
TOWN OF PUTNAM, CONNECTICUT

Annual Financial Statements

For the Year Ended June 30, 2020

TOWN OF PUTNAM, CONNECTICUT

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and the Board of Finance
Town of Putnam, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Putnam, CT, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Putnam, CT's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Putnam, CT, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–10, budgetary comparison information on pages 56-62, and Pension and OPEB schedules on pages 63-68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2020, on our consideration of the Town of Putnam, CT's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 of Putnam, CT's internal control over financial reporting and compliance.



King, King & Associates, P.C., CPAs
Winsted, CT
December 28, 2020

TOWN OF PUTNAM, CONNECTICUT

Management's Discussion and Analysis

June 30, 2020

As management of the Town of Putnam, CT, we offer readers of the Town of Putnam, CT's financial statements this narrative overview and analysis of the financial activities of the Town of Putnam, CT for the fiscal year ended June 30, 2020.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town of Putnam, CT exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$99,448,091 (*net position*). Of this amount, \$15,359,924 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. This amount consists of \$8,614,689 that is attributable to the Town's governmental activities and \$6,745,235 that is attributable to the Town's water and sewer activities (business-type activities).
- In the Town's governmental activities, total net position increased by \$5,036,393.
- In the Town's business-type activities, total net position increased by \$102,847.
- As of the close of the current fiscal year, the Town of Putnam, CT's governmental funds reported combined ending fund balances of \$13,999,550, a decrease of \$421,805 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,145,606 or 24.07% of total General Fund Budget Basis expenditures. The total fund balance of the General Fund was \$6,720,304 or 26.32% of total General Fund Budget Basis expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The *statement of net position* presents information on all of the Town of Putnam, CT's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator whether the financial position of the Town of Putnam, CT is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position is changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., earned but unused vacation leave).

TOWN OF PUTNAM, CONNECTICUT

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June 30, 2020

Both of the government-wide financial statements distinguish functions of the Town of Putnam, CT that are principally supported by intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Putnam, CT include general government, public safety, public works, culture and recreation, sanitation, community and social services, economic development, and education. Property taxes, state and federal grants, and local revenues such as fees and licenses finance most of these activities. The business-type activities of the Town of Putnam, CT include fees to customers to help it cover all or most of the cost of certain services it provides for water and sewer.

The government-wide financial statements can be found on pages 11-12 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 of Putnam, CT, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Putnam, CT can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, 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. Such 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* with 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 this comparison.

The Town of Putnam, CT, maintains forty-four (44) individual governmental funds. Information is presented 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, Ash Landfill Fund, High School Renovation & Expansion Fund, and Municipal Complex Fund. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town of Putnam, CT, adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 13-16 of this report.

Proprietary Funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water and sewer operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Information is presented separately in the proprietary fund financial statements for the Water and Sewer funds, both of which are considered to be major funds.

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June 30, 2020

Internal service funds are used to accumulate and allocate costs internally among the Town's various functions. The Town uses internal service funds to account for health insurance benefits offered to certain employees. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 17-19 of this report.

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 pages 20-21 of this report.

Notes to the financial statements. The notes 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 the financial statements can be found on pages 22-55 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Putnam, CT, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$99,448,091 at the close of the most recent fiscal year.

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 22,004,784	\$ 21,878,803	\$ 7,339,071	\$ 7,502,553	\$ 29,343,855	\$ 29,381,356
Capital Assets	69,276,300	64,599,528	49,487,066	50,080,282	118,763,366	114,679,810
Total Assets	<u>91,281,084</u>	<u>86,478,331</u>	<u>56,826,137</u>	<u>57,582,835</u>	<u>148,107,221</u>	<u>144,061,166</u>
Deferred Outflows						
of Resources	<u>1,578,286</u>	<u>191,913</u>	<u>88,791</u>	<u>7,179</u>	<u>1,667,077</u>	<u>199,092</u>
Long-term Liabilities	16,738,695	16,868,564	27,890,768	28,660,726	44,629,463	45,529,290
Other Liabilities	<u>3,718,520</u>	<u>2,922,588</u>	<u>515,976</u>	<u>511,049</u>	<u>4,234,496</u>	<u>3,433,637</u>
Total Liabilities	<u>20,457,215</u>	<u>19,791,152</u>	<u>28,406,744</u>	<u>29,171,775</u>	<u>48,863,959</u>	<u>48,962,927</u>
Deferred Inflows						
of Resources	<u>1,392,062</u>	<u>905,392</u>	<u>70,186</u>	<u>83,088</u>	<u>1,462,248</u>	<u>988,480</u>
Net Position:						
Net Investment						
in Capital Assets	57,082,004	51,879,309	21,692,763	21,516,491	78,774,767	73,395,800
Restricted	5,313,400	5,472,603	-	-	5,313,400	5,472,603
Unrestricted	<u>8,614,689</u>	<u>8,621,788</u>	<u>6,745,235</u>	<u>6,818,660</u>	<u>15,359,924</u>	<u>15,440,448</u>
Total Net Position	<u>\$ 71,010,093</u>	<u>\$ 65,973,700</u>	<u>\$ 28,437,998</u>	<u>\$ 28,335,151</u>	<u>\$ 99,448,091</u>	<u>\$ 94,308,851</u>

The largest portion of the Town's net position reflects its investment in capital assets (land, buildings and improvements, machinery and equipment, and infrastructure assets such as roads and bridges) less any related debt used to acquire those assets that is still outstanding. The Town uses these assets to provide services to its citizens; consequently, these assets are not available for spending. Net investment in capital assets increased by \$5,378,967 during the current fiscal year.

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The Town's restricted net position of \$5,313,400 decreased by \$159,203 compared to last years restricted net position of \$5,472,603.

The remainder of the Town's net position is considered unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
REVENUES						
<i>General Revenues:</i>						
Property Taxes	\$ 14,701,130	\$ 13,290,583	\$ -	\$ -	\$ 14,701,130	\$ 13,290,583
Unrestricted Grants & Contributions	226,557	253,531	-	-	226,557	253,531
Unrestricted Investment Income	188,893	294,253	109,396	167,071	298,289	461,324
Contract and Other Revenues	3,053,840	2,965,270	-	-	3,053,840	2,965,270
<i>Program Revenues:</i>						
Charges for Services	1,751,933	1,928,342	5,370,427	5,060,254	7,122,360	6,988,596
Operating Grants and Contributions	16,233,051	12,944,566	-	-	16,233,051	12,944,566
Capital Grants and Contributions	4,796,860	1,804,639	-	-	4,796,860	1,804,639
Total Revenues	40,952,264	33,481,184	5,479,823	5,227,325	46,432,087	38,708,509
EXPENSES						
<i>Governmental Activities:</i>						
General Government	2,560,186	1,764,581	-	-	2,560,186	1,764,581
Public Safety	151,829	179,505	-	-	151,829	179,505
Public Works	2,810,447	3,201,258	-	-	2,810,447	3,201,258
Culture and Recreation	1,621,683	1,508,804	-	-	1,621,683	1,508,804
Sanitation	646,020	623,221	-	-	646,020	623,221
Community and Social Services	289,897	325,890	-	-	289,897	325,890
Economic Development	283,638	194,666	-	-	283,638	194,666
Education	27,154,789	23,773,305	-	-	27,154,789	23,773,305
Interest on Long-Term Debt	434,280	448,609	-	-	434,280	448,609
<i>Business-Type Activities:</i>						
Water	-	-	2,676,083	2,496,807	2,676,083	2,496,807
Sewer	-	-	2,663,995	2,495,255	2,663,995	2,495,255
Total Expenses	35,952,769	32,019,839	5,340,078	4,992,062	41,292,847	37,011,901
Change in Net Position Before Transfers	4,999,495	1,461,345	139,745	235,263	5,139,240	1,696,608
Transfers	36,898	(1,496,121)	(36,898)	1,496,121	-	-
Change in Net Position	5,036,393	(34,776)	102,847	1,731,384	5,139,240	1,696,608
Beginning Net Position	65,973,700	66,008,476	28,335,151	26,603,767	94,308,851	92,612,243
Ending Net Position	\$ 71,010,093	\$ 65,973,700	\$ 28,437,998	\$ 28,335,151	\$ 99,448,091	\$ 94,308,851

Governmental activities. Governmental activities increased the Town of Putnam, CT's net position by \$5,036,393.

Key elements of this increase are as follows:

- An increase in capital grants and contributions used to purchase capital assets including various bridge projects.

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Management's Discussion and Analysis

June 30, 2020

- Capitalization of \$2.1 Million of expenses related to the new municipal building which is under construction.
- An increase in net position in the Internal Service Funds used for health insurance.

Thirty-six percent (36%) of the revenues of the Town were derived from property taxes, followed by fifty-two percent (52%) from grants and contributions, four percent (4%) from charges for services and eight percent (8%) of the Town's revenue in the fiscal year was derived from investment, contract, and other income.

Seventy-six percent (76%) of the expenses of the Town were related to education, followed by seven percent (7%) related to general government, eight percent (8%) related to public works, five percent (5%) related to culture and recreation, and four percent (4%) related to the remainder of the government's expenses.

Business-Type activities. The business-type activities consist of the water and sewer funds. The net position increased by \$102,847 during the current fiscal year.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Town of Putnam, CT uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Town of Putnam, CT's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town of Putnam, CT's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town of Putnam, CT's governmental funds reported combined ending fund balances of \$13,999,550, a decrease of \$421,805 in comparison with the prior year. The governmental funds currently have an unassigned fund balance of \$1,224,202, or 8.7% of total governmental funds fund balance.

General Fund. The General Fund is the chief operating fund of the Town of Putnam, CT. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$6,145,606. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 24.07 percent of total General Fund Budget Basis expenditures.

The fund balance of the Town of Putnam, CT's General Fund decreased by \$255,062 during the current fiscal year. Key factors in this decrease are as follows:

- The anticipated use of \$900,000 of fund balance to balance the budget.
- Budgeted transfer of \$600,000 to capital projects funds.
- Revenues coming in over budget by \$420,000, particularly in tax collections, charges for services, and investment income.
- Expenditures coming in \$348,000 under budget, particularly in the General Government, Public Works, Culture and Recreation, Employee and Fringe Benefits, and Education lines.

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Management's Discussion and Analysis

June 30, 2020

Ash Landfill Fund. The fund is utilized by the Town to account for the accumulation of host fee revenue, derived from the ash landfill that is in excess of the annual amount budgeted for spending in the Town's General Fund. At the end of the current fiscal year, fund balance of the Ash Landfill Fund was \$4,184,906. \$1,188,509 of fund balance is considered nonspendable as this amount has been advanced to the Town's 5-Year Capital Nonrecurring Fund as an internal financing mechanism for funding authorized capital improvements. \$774,687 is considered committed towards remaining authorizations on capital improvements. The remaining balance is considered restricted pursuant to Town ordinance. The fund balance of the Ash Landfill Fund decreased by \$488,492 during the current fiscal year. This decrease is primarily related to the transfer of funds to capital projects funds greater than the current year's revenues of \$976,051.

High School Renovation & Expansion Fund. This capital project fund was established by Town resolution to account for the renovation and expansion of the Town's high school, central office facilities and the medical pathway facility. The Town has appropriated \$36,610,000 for the renovation and expansion of these facilities. As of June 30, 2020, the Fund is reporting an unassigned deficit of \$2,895,781. The Town intends to permanently fund these expenditures through future grant reimbursements from the State of Connecticut and the issuance of long-term debt.

Municipal Complex Fund. The Town authorized an appropriation of \$19,940,697 for the design and construction of a municipal complex and authorized the issuance of bonds and notes to fund the appropriation. The Town also authorized the use of \$5,500,000 from the Ash Landfill Fund to permanently finance a portion of the costs. At the end of the current fiscal year, the fund balance of the municipal complex fund was \$3,163,338, which is primarily due to the transfer in of the funds from the Ash Landfill Fund less the current year's capital expenditures from the fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

The actual net change in fund balance of the General Fund on a budgetary basis was a decrease of \$160,812. Budgetary revenues were \$419,959 greater than expected due primarily to higher than anticipated tax collections, investment income, and charges for services. Budgetary expenditures were \$348,054 less than expected due primarily to savings in employee and fringe benefits, general government, public works, culture and recreation, and education. The Town also anticipated to use \$900,000 from its fund balance and transferred \$600,000 to capital projects funds.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The Town of Putnam, CT's reported value in capital assets for its governmental and business-type activities as of June 30, 2020, amounts to \$118,763,366 (net of accumulated depreciation). This reported value in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure assets such as roads and bridges. The total increase in the Town's investment in capital assets for the current fiscal year was \$4,083,556.

	2020	2019
<i>Governmental Activities:</i>		
Land	\$ 2,055,563	\$ 2,055,563
Construction in Progress	10,506,406	4,104,691
Infrastructure and Improvements	16,265,556	16,822,507
Buildings and Improvements	38,038,928	39,427,189
Machinery and Equipment	2,409,847	2,189,578
	<u>\$ 69,276,300</u>	<u>\$ 64,599,528</u>

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	2020	2019
<i>Business-Type Activities:</i>		
Construction in Progress	\$ 92,766	\$ 8,922,189
Infrastructure and Improvements	22,532,344	18,869,682
Buildings and Improvements	25,974,900	21,925,556
Machinery and Equipment	887,056	362,855
	\$ 49,487,066	\$ 50,080,282

Major capital asset events during the current fiscal year included the following:

- Various bridge projects
- Municipal complex design and construction
- PHS renovations
- Recreation Fields project
- Trucks, paver, fuel system, and other equipment
- Water relining project

Additional information on the Town of Putnam, CT's capital assets can be found in Note 5 on pages 35-36 of this report.

Long-term debt. At the end of the current fiscal year, the Town of Putnam, CT had long-term debt and long-term liabilities outstanding of \$44,629,463.

	2020	2019
<i>Governmental Activities:</i>		
General Obligation Bonds	\$ 11,290,000	\$ 11,785,000
Unamortized Bond Premiums	328,296	343,219
Loans Payable	576,000	592,000
Compensated Absences	366,217	328,296
Landfill Post-Closure Liability	433,000	478,000
OPEB Liability	3,745,182	3,342,049
Total Governmental Activities	\$ 16,738,695	\$ 16,868,564
<i>Business-Type Activities:</i>		
Loans Payable	\$ 27,697,113	\$ 28,437,205
Capital Lease Payable	97,190	126,586
Compensated Absences	96,465	96,935
Total Business-Type Activities	\$ 27,890,768	\$ 28,660,726

The Town of Putnam, CT's total long-term debt and liabilities decreased by \$899,827 (2.0 percent) during the current fiscal year. Additional information on the Town of Putnam, CT's long-term debt can be found in Note 6 on pages 37-39 of this report.

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Management's Discussion and Analysis
June 30, 2020

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

A summary of key economic factors affecting the Town are as follows:

- The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which from time to time will affect the amount of intergovernmental revenues the Town will receive.
- Inflationary trends in the region approximate the national indices.
- As a whole, the Town continues to aggressively pursue economic development activities to help spread the tax burden among commercial and residential taxpayers.

All of these factors were considered in preparing the Town of Putnam, CT's budget for the 2021 fiscal year.

The COVID-19 pandemic may impact the fiscal year 2021 through delayed collection of taxes and reductions of grant and program revenues. The Town may also receive increased grant funding due to new Federal economic relief programs.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Putnam, CT's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Board of Finance, Town of Putnam, 126 Church Street, Putnam, CT 06260.

TOWN OF PUTNAM, CONNECTICUT

Statement of Net Position

June 30, 2020

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 13,685,329	\$ 6,658,134	\$ 20,343,463
Receivables, Net	3,642,964	1,482,189	5,125,153
Internal Balances	1,118,073	(1,118,073)	-
Health Insurance Escrow	2,202,235	-	2,202,235
Other Assets	9,387	148,796	158,183
Net Pension Asset	1,346,796	168,025	1,514,821
Capital Assets:			
Assets Not Being Depreciated	12,561,969	92,766	12,654,735
Assets Being Depreciated, Net	<u>56,714,331</u>	<u>49,394,300</u>	<u>106,108,631</u>
Total Assets	<u>91,281,084</u>	<u>56,826,137</u>	<u>148,107,221</u>
Deferred Outflows of Resources			
Deferred Outflows - Pension	711,697	88,791	800,488
Deferred Outflows - OPEB	<u>866,589</u>	<u>-</u>	<u>866,589</u>
Total Deferred Outflows of Resources	<u>1,578,286</u>	<u>88,791</u>	<u>1,667,077</u>
Liabilities			
Accounts Payable and Accrued Items	2,874,515	297,885	3,172,400
Accrued Interest Payable	172,425	218,091	390,516
Due to Fiduciary Funds, Net	113,106	-	113,106
Unearned Revenue	558,474	-	558,474
Noncurrent Liabilities:			
Due Within One Year	714,845	818,280	1,533,125
Due In More Than One Year	<u>16,023,850</u>	<u>27,072,488</u>	<u>43,096,338</u>
Total Liabilities	<u>20,457,215</u>	<u>28,406,744</u>	<u>48,863,959</u>
Deferred Inflows of Resources			
Deferred Inflows - Pension	562,574	70,186	632,760
Deferred Inflows - OPEB	<u>829,488</u>	<u>-</u>	<u>829,488</u>
Total Deferred Inflows of Resources	<u>1,392,062</u>	<u>70,186</u>	<u>1,462,248</u>
Net Position			
Net Investment in Capital Assets	57,082,004	21,692,763	78,774,767
Restricted for:			
Enabling Legislation - Landfill Post-closure Care	1,788,710	-	1,788,710
Economic Development	1,188,759	-	1,188,759
Health Insurance	1,988,968	-	1,988,968
Other Purposes	346,963	-	346,963
Unrestricted	<u>8,614,689</u>	<u>6,745,235</u>	<u>15,359,924</u>
Total Net Position	<u>\$ 71,010,093</u>	<u>\$ 28,437,998</u>	<u>\$ 99,448,091</u>

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

TOWN OF PUTNAM, CONNECTICUT

Statement of Activities

For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 2,560,186	\$ 760,505	\$ -	\$ -	\$ (1,799,681)	\$ -	\$ (1,799,681)
Public Safety	151,829	2,500	27,668	-	(121,661)	-	(121,661)
Public Works	2,810,447	78,107	661,341	3,048,944	977,945	-	977,945
Culture and Recreation	1,621,683	185,169	10,041	-	(1,426,473)	-	(1,426,473)
Sanitation	646,020	188,533	-	-	(457,487)	-	(457,487)
Community and Social Services	289,897	525	-	-	(289,372)	-	(289,372)
Economic Development	283,638	72,260	21,405	-	(189,973)	-	(189,973)
Education	27,154,789	464,334	15,512,596	1,747,916	(9,429,943)	-	(9,429,943)
Interest on Long-Term Debt	434,280	-	-	-	(434,280)	-	(434,280)
Total Governmental Activities	<u>35,952,769</u>	<u>1,751,933</u>	<u>16,233,051</u>	<u>4,796,860</u>	<u>(13,170,925)</u>	<u>-</u>	<u>(13,170,925)</u>
Business-Type Activities:							
Water	2,676,083	2,808,251	-	-	-	132,168	132,168
Sewer	2,663,995	2,562,176	-	-	-	(101,819)	(101,819)
Total Business-Type Activities	<u>5,340,078</u>	<u>5,370,427</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,349</u>	<u>30,349</u>
Total Primary Government	<u>\$ 41,292,847</u>	<u>\$ 7,122,360</u>	<u>\$ 16,233,051</u>	<u>\$ 4,796,860</u>	<u>(13,170,925)</u>	<u>30,349</u>	<u>(13,140,576)</u>
General Revenues:							
Property Taxes					14,701,130	-	14,701,130
Grants not Restricted to Specific Programs					226,557	-	226,557
Unrestricted Investment Earnings					188,893	109,396	298,289
Contract Revenue - Ash Landfill					3,026,051	-	3,026,051
Other General Revenues					27,789	-	27,789
Transfers					36,898	(36,898)	-
Total General Revenues and Transfers					<u>18,207,318</u>	<u>72,498</u>	<u>18,279,816</u>
Change in Net Position					5,036,393	102,847	5,139,240
Net Position - Beginning of Year					<u>65,973,700</u>	<u>28,335,151</u>	<u>94,308,851</u>
Net Position - End of Year					<u>\$ 71,010,093</u>	<u>\$ 28,437,998</u>	<u>\$ 99,448,091</u>

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

TOWN OF PUTNAM, CONNECTICUT

Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Ash Landfill Fund	High School Renovation & Expansion Fund	Municipal Complex Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents	\$ 11,417,213	\$ -	\$ -	\$ -	\$ 2,268,116	\$ 13,685,329
Receivables, Net of Allowance	1,185,691	-	-	-	2,457,273	3,642,964
Other Assets	-	-	-	-	9,387	9,387
Due from Other Funds	5,073,707	6,910,832	-	3,914,435	3,251,104	19,150,078
Advance to Other Funds	180,200	1,188,509	-	-	-	1,368,709
Total Assets	<u>\$ 17,856,811</u>	<u>\$ 8,099,341</u>	<u>\$ -</u>	<u>\$ 3,914,435</u>	<u>\$ 7,985,880</u>	<u>\$ 37,856,467</u>
Liabilities						
Accounts Payable and Accrued Items	\$ 870,248	\$ -	\$ -	\$ 749,157	\$ 1,041,843	\$ 2,661,248
Unearned Revenue	2,224	-	-	-	556,250	558,474
Due to Other Funds	9,328,660	3,914,435	2,895,781	1,940	2,004,295	18,145,111
Advance from Other Funds	-	-	-	-	1,368,709	1,368,709
Total Liabilities	<u>10,201,132</u>	<u>3,914,435</u>	<u>2,895,781</u>	<u>751,097</u>	<u>4,971,097</u>	<u>22,733,542</u>
Deferred Inflows of Resources						
Unavailable Revenues:						
Property Taxes and Interest	935,375	-	-	-	-	935,375
Long-term Contracts Receivable	-	-	-	-	188,000	188,000
Total Deferred Inflows of Resources	<u>935,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>188,000</u>	<u>1,123,375</u>
Fund Balances						
Nonspendable	180,200	1,188,509	-	-	9,715	1,378,424
Restricted	-	2,221,710	-	-	1,535,722	3,757,432
Committed	44,498	774,687	-	3,163,338	3,306,969	7,289,492
Assigned	350,000	-	-	-	-	350,000
Unassigned	6,145,606	-	(2,895,781)	-	(2,025,623)	1,224,202
Total Fund Balances	<u>6,720,304</u>	<u>4,184,906</u>	<u>(2,895,781)</u>	<u>3,163,338</u>	<u>2,826,783</u>	<u>13,999,550</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 17,856,811</u>	<u>\$ 8,099,341</u>	<u>\$ -</u>	<u>\$ 3,914,435</u>	<u>\$ 7,985,880</u>	<u>\$ 37,856,467</u>

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

TOWN OF PUTNAM, CONNECTICUT

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2020

Fund balances reported in governmental funds Balance Sheet \$ 13,999,550

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

<i>Capital Assets</i>	108,528,672
<i>Depreciation</i>	(39,252,372)

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

<i>Property taxes and interest receivable greater than 60 days</i>	935,375
<i>Long-term contracts receivable</i>	188,000

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the Statement of Net Position.

1,988,968

The net pension asset is not recognized in the governmental funds. The net pension asset results from the difference between the pension plan's fiduciary net position and the portion of the present value of projected benefit payments to be provided through the pension plan.

1,346,796

Governmental funds report the effect of premiums, deferred charges and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Net Position.

(328,296)

Certain changes related to pensions are deferred and amortized over time.

<i>Deferred Outflows - Pension</i>	711,697
<i>Deferred Outflows - OPEB</i>	866,589
<i>Deferred Inflows - Pension</i>	(562,574)
<i>Deferred Inflows - OPEB</i>	(829,488)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements.

<i>Accrued interest payable</i>	(172,425)
<i>Bonds payable</i>	(11,290,000)
<i>Loan payable</i>	(576,000)
<i>Compensated absences</i>	(366,217)
<i>Post-closure landfill costs</i>	(433,000)
<i>Total OPEB liability</i>	<u>(3,745,182)</u>

Net position of governmental activities \$ 71,010,093

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

TOWN OF PUTNAM, CONNECTICUT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	General Fund	Ash Landfill Fund	High School Renovation & Expansion Fund	Municipal Complex Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes, Interest and Lien Fees	\$ 14,350,277	\$ -	\$ -	\$ -	\$ -	\$ 14,350,277
Intergovernmental Revenues	11,712,899	-	1,747,916	-	6,508,615	19,969,430
Licenses, Permits, and Charges for Services	3,077,570	976,051	-	-	754,839	4,808,460
Investment Income	174,598	-	-	-	3,292	177,890
Other Revenue	-	-	-	-	72,163	72,163
Total Revenues	<u>29,315,344</u>	<u>976,051</u>	<u>1,747,916</u>	<u>-</u>	<u>7,338,909</u>	<u>39,378,220</u>
Expenditures						
Current:						
General Government	1,735,711	-	-	-	256	1,735,967
Public Safety	117,619	-	-	-	31	117,650
Public Works	1,225,300	-	-	-	547,281	1,772,581
Culture and Recreation	989,075	-	-	-	64,132	1,053,207
Sanitation	445,705	-	-	-	200,315	646,020
Community and Social Services	276,216	-	-	-	11,920	288,136
Economic Development	148,421	-	-	-	84,553	232,974
Employee and Fringe Benefits	802,412	-	-	-	-	802,412
Risk Management	200,242	-	-	-	-	200,242
Education	21,895,260	-	-	-	2,934,237	24,829,497
Debt Service	960,445	-	-	-	-	960,445
Capital Outlay	-	-	111,510	2,084,608	5,521,517	7,717,635
Total Expenditures	<u>28,796,406</u>	<u>-</u>	<u>111,510</u>	<u>2,084,608</u>	<u>9,364,242</u>	<u>40,356,766</u>
Excess/(Deficiency) of Revenues over Expenditures	518,938	976,051	1,636,406	(2,084,608)	(2,025,333)	(978,546)
Other Financing Sources/(Uses)						
Transfers In	-	4,984	-	-	2,904,581	2,909,565
Transfers Out	(774,000)	(1,469,527)	-	-	(109,297)	(2,352,824)
Total Other Financing Sources/(Uses)	<u>(774,000)</u>	<u>(1,464,543)</u>	<u>-</u>	<u>-</u>	<u>2,795,284</u>	<u>556,741</u>
Net Change in Fund Balances	(255,062)	(488,492)	1,636,406	(2,084,608)	769,951	(421,805)
Fund Balances at Beginning of Year	<u>6,975,366</u>	<u>4,673,398</u>	<u>(4,532,187)</u>	<u>5,247,946</u>	<u>2,056,832</u>	<u>14,421,355</u>
Fund Balances at End of Year	<u>\$ 6,720,304</u>	<u>\$ 4,184,906</u>	<u>\$ (2,895,781)</u>	<u>\$ 3,163,338</u>	<u>\$ 2,826,783</u>	<u>\$ 13,999,550</u>

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

TOWN OF PUTNAM, 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, 2020

Net Change in Fund Balances - Total Governmental Funds \$ (421,805)

**Amounts reported for governmental activities in the Statement of Activities
are different because:**

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 as depreciation expense.

<i>Capital expenditures</i>	7,324,869
<i>Depreciation expense</i>	(2,638,523)
<i>Loss on disposal</i>	(9,574)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.

<i>Property taxes and interest collected accrual basis change</i>	350,853
<i>Long-term contracts receivable accrual basis change</i>	(12,000)

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

<i>Principal payments on long-term debt - general obligation bonds</i>	495,000
<i>Principal payments on long-term debt - loans</i>	16,000

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 the governmental funds.

<i>Accrued interest</i>	242
<i>Amortization of bond premiums</i>	14,923
<i>Compensated absences</i>	(37,921)
<i>Post-closure landfill costs</i>	45,000
<i>Net pension asset</i>	(79,748)
<i>OPEB liability</i>	(261,002)

Internal service funds are used by management to charge costs to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

250,079

Change in net position of governmental activities **\$ 5,036,393**

TOWN OF PUTNAM, CONNECTICUT

Statement of Fund Net Position

Proprietary Funds

June 30, 2020

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	<u>Activities</u>
	<u>Fund</u>	<u>Fund</u>		<u>Internal</u>
				<u>Service</u>
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ 4,166,554	\$ 2,491,580	\$ 6,658,134	\$ -
Receivables, Net	772,153	710,036	1,482,189	-
Due from Other Funds	170,833	384,305	555,138	-
Health Insurance Escrow	-	-	-	2,202,235
Other	110,401	38,395	148,796	-
Total Current Assets	<u>5,219,941</u>	<u>3,624,316</u>	<u>8,844,257</u>	<u>2,202,235</u>
Noncurrent Assets:				
Net Pension Asset	86,298	81,727	168,025	-
Nondepreciable Capital Assets	92,766	-	92,766	-
Capital Assets, Net of Accum. Depreciation	28,183,462	21,210,838	49,394,300	-
Total Noncurrent Assets	<u>28,362,526</u>	<u>21,292,565</u>	<u>49,655,091</u>	<u>-</u>
Total Assets	<u>\$ 33,582,467</u>	<u>\$ 24,916,881</u>	<u>\$ 58,499,348</u>	<u>\$ 2,202,235</u>
Deferred Outflows of Resources				
Deferred Outflows - Pension	<u>45,603</u>	<u>43,188</u>	<u>88,791</u>	<u>-</u>
Liabilities				
Current Liabilities:				
Accounts Payable and Accrued Items	\$ 161,012	\$ 136,873	\$ 297,885	\$ -
Accrued Interest Payable	146,795	71,296	218,091	-
Due to Other Funds	945,637	727,574	1,673,211	-
Loans Payable	447,792	292,703	740,495	-
Compensated Absences	19,348	27,589	46,937	-
Capital Leases	-	30,848	30,848	-
Claims Payable	-	-	-	213,267
Total Current Liabilities	<u>1,720,584</u>	<u>1,286,883</u>	<u>3,007,467</u>	<u>213,267</u>
Noncurrent Liabilities:				
Loans Payable	14,741,470	12,215,148	26,956,618	-
Compensated Absences	34,590	14,938	49,528	-
Capital Leases	-	66,342	66,342	-
Total Noncurrent Liabilities	<u>14,776,060</u>	<u>12,296,428</u>	<u>27,072,488</u>	<u>-</u>
Total Liabilities	<u>16,496,644</u>	<u>13,583,311</u>	<u>30,079,955</u>	<u>213,267</u>
Deferred Inflows of Resources				
Deferred Inflows - Pension	<u>36,048</u>	<u>34,138</u>	<u>70,186</u>	<u>-</u>
Net Position				
Net Investment in Capital Assets	13,086,966	8,605,797	21,692,763	-
Unrestricted	<u>4,008,412</u>	<u>2,736,823</u>	<u>6,745,235</u>	<u>1,988,968</u>
Total Net Position	<u>\$ 17,095,378</u>	<u>\$ 11,342,620</u>	<u>\$ 28,437,998</u>	<u>\$ 1,988,968</u>

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

TOWN OF PUTNAM, CONNECTICUT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2020

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	<u>Internal</u>
	<u>Fund</u>	<u>Fund</u>		<u>Service</u>
OPERATING REVENUES				
Charges for Services	\$ 2,808,251	\$ 2,552,670	\$ 5,360,921	\$ 3,936,857
Other	-	9,506	9,506	-
Total Operating Revenues	<u>2,808,251</u>	<u>2,562,176</u>	<u>5,370,427</u>	<u>3,936,857</u>
OPERATING EXPENSES				
Personnel Services	657,403	816,287	1,473,690	-
Contractual Services	235,344	454,862	690,206	-
Rent and Utilities	220,970	222,300	443,270	-
Supplies, Repairs and Maintenance	399,720	206,980	606,700	-
Depreciation	693,292	606,855	1,300,147	-
Administration	156,701	8,255	164,956	152,053
Claims	-	-	-	3,082,708
Premiums	-	-	-	463,020
Total Operating Expenses	<u>2,363,430</u>	<u>2,315,539</u>	<u>4,678,969</u>	<u>3,697,781</u>
Operating Income/(Loss)	444,821	246,637	691,458	239,076
NON-OPERATING REVENUES (EXPENSES)				
Antenna Lease	16,253	-	16,253	-
Interest Income	56,320	36,823	93,143	11,003
Interest Expense	(312,653)	(348,456)	(661,109)	-
Total Non-Operating Expenses	<u>(240,080)</u>	<u>(311,633)</u>	<u>(551,713)</u>	<u>11,003</u>
Income/(Loss) before Capital				
Contributions and Transfers	<u>204,741</u>	<u>(64,996)</u>	<u>139,745</u>	<u>250,079</u>
Capital Contributions	482,389	37,454	519,843	-
Transfers	<u>-</u>	<u>(556,741)</u>	<u>(556,741)</u>	<u>-</u>
Change in Net Position	687,130	(584,283)	102,847	250,079
Net Position - Beginning of Year	<u>16,408,248</u>	<u>11,926,903</u>	<u>28,335,151</u>	<u>1,738,889</u>
Net Position - End of Year	<u>\$ 17,095,378</u>	<u>\$ 11,342,620</u>	<u>\$ 28,437,998</u>	<u>\$ 1,988,968</u>

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

TOWN OF PUTNAM, CONNECTICUT

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2020

	Business-Type Activities - Enterprise Funds			Governmental
	Water	Sewer	Total	Activities
	Fund	Fund		Internal
				Service
Cash Flows from Operating Activities:				
Receipts from Customers and Users	\$ 2,825,829	\$ 2,327,177	\$ 5,153,006	\$ -
Receipts from Interfund Charges for Risk Management	-	-	-	3,936,857
Payments for Operating Activities	(1,570,459)	(1,774,070)	(3,344,529)	-
Payments for Benefits and Claims	-	-	-	(3,332,787)
Premiums and Administrative Charges	-	-	-	(615,073)
Net Cash Provided by Operating Activities	<u>1,255,370</u>	<u>553,107</u>	<u>1,808,477</u>	<u>(11,003)</u>
Cash Flows from Noncapital Financing Activities:				
Interfund Activity	(419,257)	762,313	343,056	-
Net Cash Used by Noncapital Financing Activities	<u>(419,257)</u>	<u>762,313</u>	<u>343,056</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:				
Interfund Transfers	-	(556,741)	(556,741)	-
Purchases of Capital Assets	(99,548)	(87,540)	(187,088)	-
Principal Paid on Loans	(447,792)	(292,300)	(740,092)	-
Principal Paid on Capital Leases	-	(29,396)	(29,396)	-
Interest Paid on Capital Debt	(331,553)	(349,443)	(680,996)	-
Net Cash Used by Capital and Related Financing Activities	<u>(878,893)</u>	<u>(1,315,420)</u>	<u>(2,194,313)</u>	<u>-</u>
Cash Flows from Investing Activities:				
Purchases/Proceeds of Investments, Net	100,884	-	100,884	-
Antenna Lease	16,253	-	16,253	-
Interest Income	56,320	36,823	93,143	11,003
Net Cash Provided by Investing Activities	<u>173,457</u>	<u>36,823</u>	<u>210,280</u>	<u>11,003</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	130,677	36,823	167,500	-
Cash and Cash Equivalents at Beginning of Year	<u>4,035,877</u>	<u>2,454,757</u>	<u>6,490,634</u>	<u>-</u>
Cash and Cash Equivalents at End of Year	<u>\$ 4,166,554</u>	<u>\$ 2,491,580</u>	<u>\$ 6,658,134</u>	<u>\$ -</u>
Reconciliation of Operating Income/(Loss) to Net Cash				
Provided by Operating Activities:				
Operating Income/(Loss)	\$ 444,821	\$ 246,637	\$ 691,458	\$ 239,076
Adjustments to Reconcile Income to Net Cash				
Provided by Operating Activities:				
Depreciation	693,292	606,855	1,300,147	-
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	17,578	(234,999)	(217,421)	-
(Increase) Decrease in Deferred Outflows	(41,916)	(39,696)	(81,612)	-
(Increase) Decrease in Net Pension Asset	53,652	50,811	104,463	-
(Increase) Decrease in Health Insurance Escrow	-	-	-	(184,742)
Increase (Decrease) in Deferred Inflows	(6,626)	(6,276)	(12,902)	-
Increase (Decrease) in Accounts Payable and Accrued	93,934	(69,120)	24,814	-
Increase (Decrease) in Claims Payable	-	-	-	(65,337)
Increase (Decrease) in Compensated Absences	635	(1,105)	(470)	-
Total Adjustments	<u>810,549</u>	<u>306,470</u>	<u>1,117,019</u>	<u>(250,079)</u>
Net Cash Provided by Operating Activities	<u>\$ 1,255,370</u>	<u>\$ 553,107</u>	<u>\$ 1,808,477</u>	<u>\$ (11,003)</u>
Noncash Capital and Related Financing Activity:				
Capital Contributions from Other Funds	<u>\$ 482,389</u>	<u>\$ 37,454</u>	<u>\$ 519,843</u>	<u>\$ -</u>

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

TOWN OF PUTNAM, CONNECTICUT

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2020

	Pension Trust Fund	Private- Purpose Trust Funds	Agency Funds
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and Cash Equivalents	\$ 183,594	\$ 381,930	\$ 116,315
Investments	15,085,910	263,008	7,445
Due from Other Funds	-	115,306	-
Total Assets	<u>\$ 15,269,504</u>	<u>\$ 760,244</u>	<u>\$ 123,760</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities			
Fiduciary Deposits	\$ -	\$ -	\$ 123,760
Due to Other Funds	-	2,200	-
Total Liabilities	<u>-</u>	<u>2,200</u>	<u>\$ 123,760</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Net Position			
Restricted for Pension Benefits	15,269,504	-	
Restricted for Other Purposes	-	758,044	
Total Net Position	<u>\$ 15,269,504</u>	<u>\$ 758,044</u>	

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

TOWN OF PUTNAM, CONNECTICUT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020

	Pension Trust Fund	Private- Purpose Trust Funds
	<u> </u>	<u> </u>
Additions		
Contributions:		
Employer	\$ 78,918	\$ -
Plan Members	157,089	-
Contributions and Donations	<u>-</u>	<u>19,250</u>
Total Contributions	<u>236,007</u>	<u>19,250</u>
Investment Income:		
Net Appreciation/(Depreciation) in Fair Value of Investments	(181,484)	3,557
Interest and Dividends	<u>551,437</u>	<u>2,105</u>
Total Investment Income	369,953	5,662
Less: Investment Management Fees	<u>(28,314)</u>	<u>-</u>
Total Additions	<u>577,646</u>	<u>24,912</u>
Deductions		
Pension Benefits	451,822	53,950
Administrative Expenses	<u>8,684</u>	<u>-</u>
Total Deductions	<u>460,506</u>	<u>53,950</u>
Change in Net Position	117,140	(29,038)
Net Position at Beginning of Year	<u>15,152,364</u>	<u>787,082</u>
Net Position at End of Year	<u>\$ 15,269,504</u>	<u>\$ 758,044</u>

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

TOWN OF PUTNAM, CONNECTICUT
Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Town of Putnam, Connecticut (the “Town”) have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing the governmental accounting and financial reporting principles. The Town’s significant accounting policies are described below.

Reporting Entity

The Town was incorporated in 1855 and covers 20.4 square miles located in Windham County. The Town operates under a Selectmen/Board of Finance form of government. The Mayor is the chief executive officer of the Town and is responsible for the day-to-day operations of the Town. The Town provides the following services by charter: general government, public safety (canine control and fire marshal), public works, culture and recreation, sanitation, community and social services, economic development and education.

The Town's financial statements include the accounts of all Town controlled operations. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Town of Putnam (the primary government) and any component units. The basic criteria for inclusion of a component unit in a governmental unit's reporting entity for financial reporting is the exercise of oversight responsibility. Oversight responsibility is determined on the basis of financial interdependence, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters and scope of public service. Currently, there are no entities considered component units of the Town. The Town includes all funds, agencies, boards, commissions, and authorities that are controlled by or dependent on the Town's executive and legislative branches. The financial statements presented herein do not include agencies which have been formed under applicable State laws or separate and distinct units of government apart from the Town of Putnam.

Related Organizations

The Town is responsible for appointing members of the Board of the Town of Putnam Housing Authority. The Town’s accountability for the Housing Authority does not extend beyond making the appointments.

The Putnam Special Services District (the “District”) is responsible for the operations of the police department, fire department, emergency dispatch center, and streetlights within the boundaries of the District, which is located within the Town. The governing board of the District is elected by the citizens of the District.

The Town is a member of the Northeastern Connecticut Transit District, which provides public transportation to its member towns. In addition, the Town is a member of the Northeastern Connecticut Council of Governments, which provides its member towns with access to transportation planning, engineering services, land use planning and regulation development services, economic development services, animal services, transit administration, property revaluation services, emergency preparedness, geographic information services and paramedic intercept services. The Mayor of the Town serves on the Board of Directors for each of these organizations.

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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

TOWN OF PUTNAM, CONNECTICUT
Notes to the Financial Statements

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, 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.

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in the demonstrating compliance with finance related legal and contractual provisions. The Town maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with nonmajor funds, if any, aggregated and presented in a single column.

The Town maintains fiduciary funds which are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation.

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

Measurement Focus, Basis of Accounting, and Financial Statements Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the 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 revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Their revenues are recognized when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. Exceptions to this general rule include: compensated absences, debt service, capital leases, other post-employment benefit obligations, and claims and judgments that are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Proceeds from the issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes when levied 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. All other revenue items are considered to be measurable and available only when cash is received by the government, or specifically identified.

TOWN OF PUTNAM, CONNECTICUT
Notes to the Financial Statements

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for services relating to water and sewer usage. Operating expenses for enterprise funds include the cost of operations and maintenance, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental Funds are those through which most governmental functions typically are financed. The Town reports the following major governmental funds:

- The *General Fund* is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another manner. Revenues are derived primarily from property taxes, state grants, licenses, permits, charges for services, and earnings on investments.
- The *Ash Landfill Fund* is a special revenue fund that was established by ordinance to account for the accumulation of host fee revenue, derived from the Town's ash landfill, that is in excess of the annual amount appropriated for spending in the Town's General Fund. The purpose of the fund is to pay for the Town's portion of the post-closure care costs of the ash landfill.
- The *High School Renovation & Expansion Fund* is used to account for the renovation and expansion of the Town's high school, central office facilities, and the medical pathway facility.
- The *Municipal Complex Fund* is used to account for the construction of the Town's new municipal complex.

The Town reports the following major enterprise funds:

- The *WPCA Water Fund* is used to account for revenues and expenses associated with the processing and distribution of water to residents of the Town.
- The *WPCA Sewer Fund* is used to account for revenues and expenses associated with the processing, treatment, and disposal of sewage within the Town.

Fiduciary Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, and other governments. Fiduciary funds are not included in the government-wide financial statements. The fiduciary funds are as follows:

- The *Pension Trust Fund* accounts for the activities of the Town's defined benefit pension plan, which accumulates resources for pension benefit payments to qualified employees upon retirement.
- The *Private Purpose Trust Funds* are used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments.
- The *Agency Funds* account for resources held by the Town in a purely custodial capacity. The Town primarily utilizes agency funds to account for assets of the student activities funds. The student activities funds account for monies generated by student activities in the Town's school system.

TOWN OF PUTNAM, CONNECTICUT
Notes to the Financial Statements

Additionally, the Town reports the following fund types:

- The *Internal Service Funds (Proprietary)* are used to account for the Town's self-insured healthcare activities administered through the Eastern Connecticut Health Insurance Program.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Accounting Estimates

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

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

Cash and Cash Equivalents - The deposit of public funds is controlled by the Connecticut General Statutes. The Town maintains separate accounts with depositories where necessary. Cash applicable to a particular fund is readily identifiable. Cash in excess of current requirements is invested in various interest-bearing accounts, certificates of deposit, and pooled investment funds that may be deemed to be cash equivalents based on maturity date or availability of conversion to cash. Cash and cash equivalents are stated at cost, which approximates market value and have maturities of three months or less. This definition also applies to the proprietary statement of cash flows.

The Short-Term Investment Fund (STIF) is a money market investment pool managed by the Cash Management Division of the State Treasurer's Office created by Section 3-27 of the Connecticut General Statutes (CGS). Pursuant to CGS 3-27a through 3-27f, the State, municipal entities, and political subdivisions of the State are eligible to invest in the fund. The fund is considered a "2a7-like" pool and reports its investments at amortized cost (which approximates fair value). The pool is rated AAAM by Standard & Poors. This is the highest rating for money market funds and investment pools. The pooled investment funds' risk category cannot be determined since the Town does not own identifiable securities but invests as a shareholder of the investment pool.

Investments - 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, 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. Other trust funds may also invest in stocks, bonds, or other securities selected by the Trustee.

TOWN OF PUTNAM, CONNECTICUT
Notes to the Financial Statements

Fair Value of Financial Instruments - In accordance with GASB Statement No. 72, the Town is required to measure the fair value of its assets and liabilities under a three-level hierarchy, as follows:

Level 1: Quoted market prices for identical assets or liabilities to which an entity has access to at the measurement date.

Level 2: Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets in markets that are not active; Observable inputs other than quoted prices for the assets or liability;
- c. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting entity; and *unobservable inputs* reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Certificates of Deposit are reported at amortized cost and are excluded from the fair value disclosures.

Donor-restricted Endowments - The Town allocates investment income on endowments in accordance with donor restrictions and Connecticut law, which has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). UPMIFA requires the investment of endowments in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. It requires prudence in incurring investment costs, authorizing only costs that are appropriate and reasonable. Factors to be considered in investing are expanded to include, for example, the effects of inflation. UPMIFA emphasizes that investment decisions be made in relation to the overall resources of the Town.

Funds Held in Escrow – Funds held in escrow as of June 30, 2020 consist of amounts held by the Eastern Connecticut Health Insurance Cooperative (see Note 11), which administers the Town's health insurance activities.

Property Taxes Receivables - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The Town has established an allowance for uncollectable taxes based on historical collection experience and other factors. The Town has recorded an allowance for property taxes in the amount of \$202,000 and an allowance for related interest in the amount of \$39,000 as of June 30, 2020. Property taxes are assessed of October 1 and billed the following July. Real estate property bills are payable in two installments, July 1 and January 1. Motor vehicle and personal property taxes are payable in one installment on July 1, with the motor vehicle supplemental bills payable on January 1. Assessments for real and personal property, including motor vehicles, are computed at seventy percent of the market value. Taxes become delinquent thirty days after the installment is due and liens are filed on balances that are delinquent for one year.

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

Sewer and Water Charges - Sewer and water user charges are billed periodically throughout the year. User charges are due and payable within thirty days and delinquent amounts are subject to interest at prevailing rates. Liens are filed on all properties until the assessment is paid in full. The Town establishes an allowance for uncollectible charges based on historical collection experience and other factors. The town has recorded an allowance for sewer charges in the amount of \$23,084 and an allowance for water charges in the amount of \$35,434 as of June 30, 2020.

Loans Receivable – The Town provides low interest loans in connection with the Town’s small business and residential housing rehabilitation loan programs. Certain loans included terms of forgiveness at a rate of 20% annually based on the original principal balance of the loans. In addition, certain loans made by the Town under the program bear an interest rate of 0.0% and repayment of the loans are deferred. Repayment of the deferred loans become due and payable only upon sale or transfer of the property, the owner’s demise, or when the subject property is no longer the applicant’s principal place of residence.

Inventories and Prepaid Items – All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Interfund Receivables and Payables - 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” (the current portion of interfund loans) or “advances to/from other funds” (the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Advances between funds are offset by a nonspendable fund balance designation in the Fund providing the resources to indicate that they are not available for appropriation and are not expendable available financial resources.

Capital Assets - Capital assets, which include property, equipment, and infrastructure assets (roads, bridges, sidewalks, and similar items), are reported in the government-wide and proprietary fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$25,000 for infrastructure assets and \$5,000 for all other assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and Improvements	20 - 50
Machinery, Equipment, and Vehicles	5 - 50
Infrastructure	20 - 50

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

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

Long-term obligations - In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period they are incurred.

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

Compensated absences - Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred pension and OPEB expense in the government-wide and proprietary fund financial statements. Deferred pension and OPEB expense results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active and inactive employees).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Within the government-wide and proprietary fund statements of net position the Town reports as deferred inflows amounts representing the net difference between expected and actual results, changes in assumptions and projected and actual earnings of its pension and OPEB plans. These amounts are deferred and included in pension and OPEB expense over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (active and inactive employees). Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, interest and lien fees, and long-term contracts receivable. These amounts are deferred and recognized as an inflow of resources in the period during which the amounts become available.

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

Fund equity and net position– Net position represents the difference between assets, deferred inflows of resources, liabilities, and deferred outflows of resources. In the government-wide and proprietary fund statements of net position, net position is classified in the following categories:

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents the net position of the Town, which is not restricted for any project or other purpose.

When both restricted and unrestricted resources are available for certain expenses, the Town expends restricted resources first and uses unrestricted resources when the restricted funds are depleted.

In the fund financial statements, fund balances of governmental funds are classified in the following five separate categories:

Nonspendable Fund Balance – Indicates amounts that cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact.

Restricted Fund Balance – Indicates amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors or, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Indicates amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Finance (the highest level of decision making authority of the Town) and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action.

Assigned Fund Balance – Indicates amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Amounts may be constrained to be used for a specific purpose by a governing board or body or official that has been delegated authority to assign amounts by the Town Charter.

Unassigned Fund Balance – Represents the remaining fund balance after amounts are set aside for all other classifications.

When both restricted and unrestricted (committed, assigned, unassigned) amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted fund balance first if the expenditure meets the restricted purpose, followed by committed, assigned and unassigned amounts.

The Town has not formally enacted legislation or Board policies requiring it to maintain a minimum fund balance.

TOWN OF PUTNAM, CONNECTICUT
Notes to the Financial Statements

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

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by Statute or in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an “out of state bank” as defined by the Statutes, which is not a “qualified public depository”. The following is a summary of cash and cash equivalents at June 30, 2020.

	Governmental Funds	Proprietary Funds	Fiduciary Funds	Total
Cash	\$ 2,635,896	\$ 864,748	\$ 681,839	\$ 4,182,483
Cash Equivalents	11,049,433	5,793,386	-	16,842,819
Total Cash and Cash Equivalents	\$ 13,685,329	\$ 6,658,134	\$ 681,839	\$ 21,025,302

Custodial Credit Risk - Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town’s policy is to only allow the Town to use banks that are in the State of Connecticut. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank’s risk-based capital ratio. The following is a reconciliation of the Town’s deposits subject to custodial credit risk:

Cash and Cash Equivalents	\$ 21,025,302
Less: Cash Equivalents (STIF)	(16,842,819)
Plus: Investments (CDs)	33,990
	\$ 4,216,473

At year-end, the Town’s carrying amount of deposits subject to custodial credit risk was \$4,216,473 and the bank balance was \$5,261,200. Of the bank balance, Federal Depository Insurance Corporation insured \$988,590.

As of June 30, 2020, \$4,272,610 of the Town’s bank balance of \$5,261,200 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 3,770,349
Uninsured and collateral held by pledging bank’s Trust department not in the Town’s name	502,261
Total	\$ 4,272,610

Cash Equivalents

At June 30, 2020, the Town’s cash equivalents (Short-Term Investment Fund “STIF”) amounted to \$16,842,819. STIF is rated AAAM by Standard and Poor’s and has an average maturity of under 60 days.

TOWN OF PUTNAM, CONNECTICUT
Notes to the Financial Statements

Investments

The following is a summary of investments at June 30, 2020:

	Fiduciary Funds
Certificates of Deposit	\$ 33,990
U.S. Treasuries	183,669
Mutual Funds	15,138,704
Total Investments	\$ 15,356,363

The following is a summary of assets measured at fair value:

Description	June 30, 2020	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasuries	\$ 183,669	\$ 183,669	\$ -	\$ -
Mutual Funds	15,138,704	15,138,704	-	-
		\$ 15,322,373	\$ -	\$ -
Investments not included above:				
Certificates of Deposit	33,990			
Total Investments	\$ 15,356,363			

The Certificates of Deposit are reported at cost and covered by FDIC insurance.

Custodial Credit Risk - Investments. This is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Town does not have a policy for custodial credit risk.

Credit Risk – The Town does not have an investment policy that limits investment choices further than the Connecticut General Statutes. Generally, credit risk is defined as the risk that an issuer of a debt type investment will not fulfill its obligation to the holder. This is measured by assignment of a rating by a nationally recognized rating organization.

Interest Rate Risk - The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Generally, the Town does not invest in any long-term investment obligations.

TOWN OF PUTNAM, CONNECTICUT
Notes to the Financial Statements

As of June 30, 2020, the Town had the following investments subject to interest rate risk:

	Total	Investment Maturities (In Years)		
		Less Than 1	1 - 5	6 - 10
Certificates of Deposit	\$ 33,990	\$ 1,240	\$ 32,750	\$ -
U.S. Treasuries	183,669	161,900	21,769	-
Total	\$ 217,659	\$ 163,140	\$ 54,519	\$ -

NOTE 3 – RECEIVABLES

Receivables as of year-end for the Town’s individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Water Fund	Sewer Fund	Nonmajor and Other Funds	Total
Receivables:					
Property taxes	\$ 852,011	\$ -	\$ -	\$ -	\$ 852,011
Interest, Liens, and Fees	390,633	-	-	-	390,633
Usage Charges	-	807,587	733,120	-	1,540,707
Loans	-	-	-	529,897	529,897
Intergovernmental	-	-	-	1,676,808	1,676,808
Contracts	-	-	-	188,000	188,000
Accounts	184,047	-	-	62,568	246,615
Gross Receivables	1,426,691	807,587	733,120	2,457,273	5,424,671
Less allowance for uncollectibles:					
Property taxes, interest, liens, and fees	(241,000)	-	-	-	(241,000)
Usage Charges	-	(35,434)	(23,084)	-	(58,518)
Total allowance	(241,000)	(35,434)	(23,084)	-	(299,518)
Net Total Receivables	\$ 1,185,691	\$ 772,153	\$ 710,036	\$ 2,457,273	\$ 5,125,153

The loans receivable of \$529,897 and the contracts receivable of \$188,000 in the nonmajor governmental funds are long-term receivables and not expected to be collected within one year.

Governmental funds report unavailable revenue in connection with receivables that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

	Governmental Funds
General Fund:	
Fees Collected in Advance	\$ 2,224
Nonmajor Funds:	
Advances on Grants	556,250
Total Unearned Revenue	\$ 558,474

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

Contracts Receivable

In January 2016, the Town entered into an interlocal agreement with three participating towns for the development of the Quinebaug Regional Technology Park. The participating towns have agreed to pay a portion of the development costs in exchange for varying percentage interests in the technology park. The Town agreed to fund development costs up front for two of the participating towns and these amounts are being repaid in equal annual installments over 20 years at an interest rate of 1.875%. The following represents the future expected payments to be received by the Town under the agreement as of June 30, 2020:

Fiscal Year Ending	Amount
2021	\$ 12,000
2022	12,000
2023	12,000
2024	12,000
2025	12,000
Thereafter	128,000
	\$ 188,000

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Fund transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and 2) to account for unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers during the year ended June 30, 2020 were as follows:

Transfers In:	Transfers Out:	Amount
Governmental Funds:		
Ash Landfill Fund	General Fund	\$ 4,984
Nonmajor Governmental Funds	Ash Landfill Fund	1,469,527
	General Fund	769,016
	Nonmajor Governmental Funds	109,297
	Proprietary Fund - Sewer Fund	556,741
		2,904,581
	Total Transfers	\$ 2,909,565

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

The outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made. At June 30, 2020, the outstanding balances between funds were:

Receivable Fund:	Payable Fund:	Total
Governmental Funds:		
General Fund	High School Renovation Fund	\$ 2,895,781
	Municipal Complex Fund	1,940
	Water Fund	169,491
	Private Purpose Trust Funds	2,200
	Nonmajor Governmental Funds	2,004,295
		5,073,707
Ash Landfill Fund	General Fund	6,910,832
Municipal Complex Fund	Ash Landfill Fund	3,914,435
Nonmajor Governmental Funds	General Fund	2,302,522
	Sewer Fund	556,741
	Water Fund	391,841
		3,251,104
	Total Governmental Funds	19,150,078
Proprietary Funds:		
Water Fund	Sewer Fund	170,833
Sewer Fund	Water Fund	384,305
	Total Proprietary Funds	555,138
Fiduciary Funds:		
Private Purpose Trust Funds	General Fund	\$ 115,306

Advances to/from other funds

The Town has authorized the use of funds from the Ash Landfill Fund to temporarily finance authorized capital projects. The Town intends to repay amounts advanced from the Ash Landfill Fund through future annual budgetary appropriations from the General Fund. The amounts advanced from the Ash Landfill Fund are not expected to be repaid within one year and, therefore, the balance of \$1,188,509 has been presented as an advance in the accompanying governmental funds balance sheet as of June 30, 2020.

In connection with the interlocal agreement disclosed in Note 3 to the financial statements, the Town has agreed to fund development costs up front for two participating towns. The amounts advanced from the General Fund are not expected to be repaid within one year, and therefore, the balance of \$180,200 has been presented as an advance in the accompanying governmental funds balance sheet as of June 30, 2020.

TOWN OF PUTNAM, CONNECTICUT
Notes to the Financial Statements

NOTE 5 – CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2020 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 2,055,563	\$ -	\$ -	\$ 2,055,563
Construction in Progress	4,104,691	6,401,715	-	10,506,406
Total capital assets, not being depreciated	<u>6,160,254</u>	<u>6,401,715</u>	<u>-</u>	<u>12,561,969</u>
Capital assets, being depreciated:				
Infrastructure and Improvements	26,669,160	-	-	26,669,160
Buildings and Improvements	61,164,493	243,581	-	61,408,074
Machinery and Equipment	7,324,789	679,573	(114,893)	7,889,469
Total capital assets, being depreciated	<u>95,158,442</u>	<u>923,154</u>	<u>(114,893)</u>	<u>95,966,703</u>
Less accumulated depreciation for:				
Infrastructure and Improvements	9,846,653	556,951	-	10,403,604
Buildings and Improvements	21,737,304	1,631,842	-	23,369,146
Machinery and Equipment	5,135,211	449,730	(105,319)	5,479,622
Total accumulated depreciation	<u>36,719,168</u>	<u>2,638,523</u>	<u>(105,319)</u>	<u>39,252,372</u>
Total capital assets, being depreciated	<u>58,439,274</u>	<u>(1,715,369)</u>	<u>(9,574)</u>	<u>56,714,331</u>
<i>Governmental Activities capital assets, net</i>	<u>\$ 64,599,528</u>	<u>\$ 4,686,346</u>	<u>\$ (9,574)</u>	<u>\$ 69,276,300</u>

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

Governmental Activities:	
General Government	\$ 48,764
Public Safety	6,795
Public Works	800,667
Culture and Recreation	304,231
Economic Development	6,850
Education	<u>1,471,216</u>
Total Depreciation and Amortization Expense	
Governmental Activities	<u>\$ 2,638,523</u>

TOWN OF PUTNAM, CONNECTICUT
Notes to the Financial Statements

Capital asset activity for business-type activities for the year ended June 30, 2020 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-Type Activities				
Capital assets, not being depreciated:				
Construction in Progress	\$ 8,922,189	\$ 508,860	\$ (9,338,283)	\$ 92,766
Total capital assets, not being depreciated	<u>8,922,189</u>	<u>508,860</u>	<u>(9,338,283)</u>	<u>92,766</u>
Capital assets, being depreciated:				
Infrastructure and Improvements	27,506,541	4,242,254	-	31,748,795
Buildings and Improvements	28,619,022	4,675,346	-	33,294,368
Machinery and Equipment	<u>786,459</u>	<u>618,754</u>	<u>-</u>	<u>1,405,213</u>
Total capital assets, being depreciated	<u>56,912,022</u>	<u>9,536,354</u>	<u>-</u>	<u>66,448,376</u>
Less accumulated depreciation for:				
Infrastructure and Improvements	8,636,859	579,592	-	9,216,451
Buildings and Improvements	6,693,466	626,002	-	7,319,468
Machinery and Equipment	<u>423,604</u>	<u>94,553</u>	<u>-</u>	<u>518,157</u>
Total accumulated depreciation	<u>15,753,929</u>	<u>1,300,147</u>	<u>-</u>	<u>17,054,076</u>
Total capital assets, being depreciated	<u>41,158,093</u>	<u>8,236,207</u>	<u>-</u>	<u>49,394,300</u>
<i>Business-Type Activities capital assets, net</i>	<u>\$ 50,080,282</u>	<u>\$ 8,745,067</u>	<u>\$ (9,338,283)</u>	<u>\$ 49,487,066</u>

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

Business-Type Activities:	
Water	\$ 693,292
Sewer	<u>606,855</u>
Total Depreciation and Amortization Expense	
Business-Type Activities	<u>\$ 1,300,147</u>

TOWN OF PUTNAM, CONNECTICUT
Notes to the Financial Statements

NOTE 6 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$ 11,785,000	\$ -	\$ 495,000	\$ 11,290,000	\$ 495,000
Unamortized Bond Premiums	343,219	-	14,923	328,296	14,923
Loans Payable	592,000	-	16,000	576,000	16,000
Compensated Absences	328,296	40,802	2,881	366,217	143,922
Landfill Post-closure Liability	478,000	-	45,000	433,000	45,000
OPEB Liability	<u>3,342,049</u>	<u>403,133</u>	<u>-</u>	<u>3,745,182</u>	<u>-</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 16,868,564</u>	<u>\$ 443,935</u>	<u>\$ 573,804</u>	<u>\$ 16,738,695</u>	<u>\$ 714,845</u>
Business-Type Activities					
Loans Payable	\$ 28,437,205	\$ -	\$ 740,092	\$ 27,697,113	\$ 740,495
Capital Lease Payable	126,586	-	29,396	97,190	30,848
Compensated Absences	<u>96,935</u>	<u>635</u>	<u>1,105</u>	<u>96,465</u>	<u>46,937</u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 28,660,726</u>	<u>\$ 635</u>	<u>\$ 770,593</u>	<u>\$ 27,890,768</u>	<u>\$ 818,280</u>

The loans payable recorded in the business-type activities are secured by the full faith and credit of the Town, but are substantially liquidated by water and sewer user charges. The remaining liabilities above typically have been liquidated in the General Fund and other governmental funds.

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

Bonds and Loans Payable

A summary of bonds and loans payable outstanding at June 30, 2020 is as follows:

	Year of Issue (FY)	Maturity Date (FY)	Interest Rate	Original Amount	Balance June 30, 2020
Governmental Activities					
Rural Development Loan Payable	2016	2056	2.25%	\$ 640,000	\$ 576,000
General Obligation Bond	2018	2043	3.00%-5.00%	<u>12,280,000</u>	<u>11,290,000</u>
				<u>12,920,000</u>	<u>11,866,000</u>
Business-Type Activities					
Wastewater Loan Payable	1994	2024	4.50%	300,000	40,000
Wastewater Loan Payable	2012	2052	2.75%	6,800,000	5,957,061
Drinking Water Loan Payable	2012	2031	2.06%	1,075,271	564,516
Wastewater Loan Payable	2013	2053	2.50%	711,000	631,320
Drinking Water Loan Payable	2014	2054	2.75%	1,208,113	1,026,896
Wastewater Loan Payable	2014	2054	3.50%	3,836,000	3,122,649
Wastewater Loan Payable	2016	2056	1.75%	2,970,000	2,756,821
Drinking Water Loan Payable	2017	2057	1.875%	9,100,000	8,417,500
Drinking Water Loan Payable	2018	2058	1.875%	1,272,000	1,208,400
Drinking Water Loan Payable	2018	2058	2.75%	1,580,000	1,501,000
Drinking Water Loan Payable	2018	2058	2.25%	1,101,000	1,045,950
Drinking Water Loan Payable	2018	2058	2.625%	<u>1,500,000</u>	<u>1,425,000</u>
				<u>31,453,384</u>	<u>27,697,113</u>
				<u>\$ 44,373,384</u>	<u>\$ 39,563,113</u>

Annual debt service requirements on bonds and loans payable as of June 30, 2020 are as follows:

Year(s)	Governmental Activities		Business-Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 511,000	\$ 424,336	\$ 740,495	\$ 666,186	\$ 1,251,495	\$ 1,090,522
2022	511,000	399,226	745,043	648,029	1,256,043	1,047,255
2023	511,000	374,114	749,707	630,067	1,260,707	1,004,181
2024	511,000	349,006	754,489	611,989	1,265,489	960,995
2025	506,000	323,896	749,390	594,066	1,255,390	917,962
2026-2030	2,530,000	1,305,380	3,824,925	2,698,087	6,354,925	4,003,467
2031-2035	2,530,000	918,466	3,747,821	2,223,448	6,277,821	3,141,914
2036-2040	2,530,000	524,202	3,871,397	1,779,326	6,401,397	2,303,528
2041-2045	1,550,000	124,426	4,042,008	1,315,298	5,592,008	1,439,724
2046-2050	80,000	16,200	4,235,556	828,110	4,315,556	844,310
2051-2055	80,000	7,200	3,271,547	324,880	3,351,547	332,080
2056-2060	16,000	360	964,735	34,268	980,735	34,628
	<u>\$ 11,866,000</u>	<u>\$ 4,766,812</u>	<u>\$ 27,697,113</u>	<u>\$ 12,353,754</u>	<u>\$ 39,563,113</u>	<u>\$ 17,120,566</u>

Authorized, Unissued Bonds

As of June 30, 2020, the Town had authorized, but unissued bonds totaling \$21,465,860. Of this amount, \$16,050,790 is for general purposes, \$3,045,023, is for educational purposes, \$1,726,064 is for sewer purposes, and \$643,983 is for water purposes.

TOWN OF PUTNAM, CONNECTICUT
Notes to the Financial Statements

Capital Leases

The WPCA has entered into a lease agreement as lessee for financing the acquisition of a Septage Camera System. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	Business-Type Activities
Assets:	
Equipment	\$ 161,217
Less accumulated depreciation	(32,243)
Total	\$ 128,974

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020, were as follows:

	Business-Type Activities
Year ending June 30:	
2021	\$ 35,649
2022	35,649
2023	35,649
Total	106,947
Less amount representing interest	(9,757)
Total	\$ 97,190

Compensated Absences

Vacation time earned during the fiscal year can be carried over to the succeeding year, subject to limitations as provided in the respective collective bargaining agreements. Employees are entitled to accumulate sick leave up to a maximum amount stipulated in each contract. Payment for accumulated sick leave is dependent upon the length of service and accumulated days. The value of all compensated absences has been reflected in the government-wide and proprietary fund financial statements.

Landfill Post-Closure Care Liability

The Town is an owner of a municipal solid waste landfill, which was certified as closed by the Town during fiscal year 1997 and certified closed by the State of Connecticut Department of Environmental Protection during the Town's fiscal year 2001. State and federal laws and regulations establish landfill post-closure care requirements for thirty years after closure. On November 15, 1993, the Town entered into a ground lease agreement (the "Agreement") with a third-party contractor, the former operator of the landfill (see Note 7). Pursuant to the Agreement, the contractor is responsible for the performance of sampling and analytic activities associated with monitoring of ground waters and surface waters affected by the landfill and the Town is responsible for all other post-closure care costs. The Town has estimated total post-closure care costs for the remaining 9.5 years to be \$870,000, which includes an estimated \$437,000 in costs to be reimbursed by the contractor. Accordingly, the Town has reflected a liability for post-closure care costs in the amount of \$433,000 as of June 30, 2020. This amount is based on estimates, which are subject to change due to inflation, technology or applicable laws and regulations. The estimated liability is not recorded in the fund financial statements since the liability will be funded from future financial resources, not from expendable available financial resources.

TOWN OF PUTNAM, CONNECTICUT
Notes to the Financial Statements

NOTE 7 – SIGNIFICANT AGREEMENT

The Town owns a municipal solid waste landfill facility. The Town has closed the landfill and leased adjacent Town-owned property not constituting the landfill to a third-party contractor for use as a depository for ash residue. The term of the lease is for 30 years expiring March 14, 2046 with an option for two extensions of ten years each. Base rent pursuant to the agreement per year is \$250,000, with additional rent determined based on a portion of the revenues generated by the ash residue facility. Rental income recognized by the Town in connection with the agreement totaled \$3,026,051 for the year ended June 30, 2020. In accordance with the Agreement, the contractor is responsible for all closure and post-closure care costs of the ash landfill required by State and federal laws and regulations.

NOTE 8 - FUND BALANCE COMPONENTS

The components of fund balance for the governmental funds at June 30, 2020 are as follows:

	General Fund	Ash Landfill Fund	High School Renovation & Expansion Fund	Municipal Complex Fund	Other Governmental Funds	Total
Nonspendable:						
Advance Receivable	\$ 180,200	\$ 1,188,509	\$ -	\$ -	\$ -	\$ 1,368,709
Library	-	-	-	-	9,715	9,715
Total Nonspendable	<u>180,200</u>	<u>1,188,509</u>	<u>-</u>	<u>-</u>	<u>9,715</u>	<u>1,378,424</u>
Restricted for:						
General Government	-	-	-	-	102,043	102,043
Public Safety	-	-	-	-	2,167	2,167
Public Works	-	-	-	-	133,390	133,390
Culture and Recreation	-	-	-	-	20,468	20,468
Comm. and Social Services	-	-	-	-	3,545	3,545
Economic Development	-	-	-	-	1,188,759	1,188,759
Capital Purposes	-	-	-	-	1,724	1,724
Landfill Post-closure Care	-	2,221,710	-	-	-	2,221,710
Preservation Fees	-	-	-	-	83,626	83,626
Total Restricted	<u>-</u>	<u>2,221,710</u>	<u>-</u>	<u>-</u>	<u>1,535,722</u>	<u>3,757,432</u>
Committed to:						
General Government	-	-	-	-	1,000	1,000
Library	-	-	-	-	326,910	326,910
Culture and Recreation	-	-	-	-	19,237	19,237
Comm. and Social Services	-	-	-	-	2,885	2,885
Comp. Abs. and Insurance	44,498	-	-	-	-	44,498
Economic Development	-	-	-	-	40,921	40,921
Capital Purposes	-	774,687	-	3,163,338	1,341,108	5,279,133
Education	-	-	-	-	1,333,603	1,333,603
Pay Per Sticker Program	-	-	-	-	181,862	181,862
Interscholastic Sports	-	-	-	-	59,443	59,443
Total Committed	<u>44,498</u>	<u>774,687</u>	<u>-</u>	<u>3,163,338</u>	<u>3,306,969</u>	<u>7,289,492</u>
Assigned:						
Subsequent Year's Budget	350,000	-	-	-	-	350,000
Total Assigned	<u>350,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350,000</u>
Unassigned	<u>6,145,606</u>	<u>-</u>	<u>(2,895,781)</u>	<u>-</u>	<u>(2,025,623)</u>	<u>1,224,202</u>
Total Fund Balances	<u>\$ 6,720,304</u>	<u>\$ 4,184,906</u>	<u>\$ (2,895,781)</u>	<u>\$ 3,163,338</u>	<u>\$ 2,826,783</u>	<u>\$ 13,999,550</u>

TOWN OF PUTNAM, CONNECTICUT
Notes to the Financial Statements

Deficit Fund Balances

The following nonmajor funds have deficit fund balances as of June 30, 2020:

Fund	Amount
Preservation of Open Space Grant Fund	\$ (438)
ADA Curbcuts Fund	(1,200)
Recreation and Athletic Fields Fund	(655,276)
Quinebaug Regional Tech Park Fund	(180,200)
Capital Nonrecurring Ash Fund	(1,188,509)

NOTE 9 – EMPLOYEE RETIREMENT PLANS

Defined Benefit Pension Plan

Plan Description - The Town of Putnam is the administrator of a single-employer, contributory, defined benefit pension plan called the Town of Putnam Retirement Plan (the “Plan”). The Plan covers substantially all full-time employees, except professional personnel at the Board of Education who are covered by the State of Connecticut’s Teachers’ Retirement System. The Trustee Board composition consists of 5 members; a member of the board of finance, a member from the library board, a member from the bargaining unit selected by the Mayor, and two members appointed by the Mayor with the approval of the Board of Selectmen. The Plan does not issue stand-alone financial statements and is considered to be part of the Town’s financial reporting entity. As such, the Plan is accounted for in the fiduciary fund financial statements as a Pension Trust Fund.

Plan Membership - Membership of the Plan consisted of the following as of July 1, 2019, the date of the latest actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefits	54
Inactive plan members entitled to but not yet receiving benefits	86
Active plan members	116
	256

Benefits and Eligibility - Employees of the Putnam Special Services District, other than police personnel, are eligible to participate in the Town’s Plan.

Benefit Provisions - Employees who work more than 30 hours per week are eligible to participate in the Plan. Benefits fully vest after 5 years of service. Normal retirement date is the later of the participant’s 65th birthday or the 5th anniversary of joining the plan.

Pension benefits for normal retirement under the Plan are based on the average monthly compensation during the five consecutive years of service, at which the participants’ earnings were at their highest level. The participant’s monthly benefit shall be equal to 1.3% of the average monthly compensation multiplied by the total number of years of employment with the Town (limited to 40 years). The Plan permits early retirement for participants at age 55 with 15 years of service. Benefits for early retirement shall be equal to the present value of the participants’ accrued benefit. Participants are required to contribute 3% of the annual earnings.

Other Plan Provisions - The plan does not provide for disability benefits. If an employee becomes disabled and must cease employment, they will be entitled to the same benefits as a participant who has terminated employment. In the event of death, a beneficiary shall receive benefits payable upon death, which are subject to certain limitations imposed by law. Death benefits will be equal to the present value of the accrued benefits.

TOWN OF PUTNAM, CONNECTICUT
Notes to the Financial Statements

Benefit provisions of the Plan are established and can be amended by the Town Meeting.

Summary of Significant Accounting Policies

Basis of Accounting – The Plan is accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plans are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Investments – Investments 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. Short-term investments are reported at cost, which approximates fair value. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the Town, with the assistance of a valuation service. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date.

Investment Policy – The Town policy in regards to the allocation of invested assets is established and may be amended by the Board of Selectmen. The Town pursues an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes, discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the target asset allocation of the pension plan as of June 30, 2020:

Target Allocation and Expected Rate of Return

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Weighting</u>
U.S. Large Cap	32.00%	5.00%	1.60%
U.S. Mid/Small Cap	12.00%	5.50%	0.66%
Developed International Equities	8.00%	5.75%	0.46%
Emerging Market Equities	3.00%	6.75%	0.20%
Intermediate Corporate	20.00%	3.00%	0.60%
Intermediate Government	6.00%	1.70%	0.10%
High-Yield Bonds	9.00%	3.75%	0.34%
International Bonds	8.00%	2.00%	0.16%
Money Market/Short-Term Bonds	2.00%	0.75%	0.02%
	<u>100.00%</u>		<u>4.14%</u>
Long-Term Inflation Expectation			<u>2.50%</u>
Long-Term Expected Nominal Return			<u><u>6.64%</u></u>

Long-Term Expected 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 are developed. Best estimates of the real rates of return for each major asset class are included in the pension plan’s target asset allocation.

The information above is based on geometric means and does not reflect additional returns through investment selection, asset allocation and rebalancing. An expected rate of return of 6.75% was used.

TOWN OF PUTNAM, CONNECTICUT
Notes to the Financial Statements

Concentrations - The Plan's investments were not subject to concentration risk as of June 30, 2020 as none of the amounts invested with one issuer represented more than 10% of the total assets for each Plan.

Administrative Costs - Administrative costs of the Plans are funded by the Town.

Funding Policy - The Town's funding policy provides for periodic employer contributions at rates that, when expressed as a percentage of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The contribution rates for normal costs for the Plan were determined using the Aggregate Actuarial Cost Method.

Net Pension Asset

The components of the net pension asset of the Town at June 30, 2020, were as follows:

Total pension liability	\$ 13,754,683
Plan fiduciary net position	<u>15,269,504</u>
Net pension liability (asset)	<u>\$ (1,514,821)</u>
Plan fiduciary net position as a percentage of total pension liability	111.01%

Actuarial Methods and Significant Assumptions

The following actuarial methods and assumptions were used in the July 1, 2019 valuation and projected forward to a measurement date of June 30, 2020:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent of salary
Inflation	2.50%
Payroll growth	4.50%
Investment rate of return	6.75%, net of investment and admin fees
Retirement age	The earlier of age 55 with 15 years of service or age 65
Post-retirement mortality	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), projected to the valuation date with Scale MP-2019.

Changes of assumptions include a change in the mortality tables.

Discount Rate – GASB permits alternative methods to evaluate the sufficiency of the plan's net fiduciary position. Based on the plan's current net pension liability and current contribution policy, the plan's projected fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, since the fund is not projected to run out of money, we have used the 6.75% interest rate assumption to discount plan liabilities.

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

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability/(Asset)	<u>\$ 131,087</u>	<u>\$ (1,514,821)</u>	<u>\$ (2,915,686)</u>

TOWN OF PUTNAM, CONNECTICUT
Notes to the Financial Statements

The components of the changes in the net pension asset for the Plan for the year ended June 30, 2020 was as follows:

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at June 30, 2019	\$ 12,695,760	\$ 15,152,364	\$ (2,456,604)
Changes for the year:			
Service Cost	436,028	-	436,028
Interest	871,396	-	871,396
Differences Between Expected and Actual Experience	(193,341)	-	(193,341)
Changes in Assumptions	396,662	-	396,662
Employer Contributions	-	78,918	(78,918)
Member Contributions	-	157,089	(157,089)
Net Investment Income	-	341,639	(341,639)
Benefit Payments	(451,822)	(451,822)	-
Administrative Expenses	-	(8,684)	8,684
Net Changes	<u>1,058,923</u>	<u>117,140</u>	<u>941,783</u>
Balance at June 30, 2020	<u>\$ 13,754,683</u>	<u>\$ 15,269,504</u>	<u>\$ (1,514,821)</u>

Plan fiduciary net position as a percentage of the total pension liability 111.01%

The Town's net pension asset has been allocated between its governmental and business-type activities based on the proportionate share of contributions made to the plan.

For the year ended June 30, 2019, the total pension expense recognized was \$168,614. As of June 30, 2020, the Town reported deferred inflows and outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual earnings	\$ 449,664	\$ -
Differences between expected and actual experience	-	543,867
Changes of assumptions	<u>350,824</u>	<u>88,893</u>
Total	<u>\$ 800,488</u>	<u>\$ 632,760</u>

Amounts reported as deferred outflows and inflows of resources related to pension will be recognized in the pension expense as follows:

Year ended June 30:	
2021	\$ (156,753)
2022	46,118
2023	112,426
2024	150,876
2025	15,061
Thereafter	-
	<u>\$ 167,728</u>

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

Connecticut State Teacher's Retirement System

Plan Description: Teachers, principals, superintendents, or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System (the "System"). The System is a cost sharing multiple-employer defined benefit pension plan administered by the Connecticut State Teachers' Retirement Board (CTRB). Chapter 167a of the State Statutes grants authority to establish and amend the benefited terms to the CTRB Board. The CTRB issues a publicly available financial report that can be obtained at www.ct.gov, or by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

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

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

Early Retirement: Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

Disability Retirement: Employees are eligible for service-related disability regardless of length of service. Five years of credited service is required for non-service-related disability or eligibility. Disability benefits are calculated as 2% of average annual salary times years of credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

Contributions: Per Connecticut General Studies Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended, and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

Employer (School Districts): School District employers are not required to make contributions to the plan. The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount, that, when combined with employee contributions, 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.

Employees: Participants are required to contribute 7% of their annual salary to the System as required by the CGS Section 10-183b(7). For the year ended June 30, 2020, the certified teachers' contribution to the Connecticut Teachers Retirement Board was \$631,957. Covered payroll for the town for the year ended June 30, 2020 was approximately \$9,027,959.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2020 the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>36,389,446</u>
Total	<u>\$ 36,389,446</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2020, the Town had no proportionate share of the net pension liability.

For the year ended June 30, 2020, the Town recognized benefits expense and contribution revenue of \$2,754,487 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$4,469,244 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

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

Inflation	2.50 Percent
Salary increases, including inflation	3.25-6.50 Percent
Long-term investment rate of return, net of pension investment expense, including inflation.	6.90 Percent

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

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

The long-term expected rate of return on pension investments was determined using a log-normal distributions 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 current capital market assumptions and the target asset allocation as provided by the Treasurer's Office are summarized in the following table:

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

<u>Asset Class</u>	<u>Expected Return</u>	<u>Target Allocation</u>	<u>Standard Deviation</u>
Public Equity - US Equity	8.10%	20.00%	17.00%
Public Equity - International Developed Equity	8.50%	11.00%	19.00%
Public Equity - Emerging Markets Equity	10.40%	9.00%	24.00%
Fixed Income - Core Fixed Income	4.60%	16.00%	7.00%
Fixed Income - Inflation Linked Bonds	3.60%	5.00%	7.00%
Fixed Income - High Yield	6.50%	6.00%	11.00%
Fixed Income - Emerging Market Debt	5.20%	5.00%	11.00%
Private Equity	9.80%	10.00%	23.00%
Real Estate	7.00%	10.00%	15.00%
Alternative Investments - Real Assets	8.20%	4.00%	17.00%
Alternative Investments - Hedge Funds	5.40%	3.00%	7.00%
Liquidity Fund	2.90%	1.00%	1.00%

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

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

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS

Board of Education Other Post-Employment Benefits Plan

Plan Description - The Town’s Board of Education provides post-retirement medical and dental insurance benefits for eligible retirees and their spouses through the Town’s Board of Education’s group insurance plans, which covers both active and retired members, called the Town of Putnam Teachers and Administrators OPEB Plan (the “Plan”). Benefit provisions are established through negotiations between the Town’s Board of Education and the union representing the employees and are renegotiated each three-year bargaining period. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity. No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75.

Benefits Provided - The OPEB Plan provides for medical, prescription, dental and life insurance benefits to eligible retirees, spouses and beneficiaries. Contribution requirements of the participants and the Town are established in the provisions of the program and in accordance with the General Statutes of the State of Connecticut. Currently, plan members are required to contribute 100% of their healthcare premiums to the Town, less any reimbursements received by the Town from the State Retirement Board. The Town finances the Plan on a pay-as-you-go basis.

Employees Covered by Benefit Terms - At June 30, 2020, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	8
Active plan members	118
	<u>126</u>

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

Total OPEB Liability - The Town's total OPEB liability of \$3,745,182 was measured as of June 30, 2020 and was determined by an actuarial valuation as July 1, 2019.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the July 1, 2019 valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	June 30, 2020 for June 30, 2020 Reporting Date
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Salary
Salary Increases	2.50% as of June 30, 2020 and 2.75% as of June 30, 2019
Discount Rate	2.21% as of June 30, 2020 and 3.51% as of June 30, 2019, which is based on the 20-year AA municipal bond index.
Mortality Rates	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety, and Teachers), projected to the valuation date with Scale MP-2019
Inflation	2.50% as of June 30, 2020 and 2.75% as of June 30, 2019
Healthcare Cost Trend Rates	6.50% in 2019, reducing by 0.25% each year to an ultimate rate of 4.50% per year rate for 2027 and later.

Changes of assumptions include a change in the mortality rates, interest rate, inflation rate, and healthcare cost trend rates.

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 6/30/19	\$ 3,342,049
Changes for the year:	
Service Cost	141,494
Interest	122,214
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	(646,190)
Changes in Assumptions	788,945
Benefit Payments	(3,330)
Net Changes	403,133
Balance at 6/30/20	\$ 3,745,182

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
Total OPEB Liability	\$ 4,288,201	\$ 3,745,182	\$ 3,288,591

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.50% decreasing to 3.50%) or 1-percentage-point higher (7.50% decreasing to 5.50%) than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 3,175,357	\$ 3,745,182	\$ 4,449,908

OPEB Expense: For the year ended June 30, 2020, the Town recognized OPEB expense of \$249,482. As of June 30, 2020, deferred inflows and outflows of resources related to OPEB are reported as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 739,110
Changes of assumptions	866,589	90,378
Total	<u>\$ 866,589</u>	<u>\$ 829,488</u>

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

Year ended June 30:	
2021	\$ 624
2022	624
2023	624
2024	624
2025	624
Thereafter	33,981
	<u>\$ 37,101</u>

Connecticut Teachers’ Retirement System - OPEB

Plan Description - Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with benefits, including retiree health insurance, through the Connecticut Teachers’ Retirement System—a cost sharing multiemployer defined benefit pension plan administered by the 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.

Benefit Provisions - The Plan covers retired teachers and administrators of public schools in the State who are receiving benefits from the Plan. The Plan provides healthcare insurance benefits to eligible retirees and their spouses. Any member that is currently receiving a retirement or disability benefit through the Plan is eligible to participate in the healthcare portion of the Plan. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

Any member that is not currently participating in Medicare Parts A & B is eligible to continue healthcare coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

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.

Contributions - 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 TRB and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

School district employers are not required to make contributions to the Plan. The State of Connecticut's estimated allocated contribution to the Plan on behalf of the Town was \$75,282.

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers' pay for one third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

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

Inflation	2.50%
Real Wage Growth	0.75%
Wage Inflation	3.25%
Salary increases	3.25-6.50%, including inflation
Long-term investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
<u>Municipal bond index rate:</u>	
Measurement Date	3.50%
Prior Measurement Date	3.87%

The projected fiduciary net position is projected to be depleted in 2019.

Single equivalent interest rate

Measurement Date	3.50%, net of OPEB plan investment expense, including price inflation
Prior Measurement Date	3.87%, net of OPEB plan investment expense, Including price inflation

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

Healthcare cost trend rates:

Pre-Medicare	5.95% for 2018 decreasing to an ultimate Rate of 4.75% by 2025
Medicare	5.00% for 2018 decreasing to an ultimate Rate of 4.75% by 2028

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

Long-Term Rate of Return - The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluation the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class.

The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

Asset Class	Target Allocation	Expected 10-Year Geometric Real Rate of Return	Standard Deviation
U.S. Treasuries (Cash Equivalents)	100.0%	0.41%	2.31%
Price inflation		2.50%	
Expected rate of return (Rounded nearest 0.25%)		3.00%	

Discount Rate - The discount rate used to measure the total OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of June 30, 2018. In addition to the actuarial methods and assumptions of the June 30, 2018 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.25%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- No future employer contributions were assumed to be made.

Based on those assumptions, the plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates - The following presents the total OPEB liability, calculated using current cost trend rates, as well as what the Plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than current healthcare cost trend rates:

	1% Lower Trend Rates	Current Trend Rates	1% Higher Trend Rates
Initial Healthcare Cost Trend Rate	4.95%	5.95%	6.95%
Ultimate Healthcare Cost Trend Rate	3.75%	4.75%	5.75%
Total OPEB Liability	\$ 4,727,902	\$ 5,675,139	\$ 6,940,472

Sensitivity of the Net OPEB Liability to Changes in Discount Rates - The following presents the net OPEB liability, calculated using the current discount rate, as well as what the 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 rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Net OPEB liability	\$ 6,763,061	\$ 5,675,139	\$ 4,827,999

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2020 the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Town were as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>5,675,139</u>
Total	<u>\$ 5,675,139</u>

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2020, the Town had no proportionate share of the net OPEB liability.

For the year ended June 30, 2020, the Town recognized OPEB expense and revenue of \$75,282 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized (\$490,569) for OPEB expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

TOWN OF PUTNAM, CONNECTICUT
Notes to the Financial Statements

NOTE 11 – RISK MANAGEMENT

The Town is exposed to various risks of loss involving torts, theft of, damage to, and destruction of assets, errors and omissions, injuries of employees, natural disaster and public official liabilities. The Town purchases commercial insurance for all risks of loss except workers' compensation and liability-automobile-property insurance for which it participates in risk sharing pools. During the year ended June 30, 2020, deductibles paid by the Town were insignificant. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage during the past three years. In addition, there have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies that was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering interlocal risk management program.

Workers Compensation Pool

The Town is 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 incurred 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 payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence.

Liability-Automobile-Property Pool

The Town is a member of CIRMA's Liability-Automobile-Property Pool, a risk-sharing pool. The Liability-Automobile-Property Pool provides 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.

Eastern Connecticut Health Insurance Program

The Town is currently a member of the Eastern Connecticut Health Insurance Program ("ECHIP"), a cooperative formed in accordance with Public Act 10-174 of the Connecticut General Statutes in order to self-insure medical and dental costs to the employees of its member Towns and Boards of Education. Through this cooperative the Town accounts for and finances employee medical benefits claims for eligible full-time employees of both the Town and the Board of Education. The Town retains the risk of loss under the plan. A third party processes the claims filed under the self-insured health plan, for which the Town is charged an administrative fee. Through ECHIP the Town has purchased a stop-loss policy for total claims in any one year exceeding an aggregate of 120% of expected claims and for individual claims exceeding \$150,000 for combined hospital and major medical.

ECHIP establishes claims liabilities based on estimates of claims that have been incurred but not reported at June 30, 2020. Claims liabilities are recorded if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of possible loss can be reasonably estimated. The amount of the claims accrual is based on the ultimate costs of settling the claims, which includes past experience data, inflation and other economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries.

TOWN OF PUTNAM, CONNECTICUT
Notes to the Financial Statements

The following is a summary of claims activity for the years ended June 30, 2020, 2019, and 2018:

Year Ended	Beginning Claims Payable	Current Year Claims and Changes in Estimates	Claim Payments	Ending Claims Payable
2020	\$ 278,604	\$ 3,082,708	\$ (3,148,045)	\$ 213,267
2019	298,115	3,016,435	(3,035,946)	278,604
2018	263,692	3,277,644	(3,243,221)	298,115

As of June 30, 2020, cumulative contributions paid by the Town to ECHIP exceeded insurance premiums, claims and fees paid by \$2,202,235. This amount has been recognized as funds held in escrow and is restricted for health insurance costs. In addition, employees of the Putnam Special Services District are eligible to participate in the Town's Plan.

NOTE 12 – LITIGATION AND CONTINGENCIES

Litigation - The Town is not a defendant in any lawsuits that, in the opinion of Town Management, in consultation with the Town Attorney, will have an adverse, material effect on the Town's financial position.

Grants - The Town participates in several Federal and State assisted grants programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of certain of these programs for or including the year ended June 30, 2020 have not yet been conducted. Accordingly, the Town's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

NOTE 13 – UPCOMING PRONOUNCEMENTS

GASB Pronouncements Issued, But Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

GASB Statement No. 84 - *Fiduciary Activities* - This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

This statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment funds, (3) private-purpose funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2020.

TOWN OF PUTNAM, CONNECTICUT
Notes to the Financial Statements

GASB Statement No. 87 – *Leases* - This statement improves the accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2021.

GASB Statement No. 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period* - The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. As a result, interest cost before the end of a construction period will not be included in the historical cost of the capital asset. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2021.

NOTE 14 – RISKS AND UNCERTAINTIES

The World Health Organization declared the coronavirus outbreak ("COVID-19") a pandemic. The impact of COVID-19 could negatively affect the Town's operations, vendors, and/or taxpayer base. The extent to which the COVID-19 impacts the Town's financial position will depend upon future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken to contain the coronavirus or its impact, among others.

NOTE 15 – SUBSEQUENT EVENTS

On July 9, 2020, the Town issued General Obligation Bonds in the amount of \$11,000,000. The bonds bear annual interest ranging from 2% to 5% with principal and interest due semiannually from February 2021 through February 2040.

The Town has applied for a USDA loan for \$1,195,000 and grant of \$305,000 for treatment plant generators and storage project. The funds have not yet been received as of the report date.

TOWN OF PUTNAM, CONNECTICUT
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Revenues				
Taxes, Liens and Interest	\$ 14,199,313	\$ 14,199,313	\$ 14,350,277	\$ 150,964
Intergovernmental	8,446,908	8,446,908	8,364,984	(81,924)
Charges for Services	2,898,249	2,898,249	3,077,570	179,321
Investment Income	3,000	3,000	174,598	171,598
Total Revenues	25,547,470	25,547,470	25,967,429	419,959
Expenditures				
Current:				
General Government	1,640,623	1,618,785	1,543,215	(75,570)
Public Safety	120,390	120,390	117,619	(2,771)
Public Works	1,273,226	1,258,226	1,225,300	(32,926)
Culture and Recreation	989,739	1,021,110	989,075	(32,035)
Sanitation	449,650	449,650	445,705	(3,945)
Community and Social Services	288,031	288,031	276,216	(11,815)
Economic Development	154,215	154,215	148,421	(5,794)
Employee and Fringe Benefits	863,700	863,700	802,412	(61,288)
Risk Management	194,775	200,242	200,242	-
Information Technology	117,000	117,000	99,846	(17,154)
Redevelopment	6,500	6,500	675	(5,825)
Contingency/Reserves	189,272	189,272	181,247	(8,025)
Education	18,544,001	18,544,001	18,453,095	(90,906)
Debt Service	1,045,173	1,045,173	1,045,173	-
Capital Outlay	-	-	-	-
Total Expenditures	25,876,295	25,876,295	25,528,241	(348,054)
Excess of Revenues Over Expenditures	(328,825)	(328,825)	439,188	768,013
Other Financing Sources (Uses)				
Appropriation of Fund Balance	900,000	900,000	-	(900,000)
Transfer in from Sticker Fund	28,825	28,825	-	(28,825)
Transfers Out to Other Funds	(600,000)	(600,000)	(600,000)	-
Total Other Financing Sources (Uses)	328,825	328,825	(600,000)	(928,825)
Net Change in Fund Balance	\$ -	\$ -	\$ (160,812)	\$ (160,812)

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT
Schedule of Revenues and Other Financing Sources
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Collector of Revenue				
Current Year Taxes	\$ 13,817,313	\$ 13,817,313	\$ 13,909,975	\$ 92,662
Prior Year Taxes	130,000	130,000	148,818	18,818
Interest, Liens and Fees	182,000	182,000	113,261	(68,739)
Motor Vehicle Supplemental	70,000	70,000	178,223	108,223
Total Collector of Revenue	14,199,313	14,199,313	14,350,277	150,964
Charges for Services				
Town Clerk:				
Real Estate Conveyance	60,000	60,000	110,975	50,975
Vital Statistics	60,000	60,000	53,994	(6,006)
Recording Land Records	52,000	52,000	56,276	4,276
Copy Machine Receipts	8,000	8,000	8,794	794
Miscellaneous	1,500	1,500	3,133	1,633
Dog Licenses	350	350	287	(63)
Recording Maps	200	200	1,050	850
Fish & Game Fees	200	200	-	(200)
Credit Card - Town Clerk	-	-	349	349
Bingo/Raffle Permits	1,000	1,000	998	(2)
Total Town Clerk	183,250	183,250	235,856	52,606
General Government:				
Ash Landfill Tipping Fees	2,050,000	2,050,000	2,050,000	-
Miscellaneous	45,000	45,000	31,289	(13,711)
Recreation	60,000	60,000	62,678	2,678
Telephone Access Line Grant	40,000	40,000	29,708	(10,292)
Housing Authority	36,000	36,000	45,902	9,902
Library Fines and Fees	4,000	4,000	2,767	(1,233)
Pistol Permits	800	800	840	40
Total General Government	2,235,800	2,235,800	2,223,184	(12,616)
Assessor and Building Official:				
Zoning and Building Permits	120,000	120,000	156,781	36,781
Planning Commission Fees	1,100	1,100	-	(1,100)
Inland Wetland Fees	500	500	327	(173)
Zoning Board of Appeals	400	400	101	(299)
Zoning Commission Fees	400	400	404	4
Building Permit Fees	-	-	788	788
Copy Fees - Building Official	-	-	178	178
Miscellaneous - Land Use	100	100	-	(100)
Total Assessor and Building Official	122,500	122,500	158,579	36,079

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT
Schedule of Revenues and Other Financing Sources
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Charges for Services (Continued)				
Rents:				
Rents	\$ 12,100	\$ 12,100	\$ 7,200	\$ (4,900)
Antennae Rentals	11,000	11,000	16,253	5,253
Total Rents	<u>23,100</u>	<u>23,100</u>	<u>23,453</u>	<u>353</u>
Miscellaneous:				
Contractual Services	78,000	78,000	88,074	10,074
Bus Mechanic Reimbursement	68,640	68,640	78,107	9,467
Administrative Reimbursement	125,959	125,959	102,084	(23,875)
Metal Recovery Revenues	50,000	50,000	60,375	10,375
Other Tuition	10,000	10,000	105,358	95,358
Miscellaneous - Fire	1,000	1,000	2,500	1,500
Total Miscellaneous	<u>333,599</u>	<u>333,599</u>	<u>436,498</u>	<u>102,899</u>
Total Charges for Services	<u>2,898,249</u>	<u>2,898,249</u>	<u>3,077,570</u>	<u>179,321</u>
Intergovernmental				
Education Cost Sharing	8,071,851	8,071,851	8,067,042	(4,809)
PILOT - Private Tax Exempt	108,104	108,104	75,496	(32,608)
Mashantucket Pequot Grant	75,902	75,902	75,902	-
Off Track Betting	65,000	65,000	45,486	(19,514)
Municipal Stabilization Grant	71,039	71,039	71,385	346
Distressed Municipalities	27,573	27,573	11,303	(16,270)
PILOT - State Owned Property	18,421	18,421	14,129	(4,292)
FEMA	5,448	5,448	-	(5,448)
Additional Veterans Benefits	2,200	2,200	2,816	616
Elderly Homeowners	1,370	1,370	-	(1,370)
Disabled Persons	-	-	1,425	1,425
Total Intergovernmental	<u>8,446,908</u>	<u>8,446,908</u>	<u>8,364,984</u>	<u>(81,924)</u>
Investment Income	<u>3,000</u>	<u>3,000</u>	<u>174,598</u>	<u>171,598</u>
Total Revenues	<u>25,547,470</u>	<u>25,547,470</u>	<u>25,967,429</u>	<u>419,959</u>
Other Financing Sources				
Appropriation of Fund Balance	900,000	900,000	-	(900,000)
Transfer in from Sticker Fund	28,825	28,825	-	(28,825)
Total Other Financing Sources	<u>928,825</u>	<u>928,825</u>	<u>-</u>	<u>(928,825)</u>
Total Revenues and Other Financing Sources	<u>\$ 26,476,295</u>	<u>\$ 26,476,295</u>	<u>\$ 25,967,429</u>	<u>\$ (508,866)</u>

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT
Schedule of Expenditures and Other Financing Uses
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
General Government				
Mayor/Selectmen's Office	\$ 301,200	\$ 286,200	\$ 275,242	\$ 10,958
Town Clerk	146,695	146,695	142,395	4,300
Assessor	111,800	111,800	110,661	1,139
Treasurer	297,315	284,529	281,397	3,132
Revenue Department	141,573	141,573	123,140	18,433
Town Building	99,500	103,822	103,822	-
Land Use Commissions	138,890	138,890	135,028	3,862
Essential Services	63,500	63,500	54,756	8,744
Building Official	135,125	135,125	131,200	3,925
Legal Counsel	76,000	76,694	76,694	-
Board of Finance	53,800	54,732	54,732	-
Elections	27,800	27,800	12,618	15,182
Registrar of Voters	36,150	36,150	30,905	5,245
Probate Court	10,685	10,685	10,430	255
Board of Tax Review	590	590	195	395
Total General Government	1,640,623	1,618,785	1,543,215	75,570
Public Safety				
Fire Marshal/Emergency Management	88,415	88,415	88,144	271
Animal Control	29,475	29,475	29,475	-
Facility Study Group	2,500	2,500	-	2,500
Total Public Safety	120,390	120,390	117,619	2,771
Public Works	1,273,226	1,258,226	1,225,300	32,926
Culture and Recreation				
Library	460,199	460,198	428,163	32,035
Recreation	400,755	415,644	415,644	-
Parks and Grounds	128,285	144,768	144,768	-
Municipal Historian	500	500	500	-
Total Culture and Recreation	989,739	1,021,110	989,075	32,035
Sanitation	449,650	449,650	445,705	3,945
Community and Social Services				
Veterans Center	5,625	5,625	5,026	599
Commission on Aging	10,300	10,300	4,954	5,346
Outside Agencies - Contributions	269,106	269,106	263,236	5,870
Social Services Department	3,000	3,000	3,000	-
Total Community and Social Services	288,031	288,031	276,216	11,815

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT
Schedule of Expenditures and Other Financing Uses
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Economic Development Commission	\$ 154,215	\$ 154,215	\$ 148,421	\$ 5,794
Employee and Fringe Benefits	863,700	863,700	802,412	61,288
Risk Management	194,775	200,242	200,242	-
Information Technology	117,000	117,000	99,846	17,154
Redevelopment	6,500	6,500	675	5,825
Capital Outlays	-	-	-	-
Contingency/Reserves	189,272	189,272	181,247	8,025
Education	18,544,001	18,544,001	18,453,095	90,906
Debt Service	1,045,173	1,045,173	1,045,173	-
Total Expenditures	<u>25,876,295</u>	<u>25,876,295</u>	<u>25,528,241</u>	<u>348,054</u>
Other Financing Uses				
Transfers to Other Funds	600,000	600,000	600,000	-
Total Expenditures and Other Financing Uses	<u>\$ 26,476,295</u>	<u>\$ 26,476,295</u>	<u>\$ 26,128,241</u>	<u>\$ 348,054</u>

See accountant's report.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Budgetary Information and Accounting

The General Fund is the only fund for which an annual budget is legally adopted. The Town adheres to the following procedures in establishing the budgetary data for the General Fund.

- On or before the fourth Wednesday in March and after input from each agency and department of the Town, except for the Board of Education (BOE), the Mayor submits to the Board of Selectmen (BOS) and the Board of Finance (BOF) a proposed operating budget for the Town. In addition, the Mayor also submits a program concerning capital improvement projects for the next five fiscal years and a method of financing them for the fiscal year commencing the following July 1.
- On or before the second Wednesday in April, the BOS presents recommendations on the Mayor's budget to the BOF and the BOE submits a proposed operating budget to the BOF.
- Copies of the budgets are made available to taxpayers five (5) days before the public hearings and five (5) days before the annual Town budget meeting. A Town meeting is held on the first Tuesday of May. Should the recommended budgets fail at referendum, they are returned to the BOF for adjustments. The budgets are legally enacted no later than ten (10) days after the taxpayers approve them by vote.
- Management cannot amend the budgets without approval of the BOF. Only the BOF is authorized to transfer budgeted amounts.
- The BOF must approve any additional appropriation and a Town Meeting must be held to approve any additional appropriation over \$10,000.
- Formal budgetary integration is employed as a management control device during the year.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the budgetary department line-item level (i.e. Finance Department, Board of Selectmen within the General Government Function) for the General Fund, except for the BOE where department control is implemented.
- The budget is prepared on the modified accrual basis of accounting. 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 budgetary reports as expenditures in the current year. "On-behalf" payments made by the State of Connecticut into the State Teachers' Retirement System are not recorded for budgetary purposes.
- All unexpended appropriations lapse at year-end.

TOWN OF PUTNAM, CONNECTICUT
Notes to Required Supplementary Information

Accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP basis”). The differences consist primarily of payments made by the State of Connecticut “on-behalf” of the Town into the State Teachers’ Retirement System, which are not recorded for budgetary purposes, the excess cost grant is net with expenditures for budgetary basis, and additional revenues and expenditures pertaining to other Town funds, which are not budgeted for by the Town due to perspective differences.

A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2020:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Sources (Uses)</u>
Budgetary Basis	\$ 25,967,429	\$ 25,528,241	\$ (600,000)
"On-behalf" payments - State Teachers Retirement Fund	2,829,769	2,829,769	-
Excess Cost Grant	508,146	508,146	-
Ellis Grant	10,000	10,000	-
Adjustment for Encumbrances	-	94,250	-
Reclassifications for GAAP Purposes	<u>-</u>	<u>(174,000)</u>	<u>(174,000)</u>
GAAP Basis	<u>\$ 29,315,344</u>	<u>\$ 28,796,406</u>	<u>\$ (774,000)</u>

TOWN OF PUTNAM, CONNECTICUT
Town Employee Retirement Plan
Schedule of Changes in Net Pension Asset and Related Ratios
Last Seven Fiscal Years

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service Cost	\$ 436,028	\$ 413,816	\$ 417,463	\$ 362,585	\$ 386,965	\$ 370,129	\$ 352,504
Interest	871,396	829,916	789,202	766,963	740,110	678,518	626,494
Differences Between Expected and Actual Experience	(193,341)	(220,960)	(215,319)	(186,622)	(313,896)	(140,298)	-
Changes of Assumptions	396,662	(35,484)	(74,107)	21,780	(147,992)	221,286	-
Benefit Payments, Including Refunds of Member Contributions	<u>(451,822)</u>	<u>(339,958)</u>	<u>(281,820)</u>	<u>(276,278)</u>	<u>(249,043)</u>	<u>(283,563)</u>	<u>(224,291)</u>
Net Change in Total Pension Liability	1,058,923	647,330	635,419	688,428	416,144	846,072	754,707
Total Pension Liability - Beginning	<u>12,695,760</u>	<u>12,048,430</u>	<u>11,413,012</u>	<u>10,724,584</u>	<u>10,308,440</u>	<u>9,462,368</u>	<u>8,707,661</u>
Total Pension Liability - Ending (a)	<u>\$ 13,754,683</u>	<u>\$ 12,695,760</u>	<u>\$ 12,048,431</u>	<u>\$ 11,413,012</u>	<u>\$ 10,724,584</u>	<u>\$ 10,308,440</u>	<u>\$ 9,462,368</u>
Plan Fiduciary Net Position							
Contributions - Employer	\$ 78,918	\$ 115,737	\$ 142,930	\$ 136,043	\$ 185,420	\$ 415,283	\$ -
Contributions - Member	157,089	163,274	154,171	152,289	177,925	114,403	126,899
Net Investment Income	341,639	839,475	964,984	1,598,565	(99,375)	324,462	1,569,311
Benefit Payments, Including Refunds of Member Contributions	(451,822)	(339,958)	(281,820)	(276,278)	(249,043)	(283,563)	(224,291)
Administrative Expenses	<u>(8,684)</u>	<u>(8,149)</u>	<u>(9,198)</u>	<u>(10,318)</u>	<u>(19,838)</u>	<u>-</u>	<u>-</u>
Net Change in Pension Fiduciary Net Position	117,140	770,379	971,067	1,600,301	(4,911)	570,585	1,471,919
Plan Fiduciary Net Position - Beginning	<u>15,152,364</u>	<u>14,381,985</u>	<u>13,410,918</u>	<u>11,810,617</u>	<u>11,815,528</u>	<u>11,244,943</u>	<u>9,773,024</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 15,269,504</u>	<u>\$ 15,152,364</u>	<u>\$ 14,381,985</u>	<u>\$ 13,410,918</u>	<u>\$ 11,810,617</u>	<u>\$ 11,815,528</u>	<u>\$ 11,244,943</u>
Net Pension Asset - Ending: (a) - (b)	<u>\$ (1,514,821)</u>	<u>\$ (2,456,604)</u>	<u>\$ (2,333,554)</u>	<u>\$ (1,997,906)</u>	<u>\$ (1,086,033)</u>	<u>\$ (1,507,088)</u>	<u>\$ (1,782,575)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	111.01%	119.35%	119.37%	117.51%	110.13%	114.62%	118.84%
Covered Payroll	\$ 5,491,703	\$ 5,056,797	\$ 4,929,923	\$ 4,543,004	\$ 4,304,604	\$ 4,313,562	\$ 4,186,034
Net Pension Asset as a Percentage of Covered Payroll	27.58%	48.58%	47.33%	43.98%	25.23%	34.94%	42.58%

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT

Town Employee Retirement Plan
Schedule of Contributions
Last Seven Fiscal Years

	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Employer Contribution (ADEC)	\$ 78,918	\$ 115,737	\$ 142,930	\$ 136,043	\$ 185,420	\$ 199,837	\$ 215,446
Contributions in Relation to the ADEC	<u>78,918</u>	<u>115,737</u>	<u>142,930</u>	<u>136,043</u>	<u>185,420</u>	<u>415,283</u>	<u>-</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (215,446)</u>	<u>\$ 215,446</u>
Covered Payroll	5,491,703	5,056,797	4,929,923	4,543,004	4,304,604	4,313,562	4,186,034
Contributions as a Percentage of Covered Payroll	1.44%	2.29%	2.90%	2.99%	4.31%	9.63%	0.00%

Notes to Schedule

Actuarially determined contribution rates are calculated as of July 1, 2018, two years prior to the end of the fiscal year in which contributions are reported.

The following methods and assumptions were used to determine contribution rates for the year ended June 30, 2020:

Actuarial cost method	Aggregate Actuarial Cost Method
Amortization method	Level Percent of Salary
Remaining amortization period	Open
Asset valuation method	Market Value of Assets - Capital appreciation is recognized over a four-year period at 25% per year.
Salary increases	4.50%
Investment rate of return	6.75%
Inflation	2.50%
Normal Retirement	100% at age 65, age at fifth anniversary of date of participation, and age on valuation date.
Mortality	RP-2014 Total Dataset Mortality Table projected to valuation date with Scale MP-2018.

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT

Town Employee Retirement Plan

Schedule of Investment Returns

Last Seven Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	2.21%	5.80%	7.14%	13.81%	-0.83%	2.86%	16.12%

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT
State Teacher's Retirement System
Proportionate Share of Net Pension Liability
Last Six Fiscal Years

Schedule of Proportionate Share of Net Pension Liability

	2020	2019	2018	2017	2016	2015
Town's percentage of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension liability associated with the Town	<u>36,389,446</u>	<u>28,058,377</u>	<u>24,799,217</u>	<u>26,163,364</u>	<u>20,152,069</u>	<u>18,627,000</u>
Total	<u>\$ 36,389,446</u>	<u>\$ 28,058,377</u>	<u>\$ 24,799,217</u>	<u>\$ 26,163,364</u>	<u>\$ 20,152,069</u>	<u>\$ 18,627,000</u>
Town's covered payroll	<u>\$ 9,027,959</u>	<u>\$ 9,100,657</u>	<u>\$ 8,743,000</u>	<u>\$ 8,690,000</u>	<u>\$ 8,689,000</u>	<u>\$ 8,585,000</u>
Town's proportionate share of the net pension liability (asset) 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 pension liability	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>

Notes to Schedule

Actuarial cost method	Entry Age
Amortization method	Level percent of salary, closed
Remaining amortization period	17.6 years
Asset valuation method	4-year smoothed market
Inflation	2.75%
Salary increases	3.25% - 6.50% average, including inflation
Investment rate of return	8.0% net of investment expense, including inflation

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT
Schedule of Changes in Total OPEB Liability
Last Three Fiscal Years

	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 141,494	\$ 125,861	\$ 127,684
Interest	122,214	122,732	111,902
Differences Between Expected and Actual Experience	(646,190)	(89,717)	(66,400)
Changes of Assumptions	788,945	143,579	(111,897)
Benefit Payments, Including Refunds	(3,330)	(11,698)	(16,036)
Net Change in Total OPEB Liability	403,133	290,757	45,253
Total OPEB Liability - Beginning	<u>3,342,049</u>	<u>3,051,292</u>	<u>3,006,039</u>
Total OPEB Liability - Ending	<u>\$ 3,745,182</u>	<u>\$ 3,342,049</u>	<u>\$ 3,051,292</u>
Covered-Employee Payroll	\$ 8,520,291	\$ 8,756,020	\$ 8,521,674
Total OPEB Liability as a Percentage of Covered-Employee Payroll	43.96%	38.17%	35.81%

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

Notes to Schedule

Measurement Date	June 30, 2020
Valuation Date	July 1, 2019
Inflation Rate	2.50%
Actuarial Cost Method	Entry Age Normal
Salary Increases	2.50%
Healthcare Cost Trend Rates	6.50% in 2019, reducing by 0.25% each year to an ultimate rate of 4.50% per year for 2027 and later.

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT
State Teacher's Retirement System
Proportionate Share of Net OPEB Liability
Last Three Fiscal Years

Schedule of Proportionate Share of Net OPEB Liability

	2020	2019	2018
Town's percentage of the net OPEB liability	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	5,675,139	5,609,074	6,383,037
Total	\$ 5,675,139	\$ 5,609,074	\$ 6,383,037
Town's covered-employee payroll	\$ 9,027,959	\$ 9,100,657	\$ 8,743,000
Town's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll.	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	2.08%	1.49%	1.79%

Notes to Schedule

Actuarial Cost Method	Entry age
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	30 years, open
Asset Valuation Method	Market Value of Assets
Investment Rate of Return	3.00%, net of investment related expense
Price Inflation	2.75%

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	SPECIAL REVENUE FUNDS							
	Economic and Community Development <u>Loan Fund</u>	Educational Grants <u>Fund</u>	Library <u>Fund</u>	Cargill Mills & Main Street <u>Fund</u>	Youth Advisory Board <u>Fund</u>	Pay Per Sticker Program <u>Fund</u>	Drug Prevention Grant <u>Fund</u>	Arts Council <u>Fund</u>
Assets								
Cash and Cash Equivalents	\$ 660,909	\$ 177,321	\$ 336,625	\$ -	\$ -	\$ 176,245	\$ -	\$ -
Receivables, Net	529,897	69,057	-	-	-	26,015	-	-
Other Assets	-	-	-	-	-	-	-	-
Due from Other Funds	-	30,503	-	1,000	172	9,017	4,462	3,848
Total Assets	<u>\$ 1,190,806</u>	<u>\$ 276,881</u>	<u>\$ 336,625</u>	<u>\$ 1,000</u>	<u>\$ 172</u>	<u>\$ 211,277</u>	<u>\$ 4,462</u>	<u>\$ 3,848</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances								
Liabilities:								
Accounts Payable and Accrued Items	\$ -	\$ 53,138	\$ -	\$ -	\$ -	\$ 29,415	\$ -	\$ -
Unearned Revenue	-	223,743	-	-	-	-	4,462	-
Due to Other Funds	2,047	-	-	-	-	-	-	-
Advance from Other Funds	-	-	-	-	-	-	-	-
Total Liabilities	<u>2,047</u>	<u>276,881</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,415</u>	<u>4,462</u>	<u>-</u>
Deferred Inflows of Resources:								
Unavailable Revenues	-	-	-	-	-	-	-	-
Fund Balances:								
Nonspendable	-	-	9,715	-	-	-	-	-
Restricted	1,188,759	-	-	-	-	-	-	3,848
Committed	-	-	326,910	1,000	172	181,862	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	<u>1,188,759</u>	<u>-</u>	<u>336,625</u>	<u>1,000</u>	<u>172</u>	<u>181,862</u>	<u>-</u>	<u>3,848</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,190,806</u>	<u>\$ 276,881</u>	<u>\$ 336,625</u>	<u>\$ 1,000</u>	<u>\$ 172</u>	<u>\$ 211,277</u>	<u>\$ 4,462</u>	<u>\$ 3,848</u>

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	SPECIAL REVENUE FUNDS							
	Miscellaneous Grant Fund	Miscellaneous Capital Grant Fund	Interscholastic Sports Fund	Preservation Fees Fund	Recreation Donation Fund	Bandstand Donation Fund	Community Garden Fund	Dog Fund
Assets								
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 31,127	\$ -	\$ -	\$ -
Receivables, Net	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-
Due from Other Funds	109,225	1,887	59,443	83,626	-	1,118	3,545	2,233
Total Assets	<u>\$ 109,225</u>	<u>\$ 1,887</u>	<u>\$ 59,443</u>	<u>\$ 83,626</u>	<u>\$ 31,127</u>	<u>\$ 1,118</u>	<u>\$ 3,545</u>	<u>\$ 2,233</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances								
Liabilities:								
Accounts Payable and Accrued Items	\$ -	\$ -	\$ -	\$ -	\$ 1,400	\$ -	\$ -	\$ 66
Unearned Revenue	7,182	-	-	-	251	-	-	-
Due to Other Funds	-	-	-	-	13,974	-	-	-
Advance from Other Funds	-	-	-	-	-	-	-	-
Total Liabilities	<u>7,182</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,625</u>	<u>-</u>	<u>-</u>	<u>66</u>
Deferred Inflows of Resources:								
Unavailable Revenues	-	-	-	-	-	-	-	-
Fund Balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	102,043	1,887	-	83,626	15,502	1,118	3,545	2,167
Committed	-	-	59,443	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	<u>102,043</u>	<u>1,887</u>	<u>59,443</u>	<u>83,626</u>	<u>15,502</u>	<u>1,118</u>	<u>3,545</u>	<u>2,167</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 109,225</u>	<u>\$ 1,887</u>	<u>\$ 59,443</u>	<u>\$ 83,626</u>	<u>\$ 31,127</u>	<u>\$ 1,118</u>	<u>\$ 3,545</u>	<u>\$ 2,233</u>

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	SPECIAL REVENUE FUNDS							
	Town Aid Road Grant Fund	Medicare Special Education Fund	School Readiness & Family Resource Fund	Cafeteria Fund	Wholesome Food Fund	Saturday Farmers' Market Fund	Preservation of Open Space Grant Fund	School Facilities Fund
Assets								
Cash and Cash Equivalents	\$ -	\$ -	\$ 103,286	\$ 754,552	\$ -	\$ 12,434	\$ -	\$ 15,617
Receivables, Net	-	36,553	-	132,861	-	-	-	-
Other Assets	-	-	-	9,387	-	-	-	-
Due from Other Funds	254,657	367,458	-	-	2,885	6,991	-	-
Total Assets	<u>\$ 254,657</u>	<u>\$ 404,011</u>	<u>\$ 103,286</u>	<u>\$ 896,800</u>	<u>\$ 2,885</u>	<u>\$ 19,425</u>	<u>\$ -</u>	<u>\$ 15,617</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances								
Liabilities:								
Accounts Payable and Accrued Items	\$ 123,154	\$ -	\$ 456	\$ 9,187	\$ -	\$ 360	\$ -	\$ -
Unearned Revenue	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	48,908	24,841	-	-	438	2,719
Advance from Other Funds	-	-	-	-	-	-	-	-
Total Liabilities	<u>123,154</u>	<u>-</u>	<u>49,364</u>	<u>34,028</u>	<u>-</u>	<u>360</u>	<u>438</u>	<u>2,719</u>
Deferred Inflows of Resources:								
Unavailable Revenues	-	-	-	-	-	-	-	-
Fund Balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	131,503	-	-	-	-	-	-	-
Committed	-	404,011	53,922	862,772	2,885	19,065	-	12,898
Unassigned	-	-	-	-	-	-	(438)	-
Total Fund Balances	<u>131,503</u>	<u>404,011</u>	<u>53,922</u>	<u>862,772</u>	<u>2,885</u>	<u>19,065</u>	<u>(438)</u>	<u>12,898</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 254,657</u>	<u>\$ 404,011</u>	<u>\$ 103,286</u>	<u>\$ 896,800</u>	<u>\$ 2,885</u>	<u>\$ 19,425</u>	<u>\$ -</u>	<u>\$ 15,617</u>

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUNDS				
	ADA Curbcuts Fund	Belding Mill Brownfield Fund	Economic Development Special Fund	Capital Nonrecurring Fund	Water Capital Project Fund	Equipment Replacement Fund	Recreation and Athletic Fields Fund	Sidewalks Fund
Assets								
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables, Net	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	40,921	332,970	391,841	112,713	-	85,653
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,921</u>	<u>\$ 332,970</u>	<u>\$ 391,841</u>	<u>\$ 112,713</u>	<u>\$ -</u>	<u>\$ 85,653</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances								
Liabilities:								
Accounts Payable and Accrued Items	\$ -	\$ -	\$ -	\$ -	\$ 152,349	\$ -	\$ 12,970	\$ -
Unearned Revenue	-	-	-	-	90,673	-	-	-
Due to Other Funds	1,200	-	-	-	-	-	642,306	-
Advance from Other Funds	-	-	-	-	-	-	-	-
Total Liabilities	<u>1,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>243,022</u>	<u>-</u>	<u>655,276</u>	<u>-</u>
Deferred Inflows of Resources:								
Unavailable Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	1,724	-	-	-	-
Committed	-	-	40,921	331,246	148,819	112,713	-	85,653
Unassigned	(1,200)	-	-	-	-	-	(655,276)	-
Total Fund Balances	<u>(1,200)</u>	<u>-</u>	<u>40,921</u>	<u>332,970</u>	<u>148,819</u>	<u>112,713</u>	<u>(655,276)</u>	<u>85,653</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,921</u>	<u>\$ 332,970</u>	<u>\$ 391,841</u>	<u>\$ 112,713</u>	<u>\$ -</u>	<u>\$ 85,653</u>

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	CAPITAL PROJECTS FUNDS								
	Road Reconstruction Ash Fund	Quinebaug Bridge Fund	Bridge Street Bridge Fund	Woodstock Ave #1 Bridge Fund	Recreation Park Road Bridge Fund	Quinebaug Regional Tech Park Fund	Sewer Capital Project Fund	Capital Nonrecurring Ash Fund	Total
Assets									
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,268,116
Receivables, Net	-	-	-	752,999	721,891	188,000	-	-	2,457,273
Other Assets	-	-	-	-	-	-	-	-	9,387
Due from Other Funds	-	229,939	558,256	-	-	-	556,741	-	3,251,104
Total Assets	\$ -	\$ 229,939	\$ 558,256	\$ 752,999	\$ 721,891	\$ 188,000	\$ 556,741	\$ -	\$ 7,985,880
Liabilities, Deferred Inflows of Resources, and Fund Balances									
Liabilities:									
Accounts Payable and Accrued Items	\$ -	\$ -	\$ 3,441	\$ 398,723	\$ 197,601	\$ -	\$ 59,583	\$ -	\$ 1,041,843
Unearned Revenue	-	229,939	-	-	-	-	-	-	556,250
Due to Other Funds	-	-	-	246,414	524,290	-	497,158	-	2,004,295
Advance from Other Funds	-	-	-	-	-	180,200	-	1,188,509	1,368,709
Total Liabilities	-	229,939	3,441	645,137	721,891	180,200	556,741	1,188,509	4,971,097
Deferred Inflows of Resources:									
Unavailable Revenues	-	-	-	-	-	188,000	-	-	188,000
Fund Balances:									
Nonspendable	-	-	-	-	-	-	-	-	9,715
Restricted	-	-	-	-	-	-	-	-	1,535,722
Committed	-	-	554,815	107,862	-	-	-	-	3,306,969
Unassigned	-	-	-	-	-	(180,200)	-	(1,188,509)	(2,025,623)
Total Fund Balances	-	-	554,815	107,862	-	(180,200)	-	(1,188,509)	2,826,783
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 229,939	\$ 558,256	\$ 752,999	\$ 721,891	\$ 188,000	\$ 556,741	\$ -	\$ 7,985,880

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	SPECIAL REVENUE FUNDS							
	Economic and Community Development <u>Loan Fund</u>	Educational Grants <u>Fund</u>	Library <u>Fund</u>	Cargill Mills & Main Street <u>Fund</u>	Youth Advisory Board <u>Fund</u>	Pay Per Sticker Program <u>Fund</u>	Drug Prevention Grant <u>Fund</u>	Arts Council <u>Fund</u>
Revenues								
Intergovernmental Revenues	\$ -	\$ 1,975,107	\$ 8,276	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, Permits and Charges for Services	72,260	-	-	-	-	188,533	-	-
Investment Income	760	-	939	-	-	55	-	-
Other Revenue	-	23,417	1,765	-	-	-	-	-
Total Revenues	<u>73,020</u>	<u>1,998,524</u>	<u>10,980</u>	<u>-</u>	<u>-</u>	<u>188,588</u>	<u>-</u>	<u>-</u>
Expenditures								
Current:								
General Government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	9,965	-	-	-	-	-
Sanitation	-	-	-	-	-	200,315	-	-
Community and Social Services	-	-	-	-	-	-	-	-
Economic Development	69,250	-	-	-	-	-	-	-
Education	-	1,998,524	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	<u>69,250</u>	<u>1,998,524</u>	<u>9,965</u>	<u>-</u>	<u>-</u>	<u>200,315</u>	<u>-</u>	<u>-</u>
Excess/(Deficiency) of Revenues Over Expenditures	3,770	-	1,015	-	-	(11,727)	-	-
Other Financing Sources/(Uses)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	3,770	-	1,015	-	-	(11,727)	-	-
Fund Balances at Beginning of Year	<u>1,184,989</u>	<u>-</u>	<u>335,610</u>	<u>1,000</u>	<u>172</u>	<u>193,589</u>	<u>-</u>	<u>3,848</u>
Fund Balances at End of Year	<u>\$ 1,188,759</u>	<u>\$ -</u>	<u>\$ 336,625</u>	<u>\$ 1,000</u>	<u>\$ 172</u>	<u>\$ 181,862</u>	<u>\$ -</u>	<u>\$ 3,848</u>

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	SPECIAL REVENUE FUNDS							
	Miscellaneous	Miscellaneous	Interscholastic	Preservation	Recreation	Bandstand	Community	Dog
	Grant Fund	Capital Grant Fund	Sports Fund	Fees Fund	Donation Fund	Donation Fund	Garden Fund	Fund
Revenues								
Intergovernmental Revenues	\$ -	\$ 180,685	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, Permits and Charges for Services	-	-	2,878	6,174	37,772	-	525	-
Investment Income	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-
Total Revenues	-	180,685	2,878	6,174	37,772	-	525	-
Expenditures								
Current:								
General Government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	31
Public Works	-	276,495	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	52,504	-	-	-
Sanitation	-	-	-	-	-	-	-	-
Community and Social Services	-	-	-	-	-	-	515	-
Economic Development	-	-	-	-	-	-	-	-
Education	-	-	18,238	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	-	276,495	18,238	-	52,504	-	515	31
Excess/(Deficiency) of Revenues Over Expenditures	-	(95,810)	(15,360)	6,174	(14,732)	-	10	(31)
Other Financing Sources/(Uses)								
Transfers In	-	100,000	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	100,000	-	-	-	-	-	-
Net Change in Fund Balances	-	4,190	(15,360)	6,174	(14,732)	-	10	(31)
Fund Balances at Beginning of Year	102,043	(2,303)	74,803	77,452	30,234	1,118	3,535	2,198
Fund Balances at End of Year	<u>\$ 102,043</u>	<u>\$ 1,887</u>	<u>\$ 59,443</u>	<u>\$ 83,626</u>	<u>\$ 15,502</u>	<u>\$ 1,118</u>	<u>\$ 3,545</u>	<u>\$ 2,167</u>

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	SPECIAL REVENUE FUNDS							
	Town Aid Road Grant Fund	Medicare Special Education Fund	School Readiness & Family Resource Fund	Cafeteria Fund	Wholesome Food Fund	Saturday Farmers' Market Fund	Preservation of Open Space Grant Fund	School Facilities Fund
Revenues								
Intergovernmental Revenues	\$ 237,471	\$ -	\$ -	\$ 874,927	\$ -	\$ -	\$ -	\$ -
Licenses, Permits and Charges for Services	-	57,678	206,732	84,694	-	2,135	-	6,994
Investment Income	-	-	188	1,350	-	-	-	-
Other Revenue	-	-	-	-	-	9,313	-	-
Total Revenues	237,471	57,678	206,920	960,971	-	11,448	-	6,994
Expenditures								
Current:								
General Government	-	-	-	-	-	256	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	270,786	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	1,663	-	-
Sanitation	-	-	-	-	-	-	-	-
Community and Social Services	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-
Education	-	6,149	171,266	735,853	-	-	-	4,207
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	270,786	6,149	171,266	735,853	-	1,919	-	4,207
Excess/(Deficiency) of Revenues Over Expenditures	(33,315)	51,529	35,654	225,118	-	9,529	-	2,787
Other Financing Sources/(Uses)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	(9,297)	-	-	-	-	-	-	(100,000)
Total Other Financing Sources/(Uses)	(9,297)	-	-	-	-	-	-	(100,000)
Net Change in Fund Balances	(42,612)	51,529	35,654	225,118	-	9,529	-	(97,213)
Fund Balances at Beginning of Year	174,115	352,482	18,268	637,654	2,885	9,536	(438)	110,111
Fund Balances at End of Year	\$ 131,503	\$ 404,011	\$ 53,922	\$ 862,772	\$ 2,885	\$ 19,065	\$ (438)	\$ 12,898

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUNDS				
	ADA Curbcuts Fund	Belding Mill Brownfield Fund	Economic Development Special Fund	Capital Nonrecurring Fund	Water Capital Project Fund	Equipment Replacement Fund	Recreation and Athletic Fields Fund	Sidewalks Fund
Revenues								
Intergovernmental Revenues	\$ -	\$ 11,405	\$ -	\$ 171,800	\$ 378,640	\$ -	\$ -	\$ -
Licenses, Permits and Charges for Services	-	-	-	-	-	-	72,639	-
Investment Income	-	-	-	-	-	-	-	-
Other Revenue	-	-	10,000	-	-	27,668	-	-
Total Revenues	<u>-</u>	<u>11,405</u>	<u>10,000</u>	<u>171,800</u>	<u>378,640</u>	<u>27,668</u>	<u>72,639</u>	<u>-</u>
Expenditures								
Current:								
General Government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-
Community and Social Services	-	11,405	-	-	-	-	-	-
Economic Development	-	-	15,303	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	324,736	551,543	312,217	709,008	35,750
Total Expenditures	<u>-</u>	<u>11,405</u>	<u>15,303</u>	<u>324,736</u>	<u>551,543</u>	<u>312,217</u>	<u>709,008</u>	<u>35,750</u>
Excess/(Deficiency) of Revenues Over Expenditures	-	-	(5,303)	(152,936)	(172,903)	(284,549)	(636,369)	(35,750)
Other Financing Sources/(Uses)								
Transfers In	-	-	-	200,363	-	371,959	-	150,000
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,363</u>	<u>-</u>	<u>371,959</u>	<u>-</u>	<u>150,000</u>
Net Change in Fund Balances	-	-	(5,303)	47,427	(172,903)	87,410	(636,369)	114,250
Fund Balances at Beginning of Year	(1,200)	-	46,224	285,543	321,722	25,303	(18,907)	(28,597)
Fund Balances at End of Year	<u>\$ (1,200)</u>	<u>\$ -</u>	<u>\$ 40,921</u>	<u>\$ 332,970</u>	<u>\$ 148,819</u>	<u>\$ 112,713</u>	<u>\$ (655,276)</u>	<u>\$ 85,653</u>

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

CAPITAL PROJECTS FUNDS

	Road Reconstruction Ash Fund	Quinebaug Bridge Fund	Bridge Street Bridge Fund	Woodstock Ave #1 Bridge Fund	Recreation Park Road Bridge Fund	Quinebaug Regional Tech Park Fund	Sewer Capital Project Fund	Capital Nonrecurrent Ash Fund	Total
Revenues									
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ 756,818	\$ 1,913,486	\$ -	\$ -	\$ -	\$ 6,508,615
Licenses, Permits and Charges for Services	-	-	-	-	-	15,825	-	-	754,839
Investment Income	-	-	-	-	-	-	-	-	3,292
Other Revenue	-	-	-	-	-	-	-	-	72,163
Total Revenues	-	-	-	756,818	1,913,486	15,825	-	-	7,338,909
Expenditures									
Current:									
General Government	-	-	-	-	-	-	-	-	256
Public Safety	-	-	-	-	-	-	-	-	31
Public Works	-	-	-	-	-	-	-	-	547,281
Culture and Recreation	-	-	-	-	-	-	-	-	64,132
Sanitation	-	-	-	-	-	-	-	-	200,315
Community and Social Services	-	-	-	-	-	-	-	-	11,920
Economic Development	-	-	-	-	-	-	-	-	84,553
Education	-	-	-	-	-	-	-	-	2,934,237
Capital Outlay	39,259	-	45,185	1,006,956	2,391,963	-	104,900	-	5,521,517
Total Expenditures	39,259	-	45,185	1,006,956	2,391,963	-	104,900	-	9,364,242
Excess/(Deficiency) of Revenues Over Expenditures	(39,259)	-	(45,185)	(250,138)	(478,477)	15,825	(104,900)	-	(2,025,333)
Other Financing Sources/(Uses)									
Transfers In	9,297	-	600,000	358,000	478,477	-	556,741	79,744	2,904,581
Transfers Out	-	-	-	-	-	-	-	-	(109,297)
Total Other Financing Sources/(Uses)	9,297	-	600,000	358,000	478,477	-	556,741	79,744	2,795,284
Net Change in Fund Balances	(29,962)	-	554,815	107,862	-	15,825	451,841	79,744	769,951
Fund Balances at Beginning of Year	29,962	-	-	-	-	(196,025)	(451,841)	(1,268,253)	2,056,832
Fund Balances at End of Year	\$ -	\$ -	\$ 554,815	\$ 107,862	\$ -	\$ (180,200)	\$ -	\$ (1,188,509)	\$ 2,826,783

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT
Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2020

	Governmental Activities - Internal Service Funds		
	BOE Health Insurance Fund	Town Health Insurance Fund	Total
Assets			
Current Assets:			
Health Insurance Escrow	<u>\$ 1,600,376</u>	<u>\$ 601,859</u>	<u>\$ 2,202,235</u>
Liabilities			
Current Liabilities:			
Claims Payable	<u>\$ 145,325</u>	<u>\$ 67,942</u>	<u>\$ 213,267</u>
Noncurrent Liabilities:			
Claims Payable	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>145,325</u>	<u>67,942</u>	<u>213,267</u>
Net Position			
Unrestricted	<u>\$ 1,455,051</u>	<u>\$ 533,917</u>	<u>\$ 1,988,968</u>

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2020

	Governmental Activities - Internal Service Funds		
	BOE Health Insurance Fund	Town Health Insurance Fund	Total
Operating Revenues			
Charges for Services	\$ 2,781,011	\$ 1,155,846	\$ 3,936,857
Operating Expenses			
Administration	111,046	41,007	152,053
Claims	1,817,088	1,265,620	3,082,708
Premiums	332,616	130,404	463,020
Total Operating Expenses	<u>2,260,750</u>	<u>1,437,031</u>	<u>3,697,781</u>
Operating Income/(Loss)	<u>520,261</u>	<u>(281,185)</u>	<u>239,076</u>
Non-Operating Revenues			
Interest Income	<u>7,676</u>	<u>3,327</u>	<u>11,003</u>
Change in Net Position	<u>527,937</u>	<u>(277,858)</u>	<u>250,079</u>
Net Position - Beginning of Year	<u>927,114</u>	<u>811,775</u>	<u>1,738,889</u>
Net Position - End of Year	<u>\$ 1,455,051</u>	<u>\$ 533,917</u>	<u>\$ 1,988,968</u>

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2020

	Governmental Activities - Internal Service Funds		
	BOE Health Insurance Fund	Town Health Insurance Fund	Total
Cash Flows from Operating Activities			
Receipts from Interfund Charges for Risk Management	\$ 2,781,011	\$ 1,155,846	\$ 3,936,857
Payments for Benefits and Claims	(2,345,025)	(987,762)	(3,332,787)
Premiums and Administrative Charges	(443,662)	(171,411)	(615,073)
Net Cash from Operating Activities	<u>(7,676)</u>	<u>(3,327)</u>	<u>(11,003)</u>
Cash Flows from Investing Activities			
Interest Income	<u>7,676</u>	<u>3,327</u>	<u>11,003</u>
Net Cash from Investing Activities	<u>7,676</u>	<u>3,327</u>	<u>11,003</u>
Net Increase (Decrease) in Cash and Equivalents	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Equivalents - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Equivalents - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Operating Income/(Loss)	\$ 520,261	\$ (281,185)	\$ 239,076
Changes in Operating Assets and Liabilities			
Health Insurance Escrow	(448,791)	264,049	(184,742)
Claims Payable	<u>(79,146)</u>	<u>13,809</u>	<u>(65,337)</u>
Total Adjustments	<u>(527,937)</u>	<u>277,858</u>	<u>(250,079)</u>
Net Cash Provided by Operating Activities	<u>\$ (7,676)</u>	<u>\$ (3,327)</u>	<u>\$ (11,003)</u>

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT
 Agency Funds
 Combining Statement of Changes in Assets and Liabilities
 For the Year Ended June 30, 2020

	<u>Balance</u>		<u>Deductions</u>	<u>Balance</u>
	<u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2020</u>
<u>Student Activity Funds</u>				
Assets				
Cash and Cash Equivalents:				
Putnam Elementary School	\$ 14,976	\$ 4,927	\$ 4,605	\$ 15,298
Putnam Middle School	16,252	46,308	44,336	18,224
Putnam High School	76,454	50,602	54,693	72,363
Family Resource Center	10,051	11,028	10,649	10,430
Investments:				
Putnam High School	<u>7,316</u>	<u>129</u>	<u>-</u>	<u>7,445</u>
Total Assets	<u><u>125,049</u></u>	<u><u>112,994</u></u>	<u><u>114,283</u></u>	<u><u>123,760</u></u>
Liabilities				
Fiduciary Deposits	<u>125,049</u>	<u>112,994</u>	<u>114,283</u>	<u>123,760</u>
Total Liabilities	<u><u>\$ 125,049</u></u>	<u><u>\$ 112,994</u></u>	<u><u>\$ 114,283</u></u>	<u><u>\$ 123,760</u></u>

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT
Schedule of Debt Limitation
June 30, 2020

Total Tax Collections, Including Interest and Lien Fees - Prior Fiscal Year:		
Town		\$13,370,753
Taxing District		3,880,196

Reimbursement for Revenue Loss on:		
Tax Relief for Elderly and Disabled - Prior Fiscal Year		1,824
Base		<u>\$ 17,252,773</u>

	General Purposes <small>(2.25 x base)</small>	Schools <small>(4.50 x base)</small>	Sewers <small>(3.75 x base)</small>	Urban Renewal <small>(3.25 x base)</small>	Pension Deficit <small>(3.00 x base)</small>
Debt Limitation:					
Statutory Debt Limits by Function	<u>\$ 38,818,739</u>	<u>\$ 77,637,479</u>	<u>\$ 64,697,899</u>	<u>\$ 56,071,512</u>	<u>\$ 51,758,319</u>
Indebtedness:					
Loans Payable	576,000	-	12,507,851 **	-	-
Bonds Payable	-	11,290,000	-	-	-
Bonds/Loans Payable - Overlapping Governments	3,386,802 ***	-	-	-	-
Authorized But Unissued Debt	<u>16,050,790</u>	<u>3,045,023</u>	<u>1,726,064</u>	-	-
Total Gross Indebtedness	20,013,592	14,335,023	14,233,915	-	-
Less: Estimated Grant Reimbursements	-	(3,000,000) ****	-	-	-
Total Net Indebtedness	<u>20,013,592</u>	<u>11,335,023</u>	<u>14,233,915</u>	-	-
Debt Limitation in Excess of Debt*	<u>\$ 18,805,147</u>	<u>\$ 66,302,456</u>	<u>\$ 50,463,984</u>	<u>\$ 56,071,512</u>	<u>\$ 51,758,319</u>

*In no event shall total debt exceed seven times annual receipts from base. The maximum amount permitted under this formula would be approximately \$120,769,411.

**Per Connecticut General Statutes 7-734 - Bonded indebtedness of municipalities - the aggregate indebtedness of the Town shall exclude each bond, note and other evidence of indebtedness issued for the supply of water. As such, the Town has excluded \$15,189,262 in drinking water loans.

***Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of indebtedness of those overlapping governments that is borne by the residents and businesses of the Town. This process recognizes that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. Overlapping governments consist of the Special Services District and the East Putnam Fire District.

****Per Connecticut General Statutes 7-734 - Bonded indebtedness of municipalities - the aggregate indebtedness of the Town shall exclude each bond, note and other evidence of indebtedness issued in anticipation of the receipt of proceeds from any state or federal grant for which the Town has received a written commitment or for which an allocation has been approved by the State Bond Commission or from a contract with the state, a state agency or another municipality providing for reimbursement of capital costs but only to the extent such indebtedness can be paid from such proceeds.

TOWN OF PUTNAM, CONNECTICUT
Schedule of Property Taxes Levied, Collected, and Outstanding
For the Year Ended June 30, 2020

	Outstanding July 1, 2019	Current Levy	Lawful Corrections		Collectible Taxes	Collections During the Year				Transfers to Suspense	Outstanding June 30, 2020
			Additions	Deductions		Taxes	Interest	Liens	Total		
List of											
10/1:											
2018		\$ 14,636,049	\$ 127,175	\$ 150,517	\$ 14,612,707	\$ 14,088,235	\$ 61,350	\$ 6,294	\$ 14,155,879	\$ -	\$ 524,472
2017	\$ 222,163	-	510	3,478	219,195	102,532	23,635	9,469	135,636	-	116,663
2016	78,379	-	-	262	78,117	26,564	10,878	1,982	39,424	-	51,553
2015	41,783	-	-	168	41,615	14,599	7,307	958	22,864	-	27,016
2014	41,225	-	-	539	40,686	9,561	7,499	165	17,225	-	31,125
2013	38,304	-	-	143	38,161	7,435	2,199	51	9,685	-	30,726
2012	30,977	-	-	159	30,818	2,207	2,392	107	4,706	-	28,611
2011	27,311	-	-	-	27,311	1,939	1,930	5,208	9,077	-	25,372
2010	20,273	-	-	-	20,273	274	417	128	819	17,167	2,832
2009	17,323	-	-	-	17,323	105	174	36	315	14,386	2,832
2008	6,054	-	-	-	6,054	-	-	-	-	3,118	2,936
2007	4,297	-	-	-	4,297	-	-	-	-	2,172	2,125
2006	3,490	-	-	-	3,490	-	-	-	-	1,455	2,035
2005	1,964	-	-	-	1,964	-	-	-	-	63	1,901
2004	1,812	-	-	-	1,812	-	-	-	-	-	1,812
	\$ 535,355	\$ 14,636,049	\$ 127,685	\$ 155,266	\$ 15,143,823	14,253,451	117,781	24,398	14,395,630	\$ 38,361	\$ 852,011
Net Grand List - October 1, 2018						639	1,320	178	2,137		
Tax Rate: 22.06 mills						\$ 14,254,090	\$ 119,101	\$ 24,576	\$ 14,397,767		

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT

Comparative Assessed Valuations

For the Year Ended June 30, 2020

<u>Grand List of 10/1</u>	<u>Gross Taxable Grand List</u>	<u>Less Exemptions</u>	<u>Net Taxable Grand List</u>
2018	\$ 685,047,211	\$ 33,152,060	\$ 651,895,151
2017	660,968,951	29,076,400	631,892,551
2016	641,903,933	29,149,245	612,754,688
2015	648,764,380	28,645,980	620,118,400
2014	637,332,151	27,256,640	610,075,511
2013	665,332,151	24,757,250	640,574,901
2012	653,027,705	24,968,230	628,059,475
2011	647,815,405	21,218,940	626,596,465
2010	643,530,470	22,300,850	621,229,620
2009	645,155,294	20,528,790	624,626,504

(Unaudited)
See accountant's report.

TOWN OF PUTNAM, CONNECTICUT

Top 10 Taxpayers

Based on 10/1/18 Net Taxable Grand Lists

For the Year Ended June 30, 2020

<u>Name</u>	<u>Valuation</u>
Eversource	\$ 49,323,550
Putnam Acquisition LP	10,078,070
Putnam Downtown LLC	9,870,000
Putnam LLC	7,093,880
Staples Inc	6,816,639
D&M Group LLC	5,368,980
Pall Corporation	5,171,140
JR&R II LLC	5,019,400
Tegrant Diversified Brands inc	4,155,830
Providence Pike Parkade LLC	4,094,800

(Unaudited)
See accountant's report.

TOWN OF PUTNAM, CONNECTICUT

Property Tax Levies and Collections

For the Year Ended June 30, 2020

<u>Grand List of Oct. 1,</u>	<u>Fiscal Year Ended June 30,</u>	<u>Tax Levy for the Fiscal Year</u>	<u>Percent Collected Within the Fiscal Year of Levy</u>	<u>Percent Uncollected at End of Fiscal Year of Levy</u>	<u>Percent Uncollected at June 30, 2020</u>
2018	2020	\$14,612,707	96.41%	3.59%	3.59%
2017	2019	13,229,136	98.30%	1.70%	0.88%
2016	2018	12,350,641	98.10%	1.90%	0.42%
2015	2017	10,524,607	98.10%	1.90%	0.26%
2014	2016	10,058,883	97.80%	2.20%	0.31%
2013	2015	9,759,297	97.10%	2.90%	0.31%
2012	2014	9,382,379	97.40%	2.60%	0.30%
2011	2013	9,281,112	97.40%	2.60%	0.27%
2010	2012	8,681,279	97.50%	2.50%	0.03%
2009	2011	8,702,564	97.30%	2.70%	0.03%

(Unaudited)
See accountant's report.

TOWN OF PUTNAM, CONNECTICUT
Annual Long-Term Bonded Debt Maturity Schedule
As of June 30, 2020

Fiscal Year Ending 6/30	Principal	Interest	Total
2021	\$ 495,000	\$ 411,376	\$ 906,376
2022	495,000	386,626	881,626
2023	495,000	361,874	856,874
2024	495,000	337,126	832,126
2025	490,000	312,376	802,376
2026	490,000	287,876	777,876
2027	490,000	263,376	753,376
2028	490,000	248,676	738,676
2029	490,000	233,976	723,976
2030	490,000	219,276	709,276
2031	490,000	204,576	694,576
2032	490,000	189,876	679,876
2033	490,000	175,176	665,176
2034	490,000	160,476	650,476
2035	490,000	145,162	635,162
2036	490,000	129,850	619,850
2037	490,000	113,926	603,926
2038	490,000	98,000	588,000
2039	490,000	82,076	572,076
2040	490,000	66,150	556,150
2041	490,000	49,612	539,612
2042	490,000	33,076	523,076
2043	490,000	16,538	506,538
Total	<u>\$ 11,290,000</u>	<u>\$ 4,527,052</u>	<u>\$ 15,817,052</u>

(Unaudited)
See accountant's report.

TOWN OF PUTNAM, CONNECTICUT

Debt Statement
As of June 30, 2020

Direct Debt

Long-term Debt

General Purpose	\$ 576,000
Schools	11,290,000
Water	15,189,262
Sewer	<u>12,507,851</u>

Total Long-term Debt 39,563,113

Total Direct Debt 39,563,113

Less:

Self Supporting Debt

Water	15,189,262
Sewer	<u>12,507,851</u>

Total Net Direct Debt 11,866,000

* **Overlapping Debt** 3,386,802

Total Overall Net Debt \$ 15,252,802

* The Putnam Special Services District and the East Putnam Fire District

TOWN OF PUTNAM, CONNECTICUT

Current Debt Ratios

June 30, 2020

2 Population		9,395
1 Net Taxable Grand List (10/1/18) (70%)	\$	651,895,151
Estimated Full Value	\$	931,278,787

	<u>Total Direct Debt</u>	<u>Total Net Direct Debt</u>	<u>Total Overall Net Debt</u>
	\$39,563,113	\$ 11,866,000	\$15,252,802
Per Capita	\$ 4,211.08	\$ 1,263.01	\$ 1,623.50
Ratio to Net Taxable Grand List	6.07%	1.82%	2.34%
Ratio to Estimated Full Value	4.25%	1.27%	1.64%

1 Revalued 10/1/14

2 OPM Municipal Fiscal Indicators

(Unaudited)
See accountant's report.