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**TOWN OF PUTNAM, CONNECTICUT**

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Annual Financial Statements

For the Year Ended June 30, 2021

**KING, KING & ASSOCIATES, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

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**TOWN OF PUTNAM, CONNECTICUT**

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**Financial  
Section**

**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, 2021, 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, 2021, 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 57–61, and Pension and OPEB schedules on pages 64–69 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*

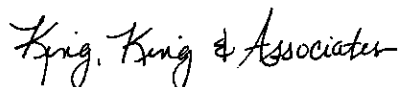
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Putnam, CT's basic financial statements. The combining and individual nonmajor fund financial statements and supplemental schedules are presented for purposes of additional analysis 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 22, 2021, 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 22, 2021

**TOWN OF PUTNAM, CONNECTICUT**  
Management's Discussion and Analysis  
June 30, 2021

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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, 2021.

### 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 \$102,319,026 (*net position*). Of this amount, \$16,602,142 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. This amount consists of \$9,344,979 that is attributable to the Town's governmental activities and \$7,257,163 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 \$2,679,751.
- In the Town's business-type activities, total net position increased by \$191,184.
- As of the close of the current fiscal year, the Town of Putnam, CT's governmental funds reported combined ending fund balances of \$14,561,424, an increase of \$561,874 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,431,384 or 23.6% of total General Fund budgeted expenditures. The total fund balance of the General Fund was \$7,287,658 or 26.8% of total General Fund budgeted 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).

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Management's Discussion and Analysis  
June 30, 2021

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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 a number of 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.



**TOWN OF PUTNAM, CONNECTICUT**  
**Management's Discussion and Analysis**  
**June 30, 2021**

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 22-56 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 \$102,319,026 at the close of the most recent fiscal year.

|                                     | Governmental Activities |                      | Business-Type Activities |                      | Totals                |                      |
|-------------------------------------|-------------------------|----------------------|--------------------------|----------------------|-----------------------|----------------------|
|                                     | 2021                    | 2020                 | 2021                     | 2020                 | 2021                  | 2020                 |
| Current and Other Assets            | \$ 28,029,452           | \$ 22,004,784        | \$ 8,272,545             | \$ 7,339,071         | \$ 36,301,997         | \$ 29,343,855        |
| Capital Assets                      | 82,388,622              | 69,276,300           | 48,394,938               | 49,487,066           | 130,783,560           | 118,763,366          |
| <b>Total Assets</b>                 | <b>110,418,074</b>      | <b>91,281,084</b>    | <b>56,667,483</b>        | <b>56,826,137</b>    | <b>167,085,557</b>    | <b>148,107,221</b>   |
| Deferred Outflows<br>of Resources   | 1,117,497               | 1,578,286            | 31,777                   | 88,791               | 1,149,274             | 1,667,077            |
| Long-term Liabilities               | 27,950,097              | 16,738,695           | 27,121,169               | 27,890,768           | 55,071,266            | 44,629,463           |
| Other Liabilities                   | 6,186,354               | 3,718,520            | 582,335                  | 515,976              | 6,768,689             | 4,234,496            |
| <b>Total Liabilities</b>            | <b>34,136,451</b>       | <b>20,457,215</b>    | <b>27,703,504</b>        | <b>28,406,744</b>    | <b>61,839,955</b>     | <b>48,863,959</b>    |
| Deferred Inflows<br>of Resources    | 3,709,276               | 1,392,062            | 366,574                  | 70,186               | 4,075,850             | 1,462,248            |
| Net Position:                       |                         |                      |                          |                      |                       |                      |
| Net Investment<br>in Capital Assets | 59,134,681              | 57,082,004           | 21,372,019               | 21,692,763           | 80,506,700            | 78,774,767           |
| Restricted                          | 5,210,184               | 5,313,400            | -                        | -                    | 5,210,184             | 5,313,400            |
| Unrestricted                        | 9,344,979               | 8,614,689            | 7,257,163                | 6,745,235            | 16,602,142            | 15,359,924           |
| <b>Total Net Position</b>           | <b>\$ 73,689,844</b>    | <b>\$ 71,010,093</b> | <b>\$ 28,629,182</b>     | <b>\$ 28,437,998</b> | <b>\$ 102,319,026</b> | <b>\$ 99,448,091</b> |

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 \$1,731,933 during the current fiscal year.

**TOWN OF PUTNAM, CONNECTICUT**  
**Management's Discussion and Analysis**  
**June 30, 2021**

The Town's restricted net position of \$5,210,184 decreased by \$103,216 compared to last years restricted net position of \$5,313,400.

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                |                      |
|---|-------------------------|----------------------|--------------------------|----------------------|-----------------------|----------------------|
|   | 2021                    | 2020                 | 2021                     | 2020                 | 2021                  | 2020                 |
| <b>REVENUES</b>                         |                         |                      |                          |                      |                       |                      |
| <i>General Revenues:</i>                |                         |                      |                          |                      |                       |                      |
| Property Taxes                          | \$ 15,379,354           | \$ 14,701,130        | \$ -                     | \$ -                 | \$ 15,379,354         | \$ 14,701,130        |
| Unrestricted Grants & Contributions     | 244,124                 | 226,557              | -                        | -                    | 244,124               | 226,557              |
| Unrestricted Investment Income          | 31,324                  | 188,893              | 24,958                   | 109,396              | 56,282                | 298,289              |
| Contract and Other Revenues             | 2,976,233               | 3,053,840            | -                        | -                    | 2,976,233             | 3,053,840            |
| <i>Program Revenues:</i>                |                         |                      |                          |                      |                       |                      |
| Charges for Services                    | 1,849,469               | 1,751,933            | 5,589,865                | 5,370,427            | 7,439,334             | 7,122,360            |
| Operating Grants and Contributions      | 19,618,841              | 16,233,051           | -                        | -                    | 19,618,841            | 16,233,051           |
| Capital Grants and Contributions        | 2,439,264               | 4,796,860            | -                        | -                    | 2,439,264             | 4,796,860            |
| <b>Total Revenues</b>                   | <b>42,538,609</b>       | <b>40,952,264</b>    | <b>5,614,823</b>         | <b>5,479,823</b>     | <b>48,153,432</b>     | <b>46,432,087</b>    |
| <b>EXPENSES</b>                         |                         |                      |                          |                      |                       |                      |
| <i>Governmental Activities:</i>         |                         |                      |                          |                      |                       |                      |
| General Government                      | 1,871,361               | 2,560,186            | -                        | -                    | 1,871,361             | 2,560,186            |
| Public Safety                           | 156,575                 | 151,829              | -                        | -                    | 156,575               | 151,829              |
| Public Works                            | 3,041,623               | 2,810,447            | -                        | -                    | 3,041,623             | 2,810,447            |
| Culture and Recreation                  | 1,576,122               | 1,621,683            | -                        | -                    | 1,576,122             | 1,621,683            |
| Sanitation                              | 617,079                 | 646,020              | -                        | -                    | 617,079               | 646,020              |
| Community and Social Services           | 305,027                 | 289,897              | -                        | -                    | 305,027               | 289,897              |
| Economic Development                    | 349,264                 | 283,638              | -                        | -                    | 349,264               | 283,638              |
| Education                               | 31,143,097              | 27,154,789           | -                        | -                    | 31,143,097            | 27,154,789           |
| Interest on Long-Term Debt              | 706,595                 | 434,280              | -                        | -                    | 706,595               | 434,280              |
| <i>Business-Type Activities:</i>        |                         |                      |                          |                      |                       |                      |
| Water                                   | -                       | -                    | 2,707,932                | 2,676,083            | 2,707,932             | 2,676,083            |
| Sewer                                   | -                       | -                    | 2,807,822                | 2,663,995            | 2,807,822             | 2,663,995            |
| <b>Total Expenses</b>                   | <b>39,766,743</b>       | <b>35,952,769</b>    | <b>5,515,754</b>         | <b>5,340,078</b>     | <b>45,282,497</b>     | <b>41,292,847</b>    |
| Change in Net Position Before Transfers | 2,771,866               | 4,999,495            | 99,069                   | 139,745              | 2,870,935             | 5,139,240            |
| Transfers                               | (92,115)                | 36,898               | 92,115                   | (36,898)             | -                     | -                    |
| Change in Net Position                  | 2,679,751               | 5,036,393            | 191,184                  | 102,847              | 2,870,935             | 5,139,240            |
| Beginning Net Position                  | 71,010,093              | 65,973,700           | 28,437,998               | 28,335,151           | 99,448,091            | 94,308,851           |
| Ending Net Position                     | <b>\$ 73,689,844</b>    | <b>\$ 71,010,093</b> | <b>\$ 28,629,182</b>     | <b>\$ 28,437,998</b> | <b>\$ 102,319,026</b> | <b>\$ 99,448,091</b> |

**Governmental activities.** Governmental activities increased the Town of Putnam, CT's net position by \$2,679,751.

Key elements of this increase are as follows:

- Due to strong performance of the pension investments, the change in the net pension asset and related deferred outflows and inflows resulted in an increase in net position of \$644,027.
- Capitalization of \$1.7 Million of bridge projects which are 80% grant funded.

**TOWN OF PUTNAM, CONNECTICUT**  
Management's Discussion and Analysis  
June 30, 2021

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- Capitalization of \$13.5 Million of expenses related to the new municipal building less the related GO Bonds issued of \$11 Million. Also received a library construction grant of \$500,000.

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-eight percent (78%) of the expenses of the Town were related to education, followed by five percent (5%) related to general government, eight percent (8%) related to public works, four percent (4%) related to culture and recreation, and five percent (5%) 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 \$191,184 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 \$14,561,424, an increase of \$561,874 in comparison with the prior year. The governmental funds currently have an unassigned fund balance of \$1,619,096, or 11.1% 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 \$6,431,384. 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 24.22 percent of total General Fund Budget Basis expenditures.

The fund balance of the Town of Putnam, CT's General Fund increased by \$567,354 during the current fiscal year. Key factors in this increase are as follows:

- The anticipated use of \$350,000 of fund balance to balance the budget which was not necessary due to factors described below.
- Revenues coming in over budget by \$209,218 particularly in tax collections, charges for services, and investment income.
- Expenditures coming in \$606,405 under budget, particularly in the General Government, Culture and Recreation, Employee and Fringe Benefits, and Education lines.
- Various old special revenue and capital projects funds were closed back into the General Fund resulting in an increase of \$138,833.

**TOWN OF PUTNAM, CONNECTICUT**  
 Management's Discussion and Analysis  
 June 30, 2021

**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 \$4,026,351. \$1,108,765 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 \$158,555 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 \$775,187.

**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, 2021, 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 along with a state grant in the amount of \$1,000,000. 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 \$2,258,295.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The actual net change in fund balance of the General Fund on a budgetary basis was an increase of \$574,456. Budgetary revenues were \$209,218 greater than expected due primarily to higher than anticipated tax collections, investment income, and charges for services. Budgetary expenditures were \$606,405 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 \$350,000 from its fund balance which was not necessary.

**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, 2021, amounts to \$130,783,560 (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 \$12,020,194.

|                                 | 2021          | 2020          |
|---------------------------------|---------------|---------------|
| <i>Governmental Activities:</i> |               |               |
| Land                            | \$ 2,055,563  | \$ 2,055,563  |
| Construction in Progress        | 25,844,685    | 10,506,406    |
| Infrastructure and Improvements | 15,708,603    | 16,265,556    |
| Buildings and Improvements      | 36,409,505    | 38,038,928    |
| Machinery and Equipment         | 2,370,266     | 2,409,847     |
|                                 | \$ 82,388,622 | \$ 69,276,300 |

**TOWN OF PUTNAM, CONNECTICUT**  
**Management's Discussion and Analysis**  
**June 30, 2021**

|                                  | <u>2021</u>          | <u>2020</u>          |
|----------------------------------|----------------------|----------------------|
| <i>Business-Type Activities:</i> |                      |                      |
| Construction in Progress         | \$ 139,218           | \$ 92,766            |
| Infrastructure and Improvements  | 22,047,175           | 22,532,344           |
| Buildings and Improvements       | 25,352,174           | 25,974,900           |
| Machinery and Equipment          | 856,371              | 887,056              |
|                                  | <u>\$ 48,394,938</u> | <u>\$ 49,487,066</u> |

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

- Various bridge projects
- Municipal complex design and construction
- Generator project for the WPCA
- Trucks and mower for the WPCA
- Various trucks and public works equipment

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 \$55,071,266.

|                                  | <u>2021</u>          | <u>2020</u>          |
|----------------------------------|----------------------|----------------------|
| <i>Governmental Activities:</i>  |                      |                      |
| General Obligation Bonds         | \$ 21,245,000        | \$ 11,290,000        |
| Unamortized Bond Premiums        | 1,403,617            | 328,296              |
| Loans Payable                    | 560,000              | 576,000              |
| Capital Leases                   | 45,324               | -                    |
| Compensated Absences             | 371,534              | 366,217              |
| Landfill Post-Closure Liability  | 388,000              | 433,000              |
| OPEB Liability                   | 3,936,622            | 3,745,182            |
| Total Governmental Activities    | <u>\$ 27,950,097</u> | <u>\$ 16,738,695</u> |
| <i>Business-Type Activities:</i> |                      |                      |
| Loans Payable                    | \$ 26,956,577        | \$ 27,697,113        |
| Capital Lease Payable            | 66,342               | 97,190               |
| Compensated Absences             | 98,250               | 96,465               |
| Total Business-Type Activities   | <u>\$ 27,121,169</u> | <u>\$ 27,890,768</u> |

The Town of Putnam, CT's total long-term debt and liabilities increased by \$10,441,803 (19.0 percent) during the current fiscal year due mainly to the issuance of general obligation bonds for the municipal complex project. 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.

The Town of Putnam currently maintains a bond rating of AA by Standard and Poor's.

**TOWN OF PUTNAM, CONNECTICUT**  
Management's Discussion and Analysis  
June 30, 2021

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**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.
- Increased threat of losing State funding will continue to be a variable in our local budget.

All of these factors were considered in preparing the Town of Putnam, CT's budget for the 2022 fiscal year.

**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, 200 School Street, Putnam, CT 06260.

**Basic  
Financial  
Statements**

**TOWN OF PUTNAM, CONNECTICUT**

Statement of Net Position

June 30, 2021

|   | Governmental<br>Activities | Business-Type<br>Activities | Total                 |
|---|----------------------------|-----------------------------|-----------------------|
| <b>Assets</b>                                     |                            |                             |                       |
| Cash and Cash Equivalents                         | \$ 17,719,831              | \$ 6,871,481                | \$ 24,591,312         |
| Receivables, Net                                  | 2,554,538                  | 1,471,361                   | 4,025,899             |
| Internal Balances                                 | 821,082                    | (821,082)                   | -                     |
| Health Insurance Escrow                           | 2,097,313                  | -                           | 2,097,313             |
| Other Assets                                      | 15,352                     | 148,796                     | 164,148               |
| Net Pension Asset                                 | 4,821,336                  | 601,989                     | 5,423,325             |
| Capital Assets:                                   |                            |                             |                       |
| Assets Not Being Depreciated                      | 27,900,248                 | 139,218                     | 28,039,466            |
| Assets Being Depreciated, Net                     | <u>54,488,374</u>          | <u>48,255,720</u>           | <u>102,744,094</u>    |
| <b>Total Assets</b>                               | <u>110,418,074</u>         | <u>56,667,483</u>           | <u>167,085,557</u>    |
| <b>Deferred Outflows of Resources</b>             |                            |                             |                       |
| Deferred Outflows - Pension                       | 254,505                    | 31,777                      | 286,282               |
| Deferred Outflows - OPEB                          | <u>862,992</u>             | <u>-</u>                    | <u>862,992</u>        |
| <b>Total Deferred Outflows of Resources</b>       | <u>1,117,497</u>           | <u>31,777</u>               | <u>1,149,274</u>      |
| <b>Liabilities</b>                                |                            |                             |                       |
| Accounts Payable and Accrued Items                | 3,478,470                  | 370,355                     | 3,848,825             |
| Accrued Interest Payable                          | 317,317                    | 211,980                     | 529,297               |
| Due to Fiduciary Funds, Net                       | 110,606                    | -                           | 110,606               |
| Unearned Revenue                                  | 2,279,961                  | -                           | 2,279,961             |
| Noncurrent Liabilities:                           |                            |                             |                       |
| Due Within One Year                               | 1,354,381                  | 825,613                     | 2,179,994             |
| Due In More Than One Year                         | <u>26,595,716</u>          | <u>26,295,556</u>           | <u>52,891,272</u>     |
| <b>Total Liabilities</b>                          | <u>34,136,451</u>          | <u>27,703,504</u>           | <u>61,839,955</u>     |
| <b>Deferred Inflows of Resources</b>              |                            |                             |                       |
| Deferred Inflows - Pension                        | 2,935,895                  | 366,574                     | 3,302,469             |
| Deferred Inflows - OPEB                           | <u>773,381</u>             | <u>-</u>                    | <u>773,381</u>        |
| <b>Total Deferred Inflows of Resources</b>        | <u>3,709,276</u>           | <u>366,574</u>              | <u>4,075,850</u>      |
| <b>Net Position</b>                               |                            |                             |                       |
| Net Investment in Capital Assets                  | 59,134,681                 | 21,372,019                  | 80,506,700            |
| Restricted for:                                   |                            |                             |                       |
| Enabling Legislation - Landfill Post-closure Care | 1,754,899                  | -                           | 1,754,899             |
| Economic Development                              | 1,163,598                  | -                           | 1,163,598             |
| Health Insurance                                  | 1,877,824                  | -                           | 1,877,824             |
| Other Purposes                                    | 413,863                    | -                           | 413,863               |
| Unrestricted                                      | <u>9,344,979</u>           | <u>7,257,163</u>            | <u>16,602,142</u>     |
| <b>Total Net Position</b>                         | <u>\$ 73,689,844</u>       | <u>\$ 28,629,182</u>        | <u>\$ 102,319,026</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, 2021

| Functions/Programs                         | Program Revenues     |                      |                                    | Net (Expense) Revenue and Changes in Net Position |                         |                          |                       |
|--|----------------------|----------------------|------------------------------------|---|-------------------------|--------------------------|-----------------------|
|  | Expenses             | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions                  | Governmental Activities | Business-Type Activities | Total                 |
| <b>Primary Government:</b>                 |                      |                      |                                    |   |                         |                          |                       |
| Governmental Activities:                   |                      |                      |                                    |   |                         |                          |                       |
| General Government                         | \$ 1,871,361         | \$ 767,712           | \$ 85,557                          | \$ -  | \$ (1,018,092)          | \$ -                     | \$ (1,018,092)        |
| Public Safety                              | 156,575              | 1,510                | -                                  | -   | (155,065)               | -                        | (155,065)             |
| Public Works                               | 3,041,623            | 34,099               | 480,975                            | 1,489,589   | (1,036,960)             | -                        | (1,036,960)           |
| Culture and Recreation                     | 1,576,122            | 287,913              | 41,815                             | 500,000   | (746,394)               | -                        | (746,394)             |
| Sanitation                                 | 617,079              | 194,273              | -                                  | -   | (422,806)               | -                        | (422,806)             |
| Community and Social Services              | 305,027              | 460                  | -                                  | -   | (304,567)               | -                        | (304,567)             |
| Economic Development                       | 349,264              | 122,760              | 11,875                             | -   | (214,629)               | -                        | (214,629)             |
| Education                                  | 31,143,097           | 440,742              | 18,998,619                         | 449,675   | (11,254,061)            | -                        | (11,254,061)          |
| Interest on Long-Term Debt                 | 706,595              | -                    | -                                  | -   | (706,595)               | -                        | (706,595)             |
| Total Governmental Activities              | <u>39,766,743</u>    | <u>1,849,469</u>     | <u>19,618,841</u>                  | <u>2,439,264</u>                                  | <u>(15,859,169)</u>     | <u>-</u>                 | <u>(15,859,169)</u>   |
| Business-Type Activities:                  |                      |                      |                                    |   |                         |                          |                       |
| Water                                      | 2,707,932            | 2,888,716            | -                                  | -   | -                       | 180,784                  | 180,784               |
| Sewer                                      | 2,807,822            | 2,701,149            | -                                  | -   | -                       | (106,673)                | (106,673)             |
| Total Business-Type Activities             | <u>5,515,754</u>     | <u>5,589,865</u>     | <u>-</u>                           | <u>-</u>  | <u>-</u>                | <u>74,111</u>            | <u>74,111</u>         |
| <b>Total Primary Government</b>            | <b>\$ 45,282,497</b> | <b>\$ 7,439,334</b>  | <b>\$ 19,618,841</b>               | <b>\$ 2,439,264</b>                               | <b>(15,859,169)</b>     | <b>74,111</b>            | <b>(15,785,058)</b>   |
| General Revenues:                          |                      |                      |                                    |   |                         |                          |                       |
| Property Taxes                             |                      |                      |                                    |   | 15,379,354              | -                        | 15,379,354            |
| Grants not Restricted to Specific Programs |                      |                      |                                    |   | 244,124                 | -                        | 244,124               |
| Unrestricted Investment Earnings           |                      |                      |                                    |   | 31,324                  | 24,958                   | 56,282                |
| Contract Revenue - Ash Landfill            |                      |                      |                                    |   | 2,775,187               | -                        | 2,775,187             |
| Other General Revenues                     |                      |                      |                                    |   | 201,046                 | -                        | 201,046               |
| Transfers                                  |                      |                      |                                    |   | (92,115)                | 92,115                   | -                     |
| Total General Revenues and Transfers       |                      |                      |                                    |   | <u>18,538,920</u>       | <u>117,073</u>           | <u>18,655,993</u>     |
| Change in Net Position                     |                      |                      |                                    |   | 2,679,751               | 191,184                  | 2,870,935             |
| Net Position - Beginning of Year           |                      |                      |                                    |   | 71,010,093              | 28,437,998               | 99,448,091            |
| Net Position - End of Year                 |                      |                      |                                    |   | <u>\$ 73,689,844</u>    | <u>\$ 28,629,182</u>     | <u>\$ 102,319,026</u> |

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

**TOWN OF PUTNAM, CONNECTICUT**  
 Balance Sheet  
 Governmental Funds  
 June 30, 2021

|  | General<br>Fund      | Ash<br>Landfill<br>Fund | High School<br>Renovation &<br>Expansion &<br>Fund | Municipal<br>Complex<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|-------------------------|--|------------------------------|-----------------------------------|--------------------------------|
| <b>Assets</b>  |                      |                         |  |                              |                                   |                                |
| Cash and Cash Equivalents  | \$ 14,511,030        | \$ -                    | \$ -   | \$ -                         | \$ 3,208,801                      | \$ 17,719,831                  |
| Receivables, Net of Allowance  | 1,013,003            | -                       | -  | -                            | 1,541,535                         | 2,554,538                      |
| Other Assets   | -                    | -                       | -  | -                            | 15,352                            | 15,352                         |
| Due from Other Funds   | 4,527,790            | 6,726,282               | -  | 3,808,696                    | 4,122,691                         | 19,185,459                     |
| Advance to Other Funds   | 174,850              | 1,108,765               | -  | -                            | -                                 | 1,283,615                      |
| <b>Total Assets</b>  | <u>\$ 20,226,673</u> | <u>\$ 7,835,047</u>     | <u>\$ -</u>  | <u>\$ 3,808,696</u>          | <u>\$ 8,888,379</u>               | <u>\$ 40,758,795</u>           |
| <b>Liabilities</b>   |                      |                         |  |                              |                                   |                                |
| Accounts Payable and Accrued Items   | \$ 1,054,285         | \$ -                    | \$ -   | \$ 1,544,961                 | \$ 659,735                        | \$ 3,258,981                   |
| Unearned Revenue   | 226,224              | -                       | -  | -                            | 2,053,737                         | 2,279,961                      |
| Due to Other Funds   | 10,758,675           | 3,808,696               | 2,895,781  | 5,440                        | 1,006,391                         | 18,474,983                     |
| Advance from Other Funds   | -                    | -                       | -  | -                            | 1,283,615                         | 1,283,615                      |
| <b>Total Liabilities</b>   | <u>12,039,184</u>    | <u>3,808,696</u>        | <u>2,895,781</u>                                   | <u>1,550,401</u>             | <u>5,003,478</u>                  | <u>25,297,540</u>              |
| <b>Deferred Inflows of Resources</b>                                       |                      |                         |  |                              |                                   |                                |
| Unavailable Revenues:  |                      |                         |  |                              |                                   |                                |
| Property Taxes and Interest  | 899,831              | -                       | -  | -                            | -                                 | 899,831                        |
| <b>Total Deferred Inflows of Resources</b>                                 | <u>899,831</u>       | <u>-</u>                | <u>-</u>   | <u>-</u>                     | <u>-</u>                          | <u>899,831</u>                 |
| <b>Fund Balances</b>   |                      |                         |  |                              |                                   |                                |
| Nonspendable   | 174,850              | 1,108,765               | -  | -                            | 9,715                             | 1,293,330                      |
| Restricted   | -                    | 2,142,899               | -  | -                            | 1,577,461                         | 3,720,360                      |
| Committed  | 125,323              | 774,687                 | -  | 2,258,295                    | 4,214,232                         | 7,372,537                      |
| Assigned   | 556,101              | -                       | -  | -                            | -                                 | 556,101                        |
| Unassigned   | 6,431,384            | -                       | (2,895,781)  | -                            | (1,916,507)                       | 1,619,096                      |
| <b>Total Fund Balances</b>   | <u>7,287,658</u>     | <u>4,026,351</u>        | <u>(2,895,781)</u>                                 | <u>2,258,295</u>             | <u>3,884,901</u>                  | <u>14,561,424</u>              |
| <b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b> | <u>\$ 20,226,673</u> | <u>\$ 7,835,047</u>     | <u>\$ -</u>  | <u>\$ 3,808,696</u>          | <u>\$ 8,888,379</u>               | <u>\$ 40,758,795</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, 2021

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|  |                             |
|--|-----------------------------|
| <b>Fund balances reported in governmental funds Balance Sheet</b>  | <b>\$ 14,561,424</b>        |
| <b>Amounts reported for governmental activities in the Statement of Net Position are different because:</b>  |                             |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.  |                             |
| <i>Capital Assets</i>  | 123,381,657                 |
| <i>Depreciation</i>  | (40,993,035)                |
| 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>   | 899,831                     |
| 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.                                     | 1,877,824                   |
| 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. | 4,821,336                   |
| 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.   | (1,403,617)                 |
| Certain changes related to pensions are deferred and amortized over time.  |                             |
| <i>Deferred Outflows - Pension</i>   | 254,505                     |
| <i>Deferred Outflows - OPEB</i>  | 862,992                     |
| <i>Deferred Inflows - Pension</i>  | (2,935,895)                 |
| <i>Deferred Inflows - OPEB</i>   | (773,381)                   |
| 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>  | (317,317)                   |
| <i>Bonds payable</i>   | (21,245,000)                |
| <i>Capital leases payable</i>  | (45,324)                    |
| <i>Loan payable</i>  | (560,000)                   |
| <i>Compensated absences</i>  | (371,534)                   |
| <i>Post-closure landfill costs</i>   | (388,000)                   |
| <i>Total OPEB liability</i>  | <u>(3,936,622)</u>          |
| <b>Net position of governmental activities</b>   | <b><u>\$ 73,689,844</u></b> |

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, 2021**

|  | General<br>Fund     | Ash<br>Landfill<br>Fund | High School<br>Renovation &<br>Expansion<br>Fund | Municipal<br>Complex<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|---------------------|-------------------------|--|------------------------------|-----------------------------------|--------------------------------|
| <b>Revenues</b>  |                     |                         |  |                              |                                   |                                |
| Property Taxes, Interest and Lien Fees                       | \$ 15,414,898       | \$ -                    | \$ -   | \$ -                         | \$ -                              | \$ 15,414,898                  |
| Intergovernmental Revenues                                   | 11,459,141          | -                       | -  | 500,000                      | 7,013,893                         | 18,973,034                     |
| Licenses, Permits, and Charges for Services                  | 3,158,418           | 775,187                 | -  | -                            | 928,618                           | 4,862,223                      |
| Investment Income  | 19,822              | -                       | -  | -                            | 5,587                             | 25,409                         |
| Other Revenue  | -                   | -                       | -  | -                            | 179,258                           | 179,258                        |
| <b>Total Revenues</b>  | <u>30,052,279</u>   | <u>775,187</u>          | <u>-</u>   | <u>500,000</u>               | <u>8,127,356</u>                  | <u>39,454,822</u>              |
| <b>Expenditures</b>  |                     |                         |  |                              |                                   |                                |
| <b>Current:</b>  |                     |                         |  |                              |                                   |                                |
| General Government   | 1,741,486           | -                       | -  | -                            | 241,557                           | 1,983,043                      |
| Public Safety  | 120,522             | -                       | -  | -                            | 134                               | 120,656                        |
| Public Works   | 1,305,201           | -                       | -  | -                            | 405,348                           | 1,710,549                      |
| Culture and Recreation                                       | 932,829             | -                       | -  | -                            | 86,217                            | 1,019,046                      |
| Sanitation   | 423,584             | -                       | -  | -                            | 193,495                           | 617,079                        |
| Community and Social Services                                | 302,453             | -                       | -  | -                            | 751                               | 303,204                        |
| Economic Development   | 146,909             | -                       | -  | -                            | 152,065                           | 298,974                        |
| Employee and Fringe Benefits                                 | 771,034             | -                       | -  | -                            | -                                 | 771,034                        |
| Risk Management  | 207,680             | -                       | -  | -                            | -                                 | 207,680                        |
| Education  | 21,773,053          | -                       | -  | -                            | 3,849,754                         | 25,622,807                     |
| Debt Service   | 1,695,007           | -                       | -  | -                            | 9,065                             | 1,704,072                      |
| Capital Outlay   | -                   | -                       | -  | 13,552,668                   | 3,231,253                         | 16,783,921                     |
| <b>Total Expenditures</b>                                    | <u>29,419,758</u>   | <u>-</u>                | <u>-</u>   | <u>13,552,668</u>            | <u>8,169,639</u>                  | <u>51,142,065</u>              |
| <b>Excess/(Deficiency) of Revenues<br/>over Expenditures</b> | 632,521             | 775,187                 | -  | (13,052,668)                 | (42,283)                          | (11,687,243)                   |
| <b>Other Financing Sources/(Uses)</b>                        |                     |                         |  |                              |                                   |                                |
| Issuance of Bonds  | -                   | -                       | -  | 11,000,000                   | -                                 | 11,000,000                     |
| Premium on Financing   | -                   | -                       | -  | 1,147,625                    | -                                 | 1,147,625                      |
| Issuance of Capital Leases                                   | -                   | -                       | -  | -                            | 54,389                            | 54,389                         |
| Transfers In   | 139,271             | 4,984                   | -  | -                            | 1,461,903                         | 1,606,158                      |
| Transfers Out  | (204,438)           | (938,726)               | -  | -                            | (415,891)                         | (1,559,055)                    |
| <b>Total Other Financing Sources/(Uses)</b>                  | <u>(65,167)</u>     | <u>(933,742)</u>        | <u>-</u>   | <u>12,147,625</u>            | <u>1,100,401</u>                  | <u>12,249,117</u>              |
| <b>Net Change in Fund Balances</b>                           | 567,354             | (158,555)               | -  | (905,043)                    | 1,058,118                         | 561,874                        |
| <b>Fund Balances at Beginning of Year</b>                    | <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>              |
| <b>Fund Balances at End of Year</b>                          | <u>\$ 7,287,658</u> | <u>\$ 4,026,351</u>     | <u>\$ (2,895,781)</u>                            | <u>\$ 2,258,295</u>          | <u>\$ 3,884,901</u>               | <u>\$ 14,561,424</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, 2021

**Net Change in Fund Balances - Total Governmental Funds** \$ 561,874

**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> | 15,891,233  |
| <i>Depreciation expense</i> | (2,648,407) |
| <i>Loss on disposal</i>     | (130,504)   |

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> | (35,544)  |
| <i>Long-term contracts receivable accrual basis change</i>        | (188,000) |

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>Proceeds from long-term debt - general obligation bonds</i>         | (11,000,000) |
| <i>Proceeds from long-term debt - capital leases</i>                   | (54,389)     |
| <i>Principal payments on long-term debt - general obligation bonds</i> | 1,045,000    |
| <i>Principal payments on long-term debt - loans</i>                    | 16,000       |
| <i>Principal payments on long-term debt - capital leases</i>           | 9,065        |
| <i>Premium on bonds issued</i>   | (1,147,625)  |
| <i>Amortization of premiums</i>  | 72,304       |

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>                               | (144,892) |
| <i>Compensated absences</i>                           | (5,317)   |
| <i>Post-closure landfill costs</i>                    | 45,000    |
| <i>Net pension asset and related outflows/inflows</i> | 644,027   |
| <i>OPEB liability and related outflows/inflows</i>    | (138,930) |

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.

|  |                     |
|--|---------------------|
| <b>Change in net position of governmental activities</b> | <b>\$ 2,679,751</b> |
|--|---------------------|

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

**TOWN OF PUTNAM, CONNECTICUT**  
Statement of Fund Net Position  
Proprietary Funds  
June 30, 2021

|  | <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>      |
| <b>Assets</b>                              |  |                      |                      |                     |
| Current Assets:                            |  |                      |                      |                     |
| Cash and Cash Equivalents                  | \$ 4,367,334                                       | \$ 2,504,147         | \$ 6,871,481         | \$ -                |
| Receivables, Net                           | 794,356  | 677,005              | 1,471,361            | -                   |
| Due from Other Funds                       | 214,068  | -                    | 214,068              | -                   |
| Health Insurance Escrow                    | -  | -                    | -                    | 2,097,313           |
| Other                                      | 110,401  | 38,395               | 148,796              | -                   |
| Total Current Assets                       | <u>5,486,159</u>                                   | <u>3,219,547</u>     | <u>8,705,706</u>     | <u>2,097,313</u>    |
| Noncurrent Assets:                         |  |                      |                      |                     |
| Net Pension Asset                          | 309,130  | 292,859              | 601,989              | -                   |
| Nondepreciable Capital Assets              | -  | 139,218              | 139,218              | -                   |
| Capital Assets, Net of Accum. Depreciation | 27,621,099   | 20,634,621           | 48,255,720           | -                   |
| Total Noncurrent Assets                    | <u>27,930,229</u>                                  | <u>21,066,698</u>    | <u>48,996,927</u>    | <u>-</u>            |
| <b>Total Assets</b>                        | <u>\$ 33,416,388</u>                               | <u>\$ 24,286,245</u> | <u>\$ 57,702,633</u> | <u>\$ 2,097,313</u> |
| <b>Deferred Outflows of Resources</b>      |  |                      |                      |                     |
| Deferred Outflows - Pension                | <u>16,318</u>                                      | <u>15,459</u>        | <u>31,777</u>        | <u>-</u>            |
| <b>Liabilities</b>                         |  |                      |                      |                     |
| Current Liabilities:                       |  |                      |                      |                     |
| Accounts Payable and Accrued Items         | \$ 216,277   | \$ 154,078           | \$ 370,355           | \$ -                |
| Accrued Interest Payable                   | 142,818  | 69,162               | 211,980              | -                   |
| Due to Other Funds                         | 817,630  | 217,520              | 1,035,150            | -                   |
| Loans Payable                              | 447,792  | 297,251              | 745,043              | -                   |
| Compensated Absences                       | 19,473   | 28,725               | 48,198               | -                   |
| Capital Leases                             | -  | 32,372               | 32,372               | -                   |
| Claims Payable                             | -  | -                    | -                    | 219,489             |
| Total Current Liabilities                  | <u>1,643,990</u>                                   | <u>799,108</u>       | <u>2,443,098</u>     | <u>219,489</u>      |
| Noncurrent Liabilities:                    |  |                      |                      |                     |
| Loans Payable                              | 14,293,678   | 11,917,856           | 26,211,534           | -                   |
| Compensated Absences                       | 31,742   | 18,310               | 50,052               | -                   |
| Capital Leases                             | -  | 33,970               | 33,970               | -                   |
| Total Noncurrent Liabilities               | <u>14,325,420</u>                                  | <u>11,970,136</u>    | <u>26,295,556</u>    | <u>-</u>            |
| <b>Total Liabilities</b>                   | <u>15,969,410</u>                                  | <u>12,769,244</u>    | <u>28,738,654</u>    | <u>219,489</u>      |
| <b>Deferred Inflows of Resources</b>       |  |                      |                      |                     |
| Deferred Inflows - Pension                 | <u>188,241</u>                                     | <u>178,333</u>       | <u>366,574</u>       | <u>-</u>            |
| <b>Net Position</b>                        |  |                      |                      |                     |
| Net Investment in Capital Assets           | 12,879,629   | 8,492,390            | 21,372,019           | -                   |
| Unrestricted                               | 4,395,426  | 2,861,737            | 7,257,163            | 1,877,824           |
| <b>Total Net Position</b>                  | <u>\$ 17,275,055</u>                               | <u>\$ 11,354,127</u> | <u>\$ 28,629,182</u> | <u>\$ 1,877,824</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, 2021

|  | <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>      |
| <b>OPERATING REVENUES</b>                |  |                      |                      |                     |
| Charges for Services                     | \$ 2,877,205                                       | \$ 2,697,541         | \$ 5,574,746         | \$ 3,807,757        |
| Other                                    | <u>11,511</u>                                      | <u>3,608</u>         | <u>15,119</u>        | <u>-</u>            |
| Total Operating Revenues                 | <u>2,888,716</u>                                   | <u>2,701,149</u>     | <u>5,589,865</u>     | <u>3,807,757</u>    |
| <b>OPERATING EXPENSES</b>                |  |                      |                      |                     |
| Personnel Services                       | 611,497  | 850,196              | 1,461,693            | -                   |
| Contractual Services                     | 337,335  | 494,381              | 831,716              | -                   |
| Rent and Utilities                       | 200,465  | 230,983              | 431,448              | -                   |
| Supplies, Repairs and Maintenance        | 441,137  | 276,550              | 717,687              | -                   |
| Depreciation                             | 695,640  | 607,728              | 1,303,368            | -                   |
| Administration                           | 103,770  | 6,378                | 110,148              | 96,092              |
| Claims                                   | -  | -                    | -                    | 3,342,461           |
| Premiums                                 | -  | -                    | -                    | <u>486,263</u>      |
| Total Operating Expenses                 | <u>2,389,844</u>                                   | <u>2,466,216</u>     | <u>4,856,060</u>     | <u>3,924,816</u>    |
| Operating Income/(Loss)                  | 498,872  | 234,933              | 733,805              | (117,059)           |
| <b>NON-OPERATING REVENUES (EXPENSES)</b> |  |                      |                      |                     |
| Antenna Lease                            | 16,740   | -                    | 16,740               | -                   |
| Interest Income                          | 5,705  | 2,513                | 8,218                | 5,915               |
| Interest Expense                         | <u>(318,088)</u>                                   | <u>(341,606)</u>     | <u>(659,694)</u>     | <u>-</u>            |
| Total Non-Operating Expenses             | <u>(295,643)</u>                                   | <u>(339,093)</u>     | <u>(634,736)</u>     | <u>5,915</u>        |
| Income/(Loss) before Capital             |  |                      |                      |                     |
| Contributions and Transfers              | <u>203,229</u>                                     | <u>(104,160)</u>     | <u>99,069</u>        | <u>(111,144)</u>    |
| Capital Contributions                    | -  | 139,218              | 139,218              | -                   |
| Transfers                                | <u>(23,552)</u>                                    | <u>(23,551)</u>      | <u>(47,103)</u>      | <u>-</u>            |
| Change in Net Position                   | 179,677  | 11,507               | 191,184              | (111,144)           |
| Net Position - Beginning of Year         | <u>17,095,378</u>                                  | <u>11,342,620</u>    | <u>28,437,998</u>    | <u>1,988,968</u>    |
| Net Position - End of Year               | <u>\$ 17,275,055</u>                               | <u>\$ 11,354,127</u> | <u>\$ 28,629,182</u> | <u>\$ 1,877,824</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, 2021

|  | Business-Type Activities - Enterprise Funds |                     |                     | Governmental                |
|--|---|---------------------|---------------------|-----------------------------|
|  | Water Fund                                  | Sewer Fund          | Total               | Activities Internal Service |
| <b>Cash Flows from Operating Activities:</b>   |   |                     |                     |                             |
| Receipts from Customers and Users  | \$ 2,866,513                                | \$ 2,734,180        | \$ 5,600,693        | \$ -                        |
| Receipts from Interfund Charges for Risk Management  | -   | -                   | -                   | 3,807,757                   |
| Payments for Operating Activities  | (1,683,016)                                 | (1,875,983)         | (3,558,999)         | -                           |
| Payments for Benefits and Claims   | -   | -                   | -                   | (3,231,317)                 |
| Premiums and Administrative Charges  | -   | -                   | -                   | (582,355)                   |
| Net Cash Provided by Operating Activities  | <u>1,183,497</u>                            | <u>858,197</u>      | <u>2,041,694</u>    | <u>(5,915)</u>              |
| <b>Cash Flows from Noncapital Financing Activities:</b>  |   |                     |                     |                             |
| Interfund Activity   | (171,242)                                   | (125,749)           | (296,991)           | -                           |
| Net Cash (Used)/Provided by Noncapital Financing Activities                                    | <u>(171,242)</u>                            | <u>(125,749)</u>    | <u>(296,991)</u>    | <u>-</u>                    |
| <b>Cash Flows from Capital and Related Financing Activities:</b>                               |   |                     |                     |                             |
| Interfund Transfers  | (23,552)                                    | (23,551)            | (47,103)            | -                           |
| Purchases of Capital Assets  | (40,511)                                    | (31,511)            | (72,022)            | -                           |
| Principal Paid on Loans  | (447,792)                                   | (292,744)           | (740,536)           | -                           |
| Principal Paid on Capital Leases   | -   | (30,848)            | (30,848)            | -                           |
| Interest Paid on Capital Debt  | (322,065)                                   | (343,740)           | (665,805)           | -                           |
| Net Cash Used by Capital and Related Financing Activities                                      | <u>(833,920)</u>                            | <u>(722,394)</u>    | <u>(1,556,314)</u>  | <u>-</u>                    |
| <b>Cash Flows from Investing Activities:</b>   |   |                     |                     |                             |
| Purchases/Proceeds of Investments, Net   | -   | -                   | -                   | -                           |
| Antenna Lease  | 16,740                                      | -                   | 16,740              | -                           |
| Interest Income  | 5,705                                       | 2,513               | 8,218               | 5,915                       |
| Net Cash Provided by Investing Activities  | <u>22,445</u>                               | <u>2,513</u>        | <u>24,958</u>       | <u>5,915</u>                |
| Net Increase/(Decrease) in Cash and Cash Equivalents   | 200,780                                     | 12,567              | 213,347             | -                           |
| Cash and Cash Equivalents at Beginning of Year   | <u>4,166,554</u>                            | <u>2,491,580</u>    | <u>6,658,134</u>    | <u>-</u>                    |
| Cash and Cash Equivalents at End of Year   | <u>\$ 4,367,334</u>                         | <u>\$ 2,504,147</u> | <u>\$ 6,871,481</u> | <u>\$ -</u>                 |
| <b>Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:</b> |   |                     |                     |                             |
| Operating Income/(Loss)  | \$ 498,872                                  | \$ 234,933          | \$ 733,805          | \$ (117,059)                |
| Adjustments to Reconcile Income to Net Cash Provided by Operating Activities:                  |   |                     |                     |                             |
| Depreciation   | 695,640                                     | 607,728             | 1,303,368           | -                           |
| Change in Assets and Liabilities:  |   |                     |                     |                             |
| (Increase) Decrease in Accounts Receivable   | (22,203)                                    | 33,031              | 10,828              | -                           |
| (Increase) Decrease in Deferred Outflows   | 29,285                                      | 27,729              | 57,014              | -                           |
| (Increase) Decrease in Net Pension Asset   | (222,832)                                   | (211,132)           | (433,964)           | -                           |
| (Increase) Decrease in Health Insurance Escrow   | -   | -                   | -                   | 104,922                     |
| Increase (Decrease) in Deferred Inflows  | 152,193                                     | 144,195             | 296,388             | -                           |
| Increase (Decrease) in Accounts Payable and Accrued  | 55,265                                      | 17,205              | 72,470              | -                           |
| Increase (Decrease) in Claims Payable  | -   | -                   | -                   | 6,222                       |
| Increase (Decrease) in Compensated Absences  | (2,723)                                     | 4,508               | 1,785               | -                           |
| Total Adjustments  | <u>684,625</u>                              | <u>623,264</u>      | <u>1,307,889</u>    | <u>111,144</u>              |
| Net Cash Provided by Operating Activities  | <u>\$ 1,183,497</u>                         | <u>\$ 858,197</u>   | <u>\$ 2,041,694</u> | <u>\$ (5,915)</u>           |
| <b>Noncash Capital and Related Financing Activity:</b>   |   |                     |                     |                             |
| Capital Contributions from Other Funds   | \$ -  | \$ 139,218          | \$ 139,218          | \$ -                        |

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, 2021

|  | Pension<br>Trust<br>Fund | Private-<br>Purpose Trust<br>Funds | Custodial<br>Funds |
|--|--------------------------|------------------------------------|--------------------|
| <b>Assets</b>                                |                          |                                    |                    |
| Cash and Cash Equivalents                    | \$ 237,220               | \$ 496,141                         | \$ 120,612         |
| Investments                                  | 18,897,697               | 103,586                            | 7,517              |
| Due from Other Funds                         | -                        | 112,906                            | -                  |
| <b>Total Assets</b>                          | <u>19,134,917</u>        | <u>712,633</u>                     | <u>128,129</u>     |
| <b>Deferred Outflows of Resources</b>        | <u>-</u>                 | <u>-</u>                           | <u>-</u>           |
| <b>Liabilities</b>                           |                          |                                    |                    |
| Due to Other Funds                           | -                        | 2,300                              | -                  |
| <b>Total Liabilities</b>                     | <u>-</u>                 | <u>2,300</u>                       | <u>-</u>           |
| <b>Deferred Inflows of Resources</b>         | <u>-</u>                 | <u>-</u>                           | <u>-</u>           |
| <b>Net Position</b>                          |                          |                                    |                    |
| Restricted for Pension Benefits              | 19,134,917               | -                                  | -                  |
| Restricted for Scholarships                  | -                        | 710,333                            | -                  |
| Restricted for Individuals and Organizations | -                        | -                                  | 128,129            |
| <b>Total Net Position</b>                    | <u>\$ 19,134,917</u>     | <u>\$ 710,333</u>                  | <u>\$ 128,129</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, 2021

|   | <u>Pension<br/>Trust<br/>Fund</u> | <u>Private-<br/>Purpose Trust<br/>Funds</u> | <u>Custodial<br/>Funds</u> |
|---|-----------------------------------|---|----------------------------|
| <b>Additions</b>  |                                   |   |                            |
| Activity Fees   | \$ -                              | \$ -  | \$ 71,158                  |
| Contributions:  |                                   |   |                            |
| Employer  | -                                 | -   | -                          |
| Plan Members  | 151,002                           | -   | -                          |
| Contributions and Donations                                     | -                                 | 31,271                                      | -                          |
| Total Contributions   | <u>151,002</u>                    | <u>31,271</u>                               | <u>-</u>                   |
| Investment Income:  |                                   |   |                            |
| Net Appreciation/(Depreciation) in Fair<br>Value of Investments | 3,606,065                         | (31,367)                                    | -                          |
| Interest and Dividends  | <u>681,617</u>                    | <u>995</u>                                  | <u>215</u>                 |
| Total Investment Income   | 4,287,682                         | (30,372)                                    | 215                        |
| Less: Investment Management Fees                                | <u>(31,984)</u>                   | <u>-</u>                                    | <u>-</u>                   |
| Total Additions   | <u>4,406,700</u>                  | <u>899</u>                                  | <u>71,373</u>              |
| <b>Deductions</b>   |                                   |   |                            |
| Pension Benefits  | 532,255                           | -   | -                          |
| Scholarships  | -                                 | 48,610                                      | -                          |
| Events and Activities   | -                                 | -   | 67,004                     |
| Administrative Expenses   | <u>9,032</u>                      | <u>-</u>                                    | <u>-</u>                   |
| Total Deductions  | <u>541,287</u>                    | <u>48,610</u>                               | <u>67,004</u>              |
| Change in Net Position  | 3,865,413                         | (47,711)                                    | 4,369                      |
| Net Position at Beginning of Year, Restated                     | <u>15,269,504</u>                 | <u>758,044</u>                              | <u>123,760</u>             |
| Net Position at End of Year                                     | <u>\$ 19,134,917</u>              | <u>\$ 710,333</u>                           | <u>\$ 128,129</u>          |

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

**TOWN OF PUTNAM, CONNECTICUT**  
Notes to the Financial Statements

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**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

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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

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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 *Custodial Funds* account for resources held by the Town in a purely custodial capacity. The Town primarily utilizes custodial 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

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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

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*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, 2021 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 \$222,000 and an allowance for related interest in the amount of \$35,000 as of June 30, 2021. 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**

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*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, 2021.

*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:

| <b>Assets</b>                      | <b>Years</b> |
|------------------------------------|--------------|
| Buildings and Improvements         | 20 - 50      |
| Machinery, Equipment, and Vehicles | 5 - 50       |
| Infrastructure                     | 20 - 50      |



**TOWN OF PUTNAM, CONNECTICUT**  
Notes to the Financial Statements

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*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, and interest and lien fees. 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

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*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, 2021.

|                                 | Governmental<br>Funds | Proprietary<br>Funds | Fiduciary<br>Funds | Total         |
|---------------------------------|-----------------------|----------------------|--------------------|---------------|
| Cash                            | \$ 6,638,988          | \$ 1,072,261         | \$ 853,973         | \$ 8,565,222  |
| Cash Equivalents                | 11,080,843            | 5,799,220            | -                  | 16,880,063    |
| Total Cash and Cash Equivalents | \$ 17,719,831         | \$ 6,871,481         | \$ 853,973         | \$ 25,445,285 |

*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     | \$ 25,445,285 |
| Less: Cash Equivalents (STIF) | (16,880,063)  |
| Plus: Investments (CDs)       | 34,327        |
|                               | \$ 8,599,549  |

At year-end, the Town’s carrying amount of deposits subject to custodial credit risk was \$8,599,549 and the bank balance was \$8,340,441. Of the bank balance, Federal Depository Insurance Corporation insured \$1,555,368.

As of June 30, 2021, \$6,785,073 of the Town’s bank balance of \$8,340,441 was exposed to custodial credit risk as follows:

|  |              |
|--|--------------|
| Uninsured and uncollateralized   | \$ 5,981,566 |
| Uninsured and collateral held by<br>pledging bank’s Trust department<br>not in the Town’s name | 803,507      |
| Total  | \$ 6,785,073 |

**Cash Equivalents**

At June 30, 2021, the Town’s cash equivalents (Short-Term Investment Fund “STIF”) amounted to \$16,880,063. 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, 2021:

|                         | Fiduciary<br>Funds |
|-------------------------|--------------------|
| Certificates of Deposit | \$ 34,327          |
| U.S. Treasuries         | 20,500             |
| Mutual Funds            | 18,953,973         |
| Total Investments       | \$ 19,008,800      |

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

| <u>Description</u>                  | Fair Value Measurements Using |  |   |  |
|-------------------------------------|-------------------------------|--|---|--|
|                                     |                               | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
|                                     | June 30,<br>2021              | (Level 1)  | (Level 2)   | (Level 3)  |
| U.S. Treasuries                     | \$ 20,500                     | \$ 20,500  | \$ -  | \$ -   |
| Mutual Funds                        | 18,953,973                    | 18,953,973   | -   | -  |
|                                     |                               | \$ 18,974,473  | \$ -  | \$ -   |
| <br>Investments not included above: |                               |  |   |  |
| Certificates of Deposit             | 34,327                        |  |   |  |
| Total Investments                   | \$ 19,008,800                 |  |   |  |

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, 2021, 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 | \$ 34,327        | \$ 1,244                         | \$ 33,083        | \$ -        |
| U.S. Treasuries         | 20,500           | -                                | 20,500           | -           |
| <b>Total</b>            | <b>\$ 54,827</b> | <b>\$ 1,244</b>                  | <b>\$ 53,583</b> | <b>\$ -</b> |

**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               |
|---|---------------------|-------------------|-------------------|--------------------------|---------------------|
| <b>Receivables:</b>                       |                     |                   |                   |                          |                     |
| Property taxes                            | \$ 881,923          | \$ -              | \$ -              | \$ -                     | \$ 881,923          |
| Interest, Liens, and Fees                 | 350,986             | -                 | -                 | -                        | 350,986             |
| Usage Charges                             | -                   | 826,980           | 700,089           | -                        | 1,527,069           |
| Loans                                     | -                   | -                 | -                 | 522,204                  | 522,204             |
| Intergovernmental                         | -                   | -                 | -                 | 1,004,910                | 1,004,910           |
| Accounts                                  | 37,094              | 2,810             | -                 | 14,421                   | 54,325              |
| <b>Gross Receivables</b>                  | <b>1,270,003</b>    | <b>829,790</b>    | <b>700,089</b>    | <b>1,541,535</b>         | <b>4,341,417</b>    |
| <b>Less allowance for uncollectibles:</b> |                     |                   |                   |                          |                     |
| Property taxes, interest, liens, and fees | (257,000)           | -                 | -                 | -                        | (257,000)           |
| Usage Charges                             | -                   | (35,434)          | (23,084)          | -                        | (58,518)            |
| <b>Total allowance</b>                    | <b>(257,000)</b>    | <b>(35,434)</b>   | <b>(23,084)</b>   | <b>-</b>                 | <b>(315,518)</b>    |
| <b>Net Total Receivables</b>              | <b>\$ 1,013,003</b> | <b>\$ 794,356</b> | <b>\$ 677,005</b> | <b>\$ 1,541,535</b>      | <b>\$ 4,025,899</b> |

The loans receivable of \$522,204 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  |
|-------------------------------|---------------------|
| <b>General Fund:</b>          |                     |
| Fees Collected in Advance     | \$ 226,224          |
| <b>Nonmajor Funds:</b>        |                     |
| Advances on Grants            | 2,053,737           |
| <b>Total Unearned Revenue</b> | <b>\$ 2,279,961</b> |

**TOWN OF PUTNAM, CONNECTICUT**  
Notes to the Financial Statements

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**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, 2021 were as follows:

| Transfers In:               | Transfers Out:                | Amount              |
|-----------------------------|-------------------------------|---------------------|
| <b>Governmental Funds:</b>  |                               |                     |
| General Fund                | Nonmajor Governmental Funds   | \$ <u>139,271</u>   |
| Ash Landfill Fund           | General Fund                  | <u>4,984</u>        |
| Nonmajor Governmental Funds | Ash Landfill Fund             | 938,726             |
|                             | General Fund                  | 199,454             |
|                             | Nonmajor Governmental Funds   | 276,620             |
|                             | Proprietary Fund - Water Fund | 23,551              |
|                             | Proprietary Fund - Sewer Fund | <u>23,552</u>       |
|                             |                               | <u>1,461,903</u>    |
|                             | Total Transfers               | \$ <u>1,606,158</u> |

**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, 2021, the outstanding balances between funds were:

| Receivable Fund:            | Payable Fund:               | Total             |
|-----------------------------|-----------------------------|-------------------|
| <b>Governmental Funds:</b>  |                             |                   |
| General Fund                | High School Renovation Fund | \$ 2,895,781      |
|                             | Municipal Complex           | 5,440             |
|                             | Water Fund                  | 617,878           |
|                             | Private Purpose Trust Funds | 2,300             |
|                             | Nonmajor Governmental Funds | <u>1,006,391</u>  |
|                             |                             | <u>4,527,790</u>  |
| Ash Landfill Fund           | General Fund                | <u>6,726,282</u>  |
| Municipal Complex Fund      | Ash Landfill Fund           | <u>3,808,696</u>  |
| Nonmajor Governmental Funds | General Fund                | 3,919,487         |
|                             | Sewer Fund                  | 3,452             |
|                             | Water Fund                  | <u>199,752</u>    |
|                             |                             | <u>4,122,691</u>  |
|                             | Total Governmental Funds    | <u>19,185,459</u> |
| <b>Proprietary Funds:</b>   |                             |                   |
| Water Fund                  | Sewer Fund                  | <u>214,068</u>    |
|                             | Total Proprietary Funds     | <u>214,068</u>    |
| <b>Fiduciary Funds:</b>     |                             |                   |
| Private Purpose Trust Funds | General Fund                | <u>\$ 112,906</u> |

**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 \$1,108,765 has been presented as an advance in the accompanying governmental funds balance sheet as of June 30, 2021.

In connection with an interlocal agreement between Putnam and three other Towns, the Town had 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 \$174,850 has been presented as an advance in the accompanying governmental funds balance sheet as of June 30, 2021.

**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, 2021 consisted of the following:

|  | <u>Beginning<br/>Balance</u> | <u>Increases</u>     | <u>Decreases</u>    | <u>Ending<br/>Balances</u> |
|--|------------------------------|----------------------|---------------------|----------------------------|
| <b>Governmental Activities</b>                     |                              |                      |                     |                            |
| Capital assets, not being depreciated:             |                              |                      |                     |                            |
| Land   | \$ 2,055,563                 | \$ -                 | \$ -                | \$ 2,055,563               |
| Construction in Progress                           | 10,506,406                   | 15,338,279           | -                   | 25,844,685                 |
| Total capital assets, not being depreciated        | <u>12,561,969</u>            | <u>15,338,279</u>    | <u>-</u>            | <u>27,900,248</u>          |
| Capital assets, being depreciated:                 |                              |                      |                     |                            |
| Infrastructure and Improvements                    | 26,669,160                   | -                    | -                   | 26,669,160                 |
| Buildings and Improvements                         | 61,408,074                   | -                    | -                   | 61,408,074                 |
| Machinery and Equipment                            | 7,889,469                    | 552,954              | (1,038,248)         | 7,404,175                  |
| Total capital assets, being depreciated            | <u>95,966,703</u>            | <u>552,954</u>       | <u>(1,038,248)</u>  | <u>95,481,409</u>          |
| Less accumulated depreciation for:                 |                              |                      |                     |                            |
| Infrastructure and Improvements                    | 10,403,604                   | 556,953              | -                   | 10,960,557                 |
| Buildings and Improvements                         | 23,369,146                   | 1,629,423            | -                   | 24,998,569                 |
| Machinery and Equipment                            | 5,479,622                    | 462,031              | (907,744)           | 5,033,909                  |
| Total accumulated depreciation                     | <u>39,252,372</u>            | <u>2,648,407</u>     | <u>(907,744)</u>    | <u>40,993,035</u>          |
| Total capital assets, being depreciated            | <u>56,714,331</u>            | <u>(2,095,453)</u>   | <u>(130,504)</u>    | <u>54,488,374</u>          |
| <i>Governmental Activities capital assets, net</i> | <u>\$ 69,276,300</u>         | <u>\$ 13,242,826</u> | <u>\$ (130,504)</u> | <u>\$ 82,388,622</u>       |

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

|   |                     |
|---|---------------------|
| <b>Governmental Activities:</b>             |                     |
| General Government                          | \$ 48,947           |
| Public Safety                               | 6,820               |
| Public Works                                | 803,666             |
| Culture and Recreation                      | 305,371             |
| Economic Development                        | 6,876               |
| Education                                   | <u>1,476,727</u>    |
| Total Depreciation and Amortization Expense |                     |
| Governmental Activities                     | <u>\$ 2,648,407</u> |



**TOWN OF PUTNAM, CONNECTICUT**

Notes to the Financial Statements

Capital asset activity for business-type activities for the year ended June 30, 2021 consisted of the following:

|   | <u>Beginning<br/>Balance</u> | <u>Increases</u>    | <u>Decreases</u>   | <u>Ending<br/>Balances</u> |
|---|------------------------------|---------------------|--------------------|----------------------------|
| <b>Business-Type Activities</b>                     |                              |                     |                    |                            |
| Capital assets, not being depreciated:              |                              |                     |                    |                            |
| Construction in Progress                            | \$ 92,766                    | \$ 139,218          | \$ (92,766)        | \$ 139,218                 |
| <b>Total capital assets, not being depreciated</b>  | <u>92,766</u>                | <u>139,218</u>      | <u>(92,766)</u>    | <u>139,218</u>             |
| Capital assets, being depreciated:                  |                              |                     |                    |                            |
| Infrastructure and Improvements                     | 31,748,795                   | 92,766              | -                  | 31,841,561                 |
| Buildings and Improvements                          | 33,294,368                   | -                   | -                  | 33,294,368                 |
| Machinery and Equipment                             | 1,405,213                    | 72,022              | -                  | 1,477,235                  |
| <b>Total capital assets, being depreciated</b>      | <u>66,448,376</u>            | <u>164,788</u>      | <u>-</u>           | <u>66,613,164</u>          |
| Less accumulated depreciation for:                  |                              |                     |                    |                            |
| Infrastructure and Improvements                     | 9,216,451                    | 577,935             | -                  | 9,794,386                  |
| Buildings and Improvements                          | 7,319,468                    | 622,726             | -                  | 7,942,194                  |
| Machinery and Equipment                             | 518,157                      | 102,707             | -                  | 620,864                    |
| <b>Total accumulated depreciation</b>               | <u>17,054,076</u>            | <u>1,303,368</u>    | <u>-</u>           | <u>18,357,444</u>          |
| <b>Total capital assets, being depreciated</b>      | <u>49,394,300</u>            | <u>(1,138,580)</u>  | <u>-</u>           | <u>48,255,720</u>          |
| <b>Business-Type Activities capital assets, net</b> | <u>\$ 49,487,066</u>         | <u>\$ (999,362)</u> | <u>\$ (92,766)</u> | <u>\$ 48,394,938</u>       |

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

|  |                             |
|--|-----------------------------|
| <b>Business-Type Activities:</b>                   |                             |
| Water  | \$ 695,640                  |
| Sewer  | 607,728                     |
|  | <u>                    </u> |
| <b>Total Depreciation and Amortization Expense</b> |                             |
| Business-Type Activities                           | <u>\$ 1,303,368</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, 2021 was as follows:

|   | Beginning<br>Balance | Increases            | Decreases           | Ending<br>Balance    | Due Within<br>One Year |
|---|----------------------|----------------------|---------------------|----------------------|------------------------|
| <b>Governmental Activities</b>                                  |                      |                      |                     |                      |                        |
| General Obligation Bonds  | \$ 11,290,000        | \$ 11,000,000        | \$ 1,045,000        | \$ 21,245,000        | \$ 1,045,000           |
| Unamortized Bond Premiums                                       | 328,296              | 1,147,625            | 72,304              | 1,403,617            | 72,304                 |
| Loans Payable   | 576,000              | -                    | 16,000              | 560,000              | 16,000                 |
| Capital Leases  | -                    | 54,389               | 9,065               | 45,324               | 27,195                 |
| Compensated Absences  | 366,217              | 15,507               | 10,190              | 371,534              | 148,882                |
| Landfill Post-closure Liability                                 | 433,000              | -                    | 45,000              | 388,000              | 45,000                 |
| OPEB Liability  | 3,745,182            | 191,440              | -                   | 3,936,622            | -                      |
| <b>Total Governmental Activities<br/>Long-Term Liabilities</b>  | <b>\$ 16,738,695</b> | <b>\$ 12,408,961</b> | <b>\$ 1,197,559</b> | <b>\$ 27,950,097</b> | <b>\$ 1,354,381</b>    |
| <b>Business-Type Activities</b>                                 |                      |                      |                     |                      |                        |
| Loans Payable   | \$ 27,697,113        | \$ -                 | \$ 740,536          | \$ 26,956,577        | \$ 745,043             |
| Capital Lease Payable   | 97,190               | -                    | 30,848              | 66,342               | 32,372                 |
| Compensated Absences  | 96,465               | 4,508                | 2,723               | 98,250               | 48,198                 |
| <b>Total Business-Type Activities<br/>Long-Term Liabilities</b> | <b>\$ 27,890,768</b> | <b>\$ 4,508</b>      | <b>\$ 774,107</b>   | <b>\$ 27,121,169</b> | <b>\$ 825,613</b>      |

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, 2021 is as follows:

|                                 | Year of<br>Issue (FY) | Maturity<br>Date (FY) | Interest<br>Rate | Original<br>Amount   | Balance<br>June 30, 2021 |
|---------------------------------|-----------------------|-----------------------|------------------|----------------------|--------------------------|
| <b>Governmental Activities</b>  |                       |                       |                  |                      |                          |
| Rural Development Loan Payable  | 2016                  | 2056                  | 2.25%            | \$ 640,000           | \$ 560,000               |
| General Obligation Bond         | 2018                  | 2043                  | 3.00%-5.00%      | 12,280,000           | 10,795,000               |
| Municipal Complex Bond          | 2021                  | 2040                  | 2.00%-5.00%      | 11,000,000           | 10,450,000               |
|                                 |                       |                       |                  | <u>23,920,000</u>    | <u>21,805,000</u>        |
| <b>Business-Type Activities</b> |                       |                       |                  |                      |                          |
| Wastewater Loan Payable         | 1994                  | 2024                  | 4.50%            | 300,000              | 30,000                   |
| Wastewater Loan Payable         | 2012                  | 2052                  | 2.75%            | 6,800,000            | 5,838,408                |
| Drinking Water Loan Payable     | 2012                  | 2031                  | 2.06%            | 1,075,271            | 510,752                  |
| Wastewater Loan Payable         | 2013                  | 2053                  | 2.50%            | 711,000              | 618,776                  |
| Drinking Water Loan Payable     | 2014                  | 2054                  | 2.75%            | 1,208,113            | 996,693                  |
| Wastewater Loan Payable         | 2014                  | 2054                  | 3.50%            | 3,836,000            | 3,026,749                |
| Wastewater Loan Payable         | 2016                  | 2056                  | 1.75%            | 2,970,000            | 2,701,174                |
| Drinking Water Loan Payable     | 2017                  | 2057                  | 1.875%           | 9,100,000            | 8,190,000                |
| Drinking Water Loan Payable     | 2018                  | 2058                  | 1.875%           | 1,272,000            | 1,176,600                |
| Drinking Water Loan Payable     | 2018                  | 2058                  | 2.75%            | 1,580,000            | 1,461,500                |
| Drinking Water Loan Payable     | 2018                  | 2058                  | 2.25%            | 1,101,000            | 1,018,425                |
| Drinking Water Loan Payable     | 2018                  | 2058                  | 2.625%           | 1,500,000            | 1,387,500                |
|                                 |                       |                       |                  | <u>31,453,384</u>    | <u>26,956,577</u>        |
|                                 |                       |                       |                  | <u>\$ 55,373,384</u> | <u>\$ 48,761,577</u>     |

Annual debt service requirements on bonds and loans payable as of June 30, 2021 are as follows:

| Year(s)   | Governmental Activities |                     | Business-Type Activities |                      | Totals               |                      |
|-----------|-------------------------|---------------------|--------------------------|----------------------|----------------------|----------------------|
|           | Principal               | Interest            | Principal                | Interest             | Principal            | Interest             |
| 2022      | \$ 1,061,000            | \$ 773,226          | \$ 745,043               | \$ 648,029           | \$ 1,806,043         | \$ 1,421,255         |
| 2023      | 1,061,000               | 720,614             | 749,707                  | 630,067              | 1,810,707            | 1,350,681            |
| 2024      | 1,061,000               | 668,006             | 754,489                  | 611,989              | 1,815,489            | 1,279,995            |
| 2025      | 1,056,000               | 615,396             | 749,390                  | 594,066              | 1,805,390            | 1,209,462            |
| 2026      | 1,056,000               | 563,036             | 754,416                  | 575,493              | 1,810,416            | 1,138,529            |
| 2027-2031 | 5,280,000               | 2,127,780           | 3,830,421                | 2,602,004            | 9,110,421            | 4,729,784            |
| 2032-2036 | 5,280,000               | 1,243,440           | 3,749,544                | 2,135,996            | 9,029,544            | 3,379,436            |
| 2037-2041 | 4,730,000               | 552,164             | 3,903,823                | 1,688,335            | 8,633,823            | 2,240,499            |
| 2042-2046 | 1,060,000               | 73,014              | 4,078,788                | 1,219,692            | 5,138,788            | 1,292,706            |
| 2047-2051 | 80,000                  | 14,400              | 4,277,287                | 727,685              | 4,357,287            | 742,085              |
| 2052-2056 | 80,000                  | 5,400               | 2,863,519                | 240,090              | 2,943,519            | 245,490              |
| 2057-2060 | -                       | -                   | 500,150                  | 14,125               | 500,150              | 14,125               |
|           | <u>\$ 21,805,000</u>    | <u>\$ 7,356,476</u> | <u>\$ 26,956,577</u>     | <u>\$ 11,687,571</u> | <u>\$ 48,761,577</u> | <u>\$ 19,044,047</u> |

**Authorized, Unissued Bonds**

As of June 30, 2021, the Town had authorized, but unissued bonds totaling \$10,465,860. Of this amount, \$5,050,790 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 Town has entered into lease agreements as lessee for financing the acquisition of a Bomag Tandem Roller and the WPCA for 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:

|                               | Governmental<br>Activities | Business-Type<br>Activities |
|-------------------------------|----------------------------|-----------------------------|
| Assets:                       |                            |                             |
| Equipment                     | \$ 54,389                  | \$ 161,217                  |
| Less accumulated depreciation | (5,439)                    | (48,365)                    |
| Total                         | \$ 48,950                  | \$ 112,852                  |

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021, were as follows:

|                                   | Governmental<br>Activities | Business-Type<br>Activities |
|-----------------------------------|----------------------------|-----------------------------|
| Year ending June 30:              |                            |                             |
| 2022                              | \$ 27,195                  | \$ 35,649                   |
| 2023                              | 18,129                     | 35,649                      |
| Total                             | 45,324                     | 71,298                      |
| Less amount representing interest | -                          | (4,956)                     |
| Total                             | \$ 45,324                  | \$ 66,342                   |

**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 8.5 years to be \$779,000, which includes an estimated \$391,000 in costs to be reimbursed by the contractor. Accordingly, the Town has reflected a liability for post-closure care costs in the amount of \$388,000 as of June 30, 2021. 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 \$2,775,187 for the year ended June 30, 2021. 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, 2021 are as follows:

|                            | General<br>Fund     | Ash<br>Landfill<br>Fund | High School<br>Renovation &<br>Expansion<br>Fund | Municipal<br>Complex<br>Fund | Other<br>Governmental<br>Funds | Total                |
|----------------------------|---------------------|-------------------------|--|------------------------------|--------------------------------|----------------------|
| <b>Nonspendable:</b>       |                     |                         |  |                              |                                |                      |
| Advance Receivable         | \$ 174,850          | \$ 1,108,765            | \$ -   | \$ -                         | \$ -                           | \$ 1,283,615         |
| Library                    | -                   | -                       | -  | -                            | 9,715                          | 9,715                |
| Total Nonspendable         | <u>174,850</u>      | <u>1,108,765</u>        | <u>-</u>   | <u>-</u>                     | <u>9,715</u>                   | <u>1,293,330</u>     |
| <b>Restricted for:</b>     |                     |                         |  |                              |                                |                      |
| General Government         | -                   | -                       | -  | -                            | -                              | -                    |
| Public Safety              | -                   | -                       | -  | -                            | 2,033                          | 2,033                |
| Public Works               | -                   | -                       | -  | -                            | 291,255                        | 291,255              |
| Culture and Recreation     | -                   | -                       | -  | -                            | 23,278                         | 23,278               |
| Comm. and Social Services  | -                   | -                       | -  | -                            | 3,254                          | 3,254                |
| Economic Development       | -                   | -                       | -  | -                            | 1,163,598                      | 1,163,598            |
| Capital Purposes           | -                   | -                       | -  | -                            | 1,724                          | 1,724                |
| Landfill Post-closure Care | -                   | 2,142,899               | -  | -                            | -                              | 2,142,899            |
| Preservation Fees          | -                   | -                       | -  | -                            | 92,319                         | 92,319               |
| Total Restricted           | <u>-</u>            | <u>2,142,899</u>        | <u>-</u>   | <u>-</u>                     | <u>1,577,461</u>               | <u>3,720,360</u>     |
| <b>Committed to:</b>       |                     |                         |  |                              |                                |                      |
| General Government         | -                   | -                       | -  | -                            | -                              | -                    |
| Library                    | -                   | -                       | -  | -                            | 330,499                        | 330,499              |
| Culture and Recreation     | -                   | -                       | -  | -                            | 23,999                         | 23,999               |
| Comm. and Social Services  | -                   | -                       | -  | -                            | -                              | -                    |
| Comp. Abs. and Insurance   | 37,396              | -                       | -  | -                            | -                              | 37,396               |
| Economic Development       | -                   | -                       | -  | -                            | 49,796                         | 49,796               |
| Capital Purposes           | -                   | 774,687                 | -  | 2,258,295                    | 1,106,520                      | 4,139,502            |
| Education                  | 87,927              | -                       | -  | -                            | 2,461,273                      | 2,549,200            |
| Pay Per Sticker Program    | -                   | -                       | -  | -                            | 182,702                        | 182,702              |
| Interscholastic Sports     | -                   | -                       | -  | -                            | 59,443                         | 59,443               |
| Total Committed            | <u>125,323</u>      | <u>774,687</u>          | <u>-</u>   | <u>2,258,295</u>             | <u>4,214,232</u>               | <u>7,372,537</u>     |
| <b>Assigned:</b>           |                     |                         |  |                              |                                |                      |
| Subsequent Year's Budget   | 556,101             | -                       | -  | -                            | -                              | 556,101              |
| Total Assigned             | <u>556,101</u>      | <u>-</u>                | <u>-</u>   | <u>-</u>                     | <u>-</u>                       | <u>556,101</u>       |
| Unassigned                 | 6,431,384           | -                       | (2,895,781)                                      | -                            | (1,916,507)                    | 1,619,096            |
| Total Fund Balances        | <u>\$ 7,287,658</u> | <u>\$ 4,026,351</u>     | <u>\$ (2,895,781)</u>                            | <u>\$ 2,258,295</u>          | <u>\$ 3,884,901</u>            | <u>\$ 14,561,424</u> |

The Board of Education Carryover Fund, a component of the General Fund, is funded through unexpended funds of the school from the prior fiscal year's budgeted appropriation, not to exceed 2% of the BOE's adopted budget for the given fiscal year. The funds are to be used solely for education purposes. Board of Finance approval is required to use money accumulated in the Reserve.

**TOWN OF PUTNAM, CONNECTICUT**  
Notes to the Financial Statements

**Deficit Fund Balances**

The following nonmajor funds have deficit fund balances as of June 30, 2021:

| Fund                                | Amount      |
|-------------------------------------|-------------|
| Recreation and Athletic Fields Fund | (473,244)   |
| Airline Trail Fund                  | (4,448)     |
| Quinebaug Regional Tech Park Fund   | (330,050)   |
| Capital Nonrecurring Ash Fund       | (1,108,765) |

**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, 2020, the date of the latest actuarial valuation:

|   |     |
|---|-----|
| Inactive plan members or beneficiaries currently receiving benefits | 57  |
| Inactive plan members entitled to but not yet receiving benefits    | 92  |
| Active plan members   | 109 |
|   | 258 |

*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 65<sup>th</sup> birthday or the 5<sup>th</sup> 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, 2021:

Target Allocation and Expected Rate of Return

| <u>Asset Class</u>                | <u>Target<br/>Allocation</u> | <u>Long-Term<br/>Expected Real<br/>Rate of Return</u> | <u>Weighting</u>    |
|-----------------------------------|------------------------------|---|---------------------|
| U.S. Large Cap                    | 32.00%                       | 5.25%   | 1.68%               |
| U.S. Mid/Small Cap                | 12.00%                       | 5.75%   | 0.69%               |
| Developed International Equities  | 8.00%                        | 5.75%   | 0.46%               |
| Emerging Market Equities          | 3.00%                        | 7.25%   | 0.22%               |
| Intermediate Corporate            | 20.00%                       | 1.75%   | 0.35%               |
| Intermediate Government           | 6.00%                        | 0.75%   | 0.05%               |
| High-Yield Bonds                  | 10.00%                       | 4.00%   | 0.40%               |
| International Bonds               | 8.00%                        | -0.25%  | -0.02%              |
| Money Market/Short-Term Bonds     | 1.00%                        | -1.25%  | -0.01%              |
|                                   | <u>100.00%</u>               |   | <u>3.82%</u>        |
| Long-Term Inflation Expectation   |                              |   | <u>2.50%</u>        |
| Long-Term Expected Nominal Return |                              |   | <u><u>6.32%</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 6.50% 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, 2021 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, 2021, were as follows:

|  |                       |
|--|-----------------------|
| Total pension liability  | \$ 13,711,592         |
| Plan fiduciary net position  | 19,134,917            |
| Net pension liability (asset)  | <u>\$ (5,423,325)</u> |
| Plan fiduciary net position as a percentage of total pension liability | 139.55%               |

*Actuarial Methods and Significant Assumptions*

The following actuarial methods and assumptions were used in the July 1, 2020 valuation and projected forward to a measurement date of June 30, 2021:

|                                  |   |
|----------------------------------|---|
| <b>Actuarial cost method</b>     | Entry Age Normal  |
| <b>Amortization method</b>       | Level percent of salary   |
| <b>Inflation</b>                 | 2.50%   |
| <b>Payroll growth</b>            | 2.50%   |
| <b>Investment rate of return</b> | 6.50%, net of investment and admin fees   |
| <b>Retirement age</b>            | The earlier of age 55 with 15 years of service or age 65  |
| <b>Post-retirement mortality</b> | 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-2020. |

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 6.50% 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%<br>Decrease<br>5.50% | Current<br>Discount Rate<br>6.50% | 1%<br>Increase<br>7.50% |
|-------------------------------|-------------------------|-----------------------------------|-------------------------|
| Net Pension Liability/(Asset) | \$ (3,790,780)          | \$ (5,423,325)                    | \$ (6,807,406)          |



**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, 2021 was as follows:

|  | Increase (Decrease)        |                                |                                  |
|--|----------------------------|--------------------------------|----------------------------------|
|  | Total Pension<br>Liability | Plan Fiduciary<br>Net Position | Net Pension<br>Liability (Asset) |
|  | (a)                        | (b)                            | (a) - (b)                        |
| Balance at June 30, 2020                           | \$ 13,754,683              | \$ 15,269,504                  | \$ (1,514,821)                   |
| Changes for the year:                              |                            |                                |                                  |
| Service Cost                                       | 476,229                    | -                              | 476,229                          |
| Interest   | 942,916                    | -                              | 942,916                          |
| Differences Between Expected and Actual Experience | (969,993)                  | -                              | (969,993)                        |
| Changes in Assumptions                             | 40,012                     | -                              | 40,012                           |
| Employer Contributions                             | -                          | -                              | -                                |
| Member Contributions                               | -                          | 151,002                        | (151,002)                        |
| Net investment Income                              | -                          | 4,255,698                      | (4,255,698)                      |
| Benefit Payments                                   | (532,255)                  | (532,255)                      | -                                |
| Administrative Expenses                            | -                          | (9,032)                        | 9,032                            |
| Net Changes  | <u>(43,091)</u>            | <u>3,865,413</u>               | <u>(3,908,504)</u>               |
| Balance at June 30, 2021                           | <u>\$ 13,711,592</u>       | <u>\$ 19,134,917</u>           | <u>\$ (5,423,325)</u>            |

Plan fiduciary net position as a percentage of the total pension liability 139.55%

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, 2021, the total pension expense recognized is (\$724,589). As of June 30, 2021, the Town reported deferred inflows and outflows of resources related to pensions from the following sources:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Net differences between projected and actual earnings | \$ -                              | \$ 1,127,954                     |
| Differences between expected and actual experience    | -                                 | 2,128,342                        |
| Changes of assumptions                                | <u>286,282</u>                    | <u>46,173</u>                    |
| Total   | <u>\$ 286,282</u>                 | <u>\$ 3,302,469</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: |                       |
|---------------------|-----------------------|
| 2022                | \$ (771,826)          |
| 2023                | (705,518)             |
| 2024                | (667,068)             |
| 2025                | (802,884)             |
| 2026                | (68,891)              |
| Thereafter          | -                     |
|                     | <u>\$ (3,016,187)</u> |

## TOWN OF PUTNAM, CONNECTICUT

### Notes to the Financial Statements

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#### **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](http://www.ct.gov).

*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). In addition, amounts derived from the accumulation of the 6% contributions made prior to July 1, 1989, and voluntary contributions are payable.

*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% per year of service times the average of the highest three years of pensionable salary, as defined per the plan, 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, 2021, the certified teachers' contribution to the Connecticut Teachers Retirement Board was \$648,558. Covered payroll for the town for the year ended June 30, 2021 was approximately \$9,265,118.

*Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions:* At June 30, 2021 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

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|   |                      |
|---|----------------------|
| Town's proportionate share of the net pension liability                           | \$ -                 |
| State's proportionate share of the net pension liability associated with the Town | <u>39,095,271</u>    |
| Total   | <u>\$ 39,095,271</u> |

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2021, the Town had no proportionate share of the net pension liability.

For the year ended June 30, 2021, the Town recognized benefits expense and contribution revenue of \$2,507,629 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$5,600,212 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

*Actuarial Assumptions:* The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2019. The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement.

|  |                   |
|--|-------------------|
| Inflation  | 2.50 Percent      |
| Salary increases, including inflation  | 3.00-6.50 Percent |
| Long-term investment rate of return, net of pension investment expense, including inflation. | 6.90 Percent      |

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females as ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

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.

**TOWN OF PUTNAM, CONNECTICUT**  
Notes to the Financial Statements

The current capital market assumptions and the target asset allocation as provided by the Treasurer's Office are summarized in the following table:

| <u>Asset Class</u>                | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------------|--------------------------|---|
| Domestic Equity Fund              | 20.00%                   | 5.60%   |
| Developed Market Intl. Stock Fund | 11.00%                   | 6.00%   |
| Emerging Market Intl. Stock Fund  | 9.00%                    | 7.90%   |
| Core Fixed Income Fund            | 16.00%                   | 2.10%   |
| Inflation Linked Bond Fund        | 5.00%                    | 1.10%   |
| Emerging Market Debt Fund         | 5.00%                    | 2.70%   |
| High Yield Bond Fund              | 6.00%                    | 4.00%   |
| Real Estate Fund                  | 10.00%                   | 4.50%   |
| Private Equity                    | 10.00%                   | 7.30%   |
| Alternative Investments           | 7.00%                    | 2.90%   |
| Liquidity Fund                    | 1.00%                    | 0.40%   |

*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, 2021, the following employees were covered by the benefit terms:

|   |     |
|---|-----|
| Inactive plan members or beneficiaries currently receiving benefits | 8   |
| Active plan members   | 118 |
|   | 126 |

**TOWN OF PUTNAM, CONNECTICUT**  
Notes to the Financial Statements

*Total OPEB Liability* - The Town's total OPEB liability of \$3,936,622 was measured as of June 30, 2021 and was determined by an actuarial valuation as of 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:

|                                    |   |
|------------------------------------|---|
| <b>Measurement Date</b>            | June 30, 2021 for June 30, 2021 Reporting Date  |
| <b>Actuarial Cost Method</b>       | Entry Age Normal  |
| <b>Amortization Method</b>         | Level Percentage of Salary  |
| <b>Salary Increases</b>            | 2.50% as of June 30, 2021   |
| <b>Discount Rate</b>               | 2.16% as of June 30, 2021 and 2.21% as of June 30, 2020, which is based on the 20-year AA municipal bond index.   |
| <b>Mortality Rates</b>             | 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 |
| <b>Inflation</b>                   | 2.50% as of June 30, 2021   |
| <b>Healthcare Cost Trend Rates</b> | 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<br>Liability |
|---|-------------------------|
| Balance at 6/30/20                                | \$ 3,745,182            |
| Changes for the year:                             |                         |
| Service Cost                                      | 186,767                 |
| Interest  | 85,389                  |
| Changes of Benefit Terms                          | -                       |
| Difference Between Expected and Actual Experience | 30,970                  |
| Changes in Assumptions                            | 25,570                  |
| Benefit Payments                                  | <u>(137,256)</u>        |
| Net Changes                                       | <u>191,440</u>          |
| Balance at 6/30/21                                | <u>\$ 3,936,622</u>     |

*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 (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

|                      | 1%<br>Decrease<br>1.16% | Current<br>Discount Rate<br>2.16% | 1%<br>Increase<br>3.16% |
|----------------------|-------------------------|-----------------------------------|-------------------------|
| Total OPEB Liability | \$ 4,496,541            | \$ 3,936,622                      | \$ 3,463,491            |

**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<br>Cost Trend<br>Rates | 1% Increase  |
|----------------------|--------------|-----------------------------------|--------------|
| Total OPEB Liability | \$ 3,310,162 | \$ 3,936,622                      | \$ 4,714,892 |

*OPEB Expense:* For the year ended June 30, 2021, the Town recognized OPEB expense of \$262,436. As of June 30, 2021, deferred inflows and outflows of resources related to OPEB are reported as follows:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Difference between expected and actual experience | \$ 29,104                         | \$ 690,176                       |
| Changes of assumptions                            | 833,888                           | 83,205                           |
| Total   | <u>\$ 862,992</u>                 | <u>\$ 773,381</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: |    |                  |
|---------------------|----|------------------|
| 2022                | \$ | 4,030            |
| 2023                |    | 4,030            |
| 2024                |    | 4,030            |
| 2025                |    | 4,030            |
| 2026                |    | 4,030            |
| Thereafter          |    | 69,461           |
|                     |    | <u>\$ 89,611</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](http://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**  
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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 \$60,518.

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, 2020 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

|                                     |   |
|-------------------------------------|---|
| Inflation                           | 2.50%   |
| Real Wage Growth                    | 0.50%   |
| Wage Inflation                      | 3.00%   |
| Salary increases                    | 3.00-6.50%, 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                    | 2.21%   |
| Prior Measurement Date              | 3.50%   |

The projected fiduciary net position is projected to be depleted in 2021.

Single equivalent interest rate

|                        |   |
|------------------------|---|
| Measurement Date       | 2.21%, net of OPEB plan investment expense, including price inflation |
| Prior Measurement Date | 3.50%, net of OPEB plan investment expense, Including price inflation |

**TOWN OF PUTNAM, CONNECTICUT**  
Notes to the Financial Statements

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Healthcare cost trend rates:

Medicare 5.125% for 2020 decreasing to an ultimate Rate of 4.50% by 2023

Mortality rates were based on the PubT-2010 Health Retiree Table (adjusted 105% for males and 103% for females as ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

*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%            | -0.42%   | 1.78%              |
| Price inflation                                 |                   | 2.50%  |                    |
| Expected rate of return (Rounded nearest 0.25%) |                   | 2.00%  |                    |

*Discount Rate* - The discount rate used to measure the total OPEB liability was 2.21%. 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, 2020. In addition to the actuarial methods and assumptions of the June 30, 2020 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 3.00%.
- 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.
- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

Based on those assumptions, the plan's fiduciary net position was projected to be depleted in 2021 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.



**TOWN OF PUTNAM, CONNECTICUT**  
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*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<br>Trend Rates | Current<br>Trend Rates | 1% Higher<br>Trend Rates |
|-------------------------------------|-------------------------|------------------------|--------------------------|
| Initial Healthcare Cost Trend Rate  | 4.125%                  | 5.125%                 | 6.125%                   |
| Ultimate Healthcare Cost Trend Rate | 3.50%                   | 4.50%                  | 5.50%                    |
| Total OPEB Liability                | \$ 4,762,717            | \$ 5,831,061           | \$ 7,304,244             |

*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<br>(1.21%) | Current<br>Discount Rate<br>(2.21%) | 1% Increase<br>(3.21%) |
|--------------------|------------------------|-------------------------------------|------------------------|
| Net OPEB liability | \$ 7,117,425           | \$ 5,831,061                        | \$ 4,827,131           |

*Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions:* At June 30, 2021 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>5,831,061</u>    |
| Total  | <u>\$ 5,831,061</u> |

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. At June 30, 2021, the Town had no proportionate share of the net OPEB liability.

For the year ended June 30, 2021, the Town recognized OPEB expense and revenue of \$60,518 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$269,351 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

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**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, 2021, 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, 2021. 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, 2021, 2020, and 2019:

| Year<br>Ended | Beginning<br>Claims<br>Payable | Current Year<br>Claims and Changes<br>in Estimates | Claim<br>Payments | Ending<br>Claims<br>Payable |
|---------------|--------------------------------|--|-------------------|-----------------------------|
| 2021          | \$ 213,267                     | \$ 3,342,461                                       | \$ (3,336,239)    | \$ 219,489                  |
| 2020          | 278,604                        | 3,082,708  | (3,148,045)       | 213,267                     |
| 2019          | 298,115                        | 3,016,435  | (3,035,946)       | 278,604                     |

As of June 30, 2021, cumulative contributions paid by the Town to ECHIP exceeded insurance premiums, claims and fees paid by \$2,097,313. 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, 2021 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. 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.

**TOWN OF PUTNAM, CONNECTICUT**  
Notes to the Financial Statements

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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.

GASB Statement No. 91 - *Conduit Debt Obligations* - The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022.

GASB Statement No. 92 - *Omnibus 2020* - The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics and the requirements of this statement are effective for the Town's reporting period beginning July 1, 2021.

GASB Statement No. 93 - *Replacement of Interbank Offered Rates* - Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements in paragraphs 13 and 14 of this statement are effective for the Town's reporting period beginning July 1, 2021.

GASB Statement No. 94 - *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* - The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022.

GASB Statement No. 96 - *Subscription-Based Information Technology Arrangements* - This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022.

**TOWN OF PUTNAM, CONNECTICUT**  
Notes to the Financial Statements

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GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* – The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this statement are effective for the Town’s reporting period beginning July 1, 2021.

**NOTE 14 – ADOPTION OF NEW ACCOUNTING STANDARD**

During the fiscal year ended June 30, 2021, the Town adopted GASB Statement No. 84 – *Fiduciary Activities*. The effects of adopting this standard are below:

|  | <b>Custodial<br/>Funds</b> |
|--|----------------------------|
| Net position as previously reported at June 30, 2020             | \$ -                       |
| To reclassify funds as a result of the implementation of GASB 84 | 123,760                    |
| Net position as restated at July 1, 2020                         | \$ 123,760                 |

**Required  
Supplementary  
Information**

**TOWN OF PUTNAM, CONNECTICUT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**For the Year Ended June 30, 2021**

|   | <u>Budgeted Amounts</u>  |                          | <b>Actual</b>                    | <u>Variance</u>          |
|---|--------------------------|--------------------------|----------------------------------|--------------------------|
|   | <u>Original</u>          | <u>Amended</u>           | <b>Budgetary</b><br><u>Basis</u> |                          |
| <b>Revenues</b>                             |                          |                          |                                  |                          |
| Taxes, Liens and Interest                   | \$ 15,149,886            | \$ 15,149,886            | \$ 15,414,898                    | \$ 265,012               |
| Intergovernmental                           | 8,715,985                | 8,715,985                | 8,401,510                        | (314,475)                |
| Charges for Services                        | 2,916,559                | 2,916,559                | 3,158,418                        | 241,859                  |
| Investment Income                           | 3,000                    | 3,000                    | 19,822                           | 16,822                   |
| <b>Total Revenues</b>                       | <b><u>26,785,430</u></b> | <b><u>26,785,430</u></b> | <b><u>26,994,648</u></b>         | <b><u>209,218</u></b>    |
| <b>Expenditures</b>                         |                          |                          |                                  |                          |
| Current:                                    |                          |                          |                                  |                          |
| General Government                          | 1,660,805                | 1,690,930                | 1,509,823                        | (181,107)                |
| Public Safety                               | 123,819                  | 123,819                  | 120,522                          | (3,297)                  |
| Public Works                                | 1,312,716                | 1,312,716                | 1,305,201                        | (7,515)                  |
| Culture and Recreation                      | 980,797                  | 998,030                  | 932,829                          | (65,201)                 |
| Sanitation                                  | 449,650                  | 457,966                  | 423,584                          | (34,382)                 |
| Community and Social Services               | 329,226                  | 329,226                  | 302,453                          | (26,773)                 |
| Economic Development                        | 148,505                  | 148,505                  | 146,909                          | (1,596)                  |
| Employee and Fringe Benefits                | 950,209                  | 821,130                  | 771,034                          | (50,096)                 |
| Risk Management                             | 200,000                  | 207,680                  | 207,680                          | -                        |
| Information Technology                      | 95,000                   | 160,725                  | 148,909                          | (11,816)                 |
| Redevelopment                               | 3,500                    | 3,500                    | 3,500                            | -                        |
| Contingency/Reserves                        | 219,270                  | 219,270                  | 198,526                          | (20,744)                 |
| Education                                   | 18,794,000               | 18,794,000               | 18,708,320                       | (85,680)                 |
| Debt Service                                | 1,897,933                | 1,897,933                | 1,779,735                        | (118,198)                |
| Capital Outlay                              | -                        | -                        | -                                | -                        |
| <b>Total Expenditures</b>                   | <b><u>27,165,430</u></b> | <b><u>27,165,430</u></b> | <b><u>26,559,025</u></b>         | <b><u>(606,405)</u></b>  |
| <b>Excess of Revenues Over Expenditures</b> | <b>(380,000)</b>         | <b>(380,000)</b>         | <b>435,623</b>                   | <b>815,623</b>           |
| <b>Other Financing Sources (Uses)</b>       |                          |                          |                                  |                          |
| Appropriation of Fund Balance               | 350,000                  | 350,000                  | -                                | (350,000)                |
| Transfer in from Other Funds                | 30,000                   | 30,000                   | 138,833                          | 108,833                  |
| Transfers Out to Other Funds                | -                        | -                        | -                                | -                        |
| <b>Total Other Financing Sources (Uses)</b> | <b><u>380,000</u></b>    | <b><u>380,000</u></b>    | <b><u>138,833</u></b>            | <b><u>(241,167)</u></b>  |
| <b>Net Change in Fund Balance</b>           | <b><u>\$ -</u></b>       | <b><u>\$ -</u></b>       | <b><u>\$ 574,456</u></b>         | <b><u>\$ 574,456</u></b> |

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, 2021

|   | Budgeted Amounts  |                   | Actual            | Variance        |
|---|-------------------|-------------------|-------------------|-----------------|
|   | Original          | Amended           | Budgetary Basis   |                 |
| <b>Collector of Revenue</b>                 |                   |                   |                   |                 |
| Current Year Taxes                          | \$ 14,817,886     | \$ 14,817,886     | \$ 14,833,719     | \$ 15,833       |
| Prior Year Taxes                            | 150,000           | 150,000           | 269,414           | 119,414         |
| Interest, Liens and Fees                    | 82,000            | 82,000            | 192,081           | 110,081         |
| Motor Vehicle Supplemental                  | 100,000           | 100,000           | 119,684           | 19,684          |
| <b>Total Collector of Revenue</b>           | <b>15,149,886</b> | <b>15,149,886</b> | <b>15,414,898</b> | <b>265,012</b>  |
| <b>Charges for Services</b>                 |                   |                   |                   |                 |
| Town Clerk:                                 |                   |                   |                   |                 |
| Real Estate Conveyance                      | 60,000            | 60,000            | 162,388           | 102,388         |
| Vital Statistics                            | 60,000            | 60,000            | 56,851            | (3,149)         |
| Recording Land Records                      | 52,000            | 52,000            | 88,779            | 36,779          |
| Copy Machine Receipts                       | 8,000             | 8,000             | 10,500            | 2,500           |
| Miscellaneous                               | 1,500             | 1,500             | 3,051             | 1,551           |
| Dog Licenses                                | 350               | 350               | 360               | 10              |
| Recording Maps                              | 100               | 100               | 260               | 160             |
| Fish & Game Fees                            | 100               | 100               | 107               | 7               |
| Credit Card - Town Clerk                    | -                 | -                 | 7,388             | 7,388           |
| Bingo/Raffle Permits                        | 1,000             | 1,000             | 626               | (374)           |
| <b>Total Town Clerk</b>                     | <b>183,050</b>    | <b>183,050</b>    | <b>330,310</b>    | <b>147,260</b>  |
| General Government:                         |                   |                   |                   |                 |
| Ash Landfill Tipping Fees                   | 2,000,000         | 2,000,000         | 2,000,000         | -               |
| Miscellaneous                               | 100,000           | 100,000           | 56,677            | (43,323)        |
| Recreation                                  | 62,000            | 62,000            | 15,463            | (46,537)        |
| Telephone Access Line Grant                 | 40,000            | 40,000            | 32,161            | (7,839)         |
| Housing Authority                           | 50,000            | 50,000            | 47,992            | (2,008)         |
| Library Fines and Fees                      | 4,000             | 4,000             | 1,679             | (2,321)         |
| Pistol Permits                              | 800               | 800               | 3,640             | 2,840           |
| <b>Total General Government</b>             | <b>2,256,800</b>  | <b>2,256,800</b>  | <b>2,157,612</b>  | <b>(99,188)</b> |
| Assessor and Building Official:             |                   |                   |                   |                 |
| Zoning and Building Permits                 | 120,000           | 120,000           | 208,310           | 88,310          |
| Planning Commission Fees                    | 1,100             | 1,100             | 627               | (473)           |
| Inland Wetland Fees                         | 500               | 500               | 2,067             | 1,567           |
| Zoning Board of Appeals                     | 100               | 100               | 757               | 657             |
| Zoning Commission Fees                      | 1,000             | 1,000             | 748               | (252)           |
| Copy Fees - Building Official               | -                 | -                 | 116               | 116             |
| Miscellaneous - Land Use                    | 50                | 50                | 5                 | (45)            |
| <b>Total Assessor and Building Official</b> | <b>122,750</b>    | <b>122,750</b>    | <b>212,630</b>    | <b>89,880</b>   |

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, 2021

|   | Budgeted Amounts     |                      | Actual               | Variance           |
|---|----------------------|----------------------|----------------------|--------------------|
|   | Original             | Amended              | Budgetary Basis      |                    |
| <b>Charges for Services (Continued)</b>           |                      |                      |                      |                    |
| Rents:  |                      |                      |                      |                    |
| Rents   | \$ 12,350            | \$ 12,350            | \$ 7,200             | \$ (5,150)         |
| Antennae Rentals                                  | 11,000               | 11,000               | 16,740               | 5,740              |
| <b>Total Rents</b>                                | <b>23,350</b>        | <b>23,350</b>        | <b>23,940</b>        | <b>590</b>         |
| Miscellaneous:                                    |                      |                      |                      |                    |
| Contractual Services                              | 78,000               | 78,000               | 107,821              | 29,821             |
| Bus Mechanic Reimbursement                        | 68,640               | 68,640               | -                    | (68,640)           |
| Administrative Reimbursement                      | 91,400               | 91,400               | 124,391              | 32,991             |
| Metal Recovery Revenues                           | 60,000               | 60,000               | 60,838               | 838                |
| Other Tuition                                     | 31,569               | 31,569               | 105,267              | 73,698             |
| Fuel Reimbursement                                | -                    | -                    | 34,099               | 34,099             |
| Miscellaneous - Fire                              | 1,000                | 1,000                | 1,510                | 510                |
| <b>Total Miscellaneous</b>                        | <b>330,609</b>       | <b>330,609</b>       | <b>433,926</b>       | <b>103,317</b>     |
| <b>Total Charges for Services</b>                 | <b>2,916,559</b>     | <b>2,916,559</b>     | <b>3,158,418</b>     | <b>241,859</b>     |
| <b>Intergovernmental</b>                          |                      |                      |                      |                    |
| Education Cost Sharing                            | 8,340,282            | 8,340,282            | 8,086,347            | (253,935)          |
| PILOT - Private Tax Exempt                        | 108,104              | 108,104              | 75,562               | (32,542)           |
| Mashantucket Pequot Grant                         | 75,902               | 75,902               | 66,794               | (9,108)            |
| Off Track Betting                                 | 65,000               | 65,000               | 25,093               | (39,907)           |
| Municipal Stabilization Grant                     | 71,039               | 71,039               | 71,039               | -                  |
| Distressed Municipalities                         | 27,573               | 27,573               | 34,934               | 7,361              |
| PILOT - State Owned Property                      | 18,421               | 18,421               | 14,647               | (3,774)            |
| FEMA  | 5,448                | 5,448                | -                    | (5,448)            |
| Additional Veterans Benefits                      | 2,816                | 2,816                | 2,520                | (296)              |
| Other   | -                    | -                    | 23,122               | 23,122             |
| Disabled Persons                                  | 1,400                | 1,400                | 1,452                | 52                 |
| <b>Total Intergovernmental</b>                    | <b>8,715,985</b>     | <b>8,715,985</b>     | <b>8,401,510</b>     | <b>(314,475)</b>   |
| <b>Investment Income</b>                          | <b>3,000</b>         | <b>3,000</b>         | <b>19,822</b>        | <b>16,822</b>      |
| <b>Total Revenues</b>                             | <b>26,785,430</b>    | <b>26,785,430</b>    | <b>26,994,648</b>    | <b>209,218</b>     |
| <b>Other Financing Sources</b>                    |                      |                      |                      |                    |
| Appropriation of Fund Balance                     | 350,000              | 350,000              | -                    | (350,000)          |
| Transfer in from Other Funds                      | 30,000               | 30,000               | 138,833              | 108,833            |
| <b>Total Other Financing Sources</b>              | <b>380,000</b>       | <b>380,000</b>       | <b>138,833</b>       | <b>(241,167)</b>   |
| <b>Total Revenues and Other Financing Sources</b> | <b>\$ 27,165,430</b> | <b>\$ 27,165,430</b> | <b>\$ 27,133,481</b> | <b>\$ (31,949)</b> |

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, 2021

|  | <u>Budgeted Amounts</u> |                  | <u>Actual</u>          | <u>Variance</u> |
|--|-------------------------|------------------|------------------------|-----------------|
|  | <u>Original</u>         | <u>Amended</u>   | <u>Budgetary Basis</u> |                 |
| <b>General Government</b>                  |                         |                  |                        |                 |
| Mayor/Selectmen's Office                   | \$ 303,200              | \$ 306,581       | \$ 306,581             | \$ -            |
| Town Clerk                                 | 149,630                 | 155,103          | 148,677                | 6,426           |
| Assessor                                   | 115,556                 | 115,556          | 114,620                | 936             |
| Treasurer                                  | 250,598                 | 250,598          | 228,896                | 21,702          |
| Revenue Department                         | 124,065                 | 142,311          | 140,520                | 1,791           |
| Town Building                              | 99,500                  | 101,157          | 87,206                 | 13,951          |
| Land Use Agent                             | 219,600                 | 219,600          | 140,164                | 79,436          |
| Land Use Commissions                       | 6,750                   | 6,750            | 3,277                  | 3,473           |
| Essential Services                         | 48,500                  | 48,846           | 48,734                 | 112             |
| Building Official                          | 143,447                 | 144,255          | 143,689                | 566             |
| Legal Counsel                              | 70,000                  | 70,000           | 48,075                 | 21,925          |
| Board of Finance                           | 53,800                  | 53,800           | 32,091                 | 21,709          |
| Elections                                  | 28,120                  | 28,120           | 26,205                 | 1,915           |
| Registrar of Voters                        | 37,049                  | 37,049           | 30,420                 | 6,629           |
| Probate Court                              | 10,400                  | 10,614           | 10,614                 | -               |
| Board of Tax Review                        | 590                     | 590              | 54                     | 536             |
| <b>Total General Government</b>            | <b>1,660,805</b>        | <b>1,690,930</b> | <b>1,509,823</b>       | <b>181,107</b>  |
| <b>Public Safety</b>                       |                         |                  |                        |                 |
| Fire Marshal/Emergency Management          | 91,725                  | 91,725           | 90,120                 | 1,605           |
| Animal Control                             | 29,594                  | 29,594           | 29,594                 | -               |
| Facility Study Group                       | 2,500                   | 2,500            | 808                    | 1,692           |
| <b>Total Public Safety</b>                 | <b>123,819</b>          | <b>123,819</b>   | <b>120,522</b>         | <b>3,297</b>    |
| <b>Public Works</b>                        | <b>1,312,716</b>        | <b>1,312,716</b> | <b>1,305,201</b>       | <b>7,515</b>    |
| <b>Culture and Recreation</b>              |                         |                  |                        |                 |
| Library                                    | 440,000                 | 440,000          | 423,392                | 16,608          |
| Recreation                                 | 389,557                 | 389,557          | 340,964                | 48,593          |
| Parks and Grounds                          | 150,740                 | 167,973          | 167,973                | -               |
| Municipal Historian                        | 500                     | 500              | 500                    | -               |
| <b>Total Culture and Recreation</b>        | <b>980,797</b>          | <b>998,030</b>   | <b>932,829</b>         | <b>65,201</b>   |
| <b>Sanitation</b>                          | <b>449,650</b>          | <b>457,966</b>   | <b>423,584</b>         | <b>34,382</b>   |
| <b>Community and Social Services</b>       |                         |                  |                        |                 |
| Veterans Center                            | 5,728                   | 5,728            | 5,131                  | 597             |
| Commission on Aging                        | 10,300                  | 10,300           | 6,418                  | 3,882           |
| Outside Agencies - Contributions           | 305,198                 | 305,198          | 282,904                | 22,294          |
| Municipal Agent to the Elderly             | 5,000                   | 5,000            | 5,000                  | -               |
| Social Services Department                 | 3,000                   | 3,000            | 3,000                  | -               |
| <b>Total Community and Social Services</b> | <b>329,226</b>          | <b>329,226</b>   | <b>302,453</b>         | <b>26,773</b>   |

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, 2021

|  | Budgeted Amounts     |                      | Actual<br>Budgetary<br>Basis | Variance          |
|--|----------------------|----------------------|------------------------------|-------------------|
|  | Original             | Amended              |                              |                   |
| <b>Economic Development Commission</b>             | <b>\$ 148,505</b>    | <b>\$ 148,505</b>    | <b>\$ 146,909</b>            | <b>\$ 1,596</b>   |
| <b>Employee and Fringe Benefits</b>                | <b>950,209</b>       | <b>821,130</b>       | <b>771,034</b>               | <b>50,096</b>     |
| <b>Risk Management</b>                             | <b>200,000</b>       | <b>207,680</b>       | <b>207,680</b>               | <b>-</b>          |
| <b>Information Technology</b>                      | <b>95,000</b>        | <b>160,725</b>       | <b>148,909</b>               | <b>11,816</b>     |
| <b>Redevelopment</b>                               | <b>3,500</b>         | <b>3,500</b>         | <b>3,500</b>                 | <b>-</b>          |
| <b>Capital Outlays</b>                             | <b>-</b>             | <b>-</b>             | <b>-</b>                     | <b>-</b>          |
| <b>Contingency/Reserves</b>                        | <b>219,270</b>       | <b>219,270</b>       | <b>198,526</b>               | <b>20,744</b>     |
| <b>Education</b>                                   | <b>18,794,000</b>    | <b>18,794,000</b>    | <b>18,708,320</b>            | <b>85,680</b>     |
| <b>Debt Service</b>                                | <b>1,897,933</b>     | <b>1,897,933</b>     | <b>1,779,735</b>             | <b>118,198</b>    |
| <b>Total Expenditures</b>                          | <b>27,165,430</b>    | <b>27,165,430</b>    | <b>26,559,025</b>            | <b>606,405</b>    |
| <b>Other Financing Uses</b>                        |                      |                      |                              |                   |
| Transfers to Other Funds                           | -                    | -                    | -                            | -                 |
| <b>Total Expenditures and Other Financing Uses</b> | <b>\$ 27,165,430</b> | <b>\$ 27,165,430</b> | <b>\$ 26,559,025</b>         | <b>\$ 606,405</b> |

See accountant's report.

**TOWN OF PUTNAM, CONNECTICUT**  
Notes to Required Supplementary Information

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**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

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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, 2021:

|  | <u>Total<br/>Revenues</u> | <u>Total<br/>Expenditures</u> | <u>Other Financing<br/>Sources (Uses)</u> |
|--|---------------------------|-------------------------------|---|
| Budgetary Basis  | \$ 26,994,648             | \$ 26,559,025                 | \$ 138,833                                |
| "On-behalf" payments -<br>State Teachers Retirement Fund | 2,568,147                 | 2,568,147                     | -   |
| Excess Cost Grant  | 489,484                   | 489,484                       | -   |
| Other Funds  | -                         | 7,102                         | -   |
| Reclassifications for GAAP Purposes                      | <u>-</u>                  | <u>(204,000)</u>              | <u>(204,000)</u>                          |
| GAAP Basis   | <u>\$ 30,052,279</u>      | <u>\$ 29,419,758</u>          | <u>\$ (65,167)</u>                        |

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

|   | 2021                  | 2020                  | 2019                  | 2018                  | 2017                  | 2016                  | 2015                  | 2014                  |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Total Pension Liability</b>  |                       |                       |                       |                       |                       |                       |                       |                       |
| Service Cost  | \$ 476,229            | \$ 436,028            | \$ 413,816            | \$ 417,463            | \$ 362,585            | \$ 386,965            | \$ 370,129            | \$ 352,504            |
| Interest  | 942,916               | 871,396               | 829,916               | 789,202               | 766,963               | 740,110               | 678,518               | 626,494               |
| Differences Between Expected and Actual Experience                                | (969,993)             | (193,341)             | (220,960)             | (215,319)             | (186,622)             | (313,896)             | (140,298)             | -                     |
| Changes of Assumptions  | 40,012                | 396,662               | (35,484)              | (74,107)              | 21,780                | (147,992)             | 221,286               | -                     |
| Benefit Payments, Including Refunds of Member Contributions                       | (532,255)             | (451,822)             | (339,958)             | (281,820)             | (276,278)             | (249,043)             | (283,563)             | (224,291)             |
| <b>Net Change in Total Pension Liability</b>                                      | (43,091)              | 1,058,923             | 647,330               | 635,419               | 688,428               | 416,144               | 846,072               | 754,707               |
| <b>Total Pension Liability - Beginning</b>  | <u>\$ 13,754,683</u>  | <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>      |
| <b>Total Pension Liability - Ending (a)</b>                                       | <u>\$ 13,711,592</u>  | <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>   |
| <b>Plan Fiduciary Net Position</b>  |                       |                       |                       |                       |                       |                       |                       |                       |
| Contributions - Employer  | \$ -                  | \$ 78,918             | \$ 115,737            | \$ 142,930            | \$ 136,043            | \$ 185,420            | \$ 415,283            | \$ -                  |
| Contributions - Member  | 151,002               | 157,089               | 163,274               | 154,171               | 152,289               | 177,925               | 114,403               | 126,899               |
| Net Investment Income   | 4,255,698             | 341,639               | 839,475               | 964,984               | 1,598,565             | (99,375)              | 324,462               | 1,569,311             |
| Benefit Payments, Including Refunds of Member Contributions                       | (532,255)             | (451,822)             | (339,958)             | (281,820)             | (276,278)             | (249,043)             | (283,563)             | (224,291)             |
| Administrative Expenses   | (9,032)               | (8,684)               | (8,149)               | (9,198)               | (10,318)              | (19,838)              | -                     | -                     |
| <b>Net Change in Pension Fiduciary Net Position</b>                               | 3,865,413             | 117,140               | 770,379               | 971,067               | 1,600,301             | (4,911)               | 570,585               | 1,471,919             |
| <b>Plan Fiduciary Net Position - Beginning</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>     | <u>9,773,024</u>      |
| <b>Plan Fiduciary Net Position - Ending (b)</b>                                   | <u>\$ 19,134,917</u>  | <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>  |
| <b>Net Pension Asset - Ending: (a) - (b)</b>                                      | <u>\$ (5,423,325)</u> | <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> |
| <b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b> | 139.55%               | 111.01%               | 119.35%               | 119.37%               | 117.51%               | 110.13%               | 114.62%               | 118.84%               |
| <b>Covered Payroll</b>  | \$ 4,845,923          | \$ 5,491,703          | \$ 5,056,797          | \$ 4,929,923          | \$ 4,543,004          | \$ 4,304,604          | \$ 4,313,562          | \$ 4,186,034          |
| <b>Net Pension Asset as a Percentage of Covered Payroll</b>                       | 111.92%               | 27.58%                | 48.58%                | 47.33%                | 43.98%                | 25.23%                | 34.94%                | 42.58%                |

\*This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

See accountant's report.

**TOWN OF PUTNAM, CONNECTICUT**  
 Town Employee Retirement Plan  
 Schedule of Contributions  
 Last Eight Fiscal Years\*

|   | 2021       | 2020      | 2019       | 2018       | 2017       | 2016       | 2015         | 2014       |
|---|------------|-----------|------------|------------|------------|------------|--------------|------------|
| Actuarially Determined Employer Contribution (ADEC) | \$ 113,901 | \$ 78,918 | \$ 115,737 | \$ 142,930 | \$ 136,043 | \$ 185,420 | \$ 199,837   | \$ 215,446 |
| Contributions in Relation to the ADEC               | -          | 78,918    | 115,737    | 142,930    | 136,043    | 185,420    | 415,283      | -          |
| Contribution Deficiency (Excess)                    | \$ 113,901 | \$ -      | \$ -       | \$ -       | \$ -       | \$ -       | \$ (215,446) | \$ 215,446 |
| Covered Payroll                                     | 4,845,923  | 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    | 0.00%      | 1.44%     | 2.29%      | 2.90%      | 2.99%      | 4.31%      | 9.63%        | 0.00%      |

\*This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**Notes to Schedule**

Actuarially determined contribution rates are calculated as of July 1, 2019, 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, 2021:

- Actuarial cost method Aggregate Actuarial Cost Method
- 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 PUB-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety, and Teachers) the valuation date with Scale MP-2019.

**TOWN OF PUTNAM, CONNECTICUT**  
 Town Employee Retirement Plan  
 Schedule of Investment Returns  
 Last Eight Fiscal Years\*

|                                       | 2021   | 2020  | 2019  | 2018  | 2017   | 2016   | 2015  | 2014   |
|---------------------------------------|--------|-------|-------|-------|--------|--------|-------|--------|
| Annual Money-Weighted Rate of Return, |        |       |       |       |        |        |       |        |
| Net of Investment Expense             | 28.09% | 2.21% | 5.80% | 7.14% | 13.81% | -0.83% | 2.86% | 16.12% |

\*This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

See accountant's report.



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

**Schedule of Proportionate Share of Net OPEB Liability**

|   | 2021                | 2020                | 2019                | 2018                |
|---|---------------------|---------------------|---------------------|---------------------|
| Town's percentage of the net OPEB liability   | 0.00%               | 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         | 5,831,061           | 5,675,139           | 5,609,074           | 6,383,037           |
| <b>Total</b>  | <b>\$ 5,831,061</b> | <b>\$ 5,675,139</b> | <b>\$ 5,609,074</b> | <b>\$ 6,383,037</b> |
| Town's covered-employee payroll   | \$ 9,265,118        | \$ 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%               | 0.00%               |
| Plan fiduciary net position as a percentage of the total OPEB liability                               | 2.50%               | 2.08%               | 1.49%               | 1.79%               |

\*This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**Notes to Schedule**

|                           |  |
|---------------------------|--|
| Actuarial Cost Method     | Entry age  |
| Amortization Method       | Level percent of payroll over a closed period                      |
| Amortization Period       | 30 years   |
| Asset Valuation Method    | Market value of assets   |
| Investment Rate of Return | 3.00%, net of investment related expense including price inflation |
| Price Inflation           | 2.50%  |

See accountant's report.

**Supplemental, Combining  
and Individual Fund  
Statements and Schedules**

**TOWN OF PUTNAM, CONNECTICUT**  
Combining Balance Sheet  
General Fund  
June 30, 2021

|  | General<br>Fund      | Board of<br>Education<br>Carryover<br>Fund | Eliminations       | Total                |
|--|----------------------|--|--------------------|----------------------|
| <b>Assets</b>  |                      |  |                    |                      |
| Cash and Cash Equivalents  | \$ 14,511,030        | \$ -                                       | \$ -               | \$ 14,511,030        |
| Receivables, Net of Allowance  | 1,013,003            | -  | -                  | 1,013,003            |
| Other Assets   | -                    | -  | -                  | -                    |
| Due from Other Funds   | 4,527,790            | 87,927                                     | (87,927)           | 4,527,790            |
| Advance to Other Funds   | 174,850              | -  | -                  | 174,850              |
| <b>Total Assets</b>  | <u>\$ 20,226,673</u> | <u>\$ 87,927</u>                           | <u>\$ (87,927)</u> | <u>\$ 20,226,673</u> |
| <b>Liabilities</b>   |                      |  |                    |                      |
| Accounts Payable and Accrued Items   | \$ 1,054,285         | \$ -                                       | \$ -               | \$ 1,054,285         |
| Unearned Revenue   | 226,224              | -  | -                  | 226,224              |
| Due to Other Funds   | 10,846,602           | -  | (87,927)           | 10,758,675           |
| Advance from Other Funds   | -                    | -  | -                  | -                    |
| <b>Total Liabilities</b>   | <u>12,127,111</u>    | <u>-</u>                                   | <u>(87,927)</u>    | <u>12,039,184</u>    |
| <b>Deferred Inflows of Resources</b>                                       |                      |  |                    |                      |
| Unavailable Revenues:  |                      |  |                    |                      |
| Property Taxes and Interest  | 899,831              | -  | -                  | 899,831              |
| Long-term Contracts Receivable   | -                    | -  | -                  | -                    |
| <b>Total Deferred Inflows of Resources</b>                                 | <u>899,831</u>       | <u>-</u>                                   | <u>-</u>           | <u>899,831</u>       |
| <b>Fund Balances</b>   |                      |  |                    |                      |
| Nonspendable   | 174,850              | -  | -                  | 174,850              |
| Restricted   | -                    | -  | -                  | -                    |
| Committed  | 37,396               | 87,927                                     | -                  | 125,323              |
| Assigned   | 556,101              | -  | -                  | 556,101              |
| Unassigned   | 6,431,384            | -  | -                  | 6,431,384            |
| <b>Total Fund Balances</b>   | <u>7,199,731</u>     | <u>87,927</u>                              | <u>-</u>           | <u>7,287,658</u>     |
| <b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b> | <u>\$ 20,226,673</u> | <u>\$ 87,927</u>                           | <u>\$ (87,927)</u> | <u>\$ 20,226,673</u> |

See accountant's report.

**TOWN OF PUTNAM, CONNECTICUT**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
General Fund  
For the Year Ended June 30, 2021

|  | General<br>Fund     | Board of<br>Education<br>Carryover<br>Fund | Eliminations | Total               |
|--|---------------------|--|--------------|---------------------|
| <b>Revenues</b>  |                     |  |              |                     |
| Property Taxes, Interest and Lien Fees                   | \$ 15,414,898       | \$ -                                       | \$ -         | \$ 15,414,898       |
| Intergovernmental Revenues                               | 11,459,141          | -  | -            | 11,459,141          |
| Licenses, Permits, and Charges for Services              | 3,158,418           | -  | -            | 3,158,418           |
| Investment Income  | 19,822              | -  | -            | 19,822              |
| Other Revenue  | -                   | -  | -            | -                   |
| <b>Total Revenues</b>                                    | <u>30,052,279</u>   | <u>-</u>                                   | <u>-</u>     | <u>30,052,279</u>   |
| <b>Expenditures</b>                                      |                     |  |              |                     |
| Current:   |                     |  |              |                     |
| General Government                                       | 1,741,486           | -  | -            | 1,741,486           |
| Public Safety  | 120,522             | -  | -            | 120,522             |
| Public Works   | 1,305,201           | -  | -            | 1,305,201           |
| Culture and Recreation                                   | 932,829             | -  | -            | 932,829             |
| Sanitation   | 423,584             | -  | -            | 423,584             |
| Community and Social Services                            | 302,453             | -  | -            | 302,453             |
| Economic Development                                     | 146,909             | -  | -            | 146,909             |
| Employee and Fringe Benefits                             | 771,034             | -  | -            | 771,034             |
| Risk Management  | 207,680             | -  | -            | 207,680             |
| Education  | 21,773,053          | -  | -            | 21,773,053          |
| Debt Service   | 1,695,007           | -  | -            | 1,695,007           |
| Capital Outlay   | -                   | -  | -            | -                   |
| <b>Total Expenditures</b>                                | <u>29,419,758</u>   | <u>-</u>                                   | <u>-</u>     | <u>29,419,758</u>   |
| <br>Excess/(Deficiency) of Revenues<br>over Expenditures | <br>632,521         | <br>-                                      | <br>-        | <br>632,521         |
| <b>Other Financing Sources/(Uses)</b>                    |                     |  |              |                     |
| Transfers In   | 139,271             | 87,927                                     | (87,927)     | 139,271             |
| Transfers Out  | (292,365)           | -  | 87,927       | (204,438)           |
| <b>Total Other Financing Sources/(Uses)</b>              | <u>(153,094)</u>    | <u>87,927</u>                              | <u>-</u>     | <u>(65,167)</u>     |
| <br>Net Change in Fund Balances                          | <br>479,427         | <br>87,927                                 | <br>-        | <br>567,354         |
| Fund Balances at Beginning of Year                       | <u>6,720,304</u>    | <u>-</u>                                   | <u>-</u>     | <u>6,720,304</u>    |
| Fund Balances at End of Year                             | <u>\$ 7,199,731</u> | <u>\$ 87,927</u>                           | <u>\$ -</u>  | <u>\$ 7,287,658</u> |

See accountant's report.

**TOWN OF PUTNAM, CONNECTICUT**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2021

**SPECIAL REVENUE FUNDS**

|                           | Economic and<br>Community<br>Development<br>Loan Fund | Educational<br>Grants<br>Fund | Library<br>Fund   | Cargill<br>Mills & Main<br>Street<br>Fund | Youth<br>Advisory<br>Board<br>Fund | Pay Per<br>Sticker<br>Program<br>Fund | Drug<br>Prevention<br>Grant<br>Fund | Arts<br>Council<br>Fund |
|---------------------------|---|-------------------------------|-------------------|---|------------------------------------|---------------------------------------|-------------------------------------|-------------------------|
| <b>Assets</b>             |   |                               |                   |   |                                    |                                       |                                     |                         |
| Cash and Cash Equivalents | \$ 669,186  | \$ 61,496                     | \$ 340,214        | \$ -                                      | \$ -                               | \$ 186,009                            | \$ -                                | \$ -                    |
| Receivables, Net          | 522,204   | 184,821                       | 3,000             | -   | -                                  | 14,421                                | -                                   | -                       |
| Other Assets              | -   | -                             | -                 | -   | -                                  | -                                     | -                                   | -                       |
| Due from Other Funds      | -   | 388,937                       | -                 | -   | -                                  | 6,822                                 | 4,462                               | -                       |
| <b>Total Assets</b>       | <b>\$ 1,191,390</b>                                   | <b>\$ 635,254</b>             | <b>\$ 343,214</b> | <b>\$ -</b>                               | <b>\$ -</b>                        | <b>\$ 207,252</b>                     | <b>\$ 4,462</b>                     | <b>\$ -</b>             |

**Liabilities, Deferred Inflows of Resources, and Fund Balances**

|                                       |                  |
|---------------------------------------|------------------|
| <b>Liabilities:</b>                   |                  |
| Accounts Payable and Accrued Items    | \$ 25,745        |
| Unearned Revenue                      | 319,113          |
| Due to Other Funds                    | 2,047            |
| Advance from Other Funds              | -                |
| <b>Total Liabilities</b>              | <b>27,792</b>    |
| <b>Deferred Inflows of Resources:</b> |                  |
| Unavailable Revenues                  | -                |
| <b>Fund Balances:</b>                 |                  |
| Nonspendable                          | -                |
| Restricted                            | 1,163,598        |
| Committed                             | -                |
| Unassigned                            | -                |
| <b>Total Fund Balances</b>            | <b>1,163,598</b> |

|   |                     |                   |                   |             |             |                   |                 |             |
|---|---------------------|-------------------|-------------------|-------------|-------------|-------------------|-----------------|-------------|
| <b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b> | <b>\$ 1,191,390</b> | <b>\$ 635,254</b> | <b>\$ 343,214</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 207,252</b> | <b>\$ 4,462</b> | <b>\$ -</b> |
|---|---------------------|-------------------|-------------------|-------------|-------------|-------------------|-----------------|-------------|

See accountant's report.

**TOWN OF PUTNAM, CONNECTICUT**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2021

**SPECIAL REVENUE FUNDS**

|   | Miscellaneous            |                    |                             |                        |                          |                         |                       |                 |  |  |
|---|--------------------------|--------------------|-----------------------------|------------------------|--------------------------|-------------------------|-----------------------|-----------------|--|--|
|   | Miscellaneous Grant Fund | Capital Grant Fund | Interscholastic Sports Fund | Preservation Fees Fund | Recreation Donation Fund | Bandstand Donation Fund | Community Garden Fund | Dog Fund        |  |  |
| <b>Assets</b>   |                          |                    |                             |                        |                          |                         |                       |                 |  |  |
| Cash and Cash Equivalents   | \$ -                     | \$ -               | \$ -                        | \$ -                   | \$ 8,511                 | \$ -                    | \$ -                  | \$ -            |  |  |
| Receivables, Net  | -                        | -                  | -                           | -                      | -                        | -                       | -                     | -               |  |  |
| Other Assets  | -                        | -                  | -                           | -                      | -                        | -                       | -                     | -               |  |  |
| Due from Other Funds  | -                        | -                  | 59,443                      | 92,319                 | 15,718                   | -                       | 3,386                 | 2,099           |  |  |
| <b>Total Assets</b>   | <b>\$ -</b>              | <b>\$ -</b>        | <b>\$ 59,443</b>            | <b>\$ 92,319</b>       | <b>\$ 24,229</b>         | <b>\$ -</b>             | <b>\$ 3,386</b>       | <b>\$ 2,099</b> |  |  |
| <b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>      |                          |                    |                             |                        |                          |                         |                       |                 |  |  |
| <b>Liabilities:</b>   |                          |                    |                             |                        |                          |                         |                       |                 |  |  |
| Accounts Payable and Accrued Items  | \$ -                     | \$ -               | \$ -                        | \$ -                   | \$ 700                   | \$ -                    | \$ 132                | \$ 66           |  |  |
| Unearned Revenue  | -                        | -                  | -                           | -                      | 251                      | -                       | -                     | -               |  |  |
| Due to Other Funds  | -                        | -                  | -                           | -                      | -                        | -                       | -                     | -               |  |  |
| Advance from Other Funds  | -                        | -                  | -                           | -                      | -                        | -                       | -                     | -               |  |  |
| <b>Total Liabilities</b>  | <b>-</b>                 | <b>-</b>           | <b>-</b>                    | <b>-</b>               | <b>951</b>               | <b>-</b>                | <b>132</b>            | <b>66</b>       |  |  |
| <b>Deferred Inflows of Resources:</b>                                     |                          |                    |                             |                        |                          |                         |                       |                 |  |  |
| Unavailable Revenues  | -                        | -                  | -                           | -                      | -                        | -                       | -                     | -               |  |  |
| <b>Fund Balances:</b>   |                          |                    |                             |                        |                          |                         |                       |                 |  |  |
| Nonspendable  | -                        | -                  | -                           | -                      | -                        | -                       | -                     | -               |  |  |
| Restricted  | -                        | -                  | -                           | 92,319                 | 23,278                   | -                       | 3,254                 | 2,033           |  |  |
| Committed   | -                        | -                  | 59,443                      | -                      | -                        | -                       | -                     | -               |  |  |
| Unassigned  | -                        | -                  | -                           | -                      | -                        | -                       | -                     | -               |  |  |
| <b>Total Fund Balances</b>  | <b>-</b>                 | <b>-</b>           | <b>\$ 59,443</b>            | <b>\$ 92,319</b>       | <b>\$ 23,278</b>         | <b>-</b>                | <b>\$ 3,254</b>       | <b>\$ 2,033</b> |  |  |
| <b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b> | <b>\$ -</b>              | <b>\$ -</b>        | <b>\$ 59,443</b>            | <b>\$ 92,319</b>       | <b>\$ 24,229</b>         | <b>\$ -</b>             | <b>\$ 3,386</b>       | <b>\$ 2,099</b> |  |  |

See accountant's report.

**TOWN OF PUTNAM, CONNECTICUT**

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2021

**SPECIAL REVENUE FUNDS**

|                           | Road Reconstruction 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 |
|---------------------------|--------------------------|---------------------------------|---|---------------------|---------------------|-------------------------------|---------------------------------------|------------------------|
| Cash and Cash Equivalents | \$ -                     | \$ -                            | \$ 181,954                              | \$ 1,639,562        | \$ -                | \$ 19,837                     | \$ -                                  | \$ 102,032             |
| Receivables, Net          | -                        | -                               | -                                       | 269,277             | -                   | -                             | -                                     | -                      |
| Other Assets              | -                        | -                               | -                                       | 15,352              | -                   | -                             | -                                     | -                      |
| Due from Other Funds      | 295,284                  | 438,284                         | -                                       | -                   | -                   | 5,222                         | -                                     | -                      |
| <b>Total Assets</b>       | <b>\$ 295,284</b>        | <b>\$ 438,284</b>               | <b>\$ 181,954</b>                       | <b>\$ 1,924,191</b> | <b>\$ -</b>         | <b>\$ 25,059</b>              | <b>\$ -</b>                           | <b>\$ 102,032</b>      |

**Assets**

Cash and Cash Equivalents  
 Receivables, Net  
 Other Assets  
 Due from Other Funds  
**Total Assets**

**Liabilities, Deferred Inflows of Resources, and Fund Balances**

**Liabilities:**

Accounts Payable and Accrued Items  
 Unearned Revenue  
 Due to Other Funds  
 Advance from Other Funds  
 Total Liabilities

|          |      |        |           |      |          |      |      |
|----------|------|--------|-----------|------|----------|------|------|
| \$ 4,029 | \$ - | \$ 32  | \$ 28,620 | \$ - | \$ 1,060 | \$ - | \$ - |
| -        | -    | -      | -         | -    | -        | -    | -    |
| -        | -    | 58,468 | 98,068    | -    | -        | -    | -    |
| -        | -    | -      | -         | -    | -        | -    | -    |
| 4,029    | -    | 58,500 | 126,688   | -    | 1,060    | -    | -    |

**Deferred Inflows of Resources:**  
 Unavailable Revenues

**Fund Balances:**

Nonspendable  
 Restricted  
 Committed  
 Unassigned  
 Total Fund Balances

|         |         |         |           |   |        |   |         |
|---------|---------|---------|-----------|---|--------|---|---------|
| 291,255 | -       | -       | -         | - | -      | - | -       |
| -       | 438,284 | 123,454 | 1,797,503 | - | 23,999 | - | 102,032 |
| -       | -       | -       | -         | - | -      | - | -       |
| 291,255 | 438,284 | 123,454 | 1,797,503 | - | 23,999 | - | 102,032 |

**Total Liabilities, Deferred Inflows of Resources and Fund Balances**

|            |            |            |              |      |           |      |            |
|------------|------------|------------|--------------|------|-----------|------|------------|
| \$ 295,284 | \$ 438,284 | \$ 181,954 | \$ 1,924,191 | \$ - | \$ 25,059 | \$ - | \$ 102,032 |
|------------|------------|------------|--------------|------|-----------|------|------------|

See accountant's report.

**TOWN OF PUTNAM, CONNECTICUT**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2021

|   | SPECIAL REVENUE FUNDS    |                        |  |                                 | CAPITAL PROJECTS FUNDS           |                                  |  |  |
|---|--------------------------|------------------------|--|---------------------------------|----------------------------------|----------------------------------|--|--|
|   | ADA<br>Curbscuts<br>Fund | COVID<br>Grant<br>Fund | Economic<br>Development<br>Special<br>Fund | Capital<br>Nonrecurring<br>Fund | Water<br>Capital Project<br>Fund | Equipment<br>Replacement<br>Fund | Recreation<br>and Athletic<br>Fields<br>Fund | Woodstock<br>and Church<br>Sidewalks<br>Fund |
| <b>Assets</b>   |                          |                        |  |                                 |                                  |                                  |  |  |
| Cash and Cash Equivalents   | \$ -                     | \$ -                   | \$ -                                       | \$ -                            | \$ -                             | \$ -                             | \$ -   | \$ -   |
| Receivables, Net  | -                        | -                      | -  | -                               | -                                | -                                | -  | -  |
| Other Assets  | -                        | -                      | -  | -                               | -                                | -                                | -  | -  |
| Due from Other Funds  | -                        | 1,406,299              | 49,796                                     | 255,114                         | 196,299                          | -                                | -  | 83,641                                       |
| <b>Total Assets</b>   | <b>\$ -</b>              | <b>\$ 1,406,299</b>    | <b>\$ 49,796</b>                           | <b>\$ 255,114</b>               | <b>\$ 196,299</b>                | <b>\$ -</b>                      | <b>\$ -</b>                                  | <b>\$ 83,641</b>                             |
| <b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>      |                          |                        |  |                                 |                                  |                                  |  |  |
| <b>Liabilities:</b>   |                          |                        |  |                                 |                                  |                                  |  |  |
| Accounts Payable and Accrued Items  | \$ -                     | \$ -                   | \$ -                                       | \$ 700                          | \$ -                             | \$ -                             | \$ -   | \$ -   |
| Unearned Revenue  | -                        | 1,406,299              | -  | -                               | 90,673                           | -                                | -  | -  |
| Due to Other Funds  | -                        | -                      | -  | -                               | -                                | 473,244                          | -  | -  |
| Advance from Other Funds  | -                        | -                      | -  | -                               | -                                | -                                | -  | -  |
| <b>Total Liabilities</b>  | <b>\$ -</b>              | <b>\$ 1,406,299</b>    | <b>\$ -</b>                                | <b>\$ 700</b>                   | <b>\$ 90,673</b>                 | <b>\$ 473,244</b>                | <b>\$ -</b>                                  | <b>\$ -</b>                                  |
| <b>Deferred Inflows of Resources:</b>                                     |                          |                        |  |                                 |                                  |                                  |  |  |
| Unavailable Revenues  | -                        | -                      | -  | -                               | -                                | -                                | -  | -  |
| <b>Fund Balances:</b>   |                          |                        |  |                                 |                                  |                                  |  |  |
| Nonspendable  | -                        | -                      | -  | -                               | -                                | -                                | -  | -  |
| Restricted  | -                        | -                      | -  | 1,724                           | -                                | -                                | -  | -  |
| Committed   | -                        | -                      | 49,796                                     | 252,690                         | 105,626                          | -                                | -  | 83,641                                       |
| Unassigned  | -                        | -                      | -  | -                               | -                                | -                                | (473,244)                                    | -  |
| <b>Total Fund Balances</b>  | <b>\$ -</b>              | <b>\$ -</b>            | <b>\$ 49,796</b>                           | <b>\$ 254,414</b>               | <b>\$ 105,626</b>                | <b>\$ -</b>                      | <b>\$ (473,244)</b>                          | <b>\$ 83,641</b>                             |
| <b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b> | <b>\$ -</b>              | <b>\$ 1,406,299</b>    | <b>\$ 49,796</b>                           | <b>\$ 255,114</b>               | <b>\$ 196,299</b>                | <b>\$ -</b>                      | <b>\$ -</b>                                  | <b>\$ 83,641</b>                             |

See accountant's report.



**TOWN OF PUTNAM, CONNECTICUT**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2021

|   |                | <b>CAPITAL PROJECTS FUNDS</b>  |                       |                           |                              |                                  |                                     |                                      |
|---|----------------|--------------------------------|-----------------------|---------------------------|------------------------------|----------------------------------|-------------------------------------|--------------------------------------|
|   |                | Kennedy Drive Parking Lot Fund | Quinebaug Bridge Fund | Bridge Street Bridge Fund | Woodstock Ave #1 Bridge Fund | Recreation Park Road Bridge Fund | East Putnam & Five Mile Bridge Fund | Auction and Replacement Reserve Fund |
| <b>Assets</b>   |                |                                |                       |                           |                              |                                  |                                     |                                      |
| Cash and Cash Equivalents   | \$             | -                              | -                     | -                         | -                            | -                                | -                                   | -                                    |
| Receivables, Net  | -              | -                              | -                     | 81,841                    | -                            | 233,546                          | 93,207                              | -                                    |
| Other Assets  | -              | -                              | -                     | -                         | -                            | -                                | -                                   | -                                    |
| Due from Other Funds  | 119,800        | 229,939                        | 68,789                | 5,258                     | -                            | -                                | 74,957                              | 163,918                              |
| <b>Total Assets</b>   | <b>\$</b>      | <b>119,800</b>                 | <b>229,939</b>        | <b>68,789</b>             | <b>87,099</b>                | <b>233,546</b>                   | <b>93,207</b>                       | <b>74,957</b>                        |
|   |                |                                |                       |                           |                              |                                  |                                     |                                      |
| <b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>      |                |                                |                       |                           |                              |                                  |                                     |                                      |
| <b>Liabilities:</b>   |                |                                |                       |                           |                              |                                  |                                     |                                      |
| Accounts Payable and Accrued Items  | \$             | -                              | -                     | -                         | -                            | -                                | 93,207                              | -                                    |
| Unearned Revenue  | -              | 229,939                        | -                     | -                         | -                            | -                                | -                                   | -                                    |
| Due to Other Funds  | -              | -                              | -                     | -                         | 233,546                      | -                                | -                                   | -                                    |
| Advance from Other Funds  | -              | -                              | -                     | -                         | -                            | -                                | -                                   | -                                    |
| <b>Total Liabilities</b>  | <b>-</b>       | <b>229,939</b>                 | <b>-</b>              | <b>-</b>                  | <b>233,546</b>               | <b>-</b>                         | <b>93,207</b>                       | <b>-</b>                             |
|   |                |                                |                       |                           |                              |                                  |                                     |                                      |
| <b>Deferred Inflows of Resources:</b>                                     |                |                                |                       |                           |                              |                                  |                                     |                                      |
| Unavailable Revenues  | -              | -                              | -                     | -                         | -                            | -                                | -                                   | -                                    |
| <b>Fund Balances:</b>   |                |                                |                       |                           |                              |                                  |                                     |                                      |
| Nonspendable  | -              | -                              | -                     | -                         | -                            | -                                | -                                   | -                                    |
| Restricted  | -              | -                              | -                     | -                         | -                            | -                                | -                                   | -                                    |
| Committed   | 119,800        | -                              | 68,789                | 87,099                    | -                            | -                                | 74,957                              | 163,918                              |
| Unassigned  | -              | -                              | -                     | -                         | -                            | -                                | -                                   | -                                    |
| <b>Total Fund Balances</b>  | <b>119,800</b> | <b>229,939</b>                 | <b>68,789</b>         | <b>87,099</b>             | <b>-</b>                     | <b>-</b>                         | <b>74,957</b>                       | <b>163,918</b>                       |
|   |                |                                |                       |                           |                              |                                  |                                     |                                      |
| <b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b> | <b>\$</b>      | <b>119,800</b>                 | <b>229,939</b>        | <b>68,789</b>             | <b>87,099</b>                | <b>233,546</b>                   | <b>93,207</b>                       | <b>74,957</b>                        |
|   |                |                                |                       |                           |                              |                                  |                                     | <b>\$ 163,918</b>                    |

See accountant's report.

**TOWN OF PUTNAM, CONNECTICUT**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2021

|   |                | <b>CAPITAL PROJECTS FUNDS</b>              |                                       |                       |                                     |                    |                     |  |
|---|----------------|--|---------------------------------------|-----------------------|-------------------------------------|--------------------|---------------------|--|
|   |                | Quinebaug<br>Regional<br>Tech Park<br>Fund | Sewer<br>Generator<br>Project<br>Fund | Tyler<br>Tech<br>Fund | Capital<br>Nonrecurring<br>Ash Fund | Total              |                     |  |
| <b>Assets</b>   |                |  |                                       |                       |                                     |                    |                     |  |
| Cash and Cash Equivalents   | \$             | -  | -                                     | -                     | -                                   | -                  | \$ 3,208,801        |  |
| Receivables, Net  | -              | -  | 139,218                               | -                     | -                                   | -                  | 1,541,535           |  |
| Other Assets  | -              | -  | -                                     | -                     | -                                   | -                  | 15,352              |  |
| Due from Other Funds  | -              | 150,000                                    | -                                     | 6,905                 | -                                   | -                  | 4,122,691           |  |
| <b>Total Assets</b>   | <b>\$</b>      | <b>\$ 150,000</b>                          | <b>\$ 139,218</b>                     | <b>\$ 6,905</b>       | <b>\$ -</b>                         | <b>\$ -</b>        | <b>\$ 8,888,379</b> |  |
| <b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>      |                |  |                                       |                       |                                     |                    |                     |  |
| <b>Liabilities:</b>   |                |  |                                       |                       |                                     |                    |                     |  |
| Accounts Payable and Accrued Items  | \$             | -  | 155,200                               | -                     | -                                   | -                  | \$ 659,735          |  |
| Unearned Revenue  | -              | -  | -                                     | -                     | -                                   | -                  | 2,053,737           |  |
| Due to Other Funds  | 1,800          | -  | 139,218                               | -                     | -                                   | -                  | 1,006,391           |  |
| Advance from Other Funds  | -              | -  | 174,850                               | -                     | -                                   | -                  | 1,283,615           |  |
| <b>Total Liabilities</b>  | <b>4,448</b>   | <b>330,050</b>                             | <b>139,218</b>                        | <b>6,905</b>          | <b>1,108,765</b>                    | <b>1,108,765</b>   | <b>5,003,478</b>    |  |
| <b>Deferred Inflows of Resources:</b>                                     |                |  |                                       |                       |                                     |                    |                     |  |
| Unavailable Revenues  | -              | -  | -                                     | -                     | -                                   | -                  | -                   |  |
| <b>Fund Balances:</b>   |                |  |                                       |                       |                                     |                    |                     |  |
| Nonspendable  | -              | -  | -                                     | -                     | -                                   | -                  | 9,715               |  |
| Restricted  | -              | -  | -                                     | -                     | -                                   | -                  | 1,577,461           |  |
| Committed   | -              | 150,000                                    | -                                     | -                     | -                                   | -                  | 4,214,232           |  |
| Unassigned  | (4,448)        | (330,050)                                  | -                                     | -                     | -                                   | (1,108,765)        | (1,916,507)         |  |
| <b>Total Fund Balances</b>  | <b>(4,448)</b> | <b>150,000</b>                             | <b>(330,050)</b>                      | <b>6,905</b>          | <b>(1,108,765)</b>                  | <b>(1,108,765)</b> | <b>3,884,901</b>    |  |
| <b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b> | <b>\$ -</b>    | <b>\$ 150,000</b>                          | <b>\$ -</b>                           | <b>\$ 6,905</b>       | <b>\$ -</b>                         | <b>\$ -</b>        | <b>\$ 8,888,379</b> |  |

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, 2021

|  | SPECIAL REVENUE FUNDS                                 |                               |                   |                                |                 |                                    |                                       |                                     |                         |             |
|--|---|-------------------------------|-------------------|--------------------------------|-----------------|------------------------------------|---------------------------------------|-------------------------------------|-------------------------|-------------|
|  | Economic and<br>Community<br>Development<br>Loan Fund | Educational<br>Grants<br>Fund | Library<br>Fund   | Mills & Main<br>Street<br>Fund | Cargill<br>Fund | Youth<br>Advisory<br>Board<br>Fund | Pay Per<br>Sticker<br>Program<br>Fund | Drug<br>Prevention<br>Grant<br>Fund | Arts<br>Council<br>Fund |             |
| <b>Revenues</b>                                      |   |                               |                   |                                |                 |                                    |                                       |                                     |                         |             |
| Intergovernmental Revenues                           | \$ -  | \$ 3,315,902                  | \$ 40,498         | \$ -                           | \$ -            | \$ -                               | \$ -                                  | \$ -                                | \$ -                    | \$ -        |
| Licenses, Permits and Charges for Services           | 122,760   | -                             | -                 | -                              | -               | -                                  | 194,273                               | -                                   | -                       | -           |
| Investment Income                                    | 1,144   | -                             | 555               | -                              | -               | -                                  | 62                                    | -                                   | -                       | -           |
| Other Revenue  | -   | 14,587                        | 1,317             | -                              | -               | -                                  | -                                     | -                                   | -                       | -           |
| <b>Total Revenues</b>                                | <b>123,904</b>  | <b>3,330,489</b>              | <b>42,370</b>     | <b>-</b>                       | <b>-</b>        | <b>-</b>                           | <b>194,335</b>                        | <b>-</b>                            | <b>-</b>                | <b>-</b>    |
| <b>Expenditures</b>                                  |   |                               |                   |                                |                 |                                    |                                       |                                     |                         |             |
| Current:   |   |                               |                   |                                |                 |                                    |                                       |                                     |                         |             |
| General Government                                   | -   | -                             | -                 | -                              | -               | -                                  | -                                     | -                                   | -                       | -           |
| Public Safety  | -   | -                             | -                 | -                              | -               | -                                  | -                                     | -                                   | -                       | -           |
| Public Works   | -   | -                             | -                 | -                              | -               | -                                  | -                                     | -                                   | -                       | -           |
| Culture and Recreation                               | -   | -                             | 38,781            | -                              | -               | -                                  | -                                     | -                                   | -                       | -           |
| Sanitation   | -   | -                             | -                 | -                              | -               | -                                  | 193,495                               | -                                   | -                       | -           |
| Community and Social Services                        | -   | -                             | -                 | -                              | -               | -                                  | -                                     | -                                   | -                       | -           |
| Economic Development                                 | 149,065   | -                             | -                 | -                              | -               | -                                  | -                                     | -                                   | -                       | -           |
| Education  | -   | 2,880,814                     | -                 | -                              | -               | -                                  | -                                     | -                                   | -                       | -           |
| Debt Service   | -   | -                             | -                 | -                              | -               | -                                  | -                                     | -                                   | -                       | -           |
| Capital Outlay                                       | -   | 449,675                       | -                 | -                              | -               | -                                  | -                                     | -                                   | -                       | -           |
| <b>Total Expenditures</b>                            | <b>149,065</b>  | <b>3,330,489</b>              | <b>38,781</b>     | <b>-</b>                       | <b>-</b>        | <b>-</b>                           | <b>193,495</b>                        | <b>-</b>                            | <b>-</b>                | <b>-</b>    |
| Excess/(Deficiency) of Revenues<br>Over Expenditures | (25,161)  | -                             | 3,589             | -                              | -               | -                                  | 840                                   | -                                   | -                       | -           |
| <b>Other Financing Sources/(Uses)</b>                |   |                               |                   |                                |                 |                                    |                                       |                                     |                         |             |
| Issuance of Capital Leases                           | -   | -                             | -                 | -                              | -               | -                                  | -                                     | -                                   | -                       | -           |
| Transfers In   | -   | -                             | -                 | -                              | -               | -                                  | -                                     | -                                   | -                       | -           |
| Transfers Out  | -   | -                             | -                 | (1,000)                        | -               | (172)                              | -                                     | -                                   | (3,848)                 | -           |
| <b>Total Other Financing Sources/(Uses)</b>          | <b>-</b>  | <b>-</b>                      | <b>-</b>          | <b>(1,000)</b>                 | <b>-</b>        | <b>(172)</b>                       | <b>-</b>                              | <b>-</b>                            | <b>(3,848)</b>          | <b>-</b>    |
| <b>Net Change in Fund Balances</b>                   | <b>(25,161)</b>                                       | <b>-</b>                      | <b>3,589</b>      | <b>(1,000)</b>                 | <b>(172)</b>    | <b>(172)</b>                       | <b>840</b>                            | <b>-</b>                            | <b>(3,848)</b>          | <b>-</b>    |
| <b>Fund Balances at Beginning of Year</b>            | <b>1,188,759</b>                                      | <b>-</b>                      | <b>336,625</b>    | <b>1,000</b>                   | <b>172</b>      | <b>172</b>                         | <b>181,862</b>                        | <b>-</b>                            | <b>3,848</b>            | <b>-</b>    |
| <b>Fund Balances at End of Year</b>                  | <b>\$ 1,163,598</b>                                   | <b>\$ -</b>                   | <b>\$ 340,214</b> | <b>\$ -</b>                    | <b>\$ -</b>     | <b>\$ -</b>                        | <b>\$ 182,702</b>                     | <b>\$ -</b>                         | <b>\$ -</b>             | <b>\$ -</b> |

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, 2021

|  | <b>SPECIAL REVENUE FUNDS</b> |              |                  |                  |                  |                |                 |             |                 |            |
|--|------------------------------|--------------|------------------|------------------|------------------|----------------|-----------------|-------------|-----------------|------------|
|  | Miscellaneous                |              | Interscholastic  |                  | Preservation     |                | Recreation      |             | Bandstand       |            |
|  | Grant                        | Capital      | Sports           | Fees             | Donation         | Donation       | Community       | Garden      | Dog             | Fund       |
|  | Fund                         | Fund         | Fund             | Fund             | Fund             | Fund           | Fund            | Fund        | Fund            | Fund       |
| <b>Revenues</b>  |                              |              |                  |                  |                  |                |                 |             |                 |            |
| Intergovernmental Revenues                               | \$ 7,182                     | \$ -         | \$ -             | \$ -             | \$ -             | \$ -           | \$ -            | \$ -        | \$ -            | \$ -       |
| Licenses, Permits and Charges for Services               | -                            | -            | -                | 8,693            | 51,490           | -              | 460             | -           | -               | -          |
| Investment Income  | -                            | -            | -                | -                | -                | -              | -               | -           | -               | -          |
| Other Revenue  | -                            | -            | -                | -                | -                | -              | -               | -           | -               | -          |
| <b>Total Revenues</b>                                    | <u>7,182</u>                 | <u>-</u>     | <u>-</u>         | <u>8,693</u>     | <u>51,490</u>    | <u>-</u>       | <u>460</u>      | <u>-</u>    | <u>-</u>        | <u>-</u>   |
| <b>Expenditures</b>                                      |                              |              |                  |                  |                  |                |                 |             |                 |            |
| Current:   |                              |              |                  |                  |                  |                |                 |             |                 |            |
| General Government                                       | 5,500                        | -            | -                | -                | -                | -              | -               | -           | -               | -          |
| Public Safety  | -                            | -            | -                | -                | -                | -              | -               | -           | -               | 134        |
| Public Works   | -                            | 1,887        | -                | -                | -                | -              | -               | -           | -               | -          |
| Culture and Recreation                                   | -                            | -            | -                | -                | 43,714           | -              | -               | -           | -               | -          |
| Sanitation   | -                            | -            | -                | -                | -                | -              | -               | -           | -               | -          |
| Community and Social Services                            | -                            | -            | -                | -                | -                | -              | 751             | -           | -               | -          |
| Economic Development                                     | -                            | -            | -                | -                | -                | -              | -               | -           | -               | -          |
| Education  | -                            | -            | -                | -                | -                | -              | -               | -           | -               | -          |
| Debt Service   | -                            | -            | -                | -                | -                | -              | -               | -           | -               | -          |
| Capital Outlay   | -                            | -            | -                | -                | -                | -              | -               | -           | -               | -          |
| <b>Total Expenditures</b>                                | <u>5,500</u>                 | <u>1,887</u> | <u>-</u>         | <u>-</u>         | <u>43,714</u>    | <u>-</u>       | <u>751</u>      | <u>-</u>    | <u>-</u>        | <u>134</u> |
| <b>Excess/(Deficiency) of Revenues Over Expenditures</b> | 1,682                        | (1,887)      | -                | 8,693            | 7,776            | -              | (291)           | -           | (134)           |            |
| <b>Other Financing Sources/(Uses)</b>                    |                              |              |                  |                  |                  |                |                 |             |                 |            |
| Issuance of Capital Leases                               | -                            | -            | -                | -                | -                | -              | -               | -           | -               | -          |
| Transfers In   | -                            | -            | -                | -                | -                | -              | -               | -           | -               | -          |
| Transfers Out  | (103,725)                    | -            | -                | -                | -                | (1,118)        | -               | -           | -               | -          |
| <b>Total Other Financing Sources/(Uses)</b>              | <u>(103,725)</u>             | <u>-</u>     | <u>-</u>         | <u>-</u>         | <u>-</u>         | <u>(1,118)</u> | <u>-</u>        | <u>-</u>    | <u>-</u>        | <u>-</u>   |
| <b>Net Change in Fund Balances</b>                       | (102,043)                    | (1,887)      | -                | 8,693            | 7,776            | (1,118)        | (291)           | -           | (134)           |            |
| <b>Fund Balances at Beginning of Year</b>                | 102,043                      | 1,887        | 59,443           | 83,626           | 15,502           | 1,118          | 3,545           | -           | 2,167           |            |
| <b>Fund Balances at End of Year</b>                      | <u>\$ -</u>                  | <u>\$ -</u>  | <u>\$ 59,443</u> | <u>\$ 92,319</u> | <u>\$ 23,278</u> | <u>\$ -</u>    | <u>\$ 3,254</u> | <u>\$ -</u> | <u>\$ 2,033</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, 2021

|  | SPECIAL REVENUE FUNDS    |                                 |   |                     |                     |                               |                                       |                        |
|--|--------------------------|---------------------------------|---|---------------------|---------------------|-------------------------------|---------------------------------------|------------------------|
|  | Road Reconstruction 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 |
| <b>Revenues</b>  |                          |                                 |   |                     |                     |                               |                                       |                        |
| Intergovernmental Revenues                               | \$ 409,936               | \$ -                            | \$ -                                    | \$ 1,672,411        | \$ -                | \$ -                          | \$ -                                  | \$ -                   |
| Licenses, Permits and Charges for Services               | -                        | 40,573                          | 249,756                                 | 40,748              | -                   | 987                           | -                                     | 4,398                  |
| Investment Income  | -                        | -                               | 280                                     | 3,546               | -                   | -                             | -                                     | -                      |
| Other Revenue  | -                        | -                               | -                                       | -                   | -                   | 10,151                        | -                                     | 84,898                 |
| <b>Total Revenues</b>                                    | <b>409,936</b>           | <b>40,573</b>                   | <b>250,036</b>                          | <b>1,716,705</b>    | <b>-</b>            | <b>11,138</b>                 | <b>-</b>                              | <b>89,296</b>          |
| <b>Expenditures</b>                                      |                          |                                 |   |                     |                     |                               |                                       |                        |
| Current:   |                          |                                 |   |                     |                     |                               |                                       |                        |
| General Government                                       | -                        | -                               | -                                       | -                   | -                   | 2,482                         | -                                     | -                      |
| Public Safety  | -                        | -                               | -                                       | -                   | -                   | -                             | -                                     | -                      |
| Public Works   | 403,461                  | -                               | -                                       | -                   | -                   | -                             | -                                     | -                      |
| Culture and Recreation                                   | -                        | -                               | -                                       | -                   | -                   | 3,722                         | -                                     | -                      |
| Sanitation   | -                        | -                               | -                                       | -                   | -                   | -                             | -                                     | -                      |
| Community and Social Services                            | -                        | -                               | -                                       | -                   | -                   | -                             | -                                     | -                      |
| Economic Development                                     | -                        | -                               | -                                       | -                   | -                   | -                             | -                                     | -                      |
| Education  | -                        | 6,300                           | 180,504                                 | 781,974             | -                   | -                             | -                                     | 162                    |
| Debt Service   | -                        | -                               | -                                       | -                   | -                   | -                             | -                                     | -                      |
| Capital Outlay   | -                        | -                               | -                                       | -                   | -                   | -                             | -                                     | -                      |
| <b>Total Expenditures</b>                                | <b>403,461</b>           | <b>6,300</b>                    | <b>180,504</b>                          | <b>781,974</b>      | <b>-</b>            | <b>6,204</b>                  | <b>-</b>                              | <b>162</b>             |
| <b>Excess/(Deficiency) of Revenues Over Expenditures</b> | <b>6,475</b>             | <b>34,273</b>                   | <b>69,532</b>                           | <b>934,731</b>      | <b>-</b>            | <b>4,934</b>                  | <b>-</b>                              | <b>89,134</b>          |
| <b>Other Financing Sources/(Uses)</b>                    |                          |                                 |   |                     |                     |                               |                                       |                        |
| Issuance of Capital Leases                               | -                        | -                               | -                                       | -                   | -                   | -                             | -                                     | -                      |
| Transfers In   | 153,277                  | -                               | -                                       | -                   | -                   | -                             | 438                                   | -                      |
| Transfers Out  | -                        | -                               | -                                       | -                   | (2,885)             | -                             | -                                     | -                      |
| <b>Total Other Financing Sources/(Uses)</b>              | <b>153,277</b>           | <b>-</b>                        | <b>-</b>                                | <b>-</b>            | <b>(2,885)</b>      | <b>-</b>                      | <b>438</b>                            | <b>-</b>               |
| <b>Net Change in Fund Balances</b>                       | <b>159,752</b>           | <b>34,273</b>                   | <b>69,532</b>                           | <b>934,731</b>      | <b>(2,885)</b>      | <b>4,934</b>                  | <b>438</b>                            | <b>89,134</b>          |
| <b>Fund Balances at Beginning of Year</b>                | <b>131,503</b>           | <b>404,011</b>                  | <b>53,922</b>                           | <b>862,772</b>      | <b>2,885</b>        | <b>19,065</b>                 | <b>(438)</b>                          | <b>12,898</b>          |
| <b>Fund Balances at End of Year</b>                      | <b>\$ 291,255</b>        | <b>\$ 438,284</b>               | <b>\$ 123,454</b>                       | <b>\$ 1,797,503</b> | <b>\$ -</b>         | <b>\$ 23,999</b>              | <b>\$ -</b>                           | <b>\$ 102,032</b>      |

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, 2021

|   | SPECIAL REVENUE FUNDS |                  |                                   |             | CAPITAL PROJECTS FUNDS    |                            |                            |                                     |   |
|---|-----------------------|------------------|-----------------------------------|-------------|---------------------------|----------------------------|----------------------------|-------------------------------------|---|
|   | ADA Curbscuts Fund    | COVID Grant Fund | Economic Development Special Fund |             | Capital Nonrecurring Fund | Water Capital Project Fund | Equipment Replacement Fund | Recreation and Athletic Fields Fund | Woodstock and Church and Sidewalks Fund |
| <b>Revenues</b>                                   |                       |                  |                                   |             |                           |                            |                            |                                     |   |
| Intergovernmental Revenues                        | \$ -                  | \$ 78,375        | \$ -                              | \$ -        | \$ -                      | \$ -                       | \$ -                       | \$ -                                | \$ -                                    |
| Licenses, Permits and Charges for Services        | -                     | -                | -                                 | -           | -                         | -                          | -                          | 209,130                             | -                                       |
| Investment Income                                 | -                     | -                | 11,875                            | -           | -                         | -                          | -                          | -                                   | -                                       |
| Other Revenue                                     | -                     | -                | 11,875                            | -           | -                         | -                          | -                          | -                                   | -                                       |
| <b>Total Revenues</b>                             | <b>-</b>              | <b>78,375</b>    | <b>11,875</b>                     | <b>-</b>    | <b>-</b>                  | <b>-</b>                   | <b>-</b>                   | <b>209,130</b>                      | <b>-</b>                                |
| <b>Expenditures</b>                               |                       |                  |                                   |             |                           |                            |                            |                                     |   |
| Current:  |                       |                  |                                   |             |                           |                            |                            |                                     |   |
| General Government                                | -                     | 78,375           | -                                 | -           | -                         | -                          | -                          | -                                   | -                                       |
| Public Safety                                     | -                     | -                | -                                 | -           | -                         | -                          | -                          | -                                   | -                                       |
| Public Works                                      | -                     | -                | -                                 | -           | -                         | -                          | -                          | -                                   | -                                       |
| Culture and Recreation                            | -                     | -                | -                                 | -           | -                         | -                          | -                          | -                                   | -                                       |
| Sanitation  | -                     | -                | -                                 | -           | -                         | -                          | -                          | -                                   | -                                       |
| Community and Social Services                     | -                     | -                | -                                 | -           | -                         | -                          | -                          | -                                   | -                                       |
| Economic Development                              | -                     | -                | 3,000                             | -           | -                         | -                          | -                          | -                                   | -                                       |
| Education   | -                     | -                | -                                 | -           | -                         | -                          | -                          | -                                   | -                                       |
| Debt Service                                      | -                     | -                | -                                 | -           | -                         | -                          | -                          | -                                   | -                                       |
| Capital Outlay                                    | -                     | -                | -                                 | -           | 109,472                   | 43,193                     | 9,270                      | 27,098                              | 812                                     |
| <b>Total Expenditures</b>                         | <b>-</b>              | <b>78,375</b>    | <b>3,000</b>                      | <b>-</b>    | <b>109,472</b>            | <b>43,193</b>              | <b>9,270</b>               | <b>27,098</b>                       | <b>812</b>                              |
| Excess/(Deficiency) of Revenues Over Expenditures | -                     | -                | 8,875                             | -           | (109,472)                 | (43,193)                   | (9,270)                    | 182,032                             | (812)                                   |
| <b>Other Financing Sources/(Uses)</b>             |                       |                  |                                   |             |                           |                            |                            |                                     |   |
| Issuance of Capital Leases                        | -                     | -                | -                                 | -           | -                         | -                          | -                          | -                                   | -                                       |
| Transfers In                                      | 1,200                 | -                | -                                 | -           | 229,416                   | -                          | -                          | -                                   | -                                       |
| Transfers Out                                     | -                     | -                | -                                 | -           | (198,500)                 | -                          | (103,443)                  | -                                   | (1,200)                                 |
| <b>Total Other Financing Sources/(Uses)</b>       | <b>1,200</b>          | <b>-</b>         | <b>-</b>                          | <b>-</b>    | <b>30,916</b>             | <b>-</b>                   | <b>(103,443)</b>           | <b>-</b>                            | <b>(1,200)</b>                          |
| Net Change in Fund Balances                       | 1,200                 | -                | 8,875                             | -           | (78,556)                  | (43,193)                   | (112,713)                  | 182,032                             | (2,012)                                 |
| Fund Balances at Beginning of Year                | (1,200)               | -                | 40,921                            | -           | 332,970                   | 148,819                    | 112,713                    | (655,276)                           | 85,653                                  |
| <b>Fund Balances at End of Year</b>               | <b>\$ -</b>           | <b>\$ -</b>      | <b>\$ 49,796</b>                  | <b>\$ -</b> | <b>\$ 254,414</b>         | <b>\$ 105,626</b>          | <b>\$ -</b>                | <b>\$ (473,244)</b>                 | <b>\$ 83,641</b>                        |

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, 2021

**CAPITAL PROJECTS FUNDS**

|  | Kennedy Drive Lot Fund | Quinebaug Bridge Fund | Bridge Street Bridge Fund | Woodstock Ave #1 Bridge Fund | Recreation Park Road Bridge Fund | East Putnam & Five Mile Bridge Fund | Auction and Replacement Fund | Equipment Reserve Fund |
|--|------------------------|-----------------------|---------------------------|------------------------------|----------------------------------|-------------------------------------|------------------------------|------------------------|
| <b>Revenues</b>  |                        |                       |                           |                              |                                  |                                     |                              |                        |
| Intergovernmental Revenues                               | \$ -                   | \$ -                  | \$ -                      | \$ 1,257,164                 | \$ -                             | \$ 93,207                           | \$ -                         | \$ -                   |
| Licenses, Permits and Charges for Services               | -                      | -                     | -                         | -                            | -                                | -                                   | -                            | -                      |
| Investment Income  | -                      | -                     | -                         | -                            | -                                | -                                   | -                            | -                      |
| Other Revenue  | -                      | -                     | -                         | -                            | -                                | -                                   | 56,430                       | -                      |
| <b>Total Revenues</b>                                    | -                      | -                     | -                         | <u>1,257,164</u>             | -                                | <u>93,207</u>                       | <u>56,430</u>                | -                      |
| <b>Expenditures</b>                                      |                        |                       |                           |                              |                                  |                                     |                              |                        |
| Current:   |                        |                       |                           |                              |                                  |                                     |                              |                        |
| General Government                                       | -                      | -                     | -                         | -                            | -                                | -                                   | -                            | -                      |
| Public Safety  | -                      | -                     | -                         | -                            | -                                | -                                   | -                            | -                      |
| Public Works   | -                      | -                     | -                         | -                            | -                                | -                                   | -                            | -                      |
| Culture and Recreation                                   | -                      | -                     | -                         | -                            | -                                | -                                   | -                            | -                      |
| Sanitation   | -                      | -                     | -                         | -                            | -                                | -                                   | -                            | -                      |
| Community and Social Services                            | -                      | -                     | -                         | -                            | -                                | -                                   | -                            | -                      |
| Economic Development                                     | -                      | -                     | -                         | -                            | -                                | -                                   | -                            | -                      |
| Education  | -                      | -                     | -                         | -                            | -                                | -                                   | -                            | -                      |
| Debt Service   | -                      | -                     | -                         | -                            | -                                | -                                   | -                            | -                      |
| Capital Outlay   | -                      | -                     | 486,026                   | 1,603,727                    | 163,539                          | 93,207                              | 9,065                        | -                      |
| <b>Total Expenditures</b>                                | -                      | -                     | <u>486,026</u>            | <u>1,603,727</u>             | <u>163,539</u>                   | <u>93,207</u>                       | <u>63,530</u>                | -                      |
| <b>Excess/(Deficiency) of Revenues Over Expenditures</b> | -                      | -                     | (486,026)                 | (346,563)                    | (163,539)                        | -                                   | (7,100)                      | -                      |
| <b>Other Financing Sources/(Uses)</b>                    |                        |                       |                           |                              |                                  |                                     |                              |                        |
| Issuance of Capital Leases                               | -                      | -                     | -                         | -                            | -                                | -                                   | 54,389                       | -                      |
| Transfers In   | 119,800                | -                     | -                         | 325,800                      | 163,539                          | -                                   | 27,668                       | 163,918                |
| Transfers Out  | -                      | -                     | -                         | -                            | -                                | -                                   | -                            | -                      |
| <b>Total Other Financing Sources/(Uses)</b>              | <u>119,800</u>         | -                     | -                         | <u>325,800</u>               | <u>163,539</u>                   | -                                   | <u>82,057</u>                | <u>163,918</u>         |
| <b>Net Change in Fund Balances</b>                       | 119,800                | -                     | (486,026)                 | (20,763)                     | -                                | -                                   | 74,957                       | 163,918                |
| <b>Fund Balances at Beginning of Year</b>                | -                      | -                     | 554,815                   | 107,862                      | -                                | -                                   | -                            | -                      |
| <b>Fund Balances at End of Year</b>                      | <u>\$ 119,800</u>      | <u>\$ -</u>           | <u>\$ 68,789</u>          | <u>\$ 87,099</u>             | <u>\$ -</u>                      | <u>\$ -</u>                         | <u>\$ 74,957</u>             | <u>\$ 163,918</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, 2021

|   | <b>CAPITAL PROJECTS FUNDS</b> |                                |  |                                     |                        |                                      |             | <b>Total</b>        |
|---|-------------------------------|--------------------------------|--|-------------------------------------|------------------------|--------------------------------------|-------------|---------------------|
|   | <b>Airline Trail Fund</b>     | <b>Bridge Improvement Fund</b> | <b>Quinebaug Regional Tech Park Fund</b> | <b>Sewer Generator Project Fund</b> | <b>Tyler Tech Fund</b> | <b>Capital Nonrecurring Ash Fund</b> |             |                     |
| <b>Revenues</b>                                   |                               |                                |  |                                     |                        |                                      |             |                     |
| Intergovernmental Revenues                        | \$ -                          | \$ -                           | \$ -                                     | \$ 139,218                          | \$ -                   | \$ -                                 | \$ -        | \$ 7,013,893        |
| Licenses, Permits and Charges for Services        | -                             | -                              | 5,350                                    | -                                   | -                      | -                                    | -           | 928,618             |
| Investment Income                                 | -                             | -                              | -  | -                                   | -                      | -                                    | -           | 5,587               |
| Other Revenue                                     | -                             | -                              | -  | -                                   | -                      | -                                    | -           | 179,258             |
| <b>Total Revenues</b>                             | <b>-</b>                      | <b>-</b>                       | <b>5,350</b>                             | <b>139,218</b>                      | <b>-</b>               | <b>-</b>                             | <b>-</b>    | <b>8,127,356</b>    |
| <b>Expenditures</b>                               |                               |                                |  |                                     |                        |                                      |             |                     |
| Current:  |                               |                                |  |                                     |                        |                                      |             |                     |
| General Government                                | -                             | -                              | 155,200                                  | -                                   | -                      | -                                    | -           | 241,557             |
| Public Safety                                     | -                             | -                              | -  | -                                   | -                      | -                                    | -           | 134                 |
| Public Works                                      | -                             | -                              | -  | -                                   | -                      | -                                    | -           | 405,348             |
| Culture and Recreation                            | -                             | -                              | -  | -                                   | -                      | -                                    | -           | 86,217              |
| Sanitation  | -                             | -                              | -  | -                                   | -                      | -                                    | -           | 193,495             |
| Community and Social Services                     | -                             | -                              | -  | -                                   | -                      | -                                    | -           | 751                 |
| Economic Development                              | -                             | -                              | -  | -                                   | -                      | -                                    | -           | 152,065             |
| Education   | -                             | -                              | -  | -                                   | -                      | -                                    | -           | 3,849,754           |
| Debt Service                                      | -                             | -                              | -  | -                                   | -                      | -                                    | -           | 9,065               |
| Capital Outlay                                    | 4,448                         | -                              | -  | 139,218                             | 47,103                 | -                                    | -           | 3,231,253           |
| <b>Total Expenditures</b>                         | <b>4,448</b>                  | <b>-</b>                       | <b>155,200</b>                           | <b>139,218</b>                      | <b>47,103</b>          | <b>-</b>                             | <b>-</b>    | <b>8,169,639</b>    |
| Excess/(Deficiency) of Revenues Over Expenditures | (4,448)                       | -                              | (149,850)                                | -                                   | (47,103)               | -                                    | -           | (42,283)            |
| <b>Other Financing Sources/(Uses)</b>             |                               |                                |  |                                     |                        |                                      |             |                     |
| Issuance of Capital Leases                        | -                             | -                              | -  | -                                   | -                      | -                                    | -           | 54,389              |
| Transfers In                                      | -                             | 150,000                        | -  | -                                   | 47,103                 | 79,744                               | -           | 1,461,903           |
| Transfers Out                                     | -                             | -                              | -  | -                                   | -                      | -                                    | -           | (415,891)           |
| <b>Total Other Financing Sources/(Uses)</b>       | <b>-</b>                      | <b>150,000</b>                 | <b>-</b>                                 | <b>-</b>                            | <b>47,103</b>          | <b>79,744</b>                        | <b>-</b>    | <b>1,100,401</b>    |
| <b>Net Change in Fund Balances</b>                | <b>(4,448)</b>                | <b>150,000</b>                 | <b>(149,850)</b>                         | <b>-</b>                            | <b>-</b>               | <b>79,744</b>                        | <b>-</b>    | <b>1,058,118</b>    |
| <b>Fund Balances at Beginning of Year</b>         | <b>-</b>                      | <b>-</b>                       | <b>(180,200)</b>                         | <b>-</b>                            | <b>-</b>               | <b>(1,188,509)</b>                   | <b>-</b>    | <b>2,826,783</b>    |
| <b>Fund Balances at End of Year</b>               | <b>\$ (4,448)</b>             | <b>\$ 150,000</b>              | <b>\$ (330,050)</b>                      | <b>\$ -</b>                         | <b>\$ -</b>            | <b>\$ (1,108,765)</b>                | <b>\$ -</b> | <b>\$ 3,884,901</b> |

See accountant's report.



**TOWN OF PUTNAM, CONNECTICUT**  
Combining Statement of Fund Net Position  
Internal Service Funds  
June 30, 2021

|                         | <b>Governmental Activities - Internal Service Funds</b> |   |                     |
|-------------------------|---|---|---------------------|
|                         | <b>BOE Health<br/>Insurance<br/>Fund</b>                | <b>Town Health<br/>Insurance<br/>Fund</b> | <b>Total</b>        |
| <b>Assets</b>           |   |   |                     |
| Current Assets:         |   |   |                     |
| Health Insurance Escrow | <u>\$ 1,609,796</u>                                     | <u>\$ 487,517</u>                         | <u>\$ 2,097,313</u> |
| <b>Liabilities</b>      |   |   |                     |
| Current Liabilities:    |   |   |                     |
| Claims Payable          | <u>\$ 169,175</u>                                       | <u>\$ 50,314</u>                          | <u>\$ 219,489</u>   |
| Noncurrent Liabilities: |   |   |                     |
| Claims Payable          | <u>-</u>  | <u>-</u>                                  | <u>-</u>            |
| Total Liabilities       | <u>169,175</u>  | <u>50,314</u>                             | <u>219,489</u>      |
| <b>Net Position</b>     |   |   |                     |
| Unrestricted            | <u>\$ 1,440,621</u>                                     | <u>\$ 437,203</u>                         | <u>\$ 1,877,824</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, 2021

|                                  | <b>Governmental Activities - Internal Service Funds</b> |   |                     |
|----------------------------------|---|---|---------------------|
|                                  | <b>BOE Health<br/>Insurance<br/>Fund</b>                | <b>Town Health<br/>Insurance<br/>Fund</b> | <b>Total</b>        |
| <b>Operating Revenues</b>        |   |   |                     |
| Charges for Services             | <u>\$ 2,508,920</u>                                     | <u>\$ 1,298,837</u>                       | <u>\$ 3,807,757</u> |
| <b>Operating Expenses</b>        |   |   |                     |
| Administration                   | 72,156  | 23,936                                    | 96,092              |
| Claims                           | 2,109,172   | 1,233,289                                 | 3,342,461           |
| Premiums                         | <u>345,866</u>  | <u>140,397</u>                            | <u>486,263</u>      |
| Total Operating Expenses         | <u>2,527,194</u>  | <u>1,397,622</u>                          | <u>3,924,816</u>    |
| Operating Income/(Loss)          | <u>(18,274)</u>   | <u>(98,785)</u>                           | <u>(117,059)</u>    |
| <b>Non-Operating Revenues</b>    |   |   |                     |
| Interest Income                  | <u>3,844</u>  | <u>2,071</u>                              | <u>5,915</u>        |
| Change in Net Position           | <u>(14,430)</u>   | <u>(96,714)</u>                           | <u>(111,144)</u>    |
| Net Position - Beginning of Year | <u>1,455,051</u>  | <u>533,917</u>                            | <u>1,988,968</u>    |
| Net Position - End of Year       | <u>\$ 1,440,621</u>                                     | <u>\$ 437,203</u>                         | <u>\$ 1,877,824</u> |

See accountant's report.

**TOWN OF PUTNAM, CONNECTICUT**  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2021

|  | <b>Governmental Activities - Internal Service Funds</b> |   |                   |
|--|---|---|-------------------|
|  | <b>BOE Health<br/>Insurance<br/>Fund</b>                | <b>Town Health<br/>Insurance<br/>Fund</b> | <b>Total</b>      |
| <b>Cash Flows from Operating Activities</b>  |   |   |                   |
| Receipts from Interfund Charges for Risk Management  | \$ 2,508,920  | \$ 1,298,837                              | \$ 3,807,757      |
| Payments for Benefits and Claims   | (2,094,742)   | (1,136,575)                               | (3,231,317)       |
| Premiums and Administrative Charges  | (418,022)   | (164,333)                                 | (582,355)         |
| Net Cash from Operating Activities   | <u>(3,844)</u>  | <u>(2,071)</u>                            | <u>(5,915)</u>    |
| <b>Cash Flows from Investing Activities</b>  |   |   |                   |
| Interest Income  | <u>3,844</u>  | <u>2,071</u>                              | <u>5,915</u>      |
| Net Cash from Investing Activities   | <u>3,844</u>  | <u>2,071</u>                              | <u>5,915</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>       |
| <b>Reconciliation of Operating Income/(Loss) to<br/>Net Cash Provided by Operating Activities:</b> |   |   |                   |
| Operating Income/(Loss)  | \$ (18,274)   | \$ (98,785)                               | \$ (117,059)      |
| Changes in Operating Assets and Liabilities  |   |   |                   |
| Health Insurance Escrow  | (9,420)   | 114,342                                   | 104,922           |
| Claims Payable   | 23,850  | (17,628)                                  | 6,222             |
| Total Adjustments  | <u>14,430</u>   | <u>96,714</u>                             | <u>111,144</u>    |
| Net Cash Provided by Operating Activities  | <u>\$ (3,844)</u>                                       | <u>\$ (2,071)</u>                         | <u>\$ (5,915)</u> |

See accountant's report.

**TOWN OF PUTNAM, CONNECTICUT**

Schedule of Debt Limitation

June 30, 2021

|  |              |
|--|--------------|
| Total Tax Collections, Including Interest and Lien Fees - Prior Fiscal Year: |              |
| Town   | \$14,397,767 |
| Taxing District  | 3,913,601    |

|   |                     |
|---|---------------------|
| Reimbursement for Revenue Loss on:                      |                     |
| Tax Relief for Elderly and Disabled - Prior Fiscal Year | 1,950               |
| Base  | <u>\$18,313,318</u> |

|   | General<br>Purposes<br><small>(2.25 x base)</small> | Schools<br><small>(4.50 x base)</small> | Sewers<br><small>(3.75 x base)</small> | Urban<br>Renewal<br><small>(3.25 x base)</small> | Pension<br>Deficit<br><small>(3.00 x base)</small> |
|---|---|---|--|--|--|
| Debt Limitation:                              |   |   |  |  |  |
| Statutory Debt Limits by Function             | <u>\$41,204,966</u>                                 | <u>\$82,409,931</u>                     | <u>\$68,674,943</u>                    | <u>\$59,518,284</u>                              | <u>\$54,939,954</u>                                |
| Indebtedness:                                 |   |   |  |  |  |
| Loans Payable                                 | 560,000   | -                                       | 12,215,107 **                          | -  | -  |
| Bonds Payable                                 | 10,450,000  | 10,795,000                              | -                                      | -  | -  |
| Bonds/Loans Payable - Overlapping Governments | 3,284,017 ***                                       | -                                       | -                                      | -  | -  |
| Authorized But Unissued Debt                  | 5,050,790   | 3,045,023                               | 1,726,064                              | -  | -  |
| Total Gross Indebtedness                      | <u>19,344,807</u>                                   | <u>13,840,023</u>                       | <u>13,941,171</u>                      | -  | -  |
| Less: Estimated Grant Reimbursements          | -   | (3,000,000) ****                        | -                                      | -  | -  |
| Total Net Indebtedness                        | <u>19,344,807</u>                                   | <u>10,840,023</u>                       | <u>13,941,171</u>                      | -  | -  |
| Debt Limitation in Excess of Debt*            | <u>\$21,860,159</u>                                 | <u>\$71,569,908</u>                     | <u>\$54,733,772</u>                    | <u>\$59,518,284</u>                              | <u>\$54,939,954</u>                                |

\*In no event shall total debt exceed seven times annual receipts from base. The maximum amount permitted under this formula would be approximately \$128,193,226.

\*\*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 \$14,741,470 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, 2021**

| List of 10/1: | Outstanding July 1, 2020 | Current Levy         | Lawful Corrections |                  | Collectible Taxes    | Collections During the Year |                |               | Transfers to Suspense | Outstanding June 30, 2021 |                   |
|---------------|--------------------------|----------------------|--------------------|------------------|----------------------|-----------------------------|----------------|---------------|-----------------------|---------------------------|-------------------|
|               |                          |                      | Additions          | Deductions       |                      | Taxes                       | Interest       | Liens         |                       |                           | Total             |
| 2019          | \$ 524,472               | \$ 15,318,137        | \$ 18,966          | \$ 32,483        | \$ 15,304,620        | \$ 14,936,152               | \$ 56,597      | \$ 2,478      | \$ 14,995,227         | \$ -                      | \$ 368,468        |
| 2018          | 116,663                  | -                    | 661                | 3,665            | 521,468              | 198,431                     | 90,746         | 15,609        | 304,786               | -                         | 323,037           |
| 2017          | 51,553                   | -                    | 319                | 248              | 116,734              | 64,763                      | 25,230         | 4,069         | 94,062                | -                         | 51,971            |
| 2016          | 27,016                   | -                    | -                  | 30               | 51,523               | 21,476                      | 8,824          | 2,442         | 32,742                | -                         | 30,047            |
| 2015          | 31,125                   | -                    | -                  | -                | 27,016               | 1,124                       | 807            | 195           | 2,126                 | -                         | 25,892            |
| 2014          | 30,726                   | -                    | -                  | -                | 31,125               | 559                         | 470            | 186           | 1,215                 | -                         | 30,566            |
| 2013          | 28,611                   | -                    | -                  | -                | 30,726               | 605                         | 675            | 136           | 1,416                 | -                         | 30,121            |
| 2012          | 25,372                   | -                    | -                  | -                | 28,611               | 504                         | 616            | 51            | 1,171                 | 23,078                    | 5,029             |
| 2011          | 2,832                    | -                    | -                  | -                | 25,372               | 373                         | 565            | 124           | 1,062                 | 22,092                    | 2,907             |
| 2010          | 2,832                    | -                    | -                  | -                | 2,832                | 156                         | 265            | 32            | 453                   | -                         | 2,676             |
| 2009          | 2,936                    | -                    | -                  | -                | 2,832                | 156                         | 293            | 32            | 481                   | -                         | 2,676             |
| 2008          | 2,125                    | -                    | -                  | -                | 2,936                | 156                         | 321            | 32            | 509                   | 104                       | 2,676             |
| 2007          | 2,035                    | -                    | -                  | -                | 2,125                | 72                          | 162            | 32            | 266                   | -                         | 2,053             |
| 2006          | 1,901                    | -                    | -                  | -                | 2,035                | 68                          | 167            | 32            | 267                   | -                         | 1,967             |
| 2005          |                          | -                    | -                  | -                | 1,901                | 64                          | 167            | 32            | 263                   | -                         | 1,837             |
|               | <b>\$ 850,199</b>        | <b>\$ 15,318,137</b> | <b>\$ 19,946</b>   | <b>\$ 36,426</b> | <b>\$ 16,151,856</b> | <b>15,224,659</b>           | <b>185,905</b> | <b>25,482</b> | <b>15,436,046</b>     | <b>\$ 45,274</b>          | <b>\$ 881,923</b> |

Net Grand List - October 1, 2019

Tax Rate: 20.84 mills

|                            |                      |                   |                  |                      |
|----------------------------|----------------------|-------------------|------------------|----------------------|
| Total Suspense Collections | 806                  | 1,761             | 223              | 2,790                |
| <b>Total Collections</b>   | <b>\$ 15,225,465</b> | <b>\$ 187,666</b> | <b>\$ 25,705</b> | <b>\$ 15,438,836</b> |

See accountant's report.

**Other  
Supplemental  
Schedules**

**TOWN OF PUTNAM, CONNECTICUT**

Comparative Assessed Valuations  
For the Year Ended June 30, 2021

| Grand List of 10/1 | Real Property (%) | Personal Property (%) | Motor Vehicle (%) | Gross Taxable Grand List | Less Exemptions | Net Taxable Grand List |
|--------------------|-------------------|-----------------------|-------------------|--------------------------|-----------------|------------------------|
| 2019               | 76.1%             | 15.8%                 | 8.1%              | \$ 767,811,030           | \$ 34,866,440   | \$ 732,944,590         |
| 2018               | 74.6%             | 17.0%                 | 8.4%              | 685,047,211              | 33,152,060      | 651,895,151            |
| 2017               | 75.7%             | 16.0%                 | 8.3%              | 660,968,951              | 29,076,400      | 631,892,551            |
| 2016               | 77.0%             | 14.4%                 | 8.6%              | 641,903,933              | 29,149,245      | 612,754,688            |
| 2015               | 75.8%             | 14.2%                 | 10.0%             | 648,764,380              | 28,645,980      | 620,118,400            |
| 2014               | 76.9%             | 11.5%                 | 11.6%             | 637,332,151              | 27,256,640      | 610,075,511            |
| 2013               | 81.0%             | 10.7%                 | 8.3%              | 665,332,151              | 24,757,250      | 640,574,901            |
| 2012               | 81.8%             | 9.9%                  | 8.3%              | 653,027,705              | 24,968,230      | 628,059,475            |
| 2011               | 82.2%             | 9.6%                  | 8.2%              | 647,815,405              | 21,218,940      | 626,596,465            |
| 2010               | 82.7%             | 9.4%                  | 7.9%              | 643,530,470              | 22,300,850      | 621,229,620            |

Source: Assessor's Office, Town of Putnam, as of October 1 (before Supplemental Motor Vehicle)

(Unaudited)  
See accountant's report.

**TOWN OF PUTNAM, CONNECTICUT**  
 Top 10 Taxpayers  
 Based on 10/1/19 Net Taxable Grand Lists  
 For the Year Ended June 30, 2021

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| <u>Name</u>           | <u>Valuation</u>      | <u>Percent of<br/>Net Taxable<br/>Grand List</u> |
|-----------------------|-----------------------|--|
| Eversource            | \$ 49,160,950         | 6.71%  |
| Putnam Downtown LLC   | 10,494,300            | 1.43%  |
| Putnam Acquisition LP | 10,283,210            | 1.40%  |
| Staples Inc           | 7,808,370             | 1.07%  |
| Putnam LLC            | 7,231,480             | 0.99%  |
| D&M Group LLC         | 6,934,460             | 0.95%  |
| Pall Corporation      | 6,865,060             | 0.94%  |
| JR&R II LLC           | 4,983,060             | 0.68%  |
| Putnam Baptist Homes  | 4,653,013             | 0.63%  |
| Valley Village        | 4,517,150             | 0.62%  |
|                       | <u>\$ 112,931,053</u> | <u>15.41%</u>                                    |

Source: Assessor's Office, Town of Putnam

*15.44%*

(Unaudited)  
 See accountant's report.



**TOWN OF PUTNAM, CONNECTICUT**

Property Tax Levies and Collections

For the Year Ended June 30, 2021

| Grand List<br>October 1, | Fiscal<br>Year Ending<br>June 30, | Net Taxable<br>Grand List | Mill<br>Rate | Adjusted<br>Tax<br>Levy | Percent                  |                            | Percent<br>Uncollected at<br>June 30, 2021 |
|--------------------------|-----------------------------------|---------------------------|--------------|-------------------------|--------------------------|----------------------------|--|
|                          |                                   |                           |              |                         | Collected in<br>Year Due | Uncollected in<br>Year Due |  |
| 2019                     | 2021                              | \$732,944,590             | 20.84        | \$ 15,304,620           | 97.59%                   | 2.41%                      | 2.41%                                      |
| 2018                     | 2020                              | 651,895,151               | 22.06        | 14,612,707              | 96.41%                   | 3.59%                      | 2.21%                                      |
| 2017                     | 2019                              | 631,892,551               | 20.84        | 13,229,136              | 98.30%                   | 1.70%                      | 0.39%                                      |
| 2016                     | 2018                              | 612,754,688               | 20.00        | 12,350,641              | 98.10%                   | 1.90%                      | 0.24%                                      |
| 2015                     | 2017                              | 620,118,400               | 17.04        | 10,524,607              | 98.10%                   | 1.90%                      | 0.25%                                      |
| 2014                     | 2016                              | 610,075,511               | 16.42        | 10,058,883              | 97.80%                   | 2.20%                      | 0.30%                                      |
| 2013                     | 2015                              | 640,574,901               | 15.07        | 9,759,297               | 97.10%                   | 2.90%                      | 0.31%                                      |
| 2012                     | 2014                              | 628,059,475               | 15.07        | 9,382,379               | 97.40%                   | 2.60%                      | 0.05%                                      |
| 2011                     | 2013                              | 626,596,465               | 14.94        | 9,281,112               | 97.40%                   | 2.60%                      | 0.03%                                      |
| 2010                     | 2012                              | 621,229,620               | 13.94        | 8,681,279               | 97.50%                   | 2.50%                      | 0.03%                                      |

Source: Tax Collector's Office and Assessor's Office, Town of Putnam

(Unaudited)

See accountant's report.

**TOWN OF PUTNAM, CONNECTICUT**  
Annual Long-Term Bonded Debt Maturity Schedule  
As of June 30, 2021

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| <u>Fiscal<br/>Year<br/>Ending 6/30</u> | <u>Principal</u>            | <u>Interest</u>            | <u>Total</u>                |
|--|-----------------------------|----------------------------|-----------------------------|
| 2022                                   | \$ 1,045,000                | \$ 760,626                 | \$ 1,805,626                |
| 2023                                   | 1,045,000                   | 708,374                    | 1,753,374                   |
| 2024                                   | 1,045,000                   | 656,126                    | 1,701,126                   |
| 2025                                   | 1,040,000                   | 603,876                    | 1,643,876                   |
| 2026                                   | 1,040,000                   | 551,876                    | 1,591,876                   |
| 2027                                   | 1,040,000                   | 499,876                    | 1,539,876                   |
| 2028                                   | 1,040,000                   | 457,676                    | 1,497,676                   |
| 2029                                   | 1,040,000                   | 415,476                    | 1,455,476                   |
| 2030                                   | 1,040,000                   | 373,276                    | 1,413,276                   |
| 2031                                   | 1,040,000                   | 331,076                    | 1,371,076                   |
| 2032                                   | 1,040,000                   | 299,876                    | 1,339,876                   |
| 2033                                   | 1,040,000                   | 268,676                    | 1,308,676                   |
| 2034                                   | 1,040,000                   | 237,476                    | 1,277,476                   |
| 2035                                   | 1,040,000                   | 211,162                    | 1,251,162                   |
| 2036                                   | 1,040,000                   | 184,850                    | 1,224,850                   |
| 2037                                   | 1,040,000                   | 157,926                    | 1,197,926                   |
| 2038                                   | 1,040,000                   | 131,000                    | 1,171,000                   |
| 2039                                   | 1,040,000                   | 104,076                    | 1,144,076                   |
| 2040                                   | 1,040,000                   | 77,150                     | 1,117,150                   |
| 2041                                   | 490,000                     | 49,612                     | 539,612                     |
| 2042                                   | 490,000                     | 33,076                     | 523,076                     |
| 2043                                   | 490,000                     | 16,538                     | 506,538                     |
| <b>Total</b>                           | <b><u>\$ 21,245,000</u></b> | <b><u>\$ 7,129,676</u></b> | <b><u>\$ 28,374,676</u></b> |

(Unaudited)  
See accountant's report.

**TOWN OF PUTNAM, CONNECTICUT**

Debt Statement  
As of June 30, 2021

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**Direct Debt**

*Long-term Debt*

|                      |                   |
|----------------------|-------------------|
| General Purpose      | \$ 11,010,000     |
| Schools              | 10,795,000        |
| Water                | 14,741,470        |
| Sewer                | <u>12,215,107</u> |
| Total Long-term Debt | <u>48,761,577</u> |

Total Direct Debt 48,761,577

**Less:**

Self Supporting Debt

|       |                   |
|-------|-------------------|
| Water | 14,741,470        |
| Sewer | <u>12,215,107</u> |

Total Net Direct Debt 21,805,000

\* **Overlapping Debt** 3,284,017

Total Overall Net Debt \$ 25,089,017

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

**TOWN OF PUTNAM, CONNECTICUT**

Current Debt Ratios

June 30, 2021

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|  |                  |
|--|------------------|
| 2 Population                             | 9,389            |
| 1 Net Taxable Grand List (10/1/19) (70%) | \$ 732,944,590   |
| Estimated Full Value                     | \$ 1,047,063,700 |

|                                 | <u>Total<br/>Direct Debt</u> | <u>Total Net<br/>Direct Debt</u> | <u>Total Overall<br/>Net Debt</u> |
|---------------------------------|------------------------------|----------------------------------|-----------------------------------|
|                                 | \$48,761,577                 | \$ 21,805,000                    | \$25,089,017                      |
| Per Capita                      | \$ 5,193.48                  | \$ 2,322.40                      | \$ 2,672.17                       |
| Ratio to Net Taxable Grand List | 6.65%                        | 2.97%                            | 3.42%                             |
| Ratio to Estimated Full Value   | 4.66%                        | 2.08%                            | 2.40%                             |

1 Revalued 10/1/19

2 OPM Municipal Fiscal Indicators

(Unaudited)  
See accountant's report.