables							
Accounts	-	-	1,617	-	-	51,878	254,055
Intergovernmental	-	-	-	-	-	-	190,170
Due from other funds	348,865	85,814	278,048	33,828	1,121,554	87,168	2,531,669
Total Assets	<u>\$ 348,865</u>	<u>\$ 85,814</u>	<u>\$458,024</u>	<u>\$ 33,828</u>	<u>\$ 1,121,554</u>	<u>\$139,046</u>	<u>\$ 4,021,087</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)							
Liabilities							
Accounts payable	\$ 37,241	\$ 1,953	\$ 27,621	\$ -	\$ -	\$ 92,596	\$ 368,923
Accrued payroll and related	-	-	-	-	-	-	4,756
Due to other funds	-	-	18,862	-	-	-	179,317
Unearned revenues	155,837	83,901	200	-	1,121,554	-	1,426,233
Total Liabilities	<u>193,078</u>	<u>85,854</u>	<u>46,683</u>	<u>-</u>	<u>1,121,554</u>	<u>92,596</u>	<u>1,979,229</u>
Fund Balances (Deficits)							
Restricted	-	-	225,223	33,828	-	-	444,188
Assigned	155,787	-	186,118	-	-	46,450	1,599,936
Unassigned	-	(40)	-	-	-	-	(2,266)
Total Fund Balances (Deficits)	<u>155,787</u>	<u>(40)</u>	<u>411,341</u>	<u>33,828</u>	<u>-</u>	<u>46,450</u>	<u>2,041,858</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 348,865</u>	<u>\$ 85,814</u>	<u>\$458,024</u>	<u>\$ 33,828</u>	<u>\$ 1,121,554</u>	<u>\$139,046</u>	<u>\$ 4,021,087</u>

See Independent Auditors' Report

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Special Revenue Funds
 For the Year Ended June 30, 2016

	Library Grants	Wheeler Library	School Cafeteria	Education Grants	Education Programs	WMNR Radio Station	Police Grants	Police Private Duty
REVENUES								
Intergovernmental	\$ 7,964	\$ -	252,115	\$ 1,990,448	\$ -	\$ -	\$ 89,512	\$ -
Charges for services	-	-	950,369	-	620,846	511,503	35,500	727,584
Contributions	-	25,000	-	-	-	181,177	-	-
Investment earnings	-	16	99	-	-	1,114	-	-
Miscellaneous	-	-	-	-	-	1,200	-	-
Total Revenues	<u>7,964</u>	<u>25,016</u>	<u>1,202,583</u>	<u>1,990,448</u>	<u>620,846</u>	<u>694,994</u>	<u>125,012</u>	<u>727,584</u>
EXPENDITURES								
Current expenditures								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	126,126	430,442
Public works	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	7,964	51,698	-	-	-	706,484	-	-
Education	-	-	1,246,185	1,989,831	626,418	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total Expenditures	<u>7,964</u>	<u>51,698</u>	<u>1,246,185</u>	<u>1,989,831</u>	<u>626,418</u>	<u>706,484</u>	<u>126,126</u>	<u>430,442</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(26,682)</u>	<u>(43,602)</u>	<u>617</u>	<u>(5,572)</u>	<u>(11,490)</u>	<u>(1,114)</u>	<u>297,142</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	(23,306)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(23,306)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	(49,988)	(43,602)	617	(5,572)	(11,490)	(1,114)	297,142
Fund Balances (Deficits) - Beginning of Year	<u>-</u>	<u>232,976</u>	<u>64,513</u>	<u>1,532</u>	<u>307,092</u>	<u>489,843</u>	<u>(1,112)</u>	<u>113,655</u>
Fund Balances (Deficits) - End of Year	<u>\$ -</u>	<u>\$ 182,988</u>	<u>\$ 20,911</u>	<u>\$ 2,149</u>	<u>\$ 301,520</u>	<u>\$ 478,353</u>	<u>\$ (2,226)</u>	<u>\$ 410,797</u>

(continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
 Special Revenue Funds
 For the Year Ended June 30, 2016

	Recreation Programs	Senior Center Grant and Program	Emergency Medical Service	Town Grants and Programs	Local Capital Improvements	Town Road Grants	Waste Disposal	Total Special Revenue Funds
REVENUES								
Intergovernmental	\$ -	\$ 25,560	\$ -	\$ -	\$ -	\$ 428,892	\$ -	\$ 2,794,491
Charges for services	389,740	22,256	-	128,830	6,982	-	591,465	3,985,075
Contributions	-	-	-	133,332	-	-	-	339,509
Investment earnings	-	-	-	-	-	-	-	1,229
Miscellaneous	-	7,690	-	22,697	-	-	-	31,587
Total Revenues	<u>389,740</u>	<u>55,506</u>	<u>-</u>	<u>284,859</u>	<u>6,982</u>	<u>428,892</u>	<u>591,465</u>	<u>7,151,891</u>
EXPENDITURES								
Current expenditures								
General government	-	-	-	30,912	-	-	-	30,912
Public safety	-	-	-	40,096	-	-	-	596,664
Public works	-	-	-	-	-	-	538,357	538,357
Health and welfare	-	-	-	83,038	-	-	-	83,038
Culture and recreation	385,196	60,855	-	167,573	-	-	-	1,379,770
Education	-	-	-	-	-	-	-	3,862,434
Capital outlay	-	-	-	-	-	428,892	-	428,892
Total Expenditures	<u>385,196</u>	<u>60,855</u>	<u>-</u>	<u>321,619</u>	<u>-</u>	<u>428,892</u>	<u>538,357</u>	<u>6,920,067</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>4,544</u>	<u>(5,349)</u>	<u>-</u>	<u>(36,760)</u>	<u>6,982</u>	<u>-</u>	<u>53,108</u>	<u>231,824</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	103,904	33,166	-	-	-	137,070
Transfers out	-	-	-	(9,860)	-	-	-	(33,166)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>103,904</u>	<u>23,306</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,904</u>
Net Change in Fund Balance	4,544	(5,349)	103,904	(13,454)	6,982	-	53,108	335,728
Fund Balances (Deficits) - Beginning of Year	<u>151,243</u>	<u>5,309</u>	<u>(103,904)</u>	<u>424,795</u>	<u>26,846</u>	<u>-</u>	<u>(6,658)</u>	<u>1,706,130</u>
Fund Balances (Deficits) - End of Year	<u>\$ 155,787</u>	<u>\$ (40)</u>	<u>\$ -</u>	<u>\$ 411,341</u>	<u>\$ 33,828</u>	<u>\$ -</u>	<u>\$ 46,450</u>	<u>\$ 2,041,858</u>

See Independent Auditors' Report

Combining Balance Sheet
 Capital Projects Funds
 June 30, 2016

	Plan of Conservation and Development	BOE Bonded Projects	Capital Reserve	Road Construction and Reconstruction	Reconstruction of Pepper Street	Police Department Renovation	Education Capital Reserve	Capital Financing	Total Capital Projects Funds
ASSETS									
Other receivables									
Accounts	\$ -		\$ 80,332	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,332
Intergovernmental	-	-	-	-	123,215	-	289,224	-	412,439
Due from other funds	50,331	-	1,193,588	2,187,015	-	114,021	412,966	-	3,957,921
Total Assets	<u>\$ 50,331</u>	<u>\$ -</u>	<u>\$ 1,273,920</u>	<u>\$ 2,187,015</u>	<u>\$ 123,215</u>	<u>\$ 114,021</u>	<u>\$ 702,190</u>	<u>\$ -</u>	<u>\$ 4,450,692</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)									
Liabilities									
Accounts payable	\$ -	\$ 120,267	\$ 1,480	\$ 496,911	\$ -	\$ 96,479	\$ -	\$ -	\$ 715,137
Accrued payroll and related	-	6,330	-	-	-	-	-	-	6,330
Due to other funds	-	1,072	37,535	-	237,028	-	-	705,658	981,293
Total Liabilities	<u>-</u>	<u>127,669</u>	<u>39,015</u>	<u>496,911</u>	<u>237,028</u>	<u>96,479</u>	<u>-</u>	<u>705,658</u>	<u>1,702,760</u>
Deferred Inflows of Resources									
Deferred revenues	-	-	80,332	-	123,215	-	289,224	-	492,771
Fund Balances (Deficits)									
Committed	-	-	824,394	1,690,104	-	17,542	412,966	-	2,945,006
Assigned	50,331	-	330,179	-	-	-	-	-	380,510
Unassigned	-	(127,669)	-	-	(237,028)	-	-	(705,658)	(1,070,355)
Total Fund Balances (Deficits)	<u>50,331</u>	<u>(127,669)</u>	<u>1,154,573</u>	<u>1,690,104</u>	<u>(237,028)</u>	<u>17,542</u>	<u>412,966</u>	<u>(705,658)</u>	<u>2,255,161</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 50,331</u>	<u>\$ -</u>	<u>\$ 1,273,920</u>	<u>\$ 2,187,015</u>	<u>\$ 123,215</u>	<u>\$ 114,021</u>	<u>\$ 702,190</u>	<u>\$ -</u>	<u>\$ 4,450,692</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Capital Projects Funds
 For the Year Ended June 30, 2016

	Plan of Conservation and Development	BOE Bonded Projects	Capital Reserve	Road Construction and Reconstruction	Reconstruction of Pepper Street	Police Department Renovation	Education Capital Reserve	Capital Financing	Total Capital Projects Funds
REVENUES									
Intergovernmental	\$ -	\$ -	\$ 304,434	\$ -	\$ 627,432	\$ 500,000	\$ -	\$ -	\$ 1,431,866
Miscellaneous	-	-	-	-	-	-	-	49,496	49,496
Total Revenues	-	-	304,434	-	627,432	500,000	-	49,496	1,481,362
EXPENDITURES									
Current expenditures									
Health and welfare	-	-	52,273	-	-	-	-	-	52,273
Debt service									
Bond issuance costs	-	1,072	-	-	-	-	-	-	1,072
Capital outlay	-	126,597	676,562	894,249	769,535	-	121,834	807,941	3,396,718
Total Expenditures	-	127,669	728,835	894,249	769,535	-	121,834	807,941	3,450,063
Excess (Deficiency) of Revenues Over Expenditures	-	(127,669)	(424,401)	(894,249)	(142,103)	500,000	(121,834)	(758,445)	(1,968,701)
OTHER FINANCING SOURCES (USES)									
Transfers in	30,000	-	748,645	-	-	-	260,604	200,000	1,239,249
Transfers out	-	-	(5,492)	-	-	-	-	-	(5,492)
Total Other Financing Sources (Uses)	30,000	-	743,153	-	-	-	260,604	200,000	1,233,757
Net Change in Fund Balance (Deficit)	30,000	(127,669)	318,752	(894,249)	(142,103)	500,000	138,770	(558,445)	(734,944)
Fund Balances (Deficits) - Beginning of Year	20,331	-	835,821	2,584,353	(94,925)	(482,458)	274,196	(147,213)	2,990,105
Fund Balances (Deficits) - End of Year	\$ 50,331	\$ (127,669)	\$ 1,154,573	\$ 1,690,104	\$ (237,028)	\$ 17,542	\$ 412,966	\$ (705,658)	\$ 2,255,161

**NON-MAJOR
INTERNAL
SERVICE FUNDS**

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

Town Dental Fund - The Town Dental Fund is used to account for the Town's Dental plan.

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

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

Post-Retirement Benefits Fund - The Post-Retirement Benefits Fund is used to account for Other Post-Employment Benefits provided to police after retirement. Subsequent to year-end the Town established a Trust Fund for these benefits.

Combining Statement of Net Position
Internal Service Funds
June 30, 2016

	Governmental Activities-Internal Service Funds				
	Town Dental	Board of Education Medical and Dental	Heart and Hypertension	Post- Retirement Benefits	Totals
ASSETS					
Current Assets					
Cash and equivalents	\$ -	\$ 1,491,674	\$ -	\$ -	\$ 1,491,674
Receivables					
Due from other funds	32,531	-	305,318	252,338	590,187
Total Current Assets	<u>\$ 32,531</u>	<u>\$ 1,491,674</u>	<u>\$ 305,318</u>	<u>\$ 252,338</u>	<u>\$ 2,081,861</u>
LIABILITIES					
Current Liabilities					
Risk management claims	\$ 10,983	\$ 740,266	\$ 44,225	\$ -	\$ 795,474
Noncurrent Liabilities					
Risk management claims, less current portion	-	-	311,075	-	311,075
Total Liabilities	<u>10,983</u>	<u>740,266</u>	<u>355,300</u>	<u>-</u>	<u>1,106,549</u>
NET POSITION					
Unrestricted	<u>\$ 21,548</u>	<u>\$ 751,408</u>	<u>\$ (49,982)</u>	<u>\$ 252,338</u>	<u>\$ 975,312</u>

Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2016

	Governmental Activities-Internal Service Funds				Totals
	Town Dental	Board of Education Medical and Dental	Heart and Hypertension	Post- Retirement Benefits	
OPERATING REVENUES					
Employer contributions	\$ -	\$ 5,616,045	\$ 61,951	\$ 30,000	\$ 5,707,996
Charges for services	126,109	1,997,052	-	19,943	2,143,104
Total Operating Revenues	<u>126,109</u>	<u>7,613,097</u>	<u>61,951</u>	<u>49,943</u>	<u>7,851,100</u>
OPERATING EXPENSES					
Claim and benefits	120,061	6,974,689	11,275	-	7,106,025
Premiums and administrative charges	7,062	1,277,274	-	23,878	1,308,214
Total Operating Expenses	<u>127,123</u>	<u>8,251,963</u>	<u>11,275</u>	<u>23,878</u>	<u>8,414,239</u>
Income (Loss) from Operations	<u>(1,014)</u>	<u>(638,866)</u>	<u>50,676</u>	<u>26,065</u>	<u>(563,139)</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest income	-	1,360	-	-	1,360
Income (Loss) Before Transfers	(1,014)	(637,506)	50,676	26,065	(561,779)
Transfers in	-	-	20,000	-	20,000
Change in Net Position	(1,014)	(637,506)	70,676	26,065	(541,779)
Net Position - Beginning of Year	<u>22,562</u>	<u>1,388,914</u>	<u>(120,658)</u>	<u>226,273</u>	<u>1,517,091</u>
Net Position - End of Year	<u>\$ 21,548</u>	<u>\$ 751,408</u>	<u>\$ (49,982)</u>	<u>\$ 252,338</u>	<u>\$ 975,312</u>

Combining Statement of Cash Flows
 Internal Service Funds
 For the Year Ended June 30, 2016

	Governmental Activities-Internal Service Funds				Totals
	Town Dental	Board of Education Medical and Dental	Heart and Hypertension	Post-Retirement Benefits	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from employer contributions	\$ -	\$ 5,616,045	\$ 61,951	\$ 30,000	\$ 5,707,996
Cash received from charges for services	126,109	1,997,052	-	19,943	2,143,104
Cash payments for benefits and claims	(119,047)	(6,738,006)	(81,951)	-	(6,939,004)
Cash payments to vendors and others	(7,062)	(1,277,274)	-	(49,943)	(1,334,279)
Net Cash from Operating Activities	-	(402,183)	(20,000)	-	(422,183)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers in	-	-	20,000	-	20,000
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest income	-	1,360	-	-	1,360
Net Increase (Decrease) in Cash and Equivalents	-	(400,823)	-	-	(400,823)
Cash and Equivalents - Beginning of Year	-	1,892,497	-	-	1,892,497
Cash and Equivalents - End of Year	\$ -	\$ 1,491,674	\$ -	\$ -	\$ 1,491,674
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES					
Income (loss) from operations	\$ (1,014)	\$ (638,866)	\$ 50,676	\$ 26,065	\$ (563,139)
Changes in operating assets and liabilities					
Due from other funds	-	-	(20,000)	(26,065)	(46,065)
Accounts payable	-	-	(478)	-	(478)
Risk management claims payable	1,014	236,683	(50,198)	-	187,499
Net Cash from Operating Activities	\$ -	\$ (402,183)	\$ (20,000)	\$ -	\$ (422,183)

FIDUCIARY FUNDS

The Fiduciary Funds are used to account for assets held by the Town in an agency capacity on behalf of others. These include Pension Trust and Agency funds.

Pension Trust Fund - is provided to account for the activities of the Town of Monroe Retirement Income Plan. This plan is a defined benefit pension plan, which accumulates resources in two separate asset pools for pension benefit payments to qualified employees upon retirement. One asset pool is for the benefit of qualified Board of Education employees and the other is for qualified Town of Monroe employees.

Private Purpose Trust Fund - was established to fund scholarships for students in the schools.

Agency Funds - primarily utilized to account for monies held as custodian for outside student groups and performance bonds.

Combining Statement of Net Position
 Pension Trust Funds
 June 30, 2016

	Town Employees' Retirement Plan	Board of Education Pension Plan	Total
ASSETS			
Investments, at fair value			
Mutual fund - money market	\$ 459,049	\$ 454,856	\$ 913,905
Mutual fund - equity	6,543,236	6,578,459	13,121,695
Mutual fund - bond	2,998,275	3,011,841	6,010,116
Mutual fund - commodities	239,978	236,072	476,050
 Total Assets	 \$ 10,240,538	 \$ 10,281,228	 \$ 20,521,766
 NET POSITION			
Restricted for pensions	\$ 10,240,538	\$ 10,281,228	\$ 20,521,766

Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended June 30, 2016

	Town Employees' Retirement Plan	Board of Education Pension Plan	Total
ADDITIONS			
Contributions			
Employer	\$ 383,000	\$ 367,541	\$ 750,541
Plan members	<u>145,302</u>	<u>204,700</u>	<u>350,002</u>
Total Contributions	<u>528,302</u>	<u>572,241</u>	<u>1,100,543</u>
Investment Income			
Net change in fair value of investments	(110,202)	(116,530)	(226,732)
Interest and dividends	<u>179,820</u>	<u>172,617</u>	<u>352,437</u>
Total Investment Income	<u>69,618</u>	<u>56,087</u>	<u>125,705</u>
Total Additions	597,920	628,328	1,226,248
DEDUCTIONS			
Benefit payments	511,431	636,276	1,147,707
Administrative expenses	<u>39,823</u>	<u>34,290</u>	<u>74,113</u>
Total Deductions	<u>551,254</u>	<u>670,566</u>	<u>1,221,820</u>
Change in Net Position	<u>46,666</u>	<u>(42,238)</u>	<u>4,428</u>
Net Position - Beginning of Year	<u>10,193,872</u>	<u>10,323,466</u>	<u>20,517,338</u>
Net Position - End of Year	<u>\$10,240,538</u>	<u>\$10,281,228</u>	<u>\$20,521,766</u>

See Independent Auditors' Report

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 For the Year Ended June 30, 2016

	Balance Beginning	Additions	Deductions	Balance Ending
Performance Bonds				
Assets				
Due from other funds	\$ 1,239,536	\$ 181,500	\$ (188,000)	\$ 1,233,036
Liabilities				
Due to others	\$ 1,239,536	\$ 181,500	\$ (188,000)	\$ 1,233,036
Student Activity				
Assets				
Cash	\$ 209,619	\$ 823,046	\$ (807,058)	\$ 225,607
Liabilities				
Due to others	\$ 209,619	\$ 823,046	\$ (807,058)	\$ 225,607
Combined Total				
Assets				
Cash	\$ 209,619	\$ 823,046	\$ (807,058)	\$ 225,607
Due from other funds	1,239,536	181,500	(188,000)	1,233,036
Total assets	\$ 1,449,155	\$ 1,004,546	\$ (995,058)	\$ 1,458,643
Liabilities				
Due to others	\$ 1,449,155	\$ 1,004,546	\$ (995,058)	\$ 1,458,643

See Independent Auditors' Report

SUPPLEMENTARY SCHEDULES

Town of Monroe, Connecticut

Schedule 1

Report of the Property Tax Collector
For the Year Ended June 30, 2016

Grand List Year	Beginning Receivable Balance	Current Year Levy	Lawful Corrections		Net Taxes Collectible	Collections During the Year				Transfer to Suspense	Ending Receivable Balance, Net
			Additions	Deductions		Taxes	Interest	Liens	Total		
2014	\$ -	\$ 73,903,675	\$ 152,773	\$ (434,120)	\$ 73,622,328	\$ 72,929,270	\$ 184,471	\$ 36,241	\$ 73,149,982	\$ -	\$ 693,058
2013	847,627	-	4,749	(15,555)	836,821	488,750	115,348	9,793	613,891	-	348,071
2012	272,135	-	896	(2,584)	270,447	130,956	39,322	4,167	174,445	89,750	49,741
2011	537	-	9,822	(2,306)	8,053	(132)	10	-	(122)	-	8,185
2010	5,139	-	-	(2,269)	2,870	(1,135)	-	-	(1,135)	-	4,005
	<u>\$ 1,125,438</u>	<u>\$ 73,903,675</u>	<u>\$ 168,240</u>	<u>\$ (456,834)</u>	<u>\$ 74,740,519</u>	<u>\$ 73,547,709</u>	<u>\$ 339,151</u>	<u>\$ 50,201</u>	<u>\$ 73,937,061</u>	<u>\$ 89,750</u>	\$ 1,103,060
											Allowance for uncollectible amounts (140,000)
											Interest receivable 296,283
											Taxes receivable, net <u>\$ 1,259,343</u>

See Independent Auditors' Report

Statement of Changes in Fund Balance - By Project
 Capital Reserve
 For the Year Ended June 30, 2016

	Beginning Fund Balance	Transfers In	Other Revenues	Current Year Expenditures	Transfers Out	Internal Transfers	Ending Fund Balance
Committed Fund Balance							
EMS vehicle	\$ (13,900)	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 61,100
Public works - equipment and vehicles	-	-	-	(35,817)	-	35,817	-
Public works - maintenance reserve	-	-	-	(42,711)	-	42,711	-
Public works - fire cistern STEAP grant	(100,332)	-	-	-	-	20,000	(80,332)
Public works - UST removal	621,682	-	-	(579,019)	-	-	42,663
Board of Education - Chalk Hill asbestos removal	(303,667)	-	298,942	-	-	4,725	-
Health department - reserve for start up costs	50,000	-	-	(14,738)	-	-	35,262
Parks and recreation - new athletic field - Wolfe Park	251,468	225,645	-	-	-	-	477,113
Parks and recreation - new dock at Lake Zoar boat ramp	-	-	-	-	-	13,347	13,347
Parks and recreation - splash pad at Wolfe Park pool	-	178,000	-	-	-	-	178,000
Land use grants	-	-	5,492	-	(5,492)	-	-
Assessors office - revaluation reserve	46,256	70,000	-	(19,015)	-	-	97,241
	<u>551,507</u>	<u>548,645</u>	<u>304,434</u>	<u>(691,300)</u>	<u>(5,492)</u>	<u>116,600</u>	<u>824,394</u>
Assigned Fund Balance							
Food pantry paving STEAP grant	-	-	-	(37,535)	-	37,535	-
Assigned for unspecified projects	284,314	200,000	-	-	-	(154,135)	330,179
	<u>284,314</u>	<u>200,000</u>	<u>-</u>	<u>(37,535)</u>	<u>-</u>	<u>(116,600)</u>	<u>330,179</u>
	<u>\$ 835,821</u>	<u>\$ 748,645</u>	<u>\$ 304,434</u>	<u>\$ (728,835)</u>	<u>\$ (5,492)</u>	<u>\$ -</u>	<u>\$ 1,154,573</u>

See Independent Auditors' Report

Summary of Pension and OPEB Balances
For the Year Ended June 30, 2016

	Town Pension	Education Pension	MERS Police Pension	Police OPEB	Education OPEB	Total
Deferred Outflow of Resources						
Differences between expected and actual experience	\$ 26,128	\$ 10,210	\$ -	N/A	N/A	\$ 36,338
Net difference between projected and actual earnings on pension plan	778,004	886,050	202,439	N/A	N/A	1,866,493
Changes in assumptions	369,744	455,948	-	N/A	N/A	825,692
Contributions after measurement date	-	-	633,992	N/A	N/A	633,992
	<u>\$1,173,876</u>	<u>\$1,352,208</u>	<u>\$ 836,431</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ 3,362,515</u>
Deferred Inflow of Resources						
Differences between expected and actual experience	\$ 88,317	\$ 580,653	\$ -	N/A	N/A	\$ 668,970
Net Pension Liability	\$2,152,562	\$2,937,245	\$2,678,744	\$ -	\$ -	\$ 7,768,551
Net OPEB Liability	-	-	-	747,298	2,478,960	3,226,258
	<u>\$2,152,562</u>	<u>\$2,937,245</u>	<u>\$2,678,744</u>	<u>\$747,298</u>	<u>\$2,478,960</u>	<u>\$ 10,994,809</u>
Pension Expense	\$ 572,385	\$ 601,075	\$ 561,898	\$ -	\$ -	\$ 1,735,358
OPEB Expense	-	-	-	\$102,079	\$ 690,021	792,100
	<u>\$ 572,385</u>	<u>\$ 601,075</u>	<u>\$ 561,898</u>	<u>\$102,079</u>	<u>\$ 690,021</u>	<u>\$ 2,527,458</u>

See Independent Auditors' Report

Required Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budgetary Basis) - General Fund - Board of Education
 For the Year Ended June 30, 2016

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
	Salaries	\$ 34,455,871	\$ (19,610)		
Benefits	8,545,427	(409)	8,545,018	8,704,995	(159,977)
Transportation	3,135,968	3,555	3,139,523	3,077,667	61,856
Special Education Instruction	1,766,708	(1,990)	1,764,718	2,048,732	(284,014)
Energy	1,347,917	-	1,347,917	1,349,111	(1,194)
Facilities	1,345,148	64,048	1,409,196	1,272,998	136,198
Textbooks and Supplies	883,453	(30,842)	852,611	791,355	61,256
Technology	538,988	(17,700)	521,288	526,542	(5,254)
Other Professional Services	1,100,117	3,562	1,103,679	875,136	228,543
Honeywell Lease Payment	405,035	-	405,035	395,969	9,066
Other	284,126	(614)	283,512	309,259	(25,747)
	<u>\$ 53,808,758</u>	<u>\$ -</u>	<u>\$ 53,808,758</u>	<u>\$ 53,548,151</u>	<u>\$ 260,605</u>

Adjustments to Generally Accepted Accounting Principles (GAAP)

Teachers retirement - net	6,167,047
Expenditures reported as capital outlay	(46,000)
Previous year encumbrance recorded on modified accrual basis	14,891
	<u>59,684,089</u>

STATISTICAL SECTION (UNAUDITED)

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

Statistical section information is presented in the following categories:

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

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

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

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

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

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

Net Position by Component
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 47,644,061	\$ 43,135,174	\$ 42,870,105	\$ 43,366,732	\$ 38,087,484	\$ 42,622,828	\$ 43,728,675	\$ 44,771,393	\$ 48,849,072	\$ 49,708,563
Restricted	891,323	1,365,940	190,831	190,026	189,760	521,924	71,347	189,492	194,596	183,303
Unrestricted	170,081	73,315	122,549	(3,702,895)	633,908	(3,052,383)	(1,403,609)	(1,017,505)	(3,008,919)	(4,704,937)
Total Governmental										
Activities Net Position	<u>\$ 48,705,465</u>	<u>\$ 44,574,429</u>	<u>\$ 43,183,485</u>	<u>\$ 39,853,863</u>	<u>\$ 38,911,152</u>	<u>40,092,369</u>	<u>42,396,413</u>	<u>43,943,380</u>	<u>46,034,749</u>	<u>45,186,929</u>

TOWN OF MONROE, CT

Table 2

Changes In Net Position
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
EXPENSES										
Governmental Activities										
General government	\$ 8,196,272	\$ 8,686,745	\$ 8,572,236	\$ 7,823,123	\$ 8,229,750	\$ 6,972,475	\$ 6,619,837	\$ 6,553,044	\$ 6,559,838	\$ 5,657,806
Public safety	8,472,241	8,368,234	8,209,708	8,278,987	8,326,453	7,339,882	6,937,172	6,783,194	6,232,468	6,056,071
Public works	4,800,989	5,091,569	5,494,186	4,683,225	5,631,004	5,260,746	6,086,321	6,366,467	5,813,373	5,528,652
Health and welfare	357,310	267,102	325,502	270,271	260,055	246,230	189,603	175,593	193,028	193,464
Culture and recreation	3,432,231	3,148,479	3,185,250	3,037,069	3,091,287	2,987,392	3,183,429	2,852,323	2,884,386	2,580,348
Education	68,982,600	66,998,073	65,177,110	65,191,283	63,718,458	65,757,974	63,345,854	61,718,188	71,092,737	55,606,452
Sub-recipient	-	-	-	-	-	251,916	301,854	-	-	-
Miscellaneous	-	-	-	-	-	-	-	33,803	62,120	31,020
Interest on long-term debt	1,407,195	1,459,435	1,414,240	1,367,013	1,438,356	2,334,757	1,942,141	2,094,758	2,081,654	2,122,209
Total Governmental Activities Expenses	<u>\$ 95,648,838</u>	<u>\$ 94,019,637</u>	<u>\$ 92,378,232</u>	<u>\$ 90,650,971</u>	<u>\$ 90,695,363</u>	<u>\$ 91,151,372</u>	<u>\$ 88,606,211</u>	<u>\$ 86,577,370</u>	<u>\$ 94,919,604</u>	<u>\$ 77,776,022</u>
PROGRAM REVENUES										
Governmental Activities										
Charges for Services										
General government	\$ 815,083	\$ 581,190	\$ 2,935,327	\$ 2,928,731	\$ 2,246,309	\$ 2,388,653	\$ 2,709,335	\$ 2,841,484	\$ 1,064,476	\$ 2,902,621
Public safety	1,589,696	1,326,736	893,263	1,024,540	1,099,902	1,006,970	763,407	1,010,880	817,861	555,961
Public works	640,562	607,745	587,700	711,957	693,659	846,172	878,765	968,394	875,261	1,050,799
Health and welfare	79,429	6,955	1,505	1,292	1,015	895	29,977	56,666	57,571	79,712
Culture and recreation	1,320,089	1,288,639	1,196,565	1,090,762	1,133,228	1,205,517	1,328,896	1,101,519	480,826	495,756
Education	3,584,177	3,565,079	1,963,319	2,647,635	2,588,406	3,038,590	2,769,593	2,706,317	3,443,170	4,509,971
Sub-recipient revenues	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions										
General government	70,984	217,551	65,026	47,962	41,332	42,729	30,165	2,265	1,178,504	107,602
Public safety	286,757	346,340	456,541	757,257	38,793	99,203	250,679	20,300	169,900	112,061
Public works	436,374	57,793	-	48,994	-	-	23,271	-	101,865	195,131
Health and welfare	68,789	43,647	85,899	66,216	22,305	21,877	-	-	8,977	5,353
Culture and recreation	219,867	184,112	301,076	241,004	302,034	219,207	154,019	30,210	1,361,021	765,684
Education	15,300,895	14,206,782	15,181,107	13,521,094	13,768,474	13,066,437	12,996,679	12,549,032	26,449,470	10,144,077
Sub-recipient	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions										
General government	-	69,394	-	-	-	81,180	23,320	17,994	-	-
Public safety	-	500,000	306,353	-	-	-	-	-	-	-
Public works	700,882	304,055	-	219,608	679,721	938,011	212,423	328,941	137,403	194,957
Health and welfare	-	-	-	-	5,500	-	-	-	-	-
Culture and recreation	-	25,000	-	-	-	-	450,000	500,000	-	-
Education	38,189	52,996	356,534	488,676	99,994	113,812	301,686	280,139	166,359	600,095
Sub-recipient revenues	-	-	-	-	-	251,916	301,854	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	-	62,602	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	<u>\$ 25,151,773</u>	<u>\$ 23,446,616</u>	<u>\$ 24,330,215</u>	<u>\$ 23,795,728</u>	<u>\$ 22,720,672</u>	<u>\$ 23,321,169</u>	<u>\$ 23,224,069</u>	<u>\$ 22,414,141</u>	<u>\$ 36,312,664</u>	<u>\$ 21,719,780</u>

(continued)

TOWN OF MONROE, CT

Table 2

Changes In Net Position (Continued)
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net Expense/Revenue										
Governmental Activities	<u>\$ (70,497,065)</u>	<u>\$ (70,573,021)</u>	<u>\$ (68,048,017)</u>	<u>\$ (66,855,243)</u>	<u>\$ (67,974,691)</u>	<u>\$ (67,830,203)</u>	<u>\$ (65,382,142)</u>	<u>\$ (64,163,229)</u>	<u>\$ (58,606,940)</u>	<u>\$ (56,056,242)</u>
GENERAL REVENUES										
Governmental Activities										
Property taxes	\$ 74,032,714	\$ 71,725,240	\$ 70,175,208	\$ 67,726,473	\$ 66,103,448	\$ 64,727,759	\$ 62,496,456	\$ 61,007,640	\$ 57,850,829	\$ 54,059,439
Grants and contributions not restricted to specific programs	11,734	2,307	370,374	527,634	336,908	375,640	476,260	483,079	496,329	581,752
Unrestricted investment earnings	291,025	(54,166)	125,872	80,527	353,118	410,461	524,401	581,141	653,247	874,105
Gain on disposal of equipment	-	2,000	-	-	-	-	-	-	-	-
Transfers in (transfers out)	-	-	-	-	-	-	-	-	-	-
Other general revenues	<u>292,627</u>	<u>191,884</u>	<u>706,185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>\$ 74,628,100</u>	<u>\$ 71,867,265</u>	<u>\$ 71,377,639</u>	<u>\$ 68,334,634</u>	<u>\$ 66,793,474</u>	<u>\$ 65,513,860</u>	<u>\$ 63,497,117</u>	<u>\$ 62,071,860</u>	<u>\$ 59,000,405</u>	<u>\$ 55,515,296</u>
Change in Net Position										
Governmental Activities	<u>\$ 4,131,035</u>	<u>\$ 1,294,244</u>	<u>\$ 3,329,622</u>	<u>\$ 1,479,391</u>	<u>\$ (1,181,217)</u>	<u>\$ (2,316,343)</u>	<u>\$ (1,885,025)</u>	<u>\$ (2,091,369)</u>	<u>\$ 393,465</u>	<u>\$ (540,946)</u>

Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
GENERAL FUND										
Nonspendable	\$ 166,433	\$ 219,005	\$ 34,269	\$ 328,814	\$ 76,893	\$ 88,057	\$ 103,844	\$ 126,851	\$ 108,434	\$ 240,222
Restricted	389,539	801,126	-	-	-	-	-	-	-	-
Assigned	1,112,641	810,881	692,998	735,552	555,927	982,162	1,642,722	927,719	570,664	1,261,750
Unassigned	8,083,746	6,210,066	5,945,005	4,688,184	3,990,150	3,263,399	2,854,250	3,383,247	2,685,814	2,141,688
Total General Fund	<u>\$ 9,752,359</u>	<u>\$ 8,041,078</u>	<u>\$ 6,672,272</u>	<u>\$ 5,752,550</u>	<u>\$ 4,622,970</u>	<u>\$ 4,333,618</u>	<u>\$ 4,600,816</u>	<u>\$ 4,437,817</u>	<u>\$ 3,364,912</u>	<u>\$ 3,643,660</u>
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable	\$ 2,250	\$ 3,568	\$ 72,792	\$ 72,787	\$ 73,716	\$ 74,172	\$ 72,665	\$ 197,421	\$ 194,596	\$ 183,303
Restricted	499,534	562,564	119,357	118,557	118,303	450,478	-	-	-	-
Committed	2,945,006	3,827,955	2,551,484	2,139,309	5,897,523	3,402,912	-	-	-	-
Assigned	1,980,446	1,627,794	-	-	-	-	1,847,933	1,976,574	(595,979)	(2,975,388)
Unassigned	(1,072,621)	(1,254,169)	(1,042,015)	(1,447,435)	(540,592)	(1,271,972)	(2,958,225)	-	-	-
Total All Other Governmental Funds	<u>\$ 4,354,615</u>	<u>\$ 4,767,712</u>	<u>\$ 1,701,618</u>	<u>\$ 883,218</u>	<u>\$ 5,548,950</u>	<u>\$ 2,655,590</u>	<u>\$(1,037,627)</u>	<u>\$ 2,173,995</u>	<u>\$ (401,383)</u>	<u>\$(2,792,085)</u>
Total Governmental Funds	<u>\$ 14,106,974</u>	<u>\$ 12,808,790</u>	<u>\$ 8,373,890</u>	<u>\$ 6,635,768</u>	<u>\$ 10,171,920</u>	<u>\$ 6,989,208</u>	<u>\$ 3,563,189</u>	<u>\$ 6,611,812</u>	<u>\$ 2,963,529</u>	<u>\$ 851,575</u>

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

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
REVENUES										
Taxes and assessments	\$ 73,956,951	\$ 71,851,017	\$ 70,058,508	\$ 67,784,322	\$ 66,287,184	\$ 64,441,364	\$ 62,534,910	\$ 60,629,712	\$ 57,756,527	\$ 54,156,712
Intergovernmental	17,664,197	15,602,770	17,116,247	15,999,077	15,413,059	15,311,579	14,975,639	14,609,877	28,990,532	12,302,838
Licenses and permits	803,155	619,293	577,616	643,720	521,210	547,600	522,924	675,322	864,800	943,573
Charges for services	4,824,221	4,519,651	4,692,975	5,497,439	5,482,552	6,094,403	5,761,957	5,895,090	5,816,384	6,726,448
Contributions	339,509	312,305	407,052	326,550	286,946	263,790	163,950	-	-	-
Investment earnings (loss)	289,665	(55,124)	124,867	68,510	267,455	405,815	495,517	571,608	629,177	832,576
Miscellaneous	393,093	264,595	303,635	260,264	147,411	95,639	322,743	452,534	1,552,951	1,066,855
Total Revenues	\$ 98,270,791	\$ 93,114,507	\$ 93,280,900	\$ 90,579,882	\$ 88,405,817	\$ 87,160,190	\$ 84,777,640	\$ 82,834,143	\$ 95,610,371	\$ 76,029,002
EXPENDITURES										
Current										
General government	\$ 8,108,538	\$ 8,539,233	\$ 8,362,032	\$ 7,596,367	\$ 7,215,604	\$ 6,264,127	\$ 6,053,554	\$ 5,906,917	\$ 5,818,983	\$ 5,539,013
Public safety	7,799,005	7,895,770	7,755,072	7,435,179	6,698,766	6,639,468	6,264,598	6,323,766	5,778,814	5,509,181
Public works	3,859,645	4,155,970	4,214,507	3,236,889	4,108,126	4,115,290	3,834,665	4,164,540	3,700,770	3,408,998
Health and welfare	445,898	346,892	325,747	270,149	260,054	246,109	189,603	175,593	195,810	192,060
Culture and recreation	3,005,709	2,751,270	2,838,529	2,675,306	2,657,336	2,514,753	2,715,281	2,412,803	2,408,442	2,298,880
Education	63,546,523	61,949,317	61,825,546	61,636,828	61,331,807	60,535,413	59,113,605	56,082,316	69,022,824	50,840,697
Sub-recipient expenditures	-	-	-	-	-	251,916	301,854	33,803	62,120	31,020
Debt Service										
Principal	4,640,837	4,589,519	4,620,083	3,940,046	3,560,670	3,527,348	2,913,764	3,725,209	3,476,567	3,111,965
Interest	1,352,220	1,330,962	1,432,689	1,497,314	1,571,389	1,754,416	2,102,617	2,064,599	2,066,569	2,102,042
Bond issuance costs	1,072	183,104	129,379	-	187,350	183,192	-	236,323	-	-
Capital outlay	4,193,161	3,486,263	7,546,807	5,827,956	1,851,409	3,229,951	4,860,780	3,154,237	2,579,163	3,840,121
Total Expenditures	96,952,608	95,228,300	99,050,391	94,116,034	89,442,511	89,261,983	88,350,321	84,280,106	95,110,062	76,873,977
Excess (Deficiency) of Revenues Over Expenditures										
	1,318,183	(2,113,793)	(5,769,491)	(3,536,152)	(1,036,694)	(2,101,793)	(3,572,681)	(1,445,963)	500,309	(844,975)
OTHER FINANCING SOURCES (USES)										
Transfers in	\$ 1,381,811	\$ 1,613,613	\$ 647,276	\$ 1,042,447	\$ 505,950	\$ 271,164	\$ 804,776	\$ 1,503,108	\$ 553,408	\$ 1,085,293
Transfers out	(1,401,811)	(1,633,613)	(647,276)	(1,042,447)	(505,950)	(271,164)	(804,776)	(1,930,742)	(553,408)	(1,085,293)
Sale of capital assets	-	-	-	-	-	-	186,000	-	-	-
Lease financing	-	-	4,114,646	-	-	-	-	486,639	717,800	354,248
Issuance of refunding bonds	-	-	-	-	8,785,000	10,805,000	-	18,975,000	-	-
Premium on refunding bonds	-	-	-	-	425,288	423,261	-	1,826,241	-	-
Payment to refunded bonds escrow agent	-	-	-	-	(9,082,302)	(11,105,918)	-	(20,621,000)	-	-
Premium on bond anticipation notes	-	-	23,631	-	-	-	-	-	-	-
Issuance of general obligation bonds	-	6,220,000	3,275,000	-	4,065,000	5,325,000	-	4,855,000	-	-
Premium on general obligation bonds	-	131,996	94,336	-	26,420	68,170	-	-	-	-
Total Other Financing Sources (Uses)	(20,000)	6,331,996	7,507,613	-	4,219,406	5,515,513	186,000	5,094,246	717,800	354,248
Net Change in Fund Balances	\$ 1,298,183	\$ 4,218,203	\$ 1,738,122	\$ (3,536,152)	\$ 3,182,712	\$ 3,413,720	\$ (3,386,681)	\$ 3,648,283	\$ 1,218,109	\$ (490,727)
Debt Service as a Percentage of Non-Capital Expenditures										
	6.5%	6.5%	6.6%	6.2%	5.9%	6.1%	6.0%	7.1%	6.0%	7.1%

TOWN OF MONROE, CT

Table 5

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

Fiscal Year	Grand List Dated	Real Estate					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	Motor Vehicles						
2016	10/1/2014 *	\$ 1,636,392,900	\$243,819,216	\$ 32,825,420	\$ 163,276,216	\$ 86,481,284	\$ 16,683,328	\$2,146,111,708	\$3,089,707,194	34.35	
2015	10/1/2013	1,788,623,260	240,281,903	57,092,438	162,084,062	83,973,333	20,635,956	2,311,419,040	3,331,507,137	31.01	
2014	10/1/2012	1,785,703,412	240,872,126	58,103,838	156,954,517	83,513,266	17,162,517	2,307,984,642	3,321,638,799	30.41	
2013	10/1/2011	1,784,313,791	237,512,033	58,042,628	156,689,468	80,346,311	20,188,798	2,296,715,433	3,309,863,187	29.26	
2012	10/1/2010	1,781,550,580	238,448,260	58,617,908	150,399,886	80,587,807	19,825,455	2,289,778,986	3,299,434,916	28.79	
2011	10/1/2009 *	1,781,803,568	238,305,618	57,100,238	143,313,912	85,254,852	22,425,741	2,283,352,447	3,293,968,840	28.26	
2010	10/1/2008	1,678,449,336	187,059,210	48,621,554	144,037,577	82,022,355	22,289,957	2,117,900,075	3,057,414,331	29.50	
2009	10/1/2007	1,671,924,035	182,394,840	46,913,094	157,031,282	79,313,888	22,039,675	2,115,537,464	3,053,681,627	28.68	
2008	10/1/2006	1,658,799,495	165,970,205	51,532,159	155,883,009	76,047,223	13,304,186	2,094,927,905	3,011,760,130	27.42	
2007	10/1/2005	1,645,512,158	163,244,620	46,148,100	156,501,046	73,401,146	15,215,010	2,069,592,060	2,978,295,814	26.08	

* Revaluation Year

Source: Town records

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

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

Fiscal Year	Real Estate	Personal Property	Motor Vehicle	Total
2016	\$ 64,411,148	\$ 2,420,539	\$ 6,097,583	\$ 72,929,270
2015	63,437,694	2,115,323	5,250,817	70,803,834
2014	62,138,425	2,090,714	5,075,595	69,304,734
2013	59,763,283	1,893,913	4,887,203	66,544,399
2012	58,425,817	1,922,870	4,574,593	64,923,280
2011	57,209,783	1,990,898	4,269,000	63,469,681
2010	55,156,304	2,032,617	4,468,470	61,657,391
2009	53,404,214	1,938,454	4,752,588	60,095,256
2008	50,718,581	1,864,112	4,512,661	57,095,354
2007	47,737,067	1,626,149	4,288,792	53,652,008
% change 2016-2007	35%	49%	42%	36%

Source: Town records - Tax Collector's Rate Book

Principal Taxpayers
Current Year and Nine Years Ago

2016				
Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation
1	FirstLight Hydro Generating Company	Hydro Electric Generation	\$ 34,706,490	1.62 %
2	Sippin Properties (1)	Retail/Office/Oil Distibution	24,516,190	1.14
3	Eversource	Electric & Gas Utility	23,095,430	1.08
4	Tartaglia Commercial Properties (1)	Retail Lease & Mgmt	15,677,340	0.73
5	Aquarion Water Company	Water Company	12,795,250	0.60
6	Victorinox Swiss Army Inc.	Corporate HQ & Distribution	11,868,770	0.55
7	Steiner Properties (1)	Retail & Residential Property	6,835,600	0.32
8	SB Real Estate LLC/Really Good Stuff Inc.	Classroom Supplies	6,740,070	0.31
9	Lake Zoar Properties LLC	Banquet Facility	6,065,400	0.28
10	Kimbal Properties (1)	Comercial/Industrial	5,386,200	0.25
	Total		<u>\$ 147,686,740</u>	<u>6.88 %</u>

2007				
Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation
1	Northeast Generation Company	Power Company	\$ 17,418,088	0.84 %
2	Connecticut Light & Power	Power Company	12,047,451	0.58
3	Lake Zoar Properties	Banquet Facility	7,359,780	0.36
4	One Eleven Century Plaza	Shopping Plaza	7,127,330	0.34
5	Aquarion Water Company of CT	Water Company	6,730,427	0.33
6	CBL, Inc.	Golf Course	5,815,900	0.28
7	Vishay Vitramon, Inc.	Manufacturing	5,268,451	0.25
8	Tartaglia/Salce LLC #1	Shopping Plaza	5,140,860	0.25
9	Fifteen Eighty Five Monroe Turnpike LLC	Shopping Plaza	3,804,820	0.18
10	Stepney LLC	Shopping Plaza	3,577,610	0.17
	Total		<u>\$ 74,290,717</u>	<u>3.59 %</u>

(1) Includes multiple legal entities with common ownership.

Source: 2014 and 2005 grand lists, respectively.

Property Tax Levies and Collections
Last Ten Fiscal Years

Year	Town Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 73,622,328	\$ 72,929,270	99.06 %	\$ -	\$ 72,929,270	99.06 %
2015	71,651,461	70,803,834	98.82	488,750	71,292,584	99.50
2014	69,989,113	69,304,734	99.02	537,374	69,842,108	99.79
2013	67,158,611	66,544,399	99.09	506,044	67,050,443	99.84
2012	65,702,953	64,923,280	98.81	685,610	65,608,890	99.86
2011	64,320,324	63,469,681	98.68	737,995	64,207,676	99.82
2010	62,457,178	61,657,391	98.72	739,080	62,396,471	99.90
2009	60,656,250	60,095,256	99.08	521,867	60,617,123	99.94
2008	57,583,055	57,095,354	99.15	429,703	57,525,057	99.90
2007	53,915,213	53,652,008	99.51	187,127	53,839,135	99.86

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

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Per Capita (2)	Other Governmental Activities Debt		Total Primary Government	Per Capita (2)	Percentage of Personal Income (2)
	General Obligation Bonds Outstanding (1)	Percentage of Actual Taxable Value of Property (2)		Notes Payable	Capital Leases			
2016	\$ 40,751,295	0.0190 %	N/A	\$ -	\$ 2,101,958	\$ 42,853,253	N/A	N/A %
2015	45,544,061	0.0197	2,296	-	2,475,296	48,019,357	2,421	0.0494
2014	43,490,557	0.0188	2,189	2,950,000	3,148,006	49,588,563	2,496	0.0513
2013	44,333,428	0.0193	2,235	-	334,628	44,668,056	2,252	0.0468
2012	48,210,633	0.0211	2,436	-	584,674	48,795,307	2,465	0.0510
2011	47,061,726	0.0206	2,392	-	860,344	47,922,070	2,436	0.0531
2010	44,329,807	0.0209	2,277	3,000,000	1,407,692	48,737,499	2,504	0.0571
2009	46,908,654	0.0222	2,414	225,000	1,866,456	49,000,110	2,521	0.0585
2008	44,560,986	0.0213	2,302	450,000	2,095,026	47,106,012	2,433	N/A
2007	47,549,422	0.0230	2,451	750,000	1,868,793	50,168,215	2,586	N/A

(1) Presented net of original issuance discounts and premiums for 2007 through 2014, and net of premiums for 2015 and 2016.

(2) - Actual Taxable Value data can be found in the Schedule of Assessed Value and Population and Personal Income data can be found in the Schedule of Demographic and Economic statistics.

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

Computation of Legal Debt Limit
June 30, 2016

Total fiscal year 2016 tax collections (including interest and fees)	\$ 73,912,163
State Reimbursement for Revenue Loss on Tax Relief for the Elderly	174,970
Base for Establishing Debt Limit	<u>\$ 74,087,133</u>
Legal Debt Limit - Seven times Base	<u>\$ 518,609,931</u>

Statutory Debt Limitation Multiples by Classification

Debt Limitation Multiples	General Purpose	Schools	Sewer	Urban Renewal	Pension Deficit
2-1/4 times base	\$ 166,696,049	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	333,392,099	-	-	-
3-3/4 times base	-	-	277,826,749	-	-
3-1/4 times base	-	-	-	240,783,182	-
3 times base	-	-	-	-	222,261,399
Total debt limitation	<u>166,696,049</u>	<u>333,392,099</u>	<u>277,826,749</u>	<u>240,783,182</u>	<u>222,261,399</u>
Indebtedness					
Bonds payable	20,284,000	18,681,000	-	-	-
Bonds authorized but not issued	5,228,000	271,466	-	-	-
Amount to be provided by CT	-	(596,973)	-	-	-
Total Indebtedness	<u>25,512,000</u>	<u>18,355,493</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Indebtedness	<u>\$ 141,184,049</u>	<u>\$ 315,036,606</u>	<u>\$ 277,826,749</u>	<u>\$ 240,783,182</u>	<u>\$ 222,261,399</u>

TOWN OF MONROE, CT

Table 11

Legal Debt Margin
Last Ten Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Legal Debt Limit	\$ 518,609,931	\$ 503,896,071	\$ 491,311,450	\$ 475,559,903	\$ 463,725,157	\$ 451,562,881	\$ 436,807,133	\$ 425,922,777	\$ 403,001,648	\$ 378,370,552
Total Indebtedness (as defined) Applicable to Limit	<u>43,867,493</u>	<u>42,562,828</u>	<u>49,012,000</u>	<u>42,661,612</u>	<u>45,944,429</u>	<u>43,348,945</u>	<u>43,511,668</u>	<u>46,071,226</u>	<u>44,106,552</u>	<u>50,299,878</u>
Legal Debt Margin	<u>\$ 474,742,438</u>	<u>\$ 461,333,243</u>	<u>\$ 442,299,450</u>	<u>\$ 432,898,291</u>	<u>\$ 417,780,728</u>	<u>\$ 408,213,936</u>	<u>\$ 393,295,465</u>	<u>\$ 379,851,551</u>	<u>\$ 358,895,096</u>	<u>\$ 328,070,674</u>
Total Indebtedness (as defined) Applicable to the Limit as a % of Legal Debt Limit	8.46%	8.45%	9.98%	8.97%	9.91%	9.60%	9.96%	10.82%	10.94%	13.29%

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

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Population	Median Age	Personal Income	Per Capita Personal Income	Median Household Income	School Enrollment	Unemployment Rate
2016	N/A	N/A	N/A	N/A	N/A	3,180	4.60 %
2015	19,833	43.5	971,777,334	48,998	110,558	3,167	5.00
2014	19,867	43.0	966,311,013	48,639	108,688	3,284	5.70
2013	19,834	42.6	954,372,412	48,118	103,589	3,373	6.20
2012	19,794	42.4	957,633,720	48,380	112,605	3,481	6.90
2011	19,675	41.9	903,239,900	45,908	108,478	3,591	7.60
2010	19,466	41.8	853,428,372	43,842	109,727	3,761	7.50
2009	19,435	41.0	838,192,680	43,128	116,058	3,894	6.90
2008	19,359	N/A	N/A	N/A	N/A	4,024	4.70
2007	19,402	N/A	N/A	N/A	N/A	4,125	3.70

Sources: State of Connecticut, Office of Policy & Management
 United States Census Bureau (American Community Survey)
 Connecticut Data Collaborative (CTData.org)
 Monroe Board of Education

N/A - Information not available.

TOWN OF MONROE, CT

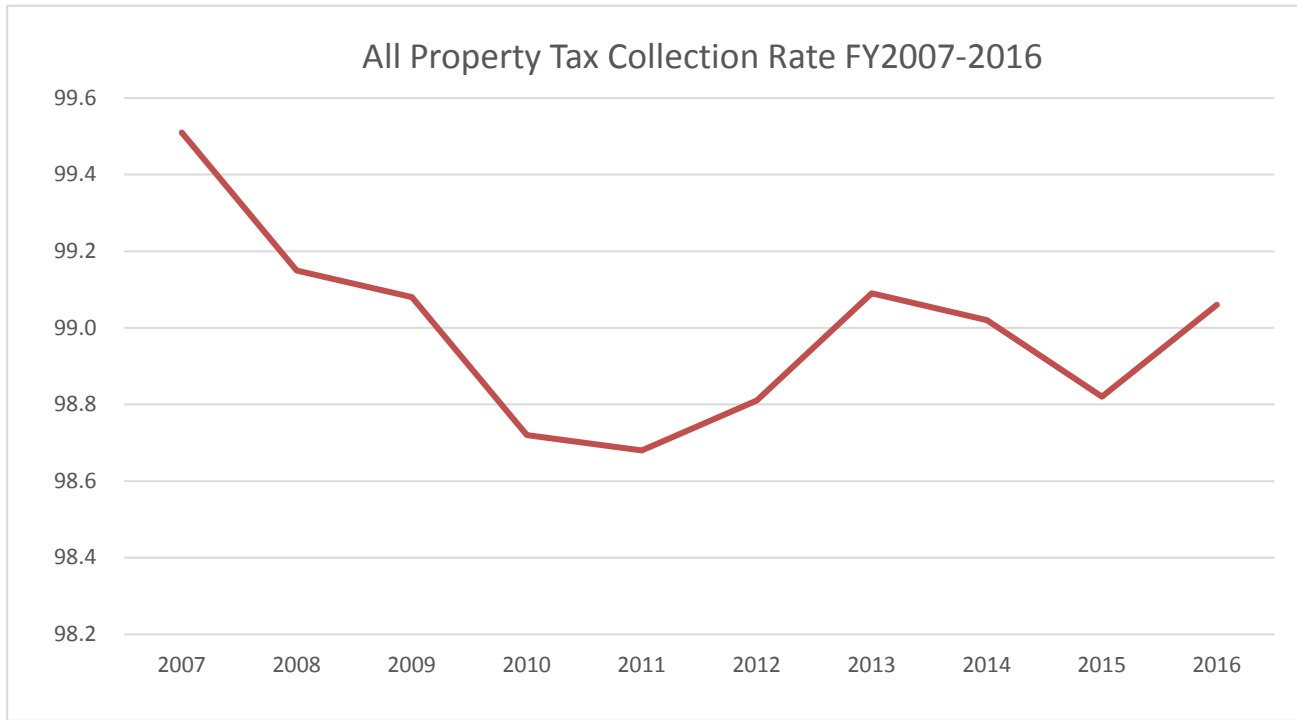
Table 13

Principal Employers
Current Year And Nine Years Ago

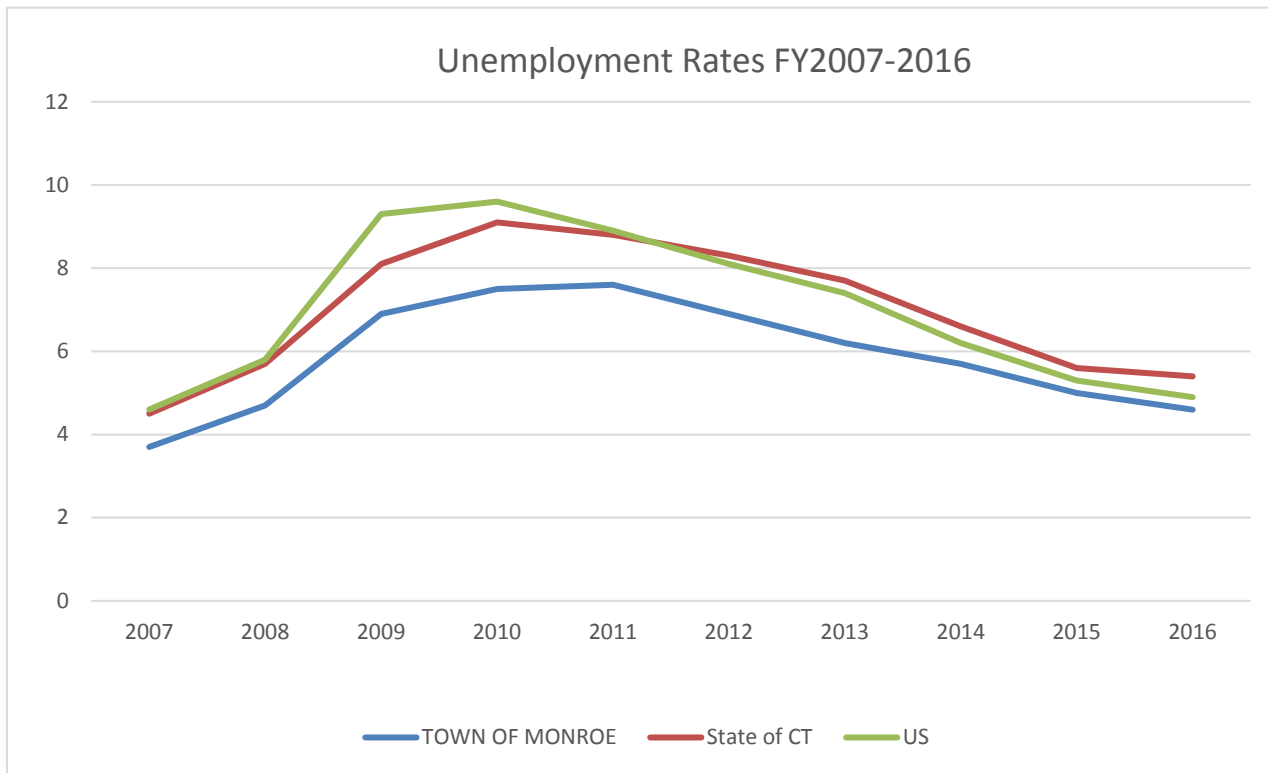
EMPLOYER	2016			%	EMPLOYER	2007			%
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT			EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT	
Town of Monroe	669	1	11.93		Town of Monroe	711	1	10.97	
Big Y Supermarket	159	2	2.83		Vitramon, Inc.	350	2	5.40	
Victorinox (Swiss Army)	147	3	2.62		Really Good Stuff	200	3	3.08	
Really Good Stuff	126	4	2.25		Big Y Supermarket	165	4	2.55	
Stop & Shop	126	5	2.25		Victorinox (Swiss Army)	150	5	2.31	
Northeast Laser Engraving	103	6	1.84		U.S. Post Office	125	6	1.93	
M Cubed Technologies	95	7	1.69		United Beauty Supply Co.	100	7	1.54	
Waterview LLC	75	8	1.34		Lake Zoar Properties	100	8	1.54	
Aquarion Water Co.	69	9	1.23		Robohand	90	9	1.39	
Edgerton, Inc.	60	10	1.07		Edgerton, Inc.	62	10	0.96	
	<u>1,629</u>		<u>29.04</u>			<u>2,053</u>		<u>31.67</u>	

Source: Town of Monroe Assessor's Office
Connecticut Economic Resource Center (cerc.com)

All Property Tax Collection Rates
Last Ten Fiscal Years



Unemployment Rates
Last Ten Fiscal Years



Source: United States Department of Labor - Bureau of Labor Statistics
Connecticut Department of Labor - Office of Research

TOWN OF MONROE, CT

Table 16

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Government:										
First Selectman	2.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Registrars of Voters	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Town Clerk	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Tax Collector	2.7	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Town Treasurer	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Senior Center	4.5	4.5	4.5	4.5	5.5	5.5	5.5	5.5	5.5	5.5
Economic Development	-	-	-	-	-	-	1.0	1.0	0.5	0.5
Land Use	9.0	9.0	9.0	8.5	8.5	6.5	6.5	7.0	7.0	7.0
Finance Department	5.0	5.0	5.0	5.0	5.0	5.0	5.5	5.5	6.0	6.0
Human Resources	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Information Technology	3.7	3.7	3.7	3.7	3.7	3.0	3.0	3.0	3.0	3.0
Assessor	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Town Hall Maintenance	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
General Government Total	40.6	39.9	39.9	39.4	40.4	37.7	39.2	39.7	39.7	39.7
Public Safety:										
Police Department	55.0	55.0	53.0	51.0	49.0	48.0	48.0	47.0	47.0	47.0
Animal Control	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Park Ranger	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Fire Marshal	2.3	2.3	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Emergency Management	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Emergency Medical Services (EMS)	1.0	0.5	0.5	0.5	-	-	-	-	-	-
Public Safety Total	62.2	61.7	59.2	57.2	54.7	53.7	53.7	52.7	52.7	52.7
Public Works:										
Administration	4.5	4.5	4.5	4.5	4.0	5.5	5.5	5.5	5.5	5.5
Highway	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1
Tree Warden	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Solid Waste	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Public Works Total	29.0	28.9	28.9	28.9	28.4	29.9	29.9	29.9	29.9	29.9
Health & Welfare:										
Health Department	3.0	-	-	-	-	-	-	-	-	-
Social Services	1.7	1.7	1.2	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Health & Welfare Total	4.7	1.7	1.2	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Culture & Recreation:										
Library	14.0	13.5	13.5	13.5	13.5	12.5	12.0	11.0	11.0	11.0
Parks & Recreation	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Culture & Recreation Total	30.0	29.5	29.5	29.5	29.5	28.5	28.0	27.0	27.0	27.0
Education:										
Administration	24.0	24.0	24.0	20.4	20.9	22.2	22.8	22.8	23.0	23.0
Teachers & Other Certified Staff	271.5	277.1	280.1	285.0	285.5	279.8	296.5	315.4	318.7	323.2
Paraprofessionals	84.0	84.0	84.0	87.3	89.0	85.1	83.8	85.6	86.0	86.0
Other Non-Certified Staff	90.6	92.6	92.6	91.6	90.0	94.0	99.6	101.8	100.0	100.0
Education Total	470.1	477.7	480.7	484.3	485.4	481.1	502.7	525.6	527.7	532.2
Total Town Employees by Function	636.6	639.4	639.4	640.3	639.4	631.9	654.5	675.9	678.0	682.5

Source: Town records

TOWN OF MONROE, CT

Table 17

Operating Indicators By Function/Program
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Government:										
Building Permits:										
Total permits issued	413	416	355	418	412	331	279	359	436	489
Total estimated value of permits	\$14,952,059	\$ 9,664,084	\$ 8,941,578	\$10,280,932	\$ 8,740,546	\$ 9,700,117	\$ 6,247,294	\$14,824,226	\$24,464,456	\$ 19,397,850
Public Safety:										
Police:										
Calls for service	28,125	31,492	27,134	29,018	26,021	24,735	25,282	29,011	27,198	27,964
Arrests	162	159	128	130	141	173	152	218	177	175
Traffic citations	3,723	5,297	4,036	4,127	3,202	3,619	4,133	5,683	5,507	5,794
EMS:										
Total service calls	1,435	1,374	1,337	1,356	1,421	1,309	1,342	1,243	1,187	1,251
Billable calls	829	832	787	835	861	832	902	892	N/A	N/A
Fire*:										
Townwide calls	592	581	482	523	657	825	657	636	708	908
Mutual aid calls (all departments)	663	692	446	365	442	462	446	495	440	839
Total responses	1,255	1,273	928	888	1,099	1,287	1,103	1,131	1,148	1,747
Public Works:										
Recycle collected (ton)	-	-	-	-	-	-	-	-	-	-
Culture & Recreation:										
Wolfe Park Facility Reservations	117	126	103	107	104	108	110	120	130	152
Wolfe Park Pool attendance	20,594	18,504	18,076	19,625	24,084	19,796	N/A	N/A	N/A	N/A
Great Hollow Lake attendance	20,060	18,504	18,748	17,844	17,089	N/A	N/A	N/A	N/A	N/A

Source: Town Records

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

N/A - Data not available

TOWN OF MONROE, CT

Table 18

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
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
Public Works:										
Garage	1	1	1	1	1	1	1	1	1	1
Dump/Plow Truck Fleet	20	20	20	20	20	20	20	20	20	20
Streets (Miles)	143	143	143	143	143	143	143	143	143	143
Health & Welfare:										
Food Pantry	1	1	1	1	1	1	1	1	1	1
Culture & Recreation:										
Edith Wheeler Memorial Library	1	1	1	1	1	1	1	1	1	1
Parks	4	4	4	4	4	4	4	4	4	4
Education - Schools:										
High	1	1	1	1	1	1	1	1	1	1
Middle	1	1	1	1	1	2	2	2	2	2
Elementary	3	3	3	3	3	3	3	3	3	3

Source: Town records