



PRELIMINARY OFFICIAL STATEMENT DATED JUNE 25, 2024

NEW ISSUE – Book-Entry-Only

S&P GLOBAL RATINGS: AAA
(see “Rating” herein)

In the opinion of Bond Counsel, rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with certain representations and covenants relating to the applicable requirements of the Internal Revenue Code of 1986 (the “Code”), under existing law, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of the federal alternative minimum tax under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. (See “Tax Matters” herein.)

TOWN OF MONROE, CONNECTICUT **\$5,570,000 GENERAL OBLIGATION BONDS, ISSUE OF 2024** **(BANK QUALIFIED)**

Dated: Date of Delivery

Due: July 15, as shown herein

Maturity	Amount	Coupon	Yield	CUSIP¹	Maturity	Amount	Coupon	Yield	CUSIP¹
2025	\$560,000	%	%	610423***	2030	\$560,000	%	%	610423***
2026	560,000			610423***	2031	560,000			610423***
2027	560,000			610423***	2032	550,000			610423***
2028	560,000			610423***	2033	550,000			610423***
2029	560,000			610423***	2034	550,000			610423***

The Bonds are being offered for sale in accordance with an official Notice of Sale dated June 25, 2024. Electronic bids via **PARITY**® for the Bonds will be received until 11:00 A.M. (E.T.) on Tuesday, July 2, 2024, as described in the official Notice of Sale for the Bonds. (See “Appendix D” herein.)

The \$5,570,000 General Obligation Bonds, Issue of 2024 (the “Bonds”) will be general obligations of the Town of Monroe, Connecticut (the “Town”), and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. See “Security and Remedies” herein.

Interest on the Bonds will be payable semiannually on July 15 and January 15 in each year until maturity, commencing on January 15, 2025.

The Bonds will be issued by means of a book-entry system and registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owners of the Bonds. Purchasers of the Bonds will be made in book-entry form in denominations of \$5,000 or any integral multiples thereof. Purchasers of the Bonds will receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bond Owner, as nominee of DTC, reference herein to the Bond Owner or owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Bonds. See “Book-Entry-Only Transfer System” herein.

U.S. Bank Trust Company, National Association, City Place I, 185 Asylum Street, 27th Floor, Hartford, Connecticut will certify the Bonds, and act as Registrar, Transfer Agent, and Paying Agent on the Bonds.

The Bonds are subject to optional redemption as described more fully herein. See “Optional Redemption”, herein.

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinions of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company (“DTC”) in New York, New York on or about July 16, 2024.

This cover page contains certain information for quick reference only. It is NOT a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

¹ CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems, Inc, which is not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. The Town is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment without notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell, or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which said offer, solicitation or sale would be unlawful prior to registration or qualification under the laws of any such jurisdiction.

No dealer, broker, salesperson or other person has been authorized by the Town of Monroe, Connecticut (the "Town") or the Municipal Advisor to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Town or the Municipal Advisor. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness.

The Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date of this Official Statement.

Other than as to matters expressly set forth in Appendix A – "Audited Financial Statements" herein, the independent auditors for the Town are not passing on and do not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and make no representation that they have independently verified the same.

Other than matters expressly set forth in Appendices B herein, Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that they have independently verified the same.

The Town deems this Official Statement to be "final" as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1).

The Municipal Advisor to the Town has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Town and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

Any references to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, any such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

This Official Statement may include "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Without limiting the foregoing, the words "may," "believe," "could," "might," "possible," "potential," "project," "will," "should," "expect," "intend," "plan," "predict," "anticipate," "estimate," "approximate," "contemplate," "continue," "target," "goal" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. All forward-looking statements included in this Official Statement are based on information available to the Town up to the date as of which such statements are to be made, or otherwise up to, and including, the date of this document, and the Town assumes no obligation to update any such forward-looking statements to reflect events or circumstances that arise after the date hereof or after the date of any report containing such forward-looking statement, as applicable. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain important factors, including, but not limited to (i) the effect of and from, future municipal, state and federal budgetary matters, including state and federal grants and other forms of financial aid to the Town; (ii) federal tax policy, including the deductibility of state and local taxes for federal tax purposes; (iii) macroeconomic economic and business developments, both for the country as a whole and particularly affecting the Town; (iv) financial services industry developments; (v) litigation or arbitration; (vi) climate and weather related developments, natural disasters and other acts of God; (vii) factors used in estimating future obligations of the Town; (viii) the effects of epidemics and pandemics, including economic effects; (ix) foreign hostilities or wars; (x) foreign or domestic terrorism; and (xi) other factors contained in this Official Statement.

BOND COUNSEL
PULLMAN & COMLEY, LLC
Hartford, Connecticut
(860) 424-4300

MUNICIPAL ADVISOR
MUNISTAT SERVICES, INC.
Madison, Connecticut
(203) 421-2880

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BOND ISSUE SUMMARY

The information in this Bond Issue Summary and the front and inside front cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change.

Date of Sale:	Tuesday, July 2, 2024 at 11:00 AM (E.T.)
Issuer:	Town of Monroe, Connecticut (the “Town”).
Issue:	\$5,570,000 General Obligation Bonds, Issue of 2024 (the “Bonds”).
Dated Date:	Date of Delivery.
Interest Due:	January 15, 2025 and semiannually thereafter on July 15 and January 15 in each year until maturity.
Principal Due:	Serially, July 15, 2025 through 2034, as detailed in this Official Statement.
Purpose and Authority:	The proceeds of the Bonds will be used to finance various capital projects of the Town as authorized by bond resolutions adopted by the Town Council and approved by the voters of the Town. See “Authorization and Purpose” herein.
Redemption:	The Bonds are subject to redemption prior to maturity as more fully described herein.
Security:	The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
Credit Rating:	The Town received a credit rating of “AAA” from S&P Global Ratings (“S&P”) on the Bonds. See “Rating” herein.
Basis of Award:	Lowest True Interest Cost (“TIC”), as of dated date.
Tax Exemption:	See Appendix B, “Form of Opinion of Bond Counsel” herein.
Bank Qualification:	The Bonds shall be designated as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, for purposes of the deduction by financial institutions for interest expense incurred to carry the Bonds.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide annual financial information, operating data and notices of certain events with respect to the Bonds within 10 business days of the occurrence of such events, pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form of Appendix C to this Official Statement.
Registrar, Transfer, Certifying and Paying Agent:	U.S. Bank Trust Company, National Association, City Place I, 185 Asylum Street, 27 th Floor, Hartford, Connecticut 06013.
Legal Opinion:	Pullman & Comley, LLC of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about July 16, 2024 against payment in Federal Funds .
Issuer Official:	Questions concerning the Official Statement should be directed to Ronald J. Bunovsky, Jr., Director of Finance and Comptroller, Town of Monroe, 7 Fan Hill Road, Monroe, Connecticut 06468. Telephone: (203)-452-2800 x 1061.
Municipal Advisor:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Bill Lindsay, Managing Director, Telephone: (203)-421-2880.

I. SECURITIES OFFERED

INTRODUCTION

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Monroe, Connecticut (the “Town”) in connection with the sale and issuance of \$5,570,000 General Obligation Bonds, Issue of 2024 (the “Bonds”) of the Town, and may not be reproduced or used in whole or in part for any other purpose.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof. All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents, and all references to the Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

The presentation of information is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the Town.

Munistat Services, Inc. (“Munistat” or the “Municipal Advisor”) is engaged as Municipal Advisor to the Town in connection with the issuance of the Bonds. The Municipal Advisor’s fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. Munistat, in its capacity as Municipal Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal and state income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

Set forth in Appendix A “Basic Financial Statements” hereto is a copy of the report of the independent auditors for the Town with respect to the financial statements of the Town included in that appendix. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

Bond Counsel is not passing upon and does not assume responsibility for the sufficiency, accuracy or completeness of the statements made in this Official Statement (other than matters expressly set forth in its opinion in Appendix B “Form of Opinion of Bond Counsel” herein) and it makes no representation that it has independently verified the same.

The Town considers this Official Statement to be “final” for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but is subject to revision or amendment.

DESCRIPTION OF THE BONDS

The Bonds will be dated the date of delivery, July 16, 2024, and will mature on the dates and in the principal amounts set forth on the cover page hereof. The Bonds will be issued as fully-registered bonds in denominations of \$5,000 or any integral multiples thereof. Interest on the Bonds will be payable semiannually on January 15 and July 15 in each year until the date of maturity, commencing on January 15, 2025. Interest will be calculated on the basis of 360-day year, consisting of twelve 30-day months and will be payable to the registered owners of the Bonds as of the close of business on the last business day of December and June in each year.

A book-entry-only transfer system will be employed evidencing ownership of the Bonds with transfers of ownership on the records of the Depository Trust Company, New York, New York (“DTC”), and its participants pursuant to rules and procedures established by DTC and its participants. See “Book-Entry-Only Transfer System” herein. The Certifying Agent, Paying Agent, Registrar, and Transfer Agent will be U.S. Bank National Association, Global Corporate Trust, Cityplace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut. The legal opinion on the Bonds will be rendered by Pullman & Comley, LLC, in substantially the form set forth in Appendix B to this Official Statement. **The Bonds are subject to optional redemption prior to maturity as more fully described herein.**

AUTHORIZATION AND PURPOSE

Authorizations: The Bonds were authorized and are being issued pursuant to bond resolutions adopted by the Town Council and approved by the voters of the Town at Special Town meeting or referenda, as the case may be.

Purpose: Proceeds of the Bonds will be used to finance the following capital projects undertaken by the Town:

<u>Projects</u>	<u>Total Bond Authorization</u>	<u>Prior Bonds</u>	<u>The Bonds</u>
Various School Improvements (2021).....	\$ 560,000	\$ -	\$ 560,000
Road Construction/Reconstruction Phase 9 (2023).....	1,020,000	-	1,020,000
Fire Apparatus & Safety Equipment (2023).....	1,195,000	-	1,195,000
DPW and Parks-Recreation Trucks & Equipment (2023)....	745,000	-	745,000
Road Construction/Reconstruction Phase 10 (2023).....	1,020,000	-	1,020,000
DPW Recreation Trucks & Equipment (2023).....	1,030,000	-	1,030,000
Total	\$ 5,570,000	\$ -	\$ 5,570,000

RATING

The Town received a credit rating of “AAA” from S&P Global Ratings (“S&P”) on the Bonds. The rating on certain outstanding bonds was recently affirmed as “AAA” by S&P. Certain outstanding bonds of the Town are also rated “Aa2” by Moody’s Investors Service, Inc. (“Moody’s”) however the Town did not seek a rating from Moody’s on this issue.

The rating reflects only the view of the rating agency and an explanation of the significance of such rating may be obtained from S&P Global Ratings, 55 Water Street, 45th Floor, New York, New York 10041. There is no assurance that the rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by such rating agency if in its judgment circumstances so warrant. Any such downward change in or withdrawal of a rating may have an adverse effect on the marketability or market price of the Town’s bonds or notes, including the Bonds.

OPTIONAL REDEMPTION

The Bonds maturing on or before July 15, 2031 are not subject to redemption prior to maturity. The Bonds maturing on July 15, 2032 and thereafter are subject to redemption prior to maturity, at the option of the Town, on and after July 15, 2031, at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the redemption price or prices (expressed as a percentage of the principal amount of Bonds to be redeemed) set forth in the following table, plus interest accrued and unpaid to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
July 15, 2031 and thereafter	100.00%

NOTICE OF REDEMPTION

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days prior to the redemption date to the registered owner of any Bonds designated for redemption in whole or in part at the address of such registered owner as the same shall last appear on the registration books for the Bonds kept for such purpose. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds, or portions thereof so called for redemption will cease to bear interest after the specified redemption date. So long as Cede & Co., as nominee for DTC is the registered owner of the Bonds, all notices of redemption will be sent only to DTC or its successor nominee.

If less than all the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Town in its discretion may determine, provided, however, that the portion of any Bonds to be redeemed shall be in the principal amount of \$5,000 or multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

The Town, so long as a book-entry-only system is used for the Bonds, will send any notice of redemption only to DTC (or a successor securities depository) or its nominee. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption.

Redemption of a portion of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry-only system, among the interests held by DTC Participants in the Bonds to be redeemed, the interest to be reduced by such redemptions in accordance with its own rules or other agreements with DTC Participants. The DTC Participants and Indirect Participants may allocate reductions of the interest in the Bonds to be redeemed held by the Beneficial Owners. Any such allocation of interest in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town, or be the responsibility of, the Town, the Registrar or Paying Agent.

BOOK-ENTRY-ONLY TRANSFER SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One-fully registered Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity and interest rate, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such

as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds in an issue are being redeemed, DTC's practice is to determine by lot, the amount of interest for each Direct Participant in such issue as to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on, and redemption premium, if any, with respect to the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Town or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

REPLACEMENT BONDS

In the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, and the Town fails to identify another qualified securities depository for the Bonds to replace DTC; or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Town is authorized to issue fully registered Bond directly to the Beneficial Owner. A Beneficial Owner of the Bonds, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Bonds.

DTC PRACTICES

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

SECURITY AND REMEDIES

The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due.

Unless paid from other sources, the Bonds are payable from general property tax revenues. The Town has the power under the Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts. Under existing statutes, the State of

Connecticut is obligated to pay the Town the amount of tax revenue that the Town would have received except for the limitation upon its power to tax such dwelling houses.

Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Bonds.

There are no statutory provisions for priorities in the payment of general obligations of the Town. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Bonds, or judgments thereon, in priority to other claims.

The Town is subject to suit on its general obligation bonds and notes (the “obligations”) and a court of competent jurisdiction has the power in appropriate proceedings to render a judgment against the Town. Courts of competent jurisdiction also have the power in appropriate proceedings to order payment of a judgment on such obligations from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors including the current operating needs of the Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on such obligations would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted by the Congress or the Connecticut General Assembly and to the exercise of judicial discretion. Under the Federal bankruptcy code, the Town may seek relief only, among other requirements if it is specifically authorized in its capacity as a municipality or by name, to be a debtor under Chapter 9 thereof, or by State law or a governmental officer or organization empowered by State law to authorize such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes provides that no Connecticut municipality shall file a petition in bankruptcy under Chapter 9 of Title 11 of the United States Code without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue notes or other obligations.

GLOBAL HEALTH EMERGENCY RISK

The COVID-19 Outbreak and Future Pandemics

On January 30, 2020, the outbreak of COVID-19 was declared a Public Health Emergency of International Concern by the World Health Organization. On March 13, 2020, the President of the United States declared a national emergency as a result of the COVID-19 outbreak. On March 10, 2020, Governor Lamont declared a state of emergency throughout the State of Connecticut (the “State”) and took steps to mitigate the spread and impacts of COVID-19. As of May 11, 2023, the federal and State public health emergency declarations have been terminated.

In response to the COVID-19 pandemic, on March 11, 2021, President Biden signed into law the \$1.9 trillion American Rescue Plan Act of 2021 (the “Rescue Plan”) that provided various forms of financial assistance and other relief to state and local governments. The Town received \$5.75 million from the Rescue Plan and elected to use the standard allowance for revenue replacement for the entire amount received.

For up-to-date information concerning the State’s actions in response to COVID-19, see <https://portal.ct.gov/coronavirus>. Neither the Town, nor the parties involved with the issuance of the Bonds, has reviewed the information provided by the State on its website and such parties take no responsibility for the accuracy thereof.

To date, the COVID-19 outbreak has had no material adverse effect on the finances of the Town.

Pandemics, epidemics and other public health emergencies, may adversely impact the Town and its revenues, expenses and financial condition. The Town cannot predict the duration and extent of such pandemics, epidemics and other health emergencies, or quantify the magnitude of their ultimate impact on the State and regional economy, or on the revenues and expenses of the Town. Pandemics, epidemics and other health emergencies may be ongoing, and their dynamic nature may lead to many uncertainties, including (i) the geographic spread as they evolve; (ii) the severity as they mutate; (iii) the duration of the outbreak; (iv) actions that may be taken by governmental authorities to contain or mitigate future outbreaks; (v) the development of medical therapeutics or vaccinations; (vi) travel restrictions; (vii) the impact of the outbreak on the local, State or global economy; (viii) whether and to what extent the State Governor may order additional public health measures; and (ix) the impact of the outbreak and actions taken in response to the outbreak on Town revenues, expenses and financial condition.

Prospective investors should assume that restrictions and limitations related to COVID-19 and any future variants or pandemics may be instituted by the State or federal government.

Cybersecurity

The Town like many other public and private entities, relies on technology to conduct its operations. The Town and its departments face cyber threats from time to time, including but not limited to hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls, including a comprehensive policy and industry standard controls relating to the security of the Town's government networks. While cybersecurity is the top priority for Town's Technology Department, no assurances can be given, however, that such security and operational control measures will be completely successful to guard against all cyber threats and attacks. The results of any such attack could impact business operations and/or damage the Town's networks and systems and the costs of remedying any such damage could be substantial.

In July 2018 the Town was the victim of a cyber-attack by unknown actors. As a result of the attack, electronic mail was comprised resulting in a loss in email communication for approximately 1½ days. Consistent with other cyber-attack incidents, the attackers used encryption to hold email systems and data hostage in exchange for money. The Town's Technology Department immediately isolated the event and restored all affected systems from backup. No data was lost nor stolen, and no ransom was paid. Subsequent to the incident, a comprehensive security analysis was completed. Additional hardware and software was installed and various policy changes were implemented to prevent a reoccurrence. The Technology Department conducts drills and table top exercises regularly to test these procedures.

Climate Change

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. Like much of Connecticut, the Town is vulnerable to inland wetland, small river and stream flooding. Furthermore, the Town faces other threats due to climate change, including damaging wind that could become more severe and frequent. The Town has a very active program of tree inspections and removals, in coordination with the Town's electrical utility provider. The Town cannot predict the timing, extent or severity of climate change and its impact on its operations and finances. In light of the COVID-19 pandemic and the increasing frequency of severe weather, the Town has appropriated \$500,000 in an emergency response fund to allow the Town to quickly respond and recover from any such events that would exceed its annual operating budget.

QUALIFICATIONS FOR FINANCIAL INSTITUTIONS

The Bonds **shall** be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

AVAILABILITY OF CONTINUING DISCLOSURE

The Town prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State Office of Policy and Management within six months of the end of its fiscal year. The Town provides, and will continue to provide, to the rating agency ongoing disclosure in the form of annual audited financial statements, adopted budgets and other materials relating to its management and financial condition as may be necessary or requested.

The Town will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as Appendix C to this Official Statement (the "Continuing Disclosure Agreement"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, (i) annual financial information and operating data, with respect to the Bonds, (ii) timely notice of the occurrence of certain events within 10 days of the occurrence of such events, with respect to the Bonds, and (iii) timely notice of failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement with respect to the Bonds.

The Town has previously undertaken in Continuing Disclosure Agreements entered into for the benefit of holders of certain of its general obligation bonds or notes to provide annual financial information and event notices pursuant to Rule 15c2-12(b)(5). In the past five years, the Town has not failed to comply in any material respect with its previous undertakings under such agreements.

TAX MATTERS

Federal Taxes. In the opinion of Bond Counsel, under existing law, (i) interest on the Bonds is excluded from gross income for federal income tax purposes, and (ii) such interest is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations.

Bond Counsel's opinion with respect to the Bonds will be rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements of the Internal Revenue Code of 1986 (the "Code"). The Code and regulations promulgated thereunder establish certain requirements which must be satisfied at and subsequent to the issuance of the Bonds in order that interest on the Bonds be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds irrespective of the date on which such noncompliance occurs. In the Tax Compliance Agreement, which will be delivered concurrently with the issuance of the Bonds/, the Town will covenant to comply with certain provisions of the Code and will make certain representations designed to assure compliance with such requirements of the Code including, but not limited to, investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of the Bond proceeds and certain other matters. The opinion of Bond Counsel delivered on the date of issuance of the Bonds is conditioned upon compliance by the Town with such requirements.

No other opinion is expressed by Bond Counsel regarding the federal tax consequences of the ownership of, or the receipt or accrual of interest on, the Bonds.

Original Issue Discount. The initial public offering prices of certain maturities of the Bonds may be less than the stated principal amount (the "OID Bonds"). Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds will constitute original issue discount. The offering prices relating to the yields set forth on the cover page of this Official Statement for such OID Bonds are expected to be the initial offering prices to the public (excluding bond houses and brokers) at which a substantial amount of the OID Bonds are sold. Under existing law, original issue discount on the OID Bonds accrued and properly allocable to the owners thereof under the Code is excludable from gross income for federal income tax purposes if interest on the OID Bonds is excludable from gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner's adjusted basis in an OID Bond purchased at an original issue discount, original issue discount is treated as having accrued while the owner holds such OID Bond and will be added to the owner's basis. The owner's adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of such an OID Bond.

Prospective purchasers of OID Bonds should consult their own tax advisors as to the calculation of accrued original issue discount, the accrual of original issue discount in the case of owners of OID Bonds purchasing such OID Bonds after the initial offering and sale, and the state and local tax consequences of owning or disposing of such OID Bonds.

Original Issue Premium. The initial public offering prices of certain maturities of the Bonds may be more than their stated principal amounts payable at maturity (the "OIP Bonds"). In general, an owner who purchases an OIP Bond must amortize the original issue premium as provided in the applicable Treasury Regulations, and amortized premium reduces the owner's basis in the OIP Bond for federal income tax purposes. Prospective purchasers of OIP Bonds at a premium to its principal amount should consult their tax advisors regarding the amortization of premium and its effect upon basis.

Other Federal Tax Matters. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, certain insurance companies, recipients of Social Security or Railroad Retirement benefits, certain S corporations, foreign corporations subject to the branch profits tax, taxpayers eligible for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Bond Counsel does not express any opinion regarding such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors regarding collateral federal income tax consequences. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

State Taxes. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax.

Interest on the Bonds is included in gross income for purposes of the Connecticut corporation business tax.

Accrued original issue discount on an OID Bond is also excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax.

Owners of the Bonds should consult their own tax advisors with respect to the determination for state and local income tax purposes of original issue discount or original issue premium accrued upon sale or redemption thereof, and with respect to the state and local tax consequences of owning or disposing of such Bonds.

Changes in Federal and State Tax Law. Legislation affecting tax-exempt obligations is regularly considered by the United States Congress. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

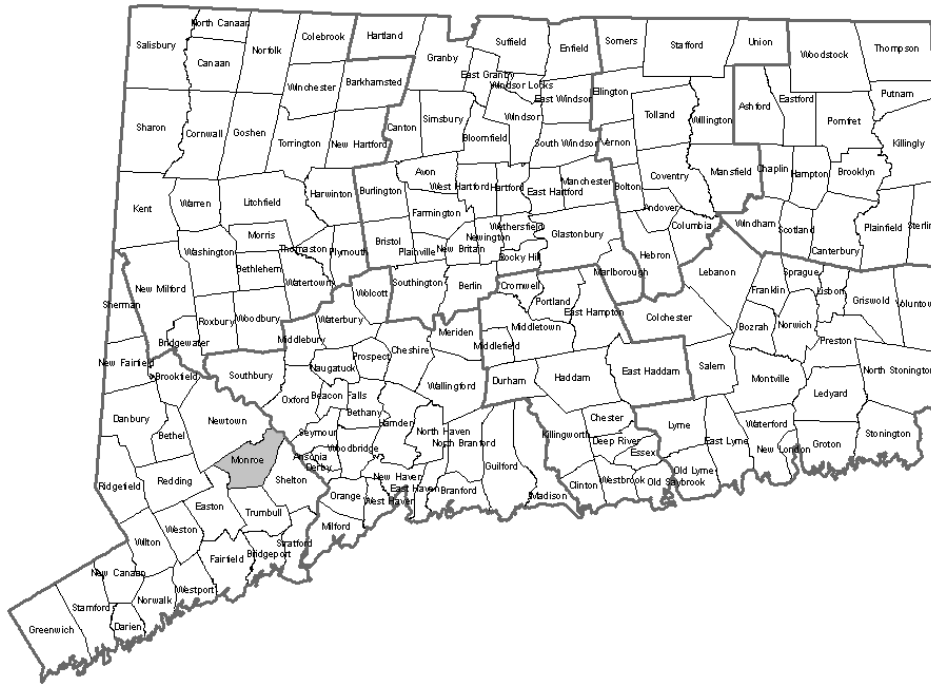
Investors in the Bonds should be aware that future legislative actions may increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be adversely affected and the ability of holders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to special mandatory redemption, and the interest rates on the Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Bonds.

General. The opinion of Bond Counsel is rendered as of its date, and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention or any changes in law that may occur after the date of its opinion. Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date of issuance. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

The discussion above does not purport to deal with all aspects of federal or state or local taxation that may be relevant to a particular owner of the Bonds. Prospective owners of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal, state and local tax consequences of owning and disposing of the Bonds.

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II. THE ISSUER



DESCRIPTION OF THE TOWN

The Town of Monroe, incorporated in 1823, is located in Fairfield County. It covers an area of 26.4 square miles seventy miles east of New York City and fourteen miles north of Bridgeport. It is bordered by Easton to the west, Newtown to the north, Shelton and Oxford to the east and Trumbull to the south. Lake Zoar, the Stevenson Dam, a FirstLight Power Resources hydropower facility, and the Housatonic River also are part of the Town's northeastern border.

The Town population according to the U.S. Bureau of Census, 2022 American Community Survey, was 18,851. The Town has above average income and education levels that reflect its character as a suburban bedroom community.

The Town of Monroe supports and encourages a balance of industrial, commercial, and residential properties. The Town's Economic Development Commission and Planning and Zoning Commission have worked together to reach this objective.

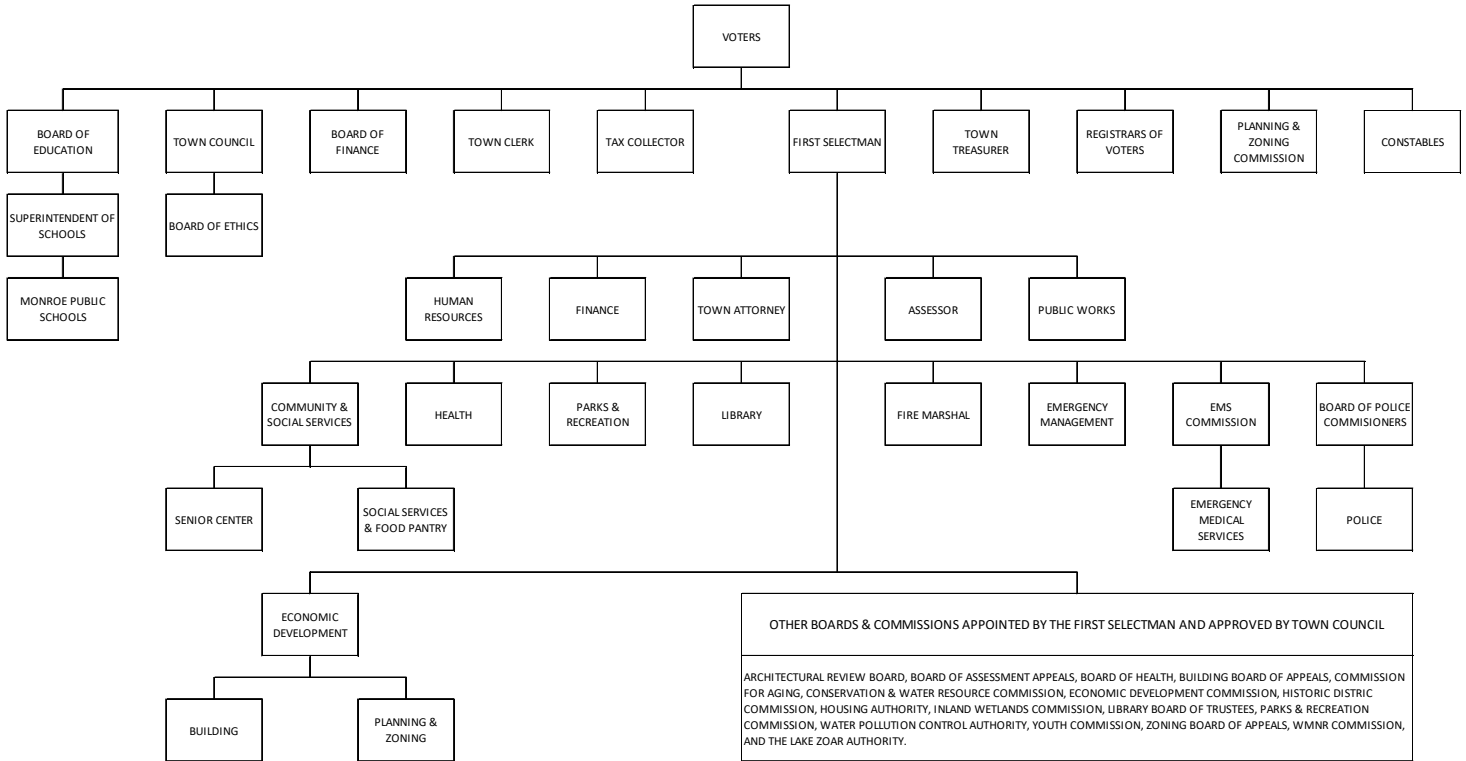
The Town is traversed by State Routes 25, running north and south, and Route 111, running northeast through the Town. The Route 25 expressway, which begins at Route 8 in Bridgeport, intersects with the Merritt Parkway (Route 15), and terminates at the intersection of Route 111 near the Monroe-Trumbull town line. The southern area of Town is easily accessible to the Merritt Parkway by way of Route 25, and thus to both Interstates 91 and 95. Air transportation is available in Bridgeport and Danbury, as is rail transportation, via Amtrak and Metro-North service; bus passenger transportation is provided by the Greater Bridgeport Transit District. The Town of Monroe Senior Center provides additional transportation for senior citizens and the homebound.

FORM OF GOVERNMENT

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 First Selectman manages department heads, sees that law and ordinances governing the Town are enforced, makes recommendations and reports to the Town Council, prepares the annual budget, prepares the annual report, keeps the Town Council advised on the Town's financial condition and performs other duties prescribed by Charter, Ordinance or Town Council resolution.

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, directed by the Director of Finance who also serves as the Comptroller, manages all financial records and operations of the Town, including the Board of Education. The Treasurer is elected biannually and is responsible for investing funds of the Town.

ORGANIZATION CHART



PRINCIPAL TOWN OFFICIALS

<u>Name</u>	<u>Position</u>	<u>Term</u>	<u>Length of Service</u>
Terrence P. Rooney.....	First Selectman.....	11/21/2025	6 months
Ronald J. Bunovsky, Jr.....	Director of Finance.....	Appointed	10 years
Vacant ¹	Chairman, Board of Finance.....	n/a	n/a
Joseph Kobza.....	Superintendent of Schools.....	Appointed	4 year
Deborah Heim, CCMC.....	Tax Collector.....	11/21/2025	5 years
Keith White.....	Chief of Police.....	Appointed	2 years
Francis Dutches.....	Town Treasurer.....	11/21/2025	2 years

¹ The Board of Finance Chairman has retired effective May 31, 2024. A new Board of Finance Chairman is expected to be appointed in June 2024.

Source: Town Officials.

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SUMMARY OF MUNICIPAL SERVICES

Police: The Monroe Police Department is a fully accredited Connecticut Police Officer Standards and Training Council law enforcement agency, providing 24-hour police protection to the Town of Monroe. Professional services include: first response to all public safety emergencies; crime scene evidence collection and processing; criminal investigation; electronic and digital evidence collection, examination and analysis; motor vehicle crash reconstruction and investigation; domestic violence victim follow-up and support team; and crisis intervention response and follow-up officers. The Monroe Police Department has a staff of 42 sworn officers and 13 non-sworn employees.

Emergency Medical Service (EMS): Monroe Volunteer Emergency Medical Services (MVEMS) was founded in 1977, with a mission to provide high-quality pre-hospital emergency care in the community. Thirty-five (35) members and staff respond to approximately 1,800 emergency calls each year, utilizing 3 ambulances and a basic life support fly car. A contracted service supplements EMT staffing and provides paramedic staffing along with a specially equipped advanced life support vehicle. Volunteer members also take an active role in enhancing safety in the community by providing CPR/AED and “Stop the Bleed” training, educational presentations and emergency medical coverage at special events for town and civic groups. Additionally, MVEMS instructors provide EMT training and continuing education programs for members and prospective members. In the spirit of volunteerism, members proudly serve their community 24/7 to provide care to those in need.

Fire: Three volunteer fire companies serve the Town, carrying a force of approximately 75 active fire fighters in five fire stations. The major equipment includes 16 pieces of fire apparatus distributed among the three companies. The Town employs one full-time Fire Marshal and two part-time deputy Fire Marshals.

Public Works Department: The Department of Public Works (DPW) includes the Building Maintenance, Highway, Engineering & Parks Maintenance divisions.

- Building Maintenance - this division provides general and contracted maintenance of 20 public facilities including the Town Hall, Police Department, Library, Senior Center, Firehouses, and Highway Garage. In total, the building maintenance division is responsible for 236,911 square feet of building and 12 emergency generators with 1 full-time Building Maintainer and 1 full-time custodian. This budget includes migration of the staff and responsibilities of the exterior maintenance at these locations from Parks & Recreation into Public Works, as well as the maintenance of the Town Hall and Stepney Greens, Wolfe Park, Webb Mountain, and the Route 110/111 Roundabout.
- Highway - this division performs all of the maintenance and construction work within the Town owned right-of-way over the 143 miles of road, 5 miles of which are dirt roads. These functions include road reconstruction, excavation, paving, pothole patching, curbing, topsoil & seed, drainage pipe, drainage structure installation, traffic sign installation, street sign installation, roadside trimming, roadside mowing, litter cleanup, street sweeping, tree removal, tree trimming, snow plowing, sanding, dirt-road grading, dust control, and guiderail maintenance. Highway also participates in the annual bulky waste pickup and collection of waste motor oil.
- Engineering – provides design and project development/coordination, and technical support and services to the various local boards and commissions, the Town administration, other Town departments, applicants and/or their representatives, and the general public, in addition to coordination with the State Department of Environmental Protection, State Department of Transportation, Metropolitan Council of Governments, utility companies, and other applicable agencies and/or organizations.
- Parks Maintenance – This division performs all the maintenance of the town designated park areas and related facilities. Responsibility for all maintenance of Wolfe Park and all town-owned properties including the Town Hall/Police Department complex, Edith Wheeler Memorial Library, Senior Center, Monroe Green, Stepney Green, Food Pantry, six Fire Houses, Webb Mountain Campground, EMS Building, Animal Control Facility and the Town’s responsibilities in maintaining the state roundabout at Route 110/111.

The Department employs one Director, one Deputy Director, one Engineer, one General Foreman, one Engineering Inspector, two crew leaders and twenty-two other personnel, one full-time and one part-time administrative assistant, one building maintainer and one night custodian.

Solid Waste: The Town has entered into a Solid Waste Disposal Agreement (the Agreement), with WIN Waste. for the disposal of solid waste through the Greater Bridgeport Regional Solid Waste Interlocal Committee (the Interlocal). It is required that the Agreement be executed by Contracting Communities whose aggregate average generation of Acceptable Waste for the two (2) year period prior to the Contract Date was in excess of 175,000 Tons per year. Each municipality which has signed the

Agreement agrees to deliver or cause to be delivered to the System all Acceptable Waste, as defined therein, generated by it or within its boundaries. WIN Waste is required to accept from each municipality and dispose of all Acceptable Waste delivered to the System by or on behalf of each municipality. Both the Greater Bridgeport Regional Solid Waste Interlocal Agreement and the Solid Waste Disposal Agreement are available for review at Town Hall. For fiscal year 2023-24, the Town has paid a tipping fee of \$70.49 per ton for solid waste delivered to the Facility in Bridgeport. For fiscal year 2024-25, the Town expects to pay \$85.25 per ton for solid waste.

Transfer Station: The Town currently participates in a long-standing arrangement with the Town of Trumbull to utilize its transfer station to deliver all refuse to be transferred to WIN Waste in Bridgeport. The Town pays approximately \$56.51 per ton to the Town of Trumbull and WIN Waste to operate the transfer station and transport the refuse to the Facility in Bridgeport. The all-in-cost per ton for the operation of the transfer station, the transportation of the refuse to WIN Waste and the tipping fees paid to WIN Waste is approximately \$132.00 per ton for fiscal year 2023-24. For fiscal year 2024-25 the Town expects to pay \$149.00 per ton to Win Waste.

Recycling: Monroe has entered into an agreement with the Greater Bridgeport Regional Recycling Interlocal (GBRRIC), replacing the Southwest Connecticut Regional Recycling Operating Committee (SWEROC). The agreement provides for a committee membership which administers all matters affecting the municipality in connection with the delivery of municipal recyclables as mandated by the State of Connecticut. Monroe has entered into a contract with residential Waste Systems (RWS) to provide for the pickup and delivery of residential generated recyclables to a resource recovery facility with which GBRRIC has a contract with. The GBRRIC agreement is available for review at Town Hall. Consistent with a nationwide issue, recycling costs have increased significantly over the past couple of years. The anticipated impact has been appropriately addressed in the fiscal year 2023-24 and 2024-25 budgets.

Health and Welfare: The Health Department consists of a Director of Health, Chief Sanitarian, Sanitarian, a Part-Time Nurse and an Administrative Assistant. The Health Department is committed to providing exceptional professional service to our community to improve the quality of life through the promotion of health, prevention of disease and injury, and fostering a healthy environment. The Health Department's primary programs and services are:

- Environmental Health: Promotion of community health and well-being by fostering a safe and healthful environment through the enforcement of the Connecticut Public Health Code. Inspections in facilities such as restaurants and salons, conduct soil testing and review plans for subsurface sewage disposal systems, and investigate complaints.
- Community Health: Monitor, investigate, and respond to reports of disease in our community. Provide outreach and education to the public, schools, businesses, and act as a resource for public health information.
- Emergency Preparedness: Collaboration with our regional Healthcare Coalition to develop plans to prepare for and respond to urgent situations such as disease outbreaks or other public health emergencies.

Parks and Recreation: Monroe maintains a full-time Parks and Recreation Department under the supervision of a Director of Parks and Recreation. The Department provides leadership and expertise for the development, promotion and delivery of a comprehensive schedule of recreational and cultural opportunities for the citizens of the community. In addition, it shares responsibility with the Public Works Department for the effective management, development and assists in the maintenance of Town parks and their related facilities. The Town offers an outdoor seasonal pool, seven tennis courts, eight pickleball courts, two basketball courts, three large field areas for football, soccer and lacrosse use, seven ballfields for softball/baseball, three playgrounds, two outdoor sand volleyball areas, bocce court, two gaga pits, a swimming lake, various hiking trails, five picnic areas, seasonal and year-round bathroom facilities within the Wolfe Park/Great Hollow Lake section of town. We host and provide many outdoor passive and active recreational opportunities for youth, adult, seniors and family programming with camps, clinics, concerts, leagues and drop-in schedules. In addition, we oversee a seasonal campground that offers eleven tent-only camping sites that come equipped with grills, picnic tables and a fire pit. For indoor recreational needs we partner with the Monroe Public Schools to use their facilities in the evening and weekends to offer addition programming in the pool, gyms and classrooms. Year round the department has four full-time staff and one part time person and we employ several seasonal staff that range from twenty-five during the school year to about eighty in summer season.

Library: The Edith Wheeler Memorial Library is a 32,000 square foot facility which houses a children's department on the ground level with adult and teen services on the main floor. A full range of library services is provided by seven full time staff and 28 part time staff. The library offers a meeting room with capacity for 150, children's program rooms, study rooms, and a 15-person conference room. In addition to the 83,000 items in its collection, the library offers opportunities for experiential learning in the makerspace, art and music programs for all ages, programs for special needs, and homebound services. Streaming movies, music, eBooks, and audiobooks, in addition to research databases, are available online and accessed using the library's website at www.ewml.org.

Planning and Zoning: The Town has an elected Planning and Zoning Commission that consists of five (5) members and four (4) alternates. Its duties are to guide, control and approve all design work and site development to conform with the Town and State Codes while working with the First Selectman and the Planning and Zoning Department. The Planning & Zoning Department, which has 5 full-time employees, is tasked with protecting the public health, safety and general welfare of the community by providing administrative and professional technical services to the Planning and Zoning Commission, Zoning Board of Appeals, associated local Boards and Commissions, Federal agencies, State Agencies and the general public, in order to assist the Town of Monroe in guiding the orderly development and use of land to provide housing and employment opportunities; to stabilize the property tax base; to foster and enhance the visual image and vernacular character of the Town; and to protect open space and areas of sensitive and unique natural resources within the Town.

The Town has recently completed the process of updating its Plan of Conservation & Development (POCD) which is required to be completed every ten (10) years pursuant to the Connecticut General Statutes. The current POCD was adopted by the Town’s Planning and Zoning Commission in April 2021.

Economic Development: The Town re-established an Economic Development Department in its fiscal 2021-2022 budget, consisting of a full-time Director of Economic & Community Development. Furthermore, the Town has an all-volunteer Economic Development Commission, consisting of seven (7) members, which are appointed by the First Selectman with Town Council approval. The Commission works directly with the Director of Economic & Community Development, the First Selectman’s office, and through partnerships with the public, community organizations, elected officials, town departments and other boards and commissions to assist in the orderly development of commercial and industrial sectors of the Town, while being consistent with the Town’s Plan of Conservation & Development.

These efforts include:

- Attracting new commercial development to increase the grand list, expand the commercial tax base, and reduce the tax burden on residents;
- Supporting retention of existing commercial businesses;
- Creating a robust marketing strategy to promote the Town; and
- Increasing the local employment base and attracting skilled workers.

The Town includes approximately 1,595 acres (10.2% of the total Town area) zoned for commercial business and industrial development, including substantial acreage ripe for development or redevelopment. The balance, like most Fairfield County communities, consists primarily of one, two and three-acre minimum single-family residentially zoned areas (one acre approximately 38.2%, two-acre approximately 27.3% and three-acre approximately 16.7%) with a small percentage of multi-family housing zones (approximately 7.6%).

Financial institutions located in the Town include: JPMorgan Chase Bank, M&T Bank, Newtown Savings Bank, Union Savings Bank, and Webster Bank in addition to Connex Credit Union.

MUNICIPAL EMPLOYMENT

Fiscal Year	Full-time Equivalent Employees (FTE)				
	2024	2023	2022	2021	2020
General Government.....	167	172	173	168	161
Board of Education.....	527	514	483	464	481
Total.....	694	686	656	632	642

Source: Town Officials.

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MUNICIPAL EMPLOYEES BY CATEGORY

The following is a breakdown by category of the Town’s full-time equivalent employees:

<u>Department</u>	<u>Number of Employees</u>
<u>General Government</u>	
Police.....	55
Library.....	20
Highway Department.....	37
Land Use Group.....	7
Social Services/Senior Center.....	8
Parks & Recreation.....	4
Other.....	36
Total General Government....	167
<u>Board of Education</u>	
Administration and Principals.....	24
Teachers.....	200
Paraprofessionals.....	99
Other.....	204
Total Board of Education.....	527
Grand Total.....	694

Source: Town Officials.

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MUNICIPAL EMPLOYEES' BARGAINING ORGANIZATIONS

<u>Employees</u>	<u>Organization</u>	<u>Employees Covered</u>	<u>Contract Expiration</u>
<u>General Government</u>			
Highway / Parks & Rec.....	Connecticut Association of Labor Unions	24	6/30/2023 ¹
Clerical.....	Local 136, International Federation of Professional and Technical Engineers	34	6/30/2024
Police - Uniform Officers....	Monroe Police Union, Fraternal Order of Police Lodge 50	40	6/30/2025
Supervisors.....	Local 818, Council #4 AFSCME, AFL-CIO	15	6/30/2026
	Sub-total General Government	<u>113</u>	
	Non-Bargaining and part-time	54	
	Total General Government	<u>167</u>	
<u>Board of Education</u>			
Administrators.....	Monroe Association of School Administrators	21	6/30/2027
Teachers.....	Monroe Education Association	200	6/30/2026
Paraprofessionals.....	United Public Service Employees Union	99	6/30/2025
Secretaries.....	United Public Service Employees Union	26	6/30/2026
Custodial.....	United Public Service Employees Union	25	6/30/2025
School Nurses.....	United Public Service Employees Union	6	6/30/2025
School Library Employees...	Local 136, International Federation of Professional and Technical Engineers, Library Association of Monroe School System	2	6/30/2026
	Sub-total Board of Education	<u>379</u>	
	Non-Bargaining and part-time	148	
	Total Board of Education	<u>527</u>	
	Total Town of Monroe	<u>694</u>	

¹ In negotiation.

Source: Town of Monroe.

Connecticut General Statutes Sections 7-473c, 7-474, and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipality may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either of the parties. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration contracts, in assessing the financial capability of a municipal entity, there is an irrefutable presumption that a budget reserve of (i) 5% or less with respect to teachers' contracts, and (ii) 15% or less with respect to municipal employees, is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

EDUCATIONAL SYSTEM

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 an annual 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 Town's elementary school system consists of one school for pupils in grades Pre-K through 5, two schools for pupils in grades K through 5; one school for pupils in grades 6-8 and one high school for pupils in grades 9-12. The schools are governed by a nine-member Board of Education.

EDUCATIONAL FACILITIES

<u>School</u>	<u>Grades</u>	<u>Date of Construction (Additions, Remodeling)</u>	<u>No. of Classrooms</u>	<u>Enrollment 10/1/2023</u>	<u>Capacity</u>
Monroe.....	Pre-K-5	1935 (1947,1953,1957,1983)	19	408	414
Stepney.....	K-5	1962 (1989)	30	521	565
Fawn Hollow.....	K-5	1966 (1989)	34	700	656
Jockey Hollow ¹	6-8	1998	36	759	634
Masuk High School.....	9-12	1958 (1963,1977,2006)	57	1,067	1,450
Total				<u>3,455</u>	<u>3,719</u>

¹ Includes 225 STEM students who are housed at Masuk High School.

Source: Superintendent’s office, Town of Monroe.

SCHOOL ENROLLMENT

<u>School Year</u>	<u>Actual</u>			
	<u>PK-5</u>	<u>6-8</u>	<u>9-12</u>	<u>Total</u>
2014-15	1,319	758	1,184	3,261
2015-16	1,281	780	1,106	3,167
2016-17	1,337	782	1,061	3,180
2017-18	1,325	786	1,027	3,138
2018-19	1,339	756	1,013	3,108
2019-20	1,362	755	1,006	3,123
2020-21	1,357	773	1,041	3,171
2021-22	1,486	783	1,076	3,345
2022-23	1,559	774	1,050	3,383
2023-24	1,629	759	1,067	3,455
	<u>Projections</u>			
2024-25	1,583	777	1,114	3,474
2025-26	1,656	789	1,072	3,517
2026-27	1,627	784	1,039	3,450
2027-28	1,598	797	1,046	3,441

Source: Superintendent’s office, Town of Monroe.

III. ECONOMIC AND DEMOGRAPHIC INFORMATION

POPULATION TRENDS

Year	Town of	Fairfield	Greater	State of
	Monroe	County	Bridgeport Planning Region ¹	Connecticut
1980	13,952	807,143	n/a	3,107,576
1990	16,896	857,270	n/a	3,287,116
2000	19,247	882,567	n/a	3,405,565
2010	19,316	905,342	n/a	3,545,837
2022	18,851	n/a	148,365	3,611,317

¹ Starting with the 2018-22 American Community Survey data, the county level area was changed to reflect the Greater Bridgeport Planning Region.

Source: U.S. Census Bureau.

AGE DISTRIBUTION OF THE POPULATION

Age	Town of Monroe		Greater Bridgeport Planning Region ¹		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Under 5.....	1246	6.6	7,257	4.9	182,768	5.1
5 - 9.....	946	5.0	6,538	4.4	196,600	5.4
10 - 14.....	1,595	8.5	10,997	7.4	222,267	6.2
15 - 19.....	1,262	6.7	10,543	7.1	247,501	6.9
20 - 24.....	1271	6.7	11,662	7.9	241,391	6.7
25 - 34.....	1,333	7.1	20,230	13.6	449,466	12.4
35 - 44.....	2,169	11.5	21,169	14.3	445,052	12.3
45 - 54.....	3,202	17.0	16,098	10.9	475,109	13.2
55 - 59.....	1,673	8.9	10,214	6.9	266,117	7.4
60 - 64.....	1,232	6.5	11,103	7.5	255,938	7.1
65 - 74.....	1,821	9.7	12,835	8.7	362,365	10.0
75 - 84.....	771	4.1	7,803	5.3	178,746	4.9
85 and over....	330	1.8	1,916	1.3	87,997	2.4
Total.....	18,851	100.0	148,365	100.0	3,611,317	100.0
Median Age....	43.2		38.0		40.9	

¹ Starting with the 2018-22 American Community Survey data, the county level area was changed to reflect the Greater Bridgeport Planning Region.

Source: U.S. Census Bureau, 2018-2022 American Community Survey.

SELECT WEALTH AND INCOME INDICATORS

	Median Family Income		Per Capita Income	
	(2010)	(2022)	(2010)	(2022)
Town of Monroe.....	\$119,357	\$172,478	\$43,842	\$61,304
Fairfield County.....	100,593	n/a	48,295	n/a
Greater Bridgeport Planning Region ¹	n/a	70,678	n/a	28,541
Connecticut.....	84,170	115,183	36,775	52,034
United States.....	62,982	92,148	27,334	41,804

¹ Starting with the 2018-22 American Community Survey data, the county level area was changed to reflect the Greater Bridgeport Planning Region.

Source: U.S. Census Bureau, 2018-2022 American Community Survey.

INCOME DISTRIBUTION

	<u>Town of Monroe</u>		<u>Greater Bridgeport Planning Region ¹</u>		<u>State of Connecticut</u>	
	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>
Less than \$10,000.....	0	0.0	1,837	6.0	23,251	2.6
10,000 to 14,999.....	72	1.5	1,327	4.3	15,238	1.7
15,000 to 24,999.....	0	0.0	1,179	3.8	28,672	3.2
25,000 to 34,999.....	91	1.9	2,253	7.3	36,334	4.0
35,000 to 49,999.....	196	4.0	4,712	15.4	62,931	7.0
50,000 to 74,999.....	291	5.9	5,087	16.6	109,805	12.2
75,000 to 99,999.....	405	8.3	5,226	17.0	116,232	12.9
100,000 to 149,999...	990	20.2	4,350	14.2	181,653	20.1
150,000 to 199,999...	993	20.3	2,791	9.1	125,908	14.0
200,000 or more.....	1,863	38.0	1,922	6.3	202,515	22.4
	<u>4,901</u>	<u>100.0</u>	<u>30,684</u>	<u>100.0</u>	<u>902,539</u>	<u>100.0</u>

¹ Starting with the 2018-22 American Community Survey data, the county level area was changed to reflect the Greater Bridgeport Planning Region.

Source: U.S. Census Bureau, 2018-2022 American Community Survey.

EDUCATIONAL ATTAINMENT

Years of School Completed Age 25 and Over

<u>Educational Attainment Group</u>	<u>Town of Monroe</u>		<u>Greater Bridgeport Planning Region ¹</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than 9th grade.....	170	1.4	9,937	9.8	100,376	3.9
9th to 12th grade.....	189	1.5	9,903	9.8	115,659	4.5
High School graduate.....	2,507	20.0	34,769	34.3	660,047	25.9
Some college, no degree.....	1,694	13.5	16,860	16.6	405,693	15.9
Associates degree.....	1,112	8.9	7,744	7.6	197,009	7.7
Bachelor's degree.....	3,550	28.3	13,116	12.9	584,999	23.0
Graduate or professional degree.....	3,309	26.4	9,039	8.9	481,405	18.9
Total.....	<u>12,531</u>	<u>100.0</u>	<u>101,368</u>	<u>100.0</u>	<u>2,545,188</u>	<u>100.0</u>
Percent of High School Graduates..		97.1%		80.4%		91.5%
Percent of College Graduates.....		54.7%		21.9%		41.9%

¹ Starting with the 2018-22 American Community Survey data, the county level area was changed to reflect the Greater Bridgeport Planning Region.

Source: U.S. Census Bureau, 2018-2022 American Community Survey.

MAJOR EMPLOYERS

<u>Name of Employer</u>	<u>Nature of Entity</u>	<u>Number of Employees</u>
Town of Monroe.....	Government and education.....	694
Big Y Supermarket.....	Supermarket.....	170
Biomerics NLE, LLC.....	Engraving & Electropolishing Services.....	150
Victorinox (Swiss Army).....	Headquarters/Disribution	138
M Cubed Technologies.....	Ceramic Componant MFG.....	136
Stop & Shop.....	Supermarket.....	126
Church Hill Classics LTD.....	Classroom supplies.....	114
Pella Windows & Doors.....	Window Sales and Installation.....	70
Aquarion Water.....	Public Water Company.....	70
Edgerton, Inc.....	HVAC Sales & Service, Oil & Propane...	69
		1,737

EMPLOYMENT BY INDUSTRY

<u>Employment Sector</u>	<u>Town of Monroe</u>		<u>Greater Bridgeport Planning Region¹</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
	Agriculture, Forestry, Fishing, Hunting & Mining..	44	0.4	101	0.1	7,848
Construction.....	818	8.2	6,648	9.8	118,612	6.4
Manufacturing.....	1,000	10.0	4,887	7.2	197,152	10.6
Wholesale Trade.....	191	1.9	1,993	2.9	36,074	1.9
Retail Trade.....	1,132	11.3	9,171	13.6	194,829	10.5
Transportaion, Warehousing & Utilities.....	367	3.7	5,141	7.6	85,763	4.6
Information.....	208	2.1	1,181	1.7	40,860	2.2
Finance, Insurance & Real Estate.....	807	8.1	5,192	7.7	163,231	8.8
Professional, Scientific & Management.....	1,534	15.3	8,175	12.1	228,604	12.3
Educational Services & Health Care.....	2,856	28.5	16,311	24.1	501,210	26.9
Arts, Entertainment, Recreation & Food Services..	465	4.6	4,037	6.0	144,133	7.7
Other Service (including nonprofit).....	137	1.4	3,531	5.2	78,744	4.2
Public Administration.....	446	4.5	1,242	1.8	64,442	3.5
Total.....	10,005	100.0	67,610	100.0	1,861,502	100.0

¹ Starting with the 2018-22 American Community Survey data, the county level area was changed to reflect the Greater Bridgeport Planning Region.

Source: U.S. Census Bureau, 2018-2022 American Community Survey.

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EMPLOYMENT DATA ¹

Period	Town of Monroe		Percentage Unemployed		
	Employed ¹	Unemployed ¹	Town of Monroe (%) ¹	Bridgeport Labor Market (%) ¹	State of Connecticut (%) ¹
April 2024.....	9,633	349	3.5	3.6	3.5
March 2024.....	9,689	412	4.1	4.3	4.2
February 2024....	9,499	507	5.1	5.6	5.4
January 2024.....	9,508	437	4.4	5.2	5.0
Annual Average					
2023.....	9,649	383	3.8	3.9	3.7
2022.....	9,775	410	4.0	4.2	4.2
2021.....	9,133	528	5.5	6.3	6.3
2020.....	9,029	680	7.0	8.1	7.9
2019.....	9,850	359	3.5	3.6	3.6
2018.....	9,797	354	3.5	3.9	3.9
2017.....	9,787	448	4.4	4.4	4.4
2016.....	9,732	445	4.4	4.8	4.8
2015.....	9,679	528	5.2	5.5	5.6
2014.....	9,575	623	6.1	6.4	6.6

¹ Not seasonally adjusted.

Source: Department of Labor, State of Connecticut.

AGE DISTRIBUTION OF HOUSING

Year Structure Built	Town of Monroe		Greater Bridgeport Planning Region ¹		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Built 2020 or later.....	-	0.0	182	0.3	11,986	0.8
Built 2010 to 2019.....	29	0.4	1,331	2.2	76,567	5.0
Built 2000 to 2009.....	430	6.7	1,792	3.0	104,479	6.8
Built 1990 to 1999.....	707	11.0	2,271	3.7	118,433	7.7
Built 1980 to 1989.....	1,823	28.3	9,243	15.2	203,053	13.2
Built 1970 to 1979.....	831	12.9	6,834	11.3	203,957	13.2
Built 1960 to 1969.....	1,031	16.0	4,862	8.0	200,109	13.0
Built 1950 to 1959.....	1,040	16.1	9,049	14.9	224,890	14.6
Built 1940 to 1949.....	105	1.6	7,726	12.7	88,125	5.7
Built 1939 or earlier.....	455	7.1	17,421	28.7	308,693	20.0
Total housing units.....	6,451	100.0	60,711	100.0	1,540,292	100.0

¹ Starting with the 2018-22 American Community Survey data, the county level area was changed to reflect the Greater Bridgeport Planning Region.

Source: U.S. Census Bureau, 2018-2022 American Community Survey.

HOUSING INVENTORY

Type	Town of Monroe	
	Units	Percent
1-unit detached.....	5,599	86.8
1-unit attached.....	228	3.5
2 to 4 units.....	276	4.3
5 to 9 units.....	329	5.1
10 or more units.....	19	0.3
Mobile home, trailer, other...	-	-
Total Inventory.....	<u>6,451</u>	<u>100.0</u>

Source: U.S. Census Bureau, 2018-2022 American Community Survey.

OWNER-OCCUPIED HOUSING VALUES

Value of Owner Occupied Units	Town of Monroe		Greater Bridgeport Planning Region¹		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000.....	31	0.5	1,100	4.2	24,707	2.6
50,000 to 99,999.....	12	0.2	860	3.3	15,660	1.6
100,000 to 149,999.....	46	0.8	3,825	14.5	35,444	3.7
150,000 to 199,999.....	87	1.5	2,240	8.5	74,994	7.9
200,000 to 299,999.....	403	7.1	8,320	31.5	226,313	23.8
300,000 to 499,999.....	2,996	52.7	8,534	32.3	332,554	35.0
500,000 to 999,999.....	2,015	35.5	1,419	5.4	182,537	19.2
1,000,000 and over.....	94	1.7	149	0.6	57,630	6.1
Total.....	<u>5,684</u>	<u>100.0</u>	<u>26,447</u>	<u>100.0</u>	<u>949,839</u>	<u>100.0</u>
Median Value	\$456,800		\$249,200		\$347,200	

¹ Starting with the 2018-22 American Community Survey data, the county level area was changed to reflect the Greater Bridgeport Planning Region.

Source: U.S. Census Bureau, 2018-2022 American Community Survey.

DWELLING UNITS

2022	2010	1990	1980	% Increase 2000-2022	% Increase 1980-2022
6,451	6,755	5,596	4,131	-4.5%	56.2%

Source: U.S. Census Bureau.

BUILDING PERMITS
(Includes Mechanical Permits)

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial/ Industrial</u>	<u>All Other</u>	<u>Total</u>
2024 ¹	\$ 12,782,950	\$ 4,454,250	\$ 3,618,500	\$ 20,855,700
2023	8,192,699	9,742,670	6,971,552	24,906,921
2022	11,614,100	12,775,511	4,645,640	29,035,251
2021	9,099,603	9,330,505	5,030,707	23,460,815
2020	4,823,894	2,143,183	7,770,830	14,737,907
2019	7,587,845	682,133	7,716,642	15,986,620
2018	7,224,739	12,168,748	8,962,670	28,356,157
2017	9,242,403	7,086,129	12,210,926	28,539,458
2016	5,449,022	7,591,430	9,038,055	22,078,507
2015	6,632,498	1,724,979	5,850,929	14,208,406

¹ As of April 31, 2024.

Source: Building Department, Town of Monroe.

LAND USE SUMMARY

<u>Land Use Category</u>	<u>Total Acreage by Zoning</u>	<u>Percent of Total Land</u>
Residential and Farming District 1.....	5,989	38.2
Residential and Farming District 2.....	4,286	27.3
Residential and Farming District 3.....	2,614	16.7
Age Restricted District.....	112	0.7
Multifamily Residence District.....	466	3.0
Recreational Residence District.....	603	3.8
Housing Opportunity District.....	24	0.2
Business District 1.....	253	1.6
Business District 2.....	112	0.7
Limited Office Retail District.....	59	0.4
Industrial District 1.....	135	0.9
Industrial District 2.....	780	5.0
Industrial District 3.....	170	1.1
Stevenson Business District 2.....	40	0.3
Special Development District.....	46	0.3
	<u>15,689</u>	<u>100</u>

Source: Town Officials.

IV. TAX BASE DATA

ASSESSMENTS

Section 12-62 et. seq. of the Connecticut General Statutes governs real property assessments and establish the revaluation cycle for Connecticut municipalities of a revaluation every five years and, generally, a physical inspection every ten years. Section 12-62 also imposes a penalty on municipalities that fail to effect revaluations as required, with certain exceptions. However, the statute permits the phase-in of a real property assessment increase resulting from a revaluation over a period of up to five years. The maintenance of an equitable tax base by locating and appraising all real and personal property within the Town for inclusion on the Grand List is the responsibility of the Assessor's Office. The Grand List represents the total assessed values for all taxable and tax-exempt real estate, taxable personal property, and motor vehicles located within the Town as of October 1. Assessments for real and personal property are computed at seventy percent (70%) of the market value at the time of last revaluation, and at 70% of the annual approval of Motor Vehicles by the Office of Policy and Management. Grand List information is used by municipalities to set the mill rate which in turn becomes the basis for the Towns' annual tax levy. Any property owner may seek to appeal its assessment by filing a written appeal to a Town's Board of Assessment Appeals. The Board of Assessment Appeals elects to hear such appeals and determines whether adjustments to the Assessor's list relating to assessments under appeal are warranted. Under Connecticut law, taxpayers who are dissatisfied with a decision by a Town's Board of Assessment Appeals may appeal the decision to the Connecticut Superior Court. Pending the appeal, 75 to 90 percent of the taxes due must be paid, depending on the value of the assessed property. The Town last performed a revaluation on October 1, 2019 which was effective for fiscal year 2020-21. The Town is in the process of completing a new revaluation which will be as of October 1, 2024 and will be effective for fiscal year 2025-26.

When a new structure or modification to an existing structure is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Inspector. A physical appraisal is then completed and the structure classified and priced from a schedule developed at the time of the last revaluation. Property depreciation and obsolescence factors are also considered when arriving at an equitable value.

Motor vehicle lists are furnished to the municipalities by the State of Connecticut Department of Motor Vehicles and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule developed by the Connecticut Association of Assessing Officials and as recommended by the State of Connecticut Office of Policy and Management. Section 12-71b of the Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next July 31 are subject to property tax as follows: 1) vehicles registered subsequent to November 1 but prior to the following August 1, are subject to a prorated tax based on the period of time from the date of registration until the following October 1; 2) vehicles purchased in August and September are not taxed until the next October 1 Grand List. With respect to replacement vehicles (as compared to additional vehicles) Section 12-71b provides for similar prorating of taxes on the new vehicle and a credit with respect to taxes due on the replaced vehicle during the assessment year.

All commercial personal property (furniture, fixtures, equipment, machinery and leased equipment) is assessed annually. An assessor's check and audit is completed periodically. Assessments for both personal property and motor vehicles are computed at seventy percent (70%) of present market value.

Section 12-24a of the Connecticut General Statutes permits a municipality, upon approval by its legislative body, to abate property taxes on owner occupied residences to the extent that the taxes exceed eight percent of the owner's total income, from any source, adjusted for self-employed persons to reflect expenses allowed in determining adjusted gross income. The owner must agree to pay the amount of taxes abated with interest at 6% per annum, or at such a rate approved by the legislative body, at such time that the residence is sold or transferred or on the death of the last surviving owner. A lien for such amounts is recorded in the land records but does not take precedence over any mortgage recorded before the lien.

Public Act 06-176 permits a municipality upon approval of its legislative body to freeze the real property taxes due for certain low-income elderly residents. Any municipality providing such property tax relief may place a lien upon such property in the amount of the total tax relief granted plus interest.

MOTOR VEHICLE PROPERTY TAX RATE

Connecticut General Statutes Section 12-71e, as amended, allows municipalities to tax motor vehicles at a different rate than other taxable property, but caps the motor vehicle tax rate at 32.46 mills for the assessment year commencing October 1, 2021. Section 4-661 of the General Statutes, as amended ("Section 4-661"), diverts a portion of state collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town's motor vehicle tax rate for the current 2023 assessment year (Fiscal Year ending June 30, 2025) is 32.46 mills.

PROPERTY TAX COLLECTION PROCEDURE

Property taxes are levied on all taxable assessed property on the Grand List of October 1 prior to the beginning of the fiscal year. Real and personal property taxes are generally payable in two installments on July 1 and January 1, except that real and personal property taxes under \$100 are payable in one installment on July 1. Motor vehicle tax bills are payable in July and motor vehicle supplemental bills are payable in January. Personal property taxes of \$100.00 or less are payable in July. A margin against delinquencies, legal reductions, and Grand List adjustments, such as Assessor errors, is provided by adjusting the Grand List downward when computing anticipated property tax revenue from the current levy. An estimate for delinquent taxes and outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Delinquent taxes are billed at least four times a year with interest charged at the rate of one and one-half percent per month with a minimum charge of \$2. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are automatically liened each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle, real estate, and personal property tax accounts are transferred to a suspense account when collection appears unlikely at which time they cease to be carried as receivables. Tax accounts are transferred to suspense accounts no later than fifteen years after the due date in accordance with state statutes.

COMPARATIVE ASSESSED VALUATIONS

Grand List Dated	Real Property	Motor Vehicle Property	Personal Property	Gross Taxable Grand List	Less Exemptions¹	Net Taxable Grand List	% Growth
10/1/23	\$2,001,330,189	\$241,024,714	\$177,215,421	\$2,419,570,324	\$27,807,231	2,391,763,093	1.6%
10/1/22	1,986,060,849	244,856,243	147,851,223	2,378,768,315	25,615,224	2,353,153,091	0.4%
10/1/21	1,973,108,909	260,740,605	137,032,617	2,370,882,131	27,279,545	2,343,602,586	3.2%
10/1/20	1,965,320,060	210,934,693	120,836,911	2,297,091,664	26,467,189	2,270,624,475	1.1%
10/1/19 ²	1,960,163,060	194,208,476	114,111,001	2,268,482,537	23,361,940	2,245,120,597	1.6%
10/1/18	1,932,911,126	193,415,503	110,567,293	2,236,893,922	26,162,885	2,210,731,037	0.7%
10/1/17	1,925,502,856	192,776,335	102,767,145	2,221,046,336	25,323,099	2,195,723,237	0.6%
10/1/16	1,917,651,143	192,395,982	95,313,866	2,205,360,991	22,090,976	2,183,270,015	0.3%
10/1/15	1,912,908,449	190,368,285	90,398,935	2,193,675,669	17,297,222	2,176,378,447	0.4%
10/1/14 ²	1,913,037,536	185,697,750	86,481,284	2,185,216,570	16,683,328	2,168,533,242	-6.2%

¹ Connecticut General Statutes Section 12-81 (72) exempts new manufacturing equipment from property taxation by municipalities.

² Revaluation year.

Source: Assessor's Office, Town of Monroe.

Grand List Dated	Residential Property	Commercial/Industrial/ Public Utility Property	Vacant Land Property	Sub-Total Real Property
10/1/23	\$1,710,044,910	\$269,834,959	\$ 21,450,320	\$ 2,001,330,189
10/1/22	1,699,284,610	264,241,819	22,534,420	1,986,060,849
10/1/21	1,692,923,905	256,548,439	23,636,565	1,973,108,909
10/1/20	1,684,569,440	256,375,810	24,374,810	1,965,320,060
10/1/19 ¹	1,679,758,120	255,208,620	25,196,320	1,960,163,060
10/1/18	1,653,973,621	253,040,465	25,903,340	1,932,917,426
10/1/17	1,646,277,486	251,811,130	27,414,240	1,925,502,856
10/1/16	1,640,527,840	246,377,500	30,745,803	1,917,651,143
10/1/15	1,637,841,440	242,904,936	32,162,073	1,912,908,449
10/1/14 ¹	1,636,392,900	243,819,216	32,825,420	1,913,037,536

¹ Revaluation year.

PROPERTY TAX LEVIES AND COLLECTIONS

Fiscal Year Ending 30-Jun	Net Taxable Grand List	Tax Rate (In Mills)	Total Adjusted Tax Levy	% Collected End of Each FY	Uncollected End of Each FY	Uncollected As of 6/30/2023
2025 ¹	\$2,391,763,093	38.27	\$88,034,741	In process	In process	In process
2024	2,353,153,091	37.55	85,132,372	In process	In process	In process
2023	2,343,602,586	36.86	84,748,960	98.87 %	\$ 957,894	\$ 957,894
2022	2,270,624,475	36.36	81,982,758	98.96	849,990	429,962
2021 ²	2,245,120,597	35.48	79,117,592	99.03	806,606	144,757
2020	2,210,731,037	35.58	78,016,881	98.77	955,892	102,478
2019	2,195,723,237	35.24	76,792,484	99.06	710,715	43,824
2018	2,183,270,015	35.76	76,796,399	98.91	834,822	33,009
2017	2,176,378,447	35.00	75,013,051	98.97	775,917	9,110
2016 ²	2,168,533,242	34.35	73,717,099	99.06	693,058	8,941

¹ Unaudited estimate.

² Revaluation year.

Source: Tax Collector's Office, Town of Monroe.

TEN LARGEST TAXPAYERS¹

Business-Name	Nature of Business	Total Estimated Assessment	% of Net Taxable Grand List
Eversource Energy (Connecticut Light & Power).....	Electric & Gas Utility.....	\$ 34,622,630	1.4%
FirstLight Hydro Generating Co.....	Hydro Electric Generation.....	28,952,550	1.2%
Aquarion Water Company.....	Corporate HQ & Distribution.....	16,201,630	0.7%
NBC Sports Network LP.....	Storage of Media Equipment.....	11,892,060	0.5%
NBC Universal Media LLC/DBA Olympics.....	Storage of Media Equipment.....	11,569,200	0.5%
Yankee Gas Services Co.....	Gas Utility.....	10,520,860	0.4%
One Eleven Century Plaza LLC.....	Commercial Property.....	8,710,400	0.4%
Victorinox Swiss Army Inc.....	Corporate HQ & Distribution.....	8,090,740	0.3%
Maril LLC.....	Retail Property Lease & Mgmt.....	6,263,400	0.3%
Lake Zoar Properties LLC.....	Banquet Facility.....	6,158,970	0.3%
Total		\$142,982,440	6.0%

¹ Based on a 10/1/23 Net Taxable Grand List of \$2,391,763,093.

Source: Assessor's Office, Town of Monroe.

EQUALIZED NET GRAND LIST

Grand List as of 10/1	Equalized Net Grand List	% Growth
2021	\$4,311,557,848	17.01%
2020	3,684,657,809	16.00%
2019	3,176,321,139	-5.83%
2018	3,373,117,218	6.21%
2017	3,175,907,795	0.01%
2016	3,175,730,981	1.97%
2015	3,114,308,719	1.56%
2014	3,066,526,011	-1.66%
2013	3,118,165,181	-2.77%
2012	3,207,048,912	3.49%

Source: State of Connecticut, Office of Policy and Management.

V. FINANCIAL INFORMATION

FISCAL YEAR

The Town's fiscal year begins July 1 and ends June 30.

ACCOUNTING POLICIES

The Town's accounting policies are summarized in Note 1 "Summary of Significant Account Policies" in the Notes to the General Purpose Financial Statements in Appendix A.

BUDGETARY PROCEDURES

Monroe Town 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 March 15th. The Board of Finance must hold one public hearing prior to submitting the budget to the First Selectman no later than April 20th. A Budget summary is published in the newspaper 5 days prior to the referendum and Public Input Session. A Budget referendum is held on the 1st Tuesday in May.

- Upon request by the First Selectman, the Board of Finance may transfer appropriations from one department to another within the fiscal year.
- Upon request by the First Selectman, the Town Council may transfer line items within department budgets within the fiscal year.
- Formal budgetary integration is employed as a management control device during the year for the General Fund.
- Except for encumbrance accounting, the budget is prepared on the modified accrual basis of accounting.
- No constraints or limitations exist under the charter establishing minimum or maximum increases or decreases relating to the budgetary procedure or adoption of the mill rate.

All unencumbered appropriations lapse at year end, except those for the Capital Projects Fund and certain specific revenue funds. Appropriations for Capital Projects are continued until completion, even when projects extend beyond one or more fiscal years.

ANNUAL AUDIT

Pursuant to provisions of the Municipal Auditing Act (Chapter 111 of the Connecticut General statutes) the Town of Monroe Charter, the Town is obligated to undergo an annual examination by an independent certified public accountant. The independent auditors are required to conduct their examination under the guidelines issued by the State of Connecticut, Office of Policy and Management and a copy of the report must be filed with such Office within six months of the end of the fiscal year. For the fiscal year ended June 30, 2023, the examination was conducted by the firm of PKF O'Conner Davies, LLP, accountants and advisors, of Wethersfield, Connecticut. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

PENSION PLANS

The Town has a contributory defined benefit retirement pension plan (the "Plan") which covers substantially all current Town and Board of Education employees except police department employees who participate in the Connecticut Municipal Employees' Retirement System Fund B (MERS), a cost-sharing, multiple-employer, contributory defined benefit plan established under Chapter 113 of the Connecticut General Statutes and administered by the Connecticut State Employees Retirement Commission, and teachers, who also participate in a contributory plan administered by the Connecticut State Teachers Retirement Board. The Plan is administered by the Town of Monroe Pension Committee, which utilized the services of Hooker & Holcombe for actuarial services, Fiducient Advisors for investment services and Principal as the custodian of the plan assets. The Plan was frozen in 2015 for all new Town employees and in 2022 for all new Board of Education employees. The Town has set up a defined contribution plan, pursuant to section 401(a) of the Internal Revenue Code, with a 3% employer match for all Town and Board of Education employees hired after those years.

The Town has implemented Government Accounting Standards Board's (GASB) Statement No. 67. The following net pension liability at June 30, 2023, determined by an actuarial valuation as of July 1, 2022 and based on actuarial assumptions as of that date, were as follows:

	<u>Town</u>	<u>Board of Education</u>	<u>Total</u>
Total pension liability.....	\$15,122,962	\$15,891,521	\$31,014,483
Plan fiduciary net position.....	14,280,383	14,521,406	28,801,789
Net pension liability.....	<u>\$ 842,579</u>	<u>\$ 1,370,115</u>	<u>\$ 2,212,694</u>
Plan fiduciary net position as a % of total pension liability.....	94.43%	91.38%	92.87%

The following presents the net pension liability, calculated using the discount rate of 6.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	<u>1% Decrease 5.75%</u>	<u>Current Discount Rate 6.75%</u>	<u>1% Increase 7.75%</u>
Town Employees' Net Pension Liability.....	\$ 2,444,987	\$ 842,579	\$ (525,948)
Board of Education Employees' Net Pension Liability.....	\$ 3,185,658	\$ 1,370,115	\$ (176,757)

The following represents historic trend information of the Town's Plans:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Accrued Liability (AAL) (b)</u>	<u>(Unfunded) AAL (UAAL) (a-b)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>a % of Covered Payroll ((b-a)/c)</u>
<i>Town Employee's Plan</i>						
07/01/22	\$14,589,613	\$14,776,175	\$ (186,562)	98.7%	\$2,625,161	-7.1%
07/01/20	13,141,199	13,984,975	(843,776)	94.0%	3,629,388	-23.2%
07/01/18	11,851,485	12,622,979	(771,494)	93.9%	3,678,680	-21.0%
07/01/16	10,399,570	11,725,741	(1,326,171)	88.7%	3,580,543	-37.0%
07/01/14	8,904,632	11,047,132	(2,142,500)	80.6%	3,244,363	-66.0%
<i>Board of Education Employee's Plan</i>						
07/01/22	\$14,828,548	\$15,216,769	\$ (388,221)	97.4%	\$4,447,702	-8.7%
07/01/20	13,134,328	14,467,279	(1,332,951)	90.8%	4,411,998	-30.2%
07/01/18	12,367,987	13,400,503	(1,032,516)	92.3%	4,588,373	-22.5%
07/01/16	11,195,105	12,541,374	(1,346,269)	89.3%	3,874,773	-34.7%
07/01/14	10,015,497	11,741,546	(1,726,049)	85.3%	4,023,056	-42.9%

<u>Fiscal Year Ended</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contributed</u>
<u>Town Employee's Plan</u>			
2025 ¹	\$198,865	\$198,865	100.0%
2024 ²	194,747	194,747	100.0%
2023	308,941	324,501	105.0%
2022	303,927	285,000	93.8%
2021	287,075	297,075	103.5%
<u>Board of Education Employee's Plan</u>			
2025 ¹	\$278,449	\$278,449	100.0%
2024 ²	273,053	273,053	100.0%
2023	375,864	375,864	100.0%
2022	370,572	375,000	101.2%
2021	345,033	345,033	100.0%

¹ Adopted budget.

² Unaudited estimate.

Municipal Employees' Retirement System: Police department employees participate in the Municipal Employees' Retirement system ("MERS"). MERS is a cost-sharing multi-employer public employee retirement system established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits to employees of participating municipalities. MERS is considered to be part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports can be obtained at www.ct.gov.

The plan provides retirement, disability and death benefits and annual cost-of-living adjustments to plan members and their beneficiaries. Employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active aggregate service or 25 years of aggregate service. In addition, compulsory retirement is at age 65 for police and fire members. Employees under the age of 55 are eligible to retire with 25 years of service.

Connecticut State Teachers' Retirement System: The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. Certain part-time and all full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The Town does not and is not legally responsible to contribute to the plan.

Defined Contribution Retirement Savings Plan: Certain Town and Education employees are eligible to participate in a defined contribution retirement savings plan, administered by the Town known as the Town of Monroe 401(a) money purchase pension plan. This is in lieu of the defined benefit plan for certain Town and Education employees. The benefits and contributions requirements are established by approval of the Town Council. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employer contributions are based on union contracts. Employees may make additional contributions subject to IRS regulations. The Town matches contributions up to 3% of base pay. Town matching contributions were \$157,898 for the year ended June 30, 2023.

For further information on the plans, please refer to Appendix A under the Town of Monroe's "Notes to Financial Statements, Note V", herein.

OTHER POST EMPLOYMENT BENEFITS ("OPEB")

The Town administers two single-employer defined benefit plans for employee post-employment benefits.

The first is the Police Other Post-employment Benefit Plan (the "Police Benefits Plan") which provides post-employment medical, dental and life insurance benefits for all eligible Police retirees and their spouses. Benefits and contributions are established by contract between the Town and the union representing the police officers. The retiree pays 25% of the cost for single coverage. The Town pays the remaining cost of coverage. The Town established the Town of Monroe Other Post-Employment Benefit Trust Fund for the plan year beginning July 1, 2016.

The second plan is the Board of Education Post-employment Welfare Benefit Plan (the “BOE Benefit Plan”), which provides medical, prescription drug and dental benefits for eligible employees and their spouses and life insurance benefits for retirees only in accordance with various collective bargaining agreements. Benefit provisions are established by the Town and the Connecticut General Statutes. The plan is funded on a pay-as-you-go basis and at this time Board of Education employees and retirees are not currently covered under the established trust for the Police employees.

The Town implemented Government Accounting Standards Board's (“GASB”) Statement No. 74 for the Police Benefits Plan effective fiscal year ending June 30, 2017. In accordance with GASB Statement No. 74, the net position is based on the fair market value as of the end of the fiscal year and the total OPEB liability is based on the actuarial assumptions as of the prior valuation date updated to the end of the fiscal year. For the June 30, 2023 measurement, the discount rate used was 6.50%, and the long-term healthcare cost trend rate was 6.5% decreasing to 4.40%.

The following net OPEB liability of the Police Employees at June 30, 2023, determined by an actuarial valuation as of July 1, 2022 and based on actuarial assumptions as of that date, were as follows:

	Police Benefits Plan (Trust)				
	2023	2022	2021	2020	2019
Total OPEB liability.....	\$ 2,513,355	\$ 2,973,334	\$ 2,762,677	\$ 2,203,615	\$ 2,151,691
Plan fiduciary net position.....	2,235,915	1,797,427	1,801,566	1,253,997	1,004,729
Net pension liability.....	<u>\$ 277,440</u>	<u>\$ 1,175,907</u>	<u>\$ 961,111</u>	<u>\$ 949,618</u>	<u>\$ 1,146,962</u>
Plan fiduciary net position as a % of total OPEB liability.....	88.96%	60.45%	65.21%	56.91%	46.69%

The following represents the net OPEB liability of the Police Benefits Plan, calculated using the current discount rate, as well as what the Police Benefits Plan 's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	Discount Rate Sensitivity		
	1% Decrease	Current	1% Increase
	5.50%	6.50%	7.50%
Net OPEB Liability....	\$559,739	\$277,440	\$25,128

The following represents the net OPEB liability of the Police Benefits Plan, calculated using the current healthcare trend rate, as well as what the Police Benefits Plan 's net OPEB liability would be if it were calculated using a healthcare trend rate that is 1 percentage point lower or 1 percentage point higher than the current trend rate:

	Healthcare Cost Trend Rates		
	1% Decrease	Current Rate	1% Increase
Net OPEB Liability....	(\$85,005)	\$277,440	\$713,669

The following represents historical information regarding the Police Benefits Plan’s funding progress. The most recent complete actuarial valuation was effective July 1, 2022.

Police Benefits Plan						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Overfunded (Unfunded) AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
7/1/2022	\$ 1,876,161	\$ 2,267,773	\$ (391,612)	82.7%	\$ 3,278,944	-11.94%
7/1/2020	1,119,033	2,551,692	(1,432,659)	43.9%	3,092,292	-46.33%
7/1/2018	695,238	1,990,586	(1,295,348)	34.9%	3,399,727	-38.10%
7/1/2016	252,339	1,948,967	(1,696,628)	12.9%	3,287,439	-51.61%
7/1/2014	231,893	998,668	(766,775)	23.2%	3,129,570	-24.50%

Police Benefits Plan			
Fiscal Year	Actuarial Required Contribution	Actual Contribution	Percentage Contributed
2023	\$ 188,225	\$ 241,617	128.4%
2022	185,602	223,530	120.4%
2021	135,439	181,755	134.2%
2020	134,964	205,258	152.1%
2019	187,868	256,555	136.6%

Due to the fact that a trust has not been established for the BOE Benefit Plan, the plan is not subject to GASB 74. However, the plan is subject to the reporting requirements of GASB 75. The following represents the Total OPEB liability as of June 30, 2023:

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Balance at start of fiscal year.....	\$ 13,064,258	\$ 15,101,413	\$ 13,486,635	\$ 11,532,324	\$ 10,137,039
Changes for the years:					
Service cost.....	333,804	425,330	569,848	425,078	325,702
Interest on total OPEB liability.....	469,544	332,636	307,705	414,750	395,786
Difference between expected and actual experience.....	(4,946,701) ¹	(315,852)	469,933	(270,621)	742,226
Changes in assumptions or other inputs....	74,318	(2,224,016)	535,184	1,669,901	407,507
Benefit payments.....	(270,601)	(255,253)	(267,892)	(284,797)	(475,936)
Net changes.....	(4,339,636)	(2,037,155)	1,614,778	1,954,311	1,395,285
Balance at end of fiscal year.....	\$ 8,724,622	\$ 13,064,258	\$ 15,101,413	\$ 13,486,635	\$ 11,532,324

¹ The reduction in OPEB Liability was in part due to 44 non-certified active personnel electing to drop insurance coverage.

The following represents the net OPEB liability of the BOE Benefits Plan, calculated using the current discount rate, as well as what the BOE Benefits Plan 's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
Net OPEB Liability.....	\$9,646,403	\$8,724,622	\$7,925,236

The following represents the net OPEB liability of the BOE Benefits Plan, calculated using the current healthcare trend rate, as well as what the BOE Benefits Plan 's net OPEB liability would be if it were calculated using a healthcare trend rate that is 1 percentage point lower or 1 percentage point higher than the current trend rate:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability.....	\$8,168,858	\$8,724,622	\$9,378,283

The following represents historical information regarding the BOE Benefit Plan. The most recent complete actuarial valuation was effective July 1, 2022.

BOE Benefits Plan						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Overfunded (Unfunded) AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
7/1/2022	\$ -	\$ 8,632,711	\$ (8,632,711)	0.0%	\$35,936,062	-24.02%
7/1/2020	-	14,807,686	(14,807,686)	0.0%	35,330,761	-41.91%
7/1/2018	-	10,845,080	(10,845,080)	0.0%	34,532,000	-31.41%
7/1/2016	-	9,573,628	(9,573,628)	0.0%	31,548,000	-30.35%
7/1/2014	-	10,703,353	(10,703,353)	0.0%	29,387,000	-36.42%

Due to the transition to GASB Statement 74/75 and the fact that a trust has not been established for the BOE benefit Plan, the Town’s actuary is no longer providing a Schedule of Employer Contributions.

For further information on the plans, please refer to Appendix A under the Town of Monroe’s “Notes to Financial Statements, Note V”, herein.

INVESTMENT POLICIES AND PRACTICES

The Town Charter and Connecticut General Statutes Sections 7-400, as amended by Public Act 94-190, 7-401 and 7-402 govern the investments the Town which it is permitted to acquire. Generally, the Town may invest in the State’s Short Term Investment Fund, certificates of deposit, repurchase agreements, municipal notes and bonds, obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the Federal Home Loan Banks, all Federal Land Banks, the Tennessee Valley Authority, or any other agency of the United States government, and money market mutual funds.

The Town of Monroe manages the investment of its funds in compliance with its Charter and the Connecticut General Statutes.

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COMPARATIVE GENERAL FUND OPERATING STATEMENT
 Budget and Actual
 (Budgetary Basis)

	<u>Fiscal Year 2022-23</u>			Fiscal Year	Fiscal Year
	<u>Revised</u>	<u>Actual</u>	<u>Variance</u>	2023-24	2024-25
	<u>Budget</u>	<u>Operations</u>	<u>Favorable</u>	<u>Unaudited</u>	<u>Adopted</u>
			<u>(Unfavorable</u>	<u>Estimate</u>	<u>Budget</u>
REVENUES					
Property taxes, interest and liens.....	\$84,979,495	\$84,771,078	\$ (208,417)	\$ 87,423,800	\$ 89,702,241
Intergovernmental revenue.....	8,653,107	9,816,039	1,162,932	7,367,498	7,173,538
Charges for services.....	1,988,545	2,037,121	48,576	1,788,090	2,138,915
Investment Income.....	217,000	2,143,017	1,926,017	2,800,000	2,500,000
Other revenues.....	75,000	79,136	4,136	70,000	95,000
TOTAL REVENUES.....	<u>\$95,913,147</u>	<u>98,846,391</u>	<u>2,933,244</u>	<u>\$ 99,449,388</u>	<u>\$101,609,694</u>
EXPENDITURES					
Current:					
General government.....	\$ 9,819,651	8,756,158	1,063,493	10,118,378	10,638,837
Public safety.....	8,909,913	8,577,975	331,938	9,257,883	9,914,120
Public works.....	3,796,035	3,500,847	295,188	4,534,267	4,885,767
Health and welfare.....	430,528	317,002	113,526	432,402	442,492
Culture and recreation.....	1,941,292	1,837,101	104,191	1,519,692	1,574,644
Education.....	64,631,166	64,040,460	590,706	67,683,424	71,464,259
Debt Service.....	6,296,450	6,096,747	199,703	5,704,066	4,692,989
TOTAL EXPENDITURES.....	<u>95,825,035</u>	<u>93,126,290</u>	<u>2,698,745</u>	<u>99,250,112</u>	<u>103,613,108</u>
Excess (deficiency) of revenues over expenditures.....	<u>88,112</u>	<u>5,720,101</u>	<u>5,631,989</u>	<u>199,276</u>	<u>(2,003,414)</u>
Other financing sources (uses):					
Appropriation of fund balance.....	810,000	-	(810,000)	-	2,500,000
Sale of Capital Assets.....	-	-	-	925,000	-
Operating transfers in.....	652,642	452,939	(199,703)	-	-
Operating transfers out.....	<u>(1,550,754)</u>	<u>(1,550,754)</u>	<u>-</u>	<u>(496,868)</u>	<u>(496,586)</u>
Total Other financing sources (uses)	(88,112)	(1,097,815)	(1,009,703)	428,132	2,003,414
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.....	<u>\$ -</u>	<u>4,622,286</u>	<u>\$ 4,622,286</u>	<u>\$ 627,408</u>	<u>\$ -</u>

Source: Fiscal Year 2022-23 Audited Financial Statements; fiscal year 2023-24 unaudited estimate and fiscal year 2024-25 adopted budget.

GENERAL FUND BALANCE SHEET
Summary of Audited Assets and Liabilities
(GAAP Basis)

Fiscal Year Ended:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
ASSETS					
Cash and cash equivalents.....	\$ 701,938	\$ 735,558	\$ 422,761	\$ 159,304	\$ 170,625
Investments.....	22,682,084	24,377,728	28,474,998	37,715,579	36,419,287
Restricted cash/investments.....	1,192,236	1,271,484	1,119,000	1,049,736	999,736
Property taxes receivable.....	1,119,270	1,476,491	1,559,216	1,651,968	2,174,834
Intergovernmental receivables.....	-	61,540	153,488	-	-
Other receivables.....	99,179	131,816	-	183,942	109,829
Leases.....	-	-	-	3,159,091	4,054,354
Due from other funds.....	1,391,204	1,813,557	815,414	1,206,804	3,284,710
Other assets.....	-	911	-	-	279,211
Total Assets.....	<u>\$27,185,911</u>	<u>\$29,869,085</u>	<u>\$32,544,877</u>	<u>\$45,126,424</u>	<u>\$47,492,586</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities.....	\$ 1,133,812	\$ 1,574,426	\$ 2,163,941	\$ 2,516,994	\$ 2,213,135
Accrued payroll and related.....	456,993	582,759	599,618	858,047	581,439
Due to other funds.....	6,422,202	7,195,673	5,049,790	12,587,699	9,565,660
Unearned revenues.....	-	-	23,715	7,239	72
Performance bonds.....	1,192,236	1,212,736	1,076,736	1,049,736	999,736
Other.....	57,856	44,529	62,889	116,688	50,084
Total Liabilities.....	<u>9,263,099</u>	<u>10,610,123</u>	<u>8,976,689</u>	<u>17,136,403</u>	<u>13,410,126</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes.....	1,119,270	1,476,491	1,559,216	1,651,968	2,174,834
Unavailable revenue - leases.....	-	-	-	3,066,526	3,865,167
Total Deferred Inflows of Resources.....	<u>1,119,270</u>	<u>1,476,491</u>	<u>1,559,216</u>	<u>4,718,494</u>	<u>6,040,001</u>
FUND BALANCES					
Nonspendable.....	-	-	-	-	189,187
Restricted.....	371,072	371,072	371,072	444,848	371,509
Committed.....	-	1,000,000	4,421,089	1,612,815	1,622,815
Assigned.....	3,154,776	9,105,815	3,202,816	810,000	2,718,363
Unassigned.....	13,277,694	7,305,584	14,013,995	20,403,864	23,140,585
Total Fund Balances.....	<u>16,803,542</u>	<u>17,782,471</u>	<u>22,008,972</u>	<u>23,271,527</u>	<u>28,042,459</u>
Total Liabilities, deferred inflows of Resources and fund balances.....	<u>\$27,185,911</u>	<u>\$29,869,085</u>	<u>\$32,544,877</u>	<u>\$45,126,424</u>	<u>\$47,492,586</u>

Source: Audited Financial Statements.

GENERAL FUND REVENUES AND EXPENDITURES
 Summary of Audited Revenues and Expenditures
 (GAAP Basis)

Fiscal Year Ended:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
REVENUES					
Property taxes.....	\$77,492,761	\$77,801,930	\$79,305,702	\$82,184,039	\$84,771,078
Intergovernmental revenue.....	15,003,724	14,970,764	17,496,142	14,697,249	19,829,623
Charges for services.....	1,622,022	1,567,280	1,970,596	2,305,634	2,133,743
Contributions.....	-	13,950	34,034	23,414	-
Investment income (loss).....	1,020,490	786,853	65,756	127,891	2,143,017
Miscellaneous revenues.....	41,726	73,940	35,562	125,504	79,136
TOTAL REVENUES.....	<u>95,180,723</u>	<u>95,214,717</u>	<u>98,907,792</u>	<u>99,463,731</u>	<u>108,956,597</u>
EXPENDITURES					
Current:					
General government.....	8,577,863	8,325,199	8,442,464	8,717,767	8,678,066
Public safety.....	7,777,683	7,776,663	8,032,443	8,301,826	8,561,230
Public Works.....	3,627,172	3,337,351	3,452,530	3,495,377	3,487,047
Health and welfare.....	325,475	382,718	569,189	373,024	372,978
Culture and recreation.....	1,662,887	1,598,042	1,591,392	1,692,494	1,830,375
Education.....	65,326,490	65,807,842	64,973,834	69,460,250	74,051,861
Capital outlays.....	1,717	2,020	1,474	-	-
Debt service.....	5,850,200	6,046,629	6,212,747	6,151,971	6,096,747
TOTAL EXPENDITURES.....	<u>93,149,487</u>	<u>93,276,464</u>	<u>93,276,073</u>	<u>98,192,709</u>	<u>103,078,304</u>
Excess (deficiency) of revenues over expenditures.....	2,031,236	1,938,253	5,631,719	1,271,022	5,878,293
Other financing sources (uses):					
Operating transfers in.....	39,822	81,927	433,338	422,272	453,448
Operating transfers out.....	(615,000)	(1,044,511)	(1,838,556)	(430,739)	(1,560,809)
Sale of capital assets.....	59,610	3,260	-	-	-
Total other financing sources (uses).....	<u>(515,568)</u>	<u>(959,324)</u>	<u>(1,405,218)</u>	<u>(8,467)</u>	<u>(1,107,361)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses.....	1,515,668	978,929	4,226,501	1,262,555	4,770,932
Fund Balance - July 1.....	<u>15,287,874</u>	<u>16,803,542</u>	<u>17,782,471</u>	<u>22,008,972</u>	<u>23,271,527</u>
Fund Balance - June 30.....	<u>\$16,803,542</u>	<u>\$17,782,471</u>	<u>\$22,008,972</u>	<u>\$23,271,527</u>	<u>\$28,042,459</u>

Source: Audited Financial Statements.

PROPERTY TAX REVENUES

Fiscal Year	General Fund Revenues	Property Tax Revenues	Property Taxes as a Percentage of General Fund Revenues
2025 ¹	\$107,109,694	\$89,702,241	83.7 %
2024 ²	100,374,388	87,423,800	87.1
2023	109,410,045	84,771,078	77.5
2022	99,886,003	82,184,039	82.3
2021	99,341,130	79,305,702	79.8
2020	95,296,644	77,801,930	81.6
2019	95,220,545	77,492,761	81.4
2018	97,355,639	76,743,249	78.8
2017	96,131,593	75,225,166	78.3
2016	89,643,030	73,956,951	82.5

¹ Adopted budget. Budgetary basis of accounting, excludes Teachers' Pension on-behalf payments.

² Unaudited estimate. Budgetary basis of accounting, excludes Teachers' Pension on-behalf payments.

INTERGOVERNMENTAL REVENUES

Fiscal Year	General Fund Revenues	Federal & State Aid	Aid As a Percentage Of General Fund Revenues
2025 ¹	\$107,109,694	\$ 7,173,538	6.7 %
2024 ²	100,374,388	7,367,498	7.3
2023	109,410,045	19,823,623	18.1
2022	99,886,003	14,697,249	14.7
2021	99,341,130	17,496,142	17.6
2020	95,296,644	14,970,764	15.7
2019	95,220,545	15,003,724	15.8
2018	97,355,639	18,055,609	18.5
2017	96,131,593	18,329,619	19.1
2016	89,643,030	13,437,840	15.0
2015	85,974,331	12,698,512	14.8

¹ Adopted budget. Budgetary basis of accounting, excludes Teachers' Pension on-behalf payments.

² Unaudited estimate. Budgetary basis of accounting, excludes Teachers' Pension on-behalf payments.

MUNICIPAL BUDGET EXPENDITURES CAP

Section 4-66(h) (the "Act"), as amended, reduces a municipality's revenue sharing grant if its general budget expenditures (as modified by the Act) in any fiscal year exceeds a threshold set forth in the Act. As a result of utilizing modified budget growth to reduce a municipality's revenue sharing grant, the Act is sometimes popularly referred to as imposing a "spending cap". Beginning in Fiscal Year 2018, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose spending, with certain exceptions, exceeds the spending limits specified in the Act. Each fiscal year, OPM must determine the municipality's percentage growth in spending over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap.

The Act requires that each municipality annually certify to the Secretary of OPM whether the municipality exceeded the spending cap and if so, the amount over the cap.

Under the Act, municipal spending does not include expenditures: (1) for debt service, special education, costs to implement court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities; (2) associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; or (3) for any municipal revenue sharing grant the municipality disburses to a special taxing district, up to the difference between the amount of property taxes the district levied on motor vehicles in the 2013 assessment year and the amount the levy would have been had the motor vehicle mill rate been 32 mills, for Fiscal Year 2017 disbursements, or 29.63 mills, for Fiscal Year 2018 disbursements and thereafter. In addition, if budget expenditures exceed the 2.5% cap, but are proportional to population growth from the previous year, the municipal revenue sharing grant will not be reduced.

For Fiscal Years ending June 30, 2020 and each year thereafter, each municipal revenue sharing grant is proportionately reduced if amounts in the revenue sharing account are insufficient to fund all the revenue sharing grants.

EXPENDITURES

Fiscal Year	Education	General Government	Public Safety	Debt Service	Public Works
2025 ¹	68.6 %	10.2 %	9.5 %	4.5 %	4.7 %
2024 ²	68.1	10.2	9.3	5.7	4.6
2023	70.8	8.3	8.2	5.8	3.3
2022	70.4	8.8	8.4	6.2	3.5
2021	68.3	8.9	8.4	6.5	3.6
2020	69.8	8.8	8.2	6.4	3.5
2019	69.7	9.1	8.3	6.2	3.9
2018	70.7	8.7	7.9	6.4	2.7
2017	70.0	9.0	7.8	6.8	3.3
2016	67.9	9.2	8.2	6.8	3.8

¹ Adopted budget. Budgetary basis of accounting, excludes Teachers' Pension on-behalf payments.

² Unaudited estimate. Budgetary basis of accounting, excludes Teachers' Pension on-behalf payments.

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VI. DEBT SUMMARY

PRINCIPAL AMOUNT OF INDEBTEDNESS

As of July 16, 2024
(Pro Forma)

Long-Term Debt

<u>Date of Issue</u>	<u>Issue</u>	<u>Coupon Rate %</u>	<u>Original Issue Amount</u>	<u>Debt Outstanding Including This Issue</u>	<u>Fiscal Year of Final Maturity</u>
<i>General Purpose</i>					
07/12/16	General Purpose, Series A.....	1.50 - 4.00	\$ 810,000	\$ 160,000	2027
11/01/16	General Purpose, Refunding Series B.	2.00 - 4.00	6,490,000	1,945,000	2029
06/26/18	General Purpose, Series A.....	3.00 - 5.00	5,435,000	2,165,000	2028
06/26/18	General Purpose, Refunding Series B.	3.00 - 5.00	2,958,000	649,000	2026
12/03/19	General Purpose.....	4.00 - 5.00	2,315,000	1,380,000	2030
01/16/20	General Purpose, Refunding.....	4.00 - 5.00	2,003,000	1,289,000	2030
11/23/21	General Purpose.....	2.00 - 4.00	9,815,000	8,250,000	2041
07/16/24	<i>General Purpose (This Issue).....</i>	<i>TBD</i>	5,010,000	5,010,000	2034
			<u>\$34,836,000</u>	<u>\$ 20,848,000</u>	
<i>Schools</i>					
07/12/16	Schools, Series A.....	1.50 - 4.00	\$ 1,800,000	\$ 360,000	2027
11/01/16	Schools, Refunding Series B.....	2.00 - 4.00	730,000	510,000	2029
06/26/18	Schools, Series A.....	3.00 - 5.00	2,650,000	1,060,000	2028
06/26/18	Schools, Refunding Series B.....	3.00 - 5.00	4,085,000	896,000	2026
01/16/20	Schools, Refunding.....	4.00 - 5.00	1,812,000	1,166,000	2030
07/16/24	<i>Schools (This Issue).....</i>	<i>TBD</i>	560,000	560,000	2034
			<u>\$11,637,000</u>	<u>\$ 4,552,000</u>	
	Total Long-Term Debt.....		<u><u>\$46,473,000</u></u>	<u><u>\$ 25,400,000</u></u>	

Short-Term Indebtedness

The Town currently has no outstanding short-term indebtedness.

CAPTIAL LEASES

The Town has entered into a multi-year capital lease agreement for energy conservation improvements. The present value of future minimum lease payments as of June 30, 2023 was \$543,108. These payments are not included in outstanding bonded debt.

SCHOOL BUILDING GRANT REIMBURSEMENTS

Pursuant to Section 10-287i of the Connecticut General Statutes, as amended, for all school building projects approved after July 1, 1996, the State provides proportional progress payments during construction for the State’s share of the eligible construction costs. The State grant will be paid directly to the municipality after it submits its request for progress payments, and accordingly, the municipality will issue its Bonds only for its share of project costs.

ANNUAL BONDED DEBT MATURITY SCHEDULE ¹
 As of July 16, 2024
 (Pro Forma)

Fiscal Year	Existing Indebtedness			The Bonds Principal	ALL ISSUES Total Principal
	Principal Payments	Interest Payments	Total Debt Service		
2024-25 ²	\$ 4,095,000	\$ 645,000	\$ 4,740,000	\$ -	\$ 4,095,000
2025-26	3,635,000	498,900	4,133,900	560,000	4,195,000
2026-27	3,015,000	369,150	3,384,150	560,000	3,575,000
2027-28	2,420,000	267,000	2,687,000	560,000	2,980,000
2028-29	1,630,000	174,600	1,804,600	560,000	2,190,000
2029-30	1,435,000	117,775	1,552,775	560,000	1,995,000
2030-31	775,000	68,125	843,125	560,000	1,335,000
2031-32	775,000	48,750	823,750	560,000	1,335,000
2032-33	205,000	38,950	243,950	550,000	755,000
2033-34	205,000	34,850	239,850	550,000	755,000
2034-35	205,000	30,750	235,750	550,000	755,000
2035-36	205,000	26,650	231,650	-	205,000
2036-37	205,000	22,550	227,550	-	205,000
2037-38	205,000	18,450	223,450	-	205,000
2038-39	205,000	14,350	219,350	-	205,000
2039-40	205,000	10,250	215,250	-	205,000
2040-41	205,000	6,150	211,150	-	205,000
2041-42	205,000	2,050	207,050	-	205,000
Total	\$19,830,000	\$ 2,394,300	\$22,224,300	\$5,570,000	\$ 25,400,000

¹ Excludes capital lease obligations and other long-term commitments.

² Excludes \$260,000 in principal payments and \$7,475 in interest payments made as of July 16, 2024.

THE TOWN OF MONROE, CONNECTICUT HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES.

OVERLAPPING/UNDERLYING DEBT

Apart from the Town, there are no other political subdivisions with power to issue debt or cause taxes to be levied on taxable property in the Town

DEBT STATEMENT

As of July 16, 2024
(Pro Forma)

Bonded Debt ¹	
<i>The Bonds (This Issue)</i>	\$ 5,570,000
General Improvement.....	15,838,000
Schools.....	<u>3,992,000</u>
Total Bonded Debt	25,400,000
 Short-Term Debt	
Bond Anticipation Notes.....	<u>-</u>
Total Short-Term Debt	<u>-</u>
 Total Direct Debt	<u>25,400,000</u>
Exclusions: (State School Construction Aid).....	<u>-</u>
Net Direct Debt	<u><u>\$ 25,400,000</u></u>

¹ Does not include capital lease obligations, other long-term commitments, and authorized but unissued debt.

Source: Town Officials.

CURRENT DEBT RATIOS

As of July 16, 2024
(Pro Forma)

Total Direct Indebtedness.....	\$ 25,400,000
Net Direct Indebtedness.....	\$ 25,400,000
 Population ¹	18,851
Net Taxable Grand List (10/1/23).....	\$ 2,391,763,093
Estimated Full Value.....	\$ 3,416,804,419
Equalized Net Taxable Grand List (2021) ² ..	\$ 4,311,557,848
Per Capita Income (2022) ¹	\$ 61,304
 Total Direct Debt:	
Per Capita.....	\$1,347.41
To Net Taxable Grand List.....	1.06%
To Estimated Full Value.....	0.74%
To Equalized Net Taxable Grand List.....	0.59%
Per Capita to Per Capita Income.....	2.20%
 Net Direct Debt:	
Per Capita.....	\$1,347.41
To Net Taxable Grand List.....	1.06%
To Estimated Full Value.....	0.74%
To Equalized Net Taxable Grand List.....	0.59%
Per Capita to Per Capita Income.....	2.20%

¹ Office of Policy and Management, State of Connecticut.

² U.S. Census Bureau, 2018-2022 American Community Survey.

BOND AUTHORIZATION

Under Chapter IX, Section 1 of the Town Charter, bonds are authorized by a majority of qualified voters present at a Town Meeting. Action on any borrowing shall become effective only after it has been first approved by the Town Council and then

approved by the Board of Finance and referred to a Town Meeting. Town Meetings shall be called by the Council in the manner provided for by the Connecticut General Statutes. No Town Meeting shall increase the borrowing or bond issue above the amount recommended by the Council. Refunding bonds may be authorized by resolution adopted by the Town Council in accordance with State Statutes.

MATURITIES

General obligation bonds (serial and term) are required to be payable in maturities wherein a succeeding maturity may not exceed any prior maturity by more than 50% or aggregate annual principal and interest payments must be substantially equal. The first installment of any series of bonds shall mature not later than three years from the date of the issue of such series. Pursuant to state law, all bonds issued on or after July 1, 2017, including sewer and school bonds, shall be due not later than thirty years from the date of their issuance.

TEMPORARY FINANCING

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of project costs or temporary notes when they become due and payable and the legislative body schedules principal reductions by the end of the third year and for all subsequent years during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for sewer and certain school projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years, or, for sewer projects, by the amount of time temporary financing has been outstanding.

Temporary notes may be funded beyond ten years from the initial borrowing if a written commitment exists for State and/or Federal grants, for terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to fifteen years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year (whichever is sooner), and in each year thereafter, the notes must be reduced by at least 1/15 of the total amount of the notes issued by funds derived from certain sources of payment.

Temporary notes may be issued in one-year maturities for up to fifteen years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

LIMITATION OF INDEBTEDNESS

Municipalities shall not incur indebtedness through the issuance of bonds or notes which will cause aggregate indebtedness by class to exceed the following:

General Purposes:	2.25 times annual receipts from taxation
School Purposes:	4.50 times annual receipts from taxation
Sewer Purposes:	3.75 times annual receipts from taxation
Urban Renewal Purposes:	3.25 times annual receipts from taxation
Unfunded Pension Liability Purposes:	3.00 times annual receipts from taxation

In no case however, shall total indebtedness exceed seven times the base. "Annual receipts from taxation," (the "base,") are defined as total tax collections including interest, penalties and late payment of taxes and state payments for revenue loss under CGS Sections 12-129d and 7-528.

The CGS also provide for exclusion from the debt limit calculation debt (i) issued in anticipation of taxes; (ii) issued for the supply of water, gas, electricity, electric demand response, conservation and load management, distributed generation and renewable energy projects; for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes; for the construction and operation of a municipal community antenna television system and for two or more of such purposes; (iii) issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement; (iv) issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or for which allocation has been approved by the State Bond Commission or from a contract with the state, state agencies or another municipality providing for the reimbursement of costs but only to the extent such indebtedness can be paid from such proceeds; (v) issued for certain water pollution control projects; and (vi) upon placement in an escrow of the proceeds of refunding bonds, notes or other obligations or other funds of the municipality in an amount sufficient to provide for the payment when due of principal of and interest on such bond, note or other evidence of indebtedness.

STATEMENT OF STATUTORY DEBT LIMITATION

As of July 16, 2024
(Pro Forma)

Total fiscal year 2023 tax collections (including interest and lien fees)	\$ 84,735,214
State Reimbursement for Revenue Loss on Tax Relief for the Elderly	<u>-</u>
Base for Establishing Debt Limit	<u>\$ 84,735,214</u>

Debt Limitation ¹	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit	Total Debt
(2.25 times base).....	\$190,654,232					
(4.50 times base).....		\$381,308,463				
(3.75 times base).....			\$317,757,053			
(3.25 times base).....				\$275,389,446		
(3.00 times base).....					\$254,205,642	
(7.00 times base).....						\$593,146,498
Indebtedness (Including this issue)						
Bonds Payable.....	\$ 15,838,000	\$ 3,992,000	\$ -	\$ -	\$ -	\$ 19,830,000
<i>The Bonds (This Issue)...</i>	5,010,000	560,000	-	-	-	5,570,000
Authorized but						-
Unissued Debt.....	5,231,795	1,171,466	-	-	-	6,403,261
Gross Direct Debt.....	<u>26,079,795</u>	<u>5,723,466</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,803,261</u>
School grants						
receivable.....	-	-	-	-	-	-
Net Direct Debt.....	<u>26,079,795</u>	<u>5,723,466</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,803,261</u>
Excess of Limit Over						
Outstanding and						
Authorized Debt.....	<u>\$164,574,437</u>	<u>\$375,584,997</u>	<u>\$317,757,053</u>	<u>\$275,389,446</u>	<u>\$254,205,642</u>	<u>\$561,343,237</u>

¹ In no case shall total indebtedness exceed seven times annual receipts from taxation or \$593,146,498.

AUTHORIZED BUT UNISSUED DEBT

As of July 16, 2024
(Pro Forma)

Projects	Total Bond Authorization	Prior Debt/Paydowns	Grants Received	The Bonds This Issue	Authorized But Unissued
Police Department Facility, Phase I.....	\$ 1,130,000	\$ 1,117,000	\$ -	\$ -	\$ 13,000 ¹
Schools carpet replacement/asbestos					
abatement and pool filter system.....	1,527,000	1,100,000	313,080	-	113,920 ¹
Masuk High School Renovation.....	38,407,000	25,020,000	13,229,454	-	157,546 ¹
Edith Wheeler Memorial Library.....	6,290,000	4,875,000	1,250,000	-	165,000 ¹
Pepper Street Improvements.....	5,050,000	-	-	-	5,050,000
DPW Dump Trucks 2018.....	406,000	405,000	-	-	1,000
Road Construction & Reconstruction.....	1,018,000	1,017,000	-	-	1,000
Emergency Radio System 2020.....	1,650,000	1,520,000	128,205	-	1,795
Various School Improvements 2022.....	560,000	-	-	560,000	-
Road Construction & Reconstruction 2023.....	1,020,000	-	-	1,020,000	-
Fire Apparatus and Safety Equipment 2023.....	1,195,000	-	-	1,195,000	-
DPW and Parks & Recreation Trucks and Equipment 2023..	745,000	-	-	745,000	-
Road Construction & Reconstruction 2024.....	1,020,000	-	-	1,020,000	-
Public Works Trucks & Equipment 2024.....	1,030,000	-	-	1,030,000	-
Various School Facility Improvement 2024.....	900,000	-	-	-	900,000
	<u>\$61,948,000</u>	<u>\$35,054,000</u>	<u>\$14,920,739</u>	<u>\$ 5,570,000</u>	<u>\$ 6,403,261</u>

¹ The Town does not expect any future borrowing for these projects.

Source: Town of Monroe, Finance Office.

HISTORICAL DEBT STATEMENT

	<u>2023-24</u> ¹	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
Population ²	18,851	18,851	18,851	18,927	19,492
Net taxable grand list.....	\$2,353,153,091	\$2,343,602,586	\$2,270,624,475	\$2,245,120,597	\$2,210,731,037
Estimated full value.....	\$3,361,647,273	\$3,348,003,694	\$3,243,749,250	\$3,207,315,139	\$3,158,187,196
Equalized net taxable grand list ³ ...	\$4,311,557,848	\$4,311,557,848	\$3,684,657,809	\$3,176,321,139	\$3,373,117,218
Per capita income ²	\$ 61,304	\$ 61,304	\$ 61,304	\$ 53,413	\$ 51,001
Short-term debt.....	\$ -	\$ -	\$ -	\$ -	\$ -
Long-term debt.....	20,090,000	25,150,000	30,150,000	25,310,000	30,265,000
Total Direct Indebtedness.....	\$ 20,090,000	\$ 25,150,000	\$ 30,150,000	\$ 25,310,000	\$ 30,265,000
Net Direct Indebtedness.....	\$ 20,090,000	\$ 25,150,000	\$ 30,150,000	\$ 25,310,000	\$ 30,265,000

¹ Unaudited estimate.

² U.S. Census Bureau, 2018-2022 American Community Survey.

³ Office of Policy and Management, State of Connecticut.

HISTORICAL DEBT RATIOS

	<u>2023-24</u> ¹	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
Total Direct Indebtedness:					
Per capita.....	\$1,065.73	\$1,334.15	\$1,599.38	\$1,337.24	\$1,552.69
To net taxable grand list.....	0.85%	1.07%	1.33%	1.13%	1.37%
To estimated full value.....	0.60%	0.75%	0.93%	0.79%	0.96%
To equalized net taxable grand list.....	0.47%	0.58%	0.82%	0.80%	0.90%
Debt per capita to per capita income.....	1.74%	2.18%	2.61%	2.50%	3.04%
Net Direct Indebtedness:					
Per capita.....	\$1,065.73	\$1,334.15	\$1,599.38	\$1,337.24	\$1,552.69
To net taxable grand list.....	0.85%	1.07%	1.33%	1.13%	1.37%
To estimated full value.....	0.60%	0.75%	0.93%	0.79%	0.96%
To equalized net taxable grand list.....	0.47%	0.58%	0.82%	0.80%	0.90%
Debt per capita to per capita income.....	1.74%	2.18%	2.61%	2.50%	3.04%

¹ Unaudited estimate

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CAPITAL IMPROVEMENT PROGRAM

	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>Total</u>
<u>Summary of Programs</u>						
Board of Education.....	\$ 2,460,000	\$ 4,110,000	\$ 4,065,000	\$ 1,135,000	\$ 1,210,000	\$12,980,000
EMS.....	325,000					325,000
Engineering & P&Z.....	10,490					10,490
Fire.....	2,005,500	1,939,000	172,000	120,000	240,000	4,476,500
Information Technology.....						-
Library.....	132,018	40,300	18,000	103,835	88,519	382,672
Parks & Recreation.....	49,596	292,825		28,000		370,421
Police.....	1,056,086	433,738	192,925	202,571	212,699	2,098,019
Public Works.....	4,776,331	11,718,005	10,884,732	7,573,166	6,146,166	41,098,400
Senior Center.....	263,981	13,981	13,981	13,981	13,981	319,905
Vehicle Replacement Plan...						-
Total	<u>\$11,079,002</u>	<u>\$18,547,849</u>	<u>\$ 15,346,638</u>	<u>\$ 9,176,553</u>	<u>\$ 7,911,365</u>	<u>\$62,061,407</u>
<u>Source of Funding</u>						
Capital Reserve Funds.....	\$ 273,586	\$ 89,300	\$ 129,000	\$ 56,720	\$ 10,000	\$ 558,606
General Obligation Bonds....	8,480,250	17,747,664	14,497,566	8,390,115	7,161,519	56,277,114
Operating Budget.....	298,957	95,850	100,443	105,266	110,330	710,846
Donations/Fundraising.....						-
Grants.....	540,000					540,000
LOCIP / LOTCIP.....						-
Police Private Duty Fund.....	963,043	91,869	96,463	101,286	106,350	1,359,011
Town Road Grant Funds.....	523,166	523,166	523,166	523,166	523,166	2,615,830
Total	<u>\$11,079,002</u>	<u>\$18,547,849</u>	<u>\$ 15,346,638</u>	<u>\$ 9,176,553</u>	<u>\$ 7,911,365</u>	<u>\$62,061,407</u>

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VII. LEGAL AND OTHER LITIGATION

LITIGATION

The Town of Monroe, its officers, employees, boards and commissions, are named Defendants or Respondents in civil and administrative proceedings. It is the Town Attorney's opinion that as of this date, the Town is adequately insured and has sufficient liquidity such that neither an adverse disposition of the one or all claims in the aggregate would have a material adverse effect on the Town's ability to repay its debt obligations.

MUNICIPAL ADVISOR

The Town has retained Munistat to serve as its municipal advisor in connection with the issuance of the Bonds. The Municipal Advisor has not independently verified any of the information contained in this Official Statement and makes no guarantee as to its completeness or accuracy. The Municipal Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds, and receipt by the Town of payment therefor. The Town may engage the Municipal Advisor to perform other services, including without limitation, providing certain investment services with regard to the investment of Bond proceeds.

CLOSING DOCUMENTS

Upon the delivery of the Bonds, the original purchaser of the Bonds will be furnished with the following:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay the principal of and interest on the Bonds.
2. A Certificate on behalf of the Town signed by the First Selectman, Treasurer and Director of Finance, which will be dated the date of delivery and which will certify, to the best of said officials' knowledge and belief, that at the time the bids were accepted on the Bonds, the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.
3. Receipt for the purchase price of the Bonds.
4. Approving opinion of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut substantially in the form of Appendix B attached hereto.
5. An executed Continuing Disclosure Agreement for the Bonds substantially in the form of Appendix C attached hereto.

The Town has prepared this Preliminary Official Statement for the Bonds which is dated June 25, 2024. The Town deems such Preliminary Official Statement final as of its date for the purposes of SEC Rule 15c2-12(b)(1), but is subject to revision or amendment.

A transcript of the proceedings taken by the Town in authorizing the Bonds will be kept in file at the offices of U.S. Bank Trust Company, National Association, City Place I, 185 Asylum Street, 27th Floor, Hartford, Connecticut and will be available for examination upon reasonable request.

CONCLUDING STATEMENT

This Official Statement is not to be construed as a contract or agreement between the Town and the purchaser or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any of such opinion or estimate will be realized.

No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

Information herein has been derived by the Town from various officials, departments and other sources and is believed by the Town to be reliable, but such information, other than that obtained from official records of the Town, has not been independently confirmed or verified by the Town and its accuracy is not guaranteed.

This Official Statement is submitted only in connection with the sale of the Bonds by the Town and may not be reproduced or used in whole or part for any other purpose.

This Official Statement has been duly prepared and delivered by the Town, and executed for and on behalf of the Town by the following officials:

TOWN OF MONROE

By: _____
Terrence P. Rooney, *First Selectman*

By: _____
Francis Dutches, *Treasurer*

By: _____
Ronald J. Bunovsky, Jr., *Director of Finance*

Dated as of June ____, 2024

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APPENDIX A – BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Appendix A - Basic Financial Statements - is taken from the Annual Report of the Town of Monroe for the Fiscal Year ended June 30, 2023 as presented by the Auditors and does not include all of the schedules or management letter made in such report. A copy of the complete report is available upon request to the Director of Finance, Town of Monroe, Connecticut.

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2024 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
January 31, 2024



TOWN OF MONROE

FINANCE DEPARTMENT

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Monroe, CT 06468
Phone: 203-452-2802
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Ron Bunovsky Jr., CPA
Director of Finance
rbunovsky@monroect.gov

Heidi Meade
Assistant Director of Municipal Finance
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Management's Discussion and Analysis For the Year Ended June 30, 2023

This discussion and analysis of the financial performance for the Town of Monroe, Connecticut ("Town") provides an overview of the Town's financial activities for the fiscal year ended June 30, 2023. It should be read in conjunction with the financial statements included herein, which begin with Exhibit A.

Financial highlights

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

Governmental fund activity:

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

Conversion to accrual basis on Exhibit E:

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

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

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

Overview of the basic financial statements

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

Government-wide financial statements

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

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

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

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

Fund financial statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds to similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate a comparison between governmental funds and governmental activities.

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

Proprietary funds - Internal service funds are an accounting device used for risk financing activities.

The Town uses internal service funds to account for its heart and hypertension costs. The cost of the benefits have been included within governmental activities in the government-wide financial statements.

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

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

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

Notes to financial statements

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

Required supplementary information

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

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

Other information

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

Government-wide financial analysis

As discussed earlier, the Town's net position is one useful indicator of its financial health. The Town had a total net position of \$74,092,453 at the close of the 2023 fiscal year. Our analysis below focuses on the net position and changes in net position of the Town.

**Summary Statements of Net Position
June 30**

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

The Town's net investment in capital assets of \$65,995,666 comprises the major portion of the net position of the Town. This figure reflects its investment in capital assets (land, buildings, infrastructure, vehicles and equipment), less any outstanding debt that was used to purchase those assets. These assets are used to provide various services to the citizens of the Town and are therefore not available for any future spending. As reflected above, the Town's net investment in capital assets increased by \$4,837,573 over the prior fiscal year, the result of additions to capital assets.

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

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

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

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

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

Significant variances were as follows:

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

Management's Discussion and Analysis (continued)

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

Financial analysis of the Town's funds

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

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

The total fund balance increased by \$1,891,457 to \$37,177,530. This increase is the result of the following activity:

The **General Fund** is the main operating fund of the Town. At year-end, the total fund balance was \$28,042,459, an increase of \$4,770,932 over the prior year. This increase in fund balance was due to actual revenues and other financing sources greater than the budgeted amounts of \$1,923,541 and expenditures and other financing uses \$2,698,745 under budget. The other financing sources includes \$810,000 of appropriated fund balance. These budget variances are discussed further in the next section.

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

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

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

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

General fund budgetary highlights

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

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

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

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

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

Capital asset and debt administration

Capital assets

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

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

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

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

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

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

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

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

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

Long-term debt

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

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

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

More detailed information about the Town's long-term liabilities is presented in Note III.F of the financial statements.

Economic factors and next year's budget

The Town's elected and appointed officials considered many factors in preparing the annual budget and setting the mill rate for fiscal year 2024. Some of the more significant considerations were:

- At June 2023, the unemployment rate for the Town was 4.30% as compared to the State's unemployment rate of 3.70% and a national unemployment rate of 3.60%. This is an increase compared to the Town's rate of 3.70% at June 2022.
- Projection for an increase in the cost of health insurance based upon all available information.
- Projection for an increase in special education costs for the Board of Education based upon recent trends.
- The status of any open collective bargaining agreements.
- The status of all lawsuits relative to assessment appeals which could have a negative impact on the grand list.

Contacting the Town's financial management

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

**Basic
Financial
Statements**

Town of Monroe, Connecticut

Governmental Activities
Statement of Net Position
June 30, 2023

Assets

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

Deferred Outflows of Resources

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

(Continued)

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

Town of Monroe, Connecticut

Governmental Activities
Statement of Net Position
June 30, 2023

Liabilities

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

Deferred Inflows of Resources

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

Net Position

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

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

(Concluded)

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

Program Revenues

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

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

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

Town of Monroe, Connecticut

Governmental Funds
Balance Sheet
June 30, 2023

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

(Continued)

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

Town of Monroe, Connecticut

Reconciliation of Fund Balance to Net Position of Governmental Activities
June 30, 2023

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

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

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

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

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

Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds:

Property tax - accrual basis change	<u>2,174,834</u>
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Internal service funds are used by management for risk financing activities:

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	<u>123,375</u>
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Some liabilities and deferred inflows of resources, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and notes payable and related liabilities	(27,158,866)
Lease payable	(543,108)
Subscriptions payable	(152,993)
Compensated absences	(2,305,843)
Special termination benefits	(6,698,716)
Landfill closure and postclosure	(1,936,125)
Net pension liability	(11,210,188)
Net OPEB liability	(9,002,062)
Accrued interest payable	(151,796)
Deferred charge on refunding	(630,346)
Deferred inflows related to pension	(1,708,020)
Deferred inflows related to OPEB	<u>(8,193,723)</u>
Total	<u>(69,691,786)</u>

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

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

Town of Monroe, Connecticut

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

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

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

Town of Monroe, Connecticut

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

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

Net change in fund balances - total governmental funds (Exhibit D)	<u>\$ 1,891,457</u>
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.

Capital outlay	10,769,242
Depreciation/amortization expense	<u>(5,931,669)</u>
Total	<u>4,837,573</u>

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

Change in property tax receivable - accrual basis change	<u>522,866</u>
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The issuance of long-term debt (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Debt issued or incurred:	
Leases	(175,813)
Subscriptions	(35,272)
Principal repayments:	
General obligation bonds and notes	5,360,906
Leases payable	74,060
Subscriptions payable	<u>47,569</u>
Total	<u>5,271,450</u>

(Continued)

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

Town of Monroe, Connecticut

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

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

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

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

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

(Concluded)

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

Town of Monroe, Connecticut

**Proprietary Fund
Statement of Net Position
June 30, 2023**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Town of Monroe, Connecticut

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

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

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

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

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

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

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

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

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

Town of Monroe, Connecticut

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

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

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

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

The Town reports the following major governmental funds:

General Fund	The Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
Capital Reserve Fund	Accounts for capital projects and acquisitions which, by their nature, occur over the course of multiple years. These projects are either funded through transfers appropriated from the General Fund or the issuance of general obligation bonds.
Reconstruction of Pepper Street Fund	Accounts for expenditures related to the reconstruction of Pepper Street and the related grant revenues.

Additionally, the Town reports the following fund types:

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

Town of Monroe, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023**B. Measurement focus, basis of accounting and financial statement presentation (continued)**

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

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

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

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

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

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

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

b. Investments

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

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

Town of Monroe, Connecticut

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

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

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

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

Asset Class	Target Allocation	
	Pension	OPEB
Domestic equity	39.00%	35.00%
International equity	30.50%	30.00%
Fixed income	14.00%	30.00%
Other	16.50%	5.00%
Total	100.00%	100.00%

c. Method used to value investments

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

Fair value of investments

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

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

d. Risk policies

Interest rate risk	Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town's formalized investment policy does not specifically limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The policy does suggest that investments be undertaken in a manner to protect against the erosion of market prices from rising interest rates.
Credit risk	Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

Town of Monroe, Connecticut

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

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

Concentration of credit risk	Concentration of credit risk is the risk attributed to the magnitude of an entity's investments in a single issuer. The Town follows the limitations specified in the Connecticut General Statutes. Generally, the Town's deposits cannot be 75% or more of the total capital in any one depository.
Custodial credit risk	Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town does not have a formal policy with respect to custodial credit risk.
Foreign currency risk	Foreign currency risk is the risk that the value of the investment may be affected by changes in the rate of exchange. The Town does not have a formal policy with respect to foreign currency risk.

2. Receivables and payables

a. Interfunds

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

b. Property taxes and other receivables

In the fund financial and government-wide financial statements, all trade, property tax, and loan receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 2.00% to 85.00% of outstanding receivable balances and are calculated based upon prior collections.

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

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

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

c. Leases receivable

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

Town of Monroe, Connecticut

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

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

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

Key estimates and judgments related to leases include:

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

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

3. Restricted assets

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

4. Capital assets

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

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

Town of Monroe, Connecticut

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

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

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

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

* Depending on asset classification

5. Deferred outflows/inflows of resources

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

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

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

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

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

Town of Monroe, Connecticut

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

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

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

6. Compensated absences

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

7. Special termination benefits

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

8. Long-term liabilities

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

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

Town of Monroe, Connecticut

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

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

9. Lease and subscription liabilities

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

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

Key estimates and judgments related to leases and subscriptions include:

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

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

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

10. Net position and fund balances

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

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

Town of Monroe, Connecticut

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

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

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

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

Nonspendable	This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
Restricted	This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.
Committed	This category presents amounts that can be used only for specific purposes determined by a formal action at the highest level of decision-making authority for the Town. Commitments may be established, modified or rescinded only through resolutions approved by the Town Council.
Assigned	This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Town’s fund balance policy, the Board of Finance is authorized to assign fund balance. Intent is also expressed by a properly approved purchase order (encumbrance).
Unassigned	This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit.

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

Minimum fund balance policy

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

Town of Monroe, Connecticut

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

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

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

12. Reclassifications

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

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

Only the General Fund has a legally adopted annual budget.

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

B. Capital projects authorizations

The following is a summary of certain capital projects:

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

Town of Monroe, Connecticut

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

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

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

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

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

2. Investments

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

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

Town of Monroe, Connecticut

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

A. Cash and investments (continued)

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

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

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

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

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

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

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

Town of Monroe, Connecticut

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

A. Cash and investments (continued)

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

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

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

B. Receivables

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

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

Town of Monroe, Connecticut

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

B. Receivables (continued)

2. Leases receivable

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

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

C. Interfund accounts

1. Interfund payables and receivables

A summary of interfund balances is as follows:

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

Town of Monroe, Connecticut

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

C. Interfund accounts (continued)

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

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

Town of Monroe, Connecticut

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

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

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

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

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

Town of Monroe, Connecticut

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

D. Capital assets

Capital asset activity for the fiscal year was as follows:

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

Town of Monroe, Connecticut

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

D. Capital assets (continued)

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

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

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

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

E. Construction commitments

The Town has the following construction commitments:

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

Town of Monroe, Connecticut

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

F. Changes in long-term liabilities

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

1. Summary of changes

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

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

Town of Monroe, Connecticut

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

F. Changes in long-term liabilities (continued)

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

* Net change

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

Town of Monroe, Connecticut

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

F. Changes in long-term liabilities (continued)

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

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

2. Assets pledged as collateral

The Town's outstanding financing notes of \$128,547 are secured with collateral of the equipment purchased.

3. Statutory debt limitations

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

Category	Debit Limit	Net Indebtedness	Balance
General purpose	\$ 184,828,835	\$ 19,079,000	\$ 165,749,835
Schools	369,657,671	6,071,000	363,586,671
Sewer	308,048,059	-	308,048,059
Urban renewal	266,974,984	-	266,974,984
Pension deficit	246,438,447	-	246,438,447

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

\$ 575,023,043

Town of Monroe, Connecticut

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

F. Changes in long-term liabilities (continued)

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

4. Authorized/unissued bonds

The amount of authorized, unissued bonds are as follows:

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

5. Landfill closure and post-closure care costs

State and Federal laws and regulations require that the Town place a cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The cost of landfill closure and post closure care is allocated based on landfill capacity used to date which is 100%. The landfill has been converted to a transfer station facility for residents.

The Town currently has no plans to close the landfill. The estimated total current costs of landfill closure is \$1,336,125, which is based on what it would cost to perform all closure at 2023 prices with a third party performing the closure work.

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

Town of Monroe, Connecticut

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

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

Lease agreements are summarized as follows:

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

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

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

Town of Monroe, Connecticut

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

F. Changes in long-term liabilities (continued)

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

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

8. Subscription arrangements

Subscription arrangements are summarized as follows:

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

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

Town of Monroe, Connecticut

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

F. Changes in long-term liabilities (continued)

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

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

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

G. Fund balances and restricted net position

Fund balances are composed of the following:

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

Town of Monroe, Connecticut

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

G. Fund balances and restricted net position (continued)

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

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

H. Deficit fund balances

The Town had the following deficit fund balances:

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

Town of Monroe, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2023****IV. Other information****A. Risk management**

The Town is exposed to various risks of loss including torts, theft of, damage to and destruction of assets; errors or omissions; injuries to employees and natural disasters. The Town obtains commercial insurance for these risks. Additionally, insurance coverage has been purchased to limit the Town's liability for worker's compensation, general liability and medical claims. Settled claims have not exceeded commercial coverage in any of the past three years, and there has not been any significant reductions in insurance coverage from amounts held in prior years.

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

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

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

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

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

Town of Monroe, Connecticut

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

A. Risk management (continued)

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

	Claims Payable July 1	Current Year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30	Current Portion	Long-Term Portion
<u>Heart and Hypertension</u>						
2021-2022	\$ 410,747	\$ 24,835	\$ 60,824	\$ 374,758	\$ 47,508	\$ 327,250
2022-2023	374,758	47,837	57,737	364,858	49,116	315,742

B. Commitments and litigation

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

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

C. Tax abatements

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

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

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

Town of Monroe, Connecticut

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

C. Tax abatements (continued)

The program's abatement schedule is as follows:

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

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

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

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

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

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

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

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

Town of Monroe, Connecticut

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

A. Pension plans (continued)

b. Plan membership

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

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

2. Benefit provisions

	<u>Town</u>	<u>Education</u>
Final average compensation	Average annual rate of pay earned during the highest 5 consecutive years out of the last 10 years	Average annual rate of pay earned during the highest 5 consecutive years out of the last 10 years
Early retirement age	55	55
Early retirement service requirement	15 years	15 years
Early retirement amount	Normal accrued benefit, reduced by 0.6% for the first 60 months and 0.3% for the remaining number of months before age 65	Normal accrued benefit, reduced by 0.6% for the first 60 months and 0.3% for the remaining number of months before age 65
Vesting - age	None	None
Vesting - service	5 years	5 years
Vesting - amount	100% of accrued benefit	100% of accrued benefit
Pre-retirement death benefit amount	100% of employee benefit who is eligible for normal or early retirement and married for 12 months	100% of employee benefit who is eligible for normal or early retirement and married for 12 months
Post-retirement death benefit amount	Lump sum: 100% of contributions plus interest made by the employee, less total benefits paid	Lump sum: 100% of contributions plus interest made by the employee, less total benefits paid
Cost of living increases	None	None

Town of Monroe, Connecticut

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

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

Employee contributions as a percentage of their pensionable wages are as follows:

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

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

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

Town	11.95%
Education	8.17%

4. Investments**a. Investment policy**

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

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

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

Town of Monroe, Connecticut

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

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

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

c. Rate of return

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

d. Annual money-weighted rate of return

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

	<u>Town</u>	<u>Education</u>
Rate of return	10.77%	10.92%

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

5. Net pension liability

The components of the net pension liability were as follows:

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

Town of Monroe, Connecticut

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

A. Pension plans (continued)

6. Actuarial methods and significant assumptions

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

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

7. Changes from prior year

a. Changes in assumptions

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

b. Changes in benefit terms

There were no benefit changes during the year.

8. Discount rate

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

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

Town of Monroe, Connecticut

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

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

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

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

Town of Monroe, Connecticut

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

A. Pension plans (continued)

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

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

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

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

11. Pension expense and deferred outflows and inflows of resources

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

Town of Monroe, Connecticut

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

A. Pension plans (continued)

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

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

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

<u>Plan</u>	<u>Years</u>
Town	3.4
Education	4.8

Town of Monroe, Connecticut

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

A. Pension plans (continued)

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

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

12. Defined contribution retirement savings plan

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

The Town matches employees' contributions up to 3.00% of base pay. The Town contributions for each employee are 100% vested after three years.

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

During the year, the employer and employee contributions were \$113,089 and \$443,508, respectively.

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

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

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

Town of Monroe, Connecticut

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

B. Connecticut municipal employees' retirement system (continued)

The plan has 4 sub plans as follows:

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

2. Benefit provisions

Normal retirement	
General Employees	Age 55 with 5 years of continuous service, or 15 years of active aggregate service or 25 years of aggregate service
Police and Fire	Compulsory retirement age is age 65
Benefit calculation	The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include workers' compensation and social security benefits.
With social security	1.50% of the average final compensation not in excess of the year's breakpoint plus 2.00% of average final compensation in excess of the year's breakpoint, times years of service. If any member covered by social security retires before age 62, the benefit until age 62 is reached or a social security disability award is received, is computed as if the member is not under social security.
Without social security	2.00% of average final compensation, times years of service
Final average compensation	Average of the three highest paid years of service
Early retirement	5 years of continuous service or 15 years of active aggregate service
Early retirement amount	Calculated on the basis of average final compensation and service to date of termination. Deferral to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.
Service connected disability amount	Calculated based on compensation and service to the date of the disability with a minimum benefit (including workers' compensation benefits) of 50% of compensation at the time of disability
Non-service connected disability service requirement	10 years of service
Non-service connected disability service amount	Calculated based on compensation and service to the date of the disability
Pre-retirement death benefit amount	Lump-sum return of contributions with interest of if vested and married, the surviving spouse will receive a lifetime benefit
Cost of living increases	2.50% - 6.00% depending on retirement date and increase in CPI

Town of Monroe, Connecticut

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

B. Connecticut municipal employees' retirement system (continued)**3. Contributions**Employer

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

Employees

For employees not covered by social security, each person is required to contribute 6.00% of compensation.

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

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

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

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

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

Town of Monroe, Connecticut

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

B. Connecticut municipal employees' retirement system (continued)

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

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

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

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

Town of Monroe, Connecticut

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

B. Connecticut municipal employees' retirement system (continued)

5. Actuarial assumptions

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

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

Long-term expected rate of return

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

Town of Monroe, Connecticut

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

B. Connecticut municipal employees' retirement system (continued)

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

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

6. Discount rate

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

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

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

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

Town of Monroe, Connecticut

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

B. Connecticut municipal employees' retirement system (continued)

8. Plan fiduciary net position

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

C. Connecticut state teachers' retirement system

1. Plan description

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

2. Benefit provisions

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Benefit calculation	2.00% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary)
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Early retirement amount	Benefit amounts are reduced by 6.00% per year for the first 5 years preceding normal retirement age and 4.00% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.00% per year by which retirement precedes normal retirement date
Service connected disability amount	2.00% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of annual average salary
Non-service connected disability service requirement	Five years of credited service
Vesting - Service	10 years of service

Town of Monroe, Connecticut

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

C. Connecticut state teachers' retirement system (continued)

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

3. Contributions

State of Connecticut

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

Employer (school districts)

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

Employees

Each teacher is required to contribute 7.00% of their pensionable wages for the pension benefit.

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

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

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

Town of Monroe, Connecticut

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

C. Connecticut state teachers' retirement system (continued)

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

5. Actuarial assumptions

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

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

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

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

Changes in assumptions and inputs

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

Town of Monroe, Connecticut

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

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

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

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

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

6. Discount rate

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

Town of Monroe, Connecticut

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

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

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

8. Plan fiduciary net position

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

D. Total pension plans

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Town Employees	\$ 842,579	\$ 710,814	\$ 533,694	\$ 371,556
Education Employees	1,370,115	657,863	727,381	346,231
MERS	8,997,494	3,980,607	446,945	1,541,026
Total	<u>\$ 11,210,188</u>	<u>\$ 5,349,284</u>	<u>\$ 1,708,020</u>	<u>\$ 2,258,813</u>

E. Other post-employment benefit ("OPEB") plan**1. Plan description****a. Plan administration**

The Town provides certain health care benefits for retired police employees through a single-employer defined benefit other post-employment benefits plan administered by the Town in accordance with the police collective bargaining agreements, the Town of Monroe Police Other Post-Employment Benefits ("OPEB") Trust Fund. The plan does not issue a separate financial statement. Administration costs are financed from investment earnings.

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

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

Town of Monroe, Connecticut

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

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

b. Plan membership

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

	<u>Police</u>	<u>Education</u>
Active members	40	413
Retirees, disabled employees, and beneficiaries receiving benefits	<u>4</u>	<u>48</u>
Total	<u><u>44</u></u>	<u><u>461</u></u>

2. Benefit provisions

Police

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

Education

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

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

3. Contributions

Police

There are no active employee contributions to the plan. The retiree pays 25.00% of the cost of single coverage. The Town pays the remaining cost of coverage. The retiree pays 100% of the cost of coverage for the spouse (if applicable).

In accordance with the trust agreement, the Town shall contribute at least annually, such amounts as shall be determined by the Town. There is no contractual obligation for the Town to continue contributions to the Trust Fund and may at any time discontinue the Plan and/or contributions to the Trust Fund. Town contributions to the trust were 7.13% of covered payroll for the year.

Town of Monroe, Connecticut

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

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

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

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

4. Investments**a. Investment policy**

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

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

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

b. Concentrations

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

Town of Monroe, Connecticut

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

E. Other post-employment benefit (“OPEB”) plan (continued)**c. Rate of return**

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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap Domestic Equity	4.50%
Small Cap Domestic Equity	4.80%
Developed International Equity	7.30%
Core Fixed Income	1.10%
Global REIT	3.40%
Long-Term Expected Nominal Return	6.70%

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

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

5. Net OPEB liability

The components of the net OPEB liability were measured as of June 30, 2023 and were as follows:

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

Town of Monroe, Connecticut

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

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

6. Actuarial methods and significant assumptions

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

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

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

7. Changes from prior year

a. Changes in assumptions

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

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

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

b. Changes in benefit terms

There were no changes in benefit terms.

Town of Monroe, Connecticut

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

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

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

	<u>Police</u>	<u>Education</u>
Discount rate	6.50%	3.65%

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

9. Changes in the net OPEB liability

The Town's OPEB liabilities were measured at June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated as noted below:

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

Town of Monroe, Connecticut

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

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

Valuation Date: July 1, 2022	
<u>Education</u>	<u>Total OPEB Liability</u>
Balance at July 1, 2022	<u>\$ 13,064,258</u>
Service cost	333,804
Interest	469,544
Differences between expected and actual experience	(4,946,701)
Changes in assumptions	74,318
Benefit payments, including refunds of member contributions	<u>(270,601)</u>
Net change	<u>(4,339,636)</u>
Balance at June 30, 2023	<u>\$ 8,724,622</u>

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

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

<u>OPEB Liability</u>	<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Police (net)	<u>6.50%</u>	<u>\$ 559,739</u>	<u>\$ 277,440</u>	<u>\$ 25,128</u>
Education (total)	<u>3.65%</u>	<u>\$ 9,646,403</u>	<u>\$ 8,724,622</u>	<u>\$ 7,925,236</u>

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

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

<u>OPEB Liability (Asset)</u>	<u>Trend Rate</u>	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Police (net)	<u>6.50% - 4.40%</u>	<u>\$ (85,005)</u>	<u>\$ 277,440</u>	<u>\$ 713,669</u>
Education (total)	<u>6.50% - 4.40%</u>	<u>\$ 8,168,858</u>	<u>\$ 8,724,622</u>	<u>\$ 9,378,283</u>

Town of Monroe, Connecticut

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

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

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

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

Police Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 45,516	\$1,098,516	\$(1,053,000)
Changes in assumptions	217,462	116,774	100,688
Net difference between projected and actual earnings on OPEB plan investments	<u>65,731</u>	<u>-</u>	<u>65,731</u>
Total	<u>\$ 328,709</u>	<u>\$1,215,290</u>	<u>\$ (886,581)</u>
Education Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 782,862	\$4,974,175	\$(4,191,313)
Changes in assumptions	<u>1,820,467</u>	<u>2,004,258</u>	<u>(183,791)</u>
Total	<u>\$ 2,603,329</u>	<u>\$6,978,433</u>	<u>\$(4,375,104)</u>

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

Plan	Years
Police	15.2
Education	11.6

Town of Monroe, Connecticut

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

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

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

Year Ending June 30,	Police	Education
2024	\$ (79,397)	\$ (369,130)
2025	(86,462)	(369,130)
2026	(8,151)	(369,130)
2027	(88,255)	(369,130)
2028	(81,999)	(369,130)
Thereafter	<u>(542,317)</u>	<u>(2,529,454)</u>
Total	<u>\$ (886,581)</u>	<u>\$ (4,375,104)</u>

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

1. Plan description

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

2. Benefit provisions

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

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

Town of Monroe, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2023****F. Connecticut state teachers' retirement board retiree health insurance plan (continued)****Retiree health care coverage**

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

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost.

The subsidy amount is set by statute. A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$440 per month towards coverage under a local school district plan.

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

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

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

Town of Monroe, Connecticut

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

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

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

Employer (school districts)

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

Employees

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

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

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

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

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

Town of Monroe, Connecticut

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

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

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

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

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

Changes in assumptions and inputs

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

Long-term expected rate of return

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

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected geometric rate of return is 1.50%. Since there have not been any changes to the asset allocation and the recent economic downturn is expected to be temporary, the funding rate of 3.00% continues to be used for the long-term investment rate of return as of June 30, 2022.

Town of Monroe, Connecticut

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

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

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

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

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

8. Plan fiduciary net position

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

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

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

Town of Monroe, Connecticut

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

H. Plan statements

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

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

Town of Monroe, Connecticut

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

H. Plan statements (continued)

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

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

Town of Monroe, Connecticut

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

VI. Prior period adjustments

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

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

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

Required Supplementary Information

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

Town of Monroe, Connecticut
Required Supplementary Information

General Fund
Schedule of Revenues, Other Financing Sources, Expenditures and Other Financing Uses
Budget and Actual
For the Year Ended June 30, 2023

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

(Continued)

See Notes to Required Supplementary Information.

Town of Monroe, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues, Other Financing Sources, Expenditures and Other Financing Uses
Budget and Actual
For the Year Ended June 30, 2023

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

(Continued)

See Notes to Required Supplementary Information.

Town of Monroe, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues, Other Financing Sources, Expenditures and Other Financing Uses
Budget and Actual
For the Year Ended June 30, 2023

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

(Concluded)

Town of Monroe, Connecticut

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

Budgets and Budgetary Accounting

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

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

1. The Town does not budget for as revenue or expenditures payments made for the State Teachers' pension and OPEB by the State of Connecticut on the Town's behalf.
2. Certain funds that are required to be reported as part of the General Fund under the requirement of GASB No. 54.
3. Adjustments for lease revenues under the requirement of GASB No. 87.
4. Encumbrances are reported as expenditures for the budgetary basis of accounting.

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

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

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

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

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

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

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

During the year there were no additional appropriations.

Town of Monroe, Connecticut
Required Supplementary Information

Town Retirement Income Plan
Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Schedule of Changes in Net Pension Liability and Related Ratios</u>										
Total pension liability:										
Service cost	\$ 315,348	\$ 307,957	\$ 323,429	\$ 316,466	\$ 347,759	\$ 339,442	\$ 320,580	\$ 279,200	\$ 268,462	\$ 258,136
Interest	1,023,775	987,990	942,320	898,005	879,883	835,744	933,432	880,508	802,505	760,256
Differences between expected and actual experience	(662,507)	-	(396,261)	-	(250,060)	-	(108,021)	32,827	(140,267)	-
Changes in assumptions	33,937	-	446,756	-	(134,918)	-	(687,325)	-	587,242	-
Benefit payments, including refunds of member contributions	<u>(864,435)</u>	<u>(684,875)</u>	<u>(565,455)</u>	<u>(564,406)</u>	<u>(522,047)</u>	<u>(536,908)</u>	<u>(545,744)</u>	<u>(511,431)</u>	<u>(466,648)</u>	<u>(464,206)</u>
Net change in total pension liability	(153,882)	611,072	750,789	650,065	320,617	638,278	(87,078)	681,104	1,051,294	554,186
Total pension liability - July 1	<u>15,276,844</u>	<u>14,665,772</u>	<u>13,914,983</u>	<u>13,264,918</u>	<u>12,944,301</u>	<u>12,306,023</u>	<u>12,393,101</u>	<u>11,711,997</u>	<u>10,660,703</u>	<u>10,106,517</u>
Total pension liability - June 30 (a)	<u>\$ 15,122,962</u>	<u>\$ 15,276,844</u>	<u>\$ 14,665,772</u>	<u>\$ 13,914,983</u>	<u>\$ 13,264,918</u>	<u>\$ 12,944,301</u>	<u>\$ 12,306,023</u>	<u>\$ 12,393,101</u>	<u>\$ 11,711,997</u>	<u>\$ 10,660,703</u>
Plan fiduciary net position:										
Contributions - employer	\$ 324,501	\$ 285,000	\$ 297,075	\$ 291,581	\$ 360,192	\$ 355,000	\$ 390,000	\$ 383,000	\$ 391,857	\$ 341,866
Contributions - member	82,255	117,726	134,982	147,083	143,319	142,277	144,665	145,302	137,917	137,271
Net investment income (loss)	1,407,886	(2,133,616)	3,508,816	(50,772)	669,078	782,543	1,100,157	43,338	399,506	1,265,162
Benefit payments, including refunds of member contributions	(864,435)	(684,875)	(565,455)	(564,406)	(522,047)	(536,908)	(545,744)	(511,431)	(466,648)	(464,206)
Administration	<u>(35,675)</u>	<u>(18,229)</u>	<u>(23,376)</u>	<u>(25,110)</u>	<u>(29,636)</u>	<u>(37,605)</u>	<u>(6,323)</u>	<u>(22,358)</u>	<u>(30,021)</u>	<u>(58,327)</u>
Net change in plan fiduciary net position	914,532	(2,433,994)	3,352,042	(201,624)	620,906	705,307	1,082,755	37,851	432,611	1,221,766
Plan fiduciary net position - July 1	<u>13,365,851</u>	<u>15,799,845</u>	<u>12,447,803</u>	<u>12,649,427</u>	<u>12,028,521</u>	<u>11,323,214</u>	<u>10,240,459</u>	<u>10,202,608</u>	<u>9,769,997</u>	<u>8,548,231</u>
Plan fiduciary net position - June 30 (b)	<u>\$ 14,280,383</u>	<u>\$ 13,365,851</u>	<u>\$ 15,799,845</u>	<u>\$ 12,447,803</u>	<u>\$ 12,649,427</u>	<u>\$ 12,028,521</u>	<u>\$ 11,323,214</u>	<u>\$ 10,240,459</u>	<u>\$ 10,202,608</u>	<u>\$ 9,769,997</u>
Net pension liability (asset) - June 30 (a)-(b)	<u>\$ 842,579</u>	<u>\$ 1,910,993</u>	<u>\$ (1,134,073)</u>	<u>\$ 1,467,180</u>	<u>\$ 615,491</u>	<u>\$ 915,780</u>	<u>\$ 982,809</u>	<u>\$ 2,152,642</u>	<u>\$ 1,509,389</u>	<u>\$ 890,706</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>94.43%</u>	<u>87.49%</u>	<u>107.73%</u>	<u>89.46%</u>	<u>95.36%</u>	<u>92.93%</u>	<u>92.01%</u>	<u>82.63%</u>	<u>87.11%</u>	<u>91.64%</u>
Covered payroll	<u>\$ 2,714,416</u>	<u>\$ 3,880,382</u>	<u>\$ 3,752,787</u>	<u>\$ 3,959,755</u>	<u>\$ 3,816,631</u>	<u>\$ 3,854,118</u>	<u>\$ 3,714,813</u>	<u>\$ 3,576,586</u>	<u>\$ 3,439,025</u>	<u>\$ 3,166,740</u>
Net pension liability (asset) as a percentage of covered payroll	<u>31.04%</u>	<u>49.25%</u>	<u>(30.22%)</u>	<u>37.05%</u>	<u>16.13%</u>	<u>23.76%</u>	<u>26.46%</u>	<u>60.19%</u>	<u>43.89%</u>	<u>28.13%</u>
<u>Schedule of Investment Returns</u>										
Annual money weighted rate of return, net of investment expense	<u>10.77%</u>	<u>(13.70%)</u>	<u>28.45%</u>	<u>(0.40%)</u>	<u>5.59%</u>	<u>6.81%</u>	<u>10.93%</u>	<u>0.43%</u>	<u>4.15%</u>	<u>15.10%</u>

See Notes to Required Supplementary Information.

Town of Monroe, Connecticut
Required Supplementary Information

Town Retirement Income Plan
Schedule of Contributions
Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contributions	\$ 308,941	\$ 303,927	\$ 297,075	\$ 291,581	\$ 360,192	\$ 354,017	\$ 389,752	\$ 382,281	\$ 394,666	\$ 388,045
Contributions in relation to the actuarially determined contribution	<u>324,501</u>	<u>285,000</u>	<u>297,075</u>	<u>291,581</u>	<u>360,192</u>	<u>355,000</u>	<u>390,000</u>	<u>383,000</u>	<u>391,857</u>	<u>341,866</u>
Contribution excess (deficiency)	<u>\$ 15,560</u>	<u>\$ (18,927)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 983</u>	<u>\$ 248</u>	<u>\$ 719</u>	<u>\$ (2,809)</u>	<u>\$ (46,179)</u>
Covered payroll	<u>\$ 2,714,416</u>	<u>\$ 3,880,382</u>	<u>\$ 3,752,787</u>	<u>\$ 3,959,755</u>	<u>\$ 3,816,631</u>	<u>\$ 3,854,118</u>	<u>\$ 3,714,813</u>	<u>\$ 3,576,586</u>	<u>\$ 3,439,025</u>	<u>\$ 3,166,740</u>
Contributions as a percentage of covered payroll	<u>11.95%</u>	<u>7.34%</u>	<u>7.92%</u>	<u>7.36%</u>	<u>9.44%</u>	<u>9.21%</u>	<u>10.50%</u>	<u>10.71%</u>	<u>11.39%</u>	<u>10.80%</u>

Town of Monroe, Connecticut

Notes to Required Supplementary Information

Town Retirement Income Plan
Schedule of Contributions
Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Changes of benefit terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2020	July 1, 2020	July 1, 2018	July 1, 2018	July 1, 2016	July 1, 2016	July 1, 2014	July 1, 2014	July 1, 2012	July 1, 2012
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level dollar	Level dollar
Asset valuation method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation rate	2.40%	2.40%	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%	3.00%	3.00%
Salary increases	3.40%	3.40%	3.75%	3.75%	3.75%	3.75%	4.00%	4.00%	4.00%	4.00%
Investment rate of return (net)	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	7.50%	7.50%	7.50%	7.50%
Mortality rate	Pub-2010 projected to valuation date with scale MP-2020	Pub-2010 projected to valuation date with scale MP-2020	RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2018	RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2018	RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2016	RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2016	RP-2000 Mortality with no collar adjustment projected to valuation date with Scale MP-2014	RP-2000 Mortality with no collar adjustment projected to valuation date with Scale MP-2014	RP-2000 Mortality Table projected to the valuation date with scale AA	RP-2000 Mortality Table projected to the valuation date with scale AA

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Schedule of Changes in Net Pension Liability and Related Ratios										
Total pension liability:										
Service cost	\$ 406,035	\$ 396,518	\$ 431,312	\$ 422,026	\$ 390,732	\$ 381,387	\$ 423,345	\$ 397,551	\$ 382,260	\$ 367,558
Interest	1,066,357	1,021,101	1,004,480	957,653	933,269	889,277	998,818	943,960	903,638	849,759
Differences between expected and actual experience	(634,588)	-	48,220	-	(206,638)	-	(133,712)	12,337	(857,153)	-
Changes in assumptions	38,891	-	(456,361)	-	(139,041)	-	(744,769)	-	673,066	-
Benefit payments, including refunds of member contributions	<u>(741,950)</u>	<u>(770,895)</u>	<u>(723,124)</u>	<u>(668,242)</u>	<u>(629,157)</u>	<u>(627,400)</u>	<u>(660,562)</u>	<u>(636,276)</u>	<u>(524,668)</u>	<u>(503,012)</u>
Net change in total pension liability	134,745	646,724	304,527	711,437	349,165	643,264	(116,880)	717,572	577,143	714,305
Total pension liability - July 1	<u>15,756,776</u>	<u>15,110,052</u>	<u>14,805,525</u>	<u>14,094,088</u>	<u>13,744,923</u>	<u>13,101,659</u>	<u>13,218,539</u>	<u>12,500,967</u>	<u>11,923,824</u>	<u>11,209,519</u>
Total pension liability - June 30 (a)	<u>\$ 15,891,521</u>	<u>\$ 15,756,776</u>	<u>\$ 15,110,052</u>	<u>\$ 14,805,525</u>	<u>\$ 14,094,088</u>	<u>\$ 13,744,923</u>	<u>\$ 13,101,659</u>	<u>\$ 13,218,539</u>	<u>\$ 12,500,967</u>	<u>\$ 11,923,824</u>
Plan fiduciary net position:										
Contributions - employer	\$ 375,864	\$ 375,000	\$ 345,033	\$ 339,015	\$ 356,474	\$ 350,342	\$ 385,429	\$ 367,541	\$ 367,541	\$ 349,519
Contributions - member	221,144	222,876	211,981	216,407	218,017	218,797	209,551	204,700	210,767	198,033
Net investment income (loss)	1,421,706	(2,099,675)	3,414,140	(107,020)	642,730	769,615	1,105,691	38,494	253,090	1,213,572
Benefit payments, including refunds of member contributions	(741,950)	(770,895)	(723,124)	(668,242)	(629,157)	(627,400)	(660,562)	(636,276)	(524,668)	(503,012)
Administration	(32,434)	(22,397)	(24,420)	(16,080)	(40,139)	(33,816)	(9,746)	(16,620)	(14,664)	-
Other	-	-	-	-	47,357	-	-	-	9,034	-
Net change in plan fiduciary net position	1,244,330	(2,295,091)	3,223,610	(235,920)	595,282	677,538	1,030,363	(42,161)	301,100	1,258,112
Plan fiduciary net position - July 1	<u>13,277,076</u>	<u>15,572,167</u>	<u>12,348,557</u>	<u>12,584,477</u>	<u>11,989,195</u>	<u>11,311,657</u>	<u>10,281,294</u>	<u>10,323,455</u>	<u>10,022,355</u>	<u>8,764,243</u>
Plan fiduciary net position - June 30 (b)	<u>\$ 14,521,406</u>	<u>\$ 13,277,076</u>	<u>\$ 15,572,167</u>	<u>\$ 12,348,557</u>	<u>\$ 12,584,477</u>	<u>\$ 11,989,195</u>	<u>\$ 11,311,657</u>	<u>\$ 10,281,294</u>	<u>\$ 10,323,455</u>	<u>\$ 10,022,355</u>
Net pension liability (asset) - June 30 (a)-(b)	<u>\$ 1,370,115</u>	<u>\$ 2,479,700</u>	<u>\$ (462,115)</u>	<u>\$ 2,456,968</u>	<u>\$ 1,509,611</u>	<u>\$ 1,755,728</u>	<u>\$ 1,790,002</u>	<u>\$ 2,937,245</u>	<u>\$ 2,177,512</u>	<u>\$ 1,901,469</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>91.38%</u>	<u>84.26%</u>	<u>103.06%</u>	<u>83.41%</u>	<u>89.29%</u>	<u>87.23%</u>	<u>86.34%</u>	<u>77.78%</u>	<u>82.58%</u>	<u>84.05%</u>
Covered payroll	<u>\$ 4,598,924</u>	<u>\$ 4,717,114</u>	<u>\$ 4,562,006</u>	<u>\$ 4,938,953</u>	<u>\$ 4,760,437</u>	<u>\$ 4,170,830</u>	<u>\$ 4,020,077</u>	<u>\$ 4,435,017</u>	<u>\$ 4,264,439</u>	<u>\$ 4,439,312</u>
Net collective pension liability (asset) as a percentage of covered payroll	<u>29.79%</u>	<u>52.57%</u>	<u>(10.13%)</u>	<u>49.75%</u>	<u>31.71%</u>	<u>42.10%</u>	<u>44.53%</u>	<u>66.23%</u>	<u>51.06%</u>	<u>42.83%</u>
Schedule of Investment Returns										
Annual money weighted rate of return, net of investment expense	<u>10.92%</u>	<u>(13.70%)</u>	<u>28.32%</u>	<u>(0.87%)</u>	<u>5.86%</u>	<u>6.74%</u>	<u>10.91%</u>	<u>0.38%</u>	<u>2.62%</u>	<u>13.80%</u>

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contributions	\$ 375,864	\$ 370,572	\$ 345,033	\$ 339,015	\$ 356,475	\$ 350,452	\$ 385,429	\$ 376,663	\$ 356,619	\$ 349,519
Contributions in relation to the actuarially determined contribution	<u>375,864</u>	<u>375,000</u>	<u>345,033</u>	<u>339,015</u>	<u>356,474</u>	<u>350,342</u>	<u>385,429</u>	<u>367,541</u>	<u>367,541</u>	<u>349,519</u>
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ 4,428</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (110)</u>	<u>\$ -</u>	<u>\$ (9,122)</u>	<u>\$ 10,922</u>	<u>\$ -</u>
Covered payroll	<u>\$ 4,598,924</u>	<u>\$ 4,717,114</u>	<u>\$ 4,562,006</u>	<u>\$ 4,938,953</u>	<u>\$ 4,760,437</u>	<u>\$ 4,170,830</u>	<u>\$ 4,020,077</u>	<u>\$ 4,435,017</u>	<u>\$ 4,264,439</u>	<u>\$ 4,439,312</u>
Contributions as a percentage of covered payroll	<u>8.17%</u>	<u>7.95%</u>	<u>7.56%</u>	<u>6.86%</u>	<u>7.49%</u>	<u>8.40%</u>	<u>9.59%</u>	<u>8.29%</u>	<u>8.62%</u>	<u>7.87%</u>

N/A - Not available

Town of Monroe, Connecticut

Notes to Required Supplementary Information

Education Retirement Income Plan
Schedule of Contributions
Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Changes of benefit terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2020	July 1, 2020	July 1, 2018	July 1, 2018	July 1, 2016	July 1, 2016	July 1, 2014	July 1, 2014	July 1, 2012	July 1, 2012
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level dollar	Level dollar
Asset valuation method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation rate	2.40%	2.40%	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%	3.00%	3.00%
Salary increases	3.40%	3.40%	3.75%	3.75%	3.75%	3.75%	4.00%	4.00%	4.00%	4.00%
Investment rate of return (net)	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	7.50%	7.50%	7.50%	7.50%
Mortality rate	Pub-2010 projected to valuation date with scale MP-2020	Pub-2010 projected to valuation date with scale MP-2020	RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2018	RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2018	RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2016	RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2016	RP-2000 Mortality with no collar adjustments projected to valuation date with Scale MP-2014	RP-2000 Mortality with no collar adjustments projected to valuation date with Scale MP-2014	RP-2000 Mortality Table projected to the valuation date with Scale AA	RP-2000 Mortality Table projected to the valuation date with Scale AA

Town of Monroe, Connecticut

Required Supplementary Information

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Schedule of Proportionate Share of the Collective Net Pension Liability</u>									
Town's proportion of the collective net pension liability	<u>8.648825%</u>	<u>8.053424%</u>	<u>7.829227%</u>	<u>8.825715%</u>	<u>7.988970%</u>	<u>8.332825%</u>	<u>8.332825%</u>	<u>8.754860%</u>	<u>8.754860%</u>
Town's proportionate share of the collective net pension liability	<u>\$ 8,997,494</u>	<u>\$ 4,058,872</u>	<u>\$ 6,460,938</u>	<u>\$ 6,430,746</u>	<u>\$ 5,427,638</u>	<u>\$ 3,331,755</u>	<u>\$ 3,895,673</u>	<u>\$ 2,678,744</u>	<u>\$ 2,116,810</u>
Town's covered payroll	<u>\$ 4,512,719</u>	<u>\$ 3,763,367</u>	<u>\$ 3,482,952</u>	<u>\$ 3,919,896</u>	<u>\$ 4,525,278</u>	<u>\$ 3,858,797</u>	<u>\$ 3,858,797</u>	<u>\$ 3,507,399</u>	<u>\$ 3,507,399</u>
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	<u>199.38%</u>	<u>107.85%</u>	<u>185.50%</u>	<u>164.05%</u>	<u>119.94%</u>	<u>86.34%</u>	<u>100.96%</u>	<u>76.37%</u>	<u>60.35%</u>
Total plan fiduciary net position as a percentage of the collective total pension liability	<u>68.71%</u>	<u>82.59%</u>	<u>71.18%</u>	<u>72.69%</u>	<u>73.60%</u>	<u>91.68%</u>	<u>88.29%</u>	<u>92.75%</u>	<u>90.48%</u>
<u>Schedule of Contributions</u>									
Contractually required contribution	<u>\$ 843,884</u>	<u>\$ 837,808</u>	<u>\$ 694,827</u>	<u>\$ 809,775</u>	<u>\$ 706,224</u>	<u>\$ 645,577</u>	<u>\$ 645,577</u>	<u>\$ 633,992</u>	<u>\$ 608,354</u>
Contributions in relation to the contractually required contribution	<u>843,884</u>	<u>837,808</u>	<u>694,827</u>	<u>809,775</u>	<u>706,224</u>	<u>645,577</u>	<u>645,577</u>	<u>633,992</u>	<u>608,354</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 3,651,597</u>	<u>\$ 3,731,884</u>	<u>\$ 3,316,597</u>	<u>\$ 4,059,023</u>	<u>\$ 4,122,732</u>	<u>\$ 3,768,692</u>	<u>\$ 3,858,799</u>	<u>\$ 3,789,552</u>	<u>\$ 3,586,993</u>
Contributions as a percentage of covered payroll	<u>23.11%</u>	<u>22.45%</u>	<u>20.95%</u>	<u>19.95%</u>	<u>17.13%</u>	<u>17.13%</u>	<u>16.73%</u>	<u>16.73%</u>	<u>16.96%</u>

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

Town of Monroe, Connecticut

Notes to Required Supplementary Information

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

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

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

Town of Monroe, Connecticut

Required Supplementary Information

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Schedule of Proportionate Share of the Collective Net Pension Liability									
Town's proportion of the collective net pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the collective net pension liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State of Connecticut's proportionate share of the collective net pension liability associated with the Town	<u>125,208,335</u>	<u>102,307,293</u>	<u>129,174,493</u>	<u>114,804,732</u>	<u>88,521,118</u>	<u>94,485,584</u>	<u>99,683,015</u>	<u>76,967,634</u>	<u>71,141,153</u>
Total	<u>\$ 125,208,335</u>	<u>\$ 102,307,293</u>	<u>\$ 129,174,493</u>	<u>\$ 114,804,732</u>	<u>\$ 88,521,118</u>	<u>\$ 94,485,584</u>	<u>\$ 99,683,015</u>	<u>\$ 76,967,634</u>	<u>\$ 71,141,153</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the collective total pension liability	<u>54.06%</u>	<u>60.77%</u>	<u>49.24%</u>	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>
Schedule of Contributions									
Contractually required contribution (1)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

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

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

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

Town of Monroe, Connecticut
Notes to Required Supplementary Information
Connecticut State Teachers' Retirement System
Schedule of Contributions
Last Nine Years (1)

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

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

Town of Monroe, Connecticut

Required Supplementary Information

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Schedule of Changes in Net OPEB Liability and Related Ratios</u>							
Total OPEB liability:							
Service cost	\$ 161,416	\$ 154,613	\$ 119,809	\$ 121,080	\$ 141,451	\$ 134,375	\$ 130,779
Interest	202,201	188,411	149,541	145,481	167,658	153,598	138,377
Differences between expected and actual experience	(697,166)	(94,439)	58,158	(144,343)	(394,118)	(35,893)	(11,163)
Changes in assumptions	(77,727)	-	277,870	-	(70,766)	-	-
Benefit payments, including refunds of member contributions	<u>(48,703)</u>	<u>(37,928)</u>	<u>(46,316)</u>	<u>(70,294)</u>	<u>(68,687)</u>	<u>(33,631)</u>	<u>(49,256)</u>
Net change in total OPEB liability	(459,979)	210,657	559,062	51,924	(224,462)	218,449	208,737
Total OPEB liability - July 1	<u>2,973,334</u>	<u>2,762,677</u>	<u>2,203,615</u>	<u>2,151,691</u>	<u>2,376,153</u>	<u>2,157,704</u>	<u>1,948,967</u>
Total OPEB liability - June 30 (a)	<u>\$ 2,513,355</u>	<u>\$ 2,973,334</u>	<u>\$ 2,762,677</u>	<u>\$ 2,203,615</u>	<u>\$ 2,151,691</u>	<u>\$ 2,376,153</u>	<u>\$ 2,157,704</u>
Plan fiduciary net position:							
Contributions - employer	241,617	223,530	181,755	205,258	256,555	223,631	189,896
Contributions - member	99,260	88,028	85,924	84,510	83,915	72,824	33,807
Net investment income (loss)	158,387	(274,769)	336,106	32,594	49,708	5,332	297
Benefit payments, including refunds of member contributions	(48,703)	(37,928)	(46,316)	(70,294)	(68,687)	(33,631)	(49,256)
Administrative expenses	<u>(12,073)</u>	<u>(3,000)</u>	<u>(9,900)</u>	<u>(2,800)</u>	<u>(12,000)</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	438,488	(4,139)	547,569	249,268	309,491	268,156	174,744
Plan fiduciary net position - July 1	<u>1,797,427</u>	<u>1,801,566</u>	<u>1,253,997</u>	<u>1,004,729</u>	<u>695,238</u>	<u>427,082</u>	<u>252,338</u>
Plan fiduciary net position - June 30 (b)	<u>\$ 2,235,915</u>	<u>\$ 1,797,427</u>	<u>\$ 1,801,566</u>	<u>\$ 1,253,997</u>	<u>\$ 1,004,729</u>	<u>\$ 695,238</u>	<u>\$ 427,082</u>
Net OPEB liability - June 30 (a)-(b)	<u>\$ 277,440</u>	<u>\$ 1,175,907</u>	<u>\$ 961,111</u>	<u>\$ 949,618</u>	<u>\$ 1,146,962</u>	<u>\$ 1,680,915</u>	<u>\$ 1,730,622</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>88.96%</u>	<u>60.45%</u>	<u>65.21%</u>	<u>56.91%</u>	<u>46.69%</u>	<u>29.26%</u>	<u>19.79%</u>
Covered payroll	<u>\$ 3,390,428</u>	<u>\$ 3,306,143</u>	<u>\$ 3,197,430</u>	<u>\$ 3,518,717</u>	<u>\$ 3,399,727</u>	<u>\$ 3,377,844</u>	<u>\$ 3,287,439</u>
Net OPEB liability as a percentage of covered payroll	<u>8.18%</u>	<u>35.57%</u>	<u>30.06%</u>	<u>26.99%</u>	<u>33.74%</u>	<u>49.76%</u>	<u>52.64%</u>

Schedule of Investment Returns

Annual money-weighted rate of return, net of investment expenses	<u>8.53%</u>	<u>(14.92%)</u>	<u>40.72%</u>	<u>3.13%</u>	<u>6.81%</u>	<u>1.60%</u>	<u>0.09%</u>
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(1) This schedule is intended to present information for 10 years. Additional years will be presented as they become available.

Town of Monroe, Connecticut

Required Supplementary Information

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contributions	\$ 188,225	\$ 185,602	\$ 135,439	\$ 134,964	\$ 187,868	\$ 186,574	\$ 109,498	\$ 106,000	\$ 179,057	\$ 175,750
Contributions in relation to the actuarially determined contribution	<u>241,617</u>	<u>223,530</u>	<u>181,755</u>	<u>205,258</u>	<u>256,555</u>	<u>223,631</u>	<u>189,896</u>	<u>94,479</u>	<u>27,390</u>	<u>31,212</u>
Contribution excess (deficiency)	<u>\$ 53,392</u>	<u>\$ 37,928</u>	<u>\$ 46,316</u>	<u>\$ 70,294</u>	<u>\$ 68,687</u>	<u>\$ 37,057</u>	<u>\$ 80,398</u>	<u>\$ (11,521)</u>	<u>\$ (151,667)</u>	<u>\$ (144,538)</u>
Covered payroll	<u>\$ 3,390,428</u>	<u>\$ 3,306,143</u>	<u>\$ 3,197,430</u>	<u>\$ 3,518,717</u>	<u>\$ 3,399,727</u>	<u>\$ 3,377,844</u>	<u>\$ 3,287,439</u>	<u>\$ 3,129,570</u>	<u>\$ 3,129,570</u>	<u>\$ 2,732,999</u>
Contributions as a percentage of covered payroll	<u>7.13%</u>	<u>6.76%</u>	<u>5.68%</u>	<u>5.83%</u>	<u>7.55%</u>	<u>6.62%</u>	<u>5.78%</u>	<u>3.02%</u>	<u>0.88%</u>	<u>1.14%</u>

Town of Monroe, Connecticut

Notes to Required Supplementary Information

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

	2023	2022	2021	2020	2019	2018	2017
Changes of benefit terms	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2020	July 1, 2020	July 1, 2018	July 1, 2018	July 1, 2016	July 1, 2016	July 1, 2014
Actuarial methods and assumptions used to determine contribution rates:							
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Projected unit credit
Amortization method	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level dollar
Asset valuation method	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Inflation rate	2.40%	2.40%	2.50%	2.50%	2.75%	2.75%	N/A
Salary increases	3.40%	3.40%	3.50%	3.50%	3.75%	3.75%	N/A
Investment rate of return (net)	6.50%	6.50%	6.75%	6.75%	6.75%	6.75%	7.00%
Mortality rate	Pub-2010 mortality table projected to valuation date with scale MP-2020	Pub-2010 mortality table projected to valuation date with scale MP-2020	RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2018	RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2018	RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2016	RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2016	RP-2000 projected to the valuation date with Scale BB

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

N/A - Not Available

Town of Monroe, Connecticut

Required Supplementary Information

**Education Other Post-Employment Benefit ("OPEB") Plan
Schedule of Changes in the OPEB Liability and Related Ratios
Last Six Years (2)**

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

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

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

Town of Monroe, Connecticut

Required Supplementary Information

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

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

Schedule of Contributions

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

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

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

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

Town of Monroe, Connecticut

Notes to Required Supplementary Information

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

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

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

APPENDIX B – FORM OF OPINION OF BOND COUNSEL

July __, 2024

Town of Monroe
7 Fan Hill Road
Monroe, CT 06468

We have acted as Bond Counsel in connection with the issuance by the Town of Monroe, Connecticut (the “Town”), of its \$ _____ General Obligation Bonds, Issue of 2024 (the “Bonds”) dated July __, 2024. In such capacity, we have examined a record of proceedings of the Town authorizing the Bonds, a Tax Compliance Agreement of the Town dated the date hereof (the “Agreement”), such law and such other proceedings, certifications, and documents as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We are of the opinion that when the Bonds are duly certified by U.S. Bank Trust Company, National Association, the Bonds will be valid and legally binding general obligations of the Town payable as to both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to Connecticut statutes. We are further of the opinion that the Agreement is a valid and binding agreement of the Town and was duly authorized by the Town.

The rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

The Internal Revenue Code of 1986 (the “Code”) establishes certain requirements that must be satisfied at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be excluded from gross income under Section 103 of the Code. In the Agreement, the Town has made covenants and representations designed to assure compliance with such requirements of the Code. The Town has covenanted in the Agreement that it will at all times comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to ensure that interest on the Bonds shall not be included in gross income

for federal income tax purposes retroactive to the date of issuance of the Bonds, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds.

In rendering the below opinions regarding the federal treatment of interest on the Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Agreement, and (ii) continuing compliance by the Town with the covenants set forth in the Agreement as to such tax matters.

The Town has designated the Bonds as “qualified tax exempt obligations” within the meaning of Code Section 265(b)(3) for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

In our opinion, under existing statutes and court decisions, (i) interest on the Bonds is excluded from gross income for federal income tax purposes; and (ii) such interest is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. We express no opinion regarding other federal income tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

We are further of the opinion that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding other state income tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Preliminary Official Statement, the Official Statement and other offering material relating to the Bonds.

The foregoing opinion is based upon existing laws, regulations, rules and court decisions. We undertake no responsibility to inform you of changes in law or fact occurring after the date hereof which may affect the conclusions herein. In addition, we have not undertaken to advise in the future whether any events after the date of issuance of the Bonds, including the adoption of federal tax legislation, may affect the tax status of interest on the Bonds.

Respectfully,

PULLMAN & COMLEY, LLC

APPENDIX C – FORM OF CONTINUING DISCLOSURE AGREEMENT

FORM OF CONTINUING DISCLOSURE AGREEMENT

**In Connection With The Issuance and Sale of
\$ _____ General Obligation Bonds, Issue of 2024**

This Continuing Disclosure Agreement (“Agreement”) is executed and delivered as of July __, 2024, by the Town of Monroe, Connecticut (the “Issuer”) acting by its undersigned officers, duly authorized, in connection with the issuance of its \$ _____ General Obligation Bonds, Issue of 2024, dated July __, 2024 (the “Bonds”).

Section 1. Definitions. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Section 2 of this Agreement.

“Business Day” shall mean any day, other than Saturday, Sunday or a federal holiday, and shall consist of the time period from 12:01 a.m. through 12:00 midnight Eastern Time.

“EMMA” means the Electronic Municipal Market Access System as described in the 1934 Act Release #59062 and maintained by the Municipal Securities Rulemaking Board for the purposes of the Rule and as further described in Section 13 hereof.

“Final Official Statement” means the official statement of the Issuer dated July __, 2024, prepared in connection with the issuance of the Bonds.

“Fiscal Year End” shall mean the last day of the Issuer’s fiscal year, currently June 30.

“Listed Events” shall mean any of the events listed in Section 4 of this Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

“Rule” means rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

“SEC” means the Securities and Exchange Commission of the United States, or any successor thereto.

Section 2. Annual Reports.

(a) The Issuer shall provide or cause to be provided to the MSRB, in accordance with the provisions of the Rule and of this Agreement, the following annual financial information and operating data regarding the Issuer (commencing with the information and data for the fiscal year ending June 30, 2024):

(i) Audited financial statements of the Issuer as of and for the year ending on its Fiscal Year End prepared in accordance with generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Issuer is required to prepare audited financial statements of its various funds and accounts. If audited financial statements for any Fiscal Year End are not available to be provided to the MSRB through EMMA by the Deadline (as hereinafter defined in Section 3 hereof), the Issuer shall provide to the MSRB through EMMA: i) unaudited financial statements for such Fiscal Year End, and when available; ii) audited financial statements for such Fiscal Year End, as soon as practicable after its receipt thereof.

(ii) To the extent not included in the audited financial statements described in (i) above, financial information and operating data as of and for the year ending on its Fiscal Year End of the following type:

- (A) the amounts of the gross and net taxable grand list;
- (B) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer's taxable valuation thereon;
- (C) the percentage and amount of the annual property tax levy collected and uncollected;
- (D) a schedule of the long-term debt through maturity on outstanding long-term bonded indebtedness;
- (E) a calculation of the total net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt);
- (F) the total direct debt, total net direct debt and total overall net debt of the Issuer per capita;
- (G) the ratios of total direct debt and total overall net debt of the Issuer to the Issuer's net taxable grand list;
- (H) a statement of statutory debt limitations and debt margins; and
- (I) the funding status of the Issuer's pension benefit obligations.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the Issuer's audited financial statements. The information may be provided in whole or in part by cross-reference to other documents provided to the MSRB, including official statements of the Issuer which will be available from the MSRB's internet web site or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report or the annual adopted budget.

(c) Subject to the requirements of Section 8 hereof, the Issuer reserves the right to modify from time to time the specific types of information or data provided or the format of the presentation of such information or data, to the extent necessary or appropriate; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule. The Issuer also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Connecticut law applicable to municipalities or any changes in generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time.

Section 3. Timing. The Issuer shall provide the information and data referenced in Section 2(a) to the MSRB through EMMA not later than eight months after each Fiscal Year End for which such information is being provided (the "Deadline").

Section 4. Event Notices.

(a) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Bonds, notice of the occurrence of such event:

- (i) principal and interest payment delinquencies;
- (ii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii) unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv) substitution of credit or liquidity providers, or their failure to perform;
- (v) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;

- (vi) tender offers;
- (vii) bankruptcy, insolvency, receivership, or a similar proceeding by the Issuer;
- (viii) Bond defeasances;
- (ix) rating changes; and
- (x) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation* of the Town, any of which reflect financial difficulties.

(b) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Bonds, notice of the occurrence of such event, if material:

- (i) non-payment related defaults;
 - (ii) modifications to rights of Bond holders;
 - (iii) Bond calls;
 - (iv) release, substitution, or sale of property securing repayment of the Bonds;
 - (v) consummation of a merger, consolidation, acquisition involving the Issuer, other than the ordinary course of business, or the sale of all or substantially all the assets of the Issuer, or the entry into a definitive agreement to engage in such a transaction, or a termination of such an agreement, other than in accordance with its terms;
 - (iv) appointment of a successor or additional trustee, or the change in the name of the trustee;
- and
- (vii) incurrence of a Financial Obligation* of the Town or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation* of the Town, any of which affect bondholders.

* *Note to clauses (a)(x) and (b)(vii): For purposes of the events identified in clauses(a)(x) and (b)(vii), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.*

Section 5. Notice of Failure. The Issuer agrees to provide or cause to be provided, in a timely manner to the MSRB, notice of any failure by the Issuer to provide the annual financial information described in Section 2(a) of this Agreement on or before the date set forth in Section 3 hereof.

Section 6. Termination of Reporting Obligation. The Issuer’s obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Agent. The Issuer may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds and (ii) the Agreement as so amended would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the MSRB. The annual financial information provided on the first date following adoption

of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating or financial information provided.

Section 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communications, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Enforceability. The Issuer agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. The present address of the Issuer is Town of Monroe, 7 Fan Hill Road, Monroe, CT 06468, Attn: First Selectman. In the event the Issuer does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute default of the Issuer with respect to the Bonds.

Section 11. Governing Law. This Agreement shall be governed by the laws of the State of Connecticut.

Section 12. Method of Filing. To the extent filings are required to be made to the MSRB under this Agreement, the Issuer shall transmit such filings or notices in an electronic format to the continuing disclosure service portal provided through MSRB's EMMA as provided at <http://emma.msrb.org/> or any similar system that is acceptable to the SEC.

IN WITNESS WHEREOF, the Issuer has caused this Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

TOWN OF MONROE

By: _____
Terrence P. Rooney
First Selectman

By: _____
Ronald J. Bunovsky, Jr.
Director of Finance

APPENDIX D – NOTICE OF SALE

NOTICE OF SALE

**TOWN OF MONROE, CONNECTICUT
\$5,570,000 GENERAL OBLIGATION BONDS, ISSUE OF 2024
(BANK QUALIFIED)
BOOK-ENTRY-ONLY**

ELECTRONIC BIDS via **PARITY**® will be received by the **TOWN OF MONROE, CONNECTICUT** (the “Town”) at the Office of the First Selectman, Monroe Town Hall, 7 Fan Hill Road, Monroe, Connecticut 06468 until **11:00 A.M. (Eastern Time), TUESDAY**

JULY 2, 2024

(the “Bid Date”) for the purchase of all (but not less than all) of \$5,570,000 General Obligation Bonds, Issue of 2024 of the Town (the “Bonds”), when issued, at not less than par, which mature on July 15 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2025	\$560,000	2030	\$560,000
2026	\$560,000	2031	\$560,000
2027	\$560,000	2032	\$550,000
2028	\$560,000	2033	\$550,000
2029	\$560,000	2034	\$550,000

The Issue

The full faith and credit of the Town will be pledged for the prompt payment of the principal of, redemption premium, if any, and interest on the Bonds. The Bonds will be general obligations of the Town payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limit as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to provisions of the Connecticut General Statutes, as amended. The Bonds will be dated their date of delivery, with interest payable on January 15, 2025 and semiannually thereafter on each July 15 and January 15 each year until maturity, or earlier redemption. The information in this Notice of Sale is only a brief summary of certain provisions of the Bonds. For further information about the Bonds, reference is hereby made to the Preliminary Official Statement, dated June 25, 2024.

Optional Redemption

The Bonds maturing on July 15, 2032 and thereafter are subject to redemption prior to maturity, at the election of the Town, on or after July 15, 2031, at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine at the following redemption price (expressed as a percentage of the principal amount of Bonds to be redeemed) plus interest accrued and unpaid to the redemption date:

<u>Redemption Period</u>	<u>Redemption Price</u>
July 15, 2031 and thereafter	100%

The Town, so long as a book-entry system is used for the Bonds, will send any notice of redemption only to DTC (or a successor securities depository) or its nominee. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption.

Ratings

The Town has applied to S&P Global Ratings for a rating on the Bonds. The assigned ratings may be obtained from the respective rating agency or will be posted through the facilities of **PARITY**® prior to sale.

Official Statement and Continuing Disclosure Agreement

The Town has prepared a Preliminary Official Statement for the Bonds which is dated June 25, 2024, which is deemed final as of its date for purposes of SEC Rule 15c2-12(b)(1), except for omissions permitted thereby, but is subject to revision or amendment. The Town will provide the winning bidder, at its request, a reasonable number of copies of the Official Statement at the Town's expense. The copies of the Official Statement will be made available to the winning bidder at delivery of the Bonds or by the 7th business day after the day bids on the Bonds are received. If the Town's municipal advisor is provided with the necessary information from the winning bidder by noon of the date following the day bids on the Bonds are received, the copies of the Official Statement will include an additional cover page and other pages indicating the interest rates, ratings, yields or reoffering prices, the name of the winning bidder and the name of the insurer, if any, and any corrections. Additional copies of the Official Statement may be obtained by the winning bidder at its own expense by arrangement with the printer.

The winning bidder agrees to promptly file a final Official Statement with the Municipal Securities Rulemaking Board and to take any and all other actions necessary to comply with applicable Securities and Exchange Commission and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Bonds to the ultimate purchasers.

The Town will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as Appendix C to the Official Statement (the "Continuing Disclosure Agreement"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12(b)(5), (i) annual financial information and operating data including audited financial statements, (ii) notice of the occurrence of certain events with respect to the Bonds within ten (10) business days of such event, and (iii) timely notice of a failure by the Town to provide the required annual financial information. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

Electronic Proposals Bidding Procedure

Electronic bids for the purchase of the Bonds must be submitted electronically via **PARITY**[®], in accordance with this Notice of Sale, until 11:00 A.M. (Eastern Time) on Tuesday, July 2, 2024, but no bid will be received after the time for receiving bids specified herein. To the extent any instructions or directions set forth in **PARITY**[®] shall conflict with information in this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**[®], including any fee charged, potential bidders may contact i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, telephone: (212) 849-5021. Any prospective bidder must be a subscriber of i-Deal LLC's BiDCOMP competitive bidding system. The Town neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of **PARITY**[®] is communicated to the Town, it shall constitute an irrevocable offer, in response to this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Town. By submitting a bid for the Bonds via **PARITY**[®], the bidder represents and warrants to the Town that such bidder's bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Town will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice of Sale. **The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY[®], or the inaccuracies of any information, including bid information or worksheets supplied by PARITY[®], the use of PARITY[®] facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

For the purpose of the electronic bidding process, the time maintained on **PARITY**[®] shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the Town, as described under "Award, Delivery and Payment" below, represented by the rate or rates of interest and the bid price specified in their respective bids. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale.

Disclaimer. Each **PARITY**[®] prospective electronic bidder shall be solely responsible to make necessary arrangements to access **PARITY**[®] for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Town nor **PARITY**[®] shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Town nor **PARITY**[®] shall be responsible for a bidder's failure to make a bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, **PARITY**[®]. The Town is using **PARITY**[®] as a communication mechanism, and not as the Town's agent, to conduct the electronic bidding for the Bonds. The Town is not bound by any advice and determination of **PARITY**[®] to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid requirements herein

set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via **PARITY**[®] are the sole responsibility of the bidders; and the Town is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone **PARITY**[®] at (212) 849-5021.

Bid Requirements

Each bid must be for the entire \$5,570,000 of the Bonds. Each proposal must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of one-twentieth of one percent (1/20 of 1%) or one-eighth of one percent (1/8 of 1%) the rate or rates of interest per annum which the Bonds are to bear, provided that such proposal shall not state (a) more than one interest rate for any Bonds having a like maturity or (b) any interest rate for any Bonds of one maturity which exceeds the interest rate stated in such proposal for Bonds of a different maturity by more than two (2) percentage points. Interest shall be computed on the basis of twelve 30-day months and a 360 day year. No bid for less than par will be considered.

Establishment of Issue Price

In order to provide the Town with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986 (the “Code”), relating to the exclusion of interest on the Bonds from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Town at or prior to the delivery of the Bonds an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (the “Initial Offering Price”) or the actual sales price or prices of the Bonds, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. For purposes of this “Establishment of Issue Price” section, Bond Counsel may act on behalf of the Town.

The Town intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Rule”) because:

- (1) *The Town shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;*
- (2) *all bidders shall have an equal opportunity to bid;*
- (3) *the Town anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and*
- (4) *the Town anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest TIC, as set forth in this Notice of Sale.*

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid. Acceptance by the Town of a bid pursuant to this Notice of Sale shall constitute a written contract between the Town and the winning bidder.

In the event that the competitive sale requirements are not satisfied, the Town shall so advise the successful bidder in writing on the sale date. The Town may treat the first price at which 10% of a maturity of the bonds (the “Actual Sale Rule”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis. The successful bidder shall advise the Town if any maturity of the Bonds satisfies the Actual Sale Rule as of the date and time of the award of the Bonds.

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.

If the competitive sale requirements are not satisfied, then until the Actual Sale Rule has been satisfied as to each maturity of the bonds, the successful bidder agrees to promptly report to the Town the prices at which the unsold Bonds of each maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until the Actual Sale Rule has been satisfied for each maturity or until all Bonds of that maturity have been sold.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the Actual Sales Rule has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the Actual Sales Rule has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public.

Sales of any Bonds to any person that is a Related Party (as defined below) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (5) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (6) *Related Party* generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (7) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of the selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public)

Award, Delivery and Payment

Unless all bids are rejected, the Bonds will be awarded to the bidder whose bid will result in the lowest true interest cost ("TIC") to the Town. The purchase price must be paid in Federal Funds.

Promptly upon verbal notification that a bidder's proposal may be accepted, the bidder shall confirm to the Town the reoffering prices of all the Bonds of each maturity.

Bids will be finally accepted or rejected promptly after opening and not later than 3:00 p.m. (Eastern Time) on the Bid Date in accordance with the provisions herein.

At or prior to the delivery of the Bonds the successful bidder shall be furnished, without cost, with the approving opinion of Pullman & Comley, LLC, of Hartford, Connecticut, Bond Counsel, substantially in the form set out in Appendix B to the Official Statement. The successful bidder will also be furnished with a receipt of payment for the Bonds, a Signature and No Litigation Certificate dated as of the date of delivery of the Bonds, stating that there is no litigation pending, or to the knowledge of the signers thereof, threatened, affecting the validity of the Bonds or the power of the Town to levy and collect taxes to pay them. A copy of the final Official Statement prepared for this Bond issue will also be furnished together with a certificate of Town Officials relating to the accuracy and completeness of the Official Statement.

The Bonds **SHALL BE** designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for federal income tax purposes of a portion of interest expense allocable to tax exempt obligations.

The Town will have no responsibility to pay for any expenses of the winning bidder except to the extent specifically stated in this Notice of Sale. The winning bidder will have no responsibility to pay for any of the Town's costs of issuance except to the extent specifically stated in this Notice of Sale.

The winning bidder will be responsible for the clearance or exemption with respect to the status of the Bonds for sale under securities or "Blue Sky" laws and the preparation of any surveys or memoranda in connection with such sale. The Town shall have no responsibility for such clearance, exemption or preparation.

The Bonds will be delivered to The Depository Trust Company, New York, New York (“DTC”) or its agent via Fast Automated Securities Transfer (“FAST”) on or about July 16, 2024 against payment in immediately available Federal Funds. The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the winning bidder or bidders to obtain CUSIP numbers for the Bonds prior to delivery, and the Town will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of the winning bidder or bidders to obtain such numbers and to supply them to the Town in a timely manner. The Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the winning bidder.

Right to Reject Bids; Waiver

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

Postponement; Change of Terms

The Town reserves the right to alter any terms of the Bonds or this Notice of Sale and to postpone, from time to time, the date or time established for the receipt of the bids.

Book-Entry-Only Form

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to DTC, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in the principal amount of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures adopted by DTC and its Participants. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds. Principal, redemption premium, if any, and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal, redemption premium, if any, and interest payments to Beneficial Owners by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for payments by DTC to its Participants or by DTC Participants to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the Town fails to identify another qualified securities depository to replace DTC, or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Town will authenticate and deliver replacement Bonds in the form of fully registered Bond certificates directly to the Beneficial Owners of the Bonds or their nominees. (The record dates for the Bonds will be the close of business on the last day of December and June in each year, or the preceding business day if such last day is not a business day.)

Additional Information

More information concerning the issue and the Town may be obtained from William Lindsay, Managing Director, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443; (203) 421-2880.

TERRENCE P. ROONEY
First Selectman

FRANCIS DUTCHES
Treasurer

June 25, 2024