
TOWN OF PUTNAM, CONNECTICUT

Annual Financial Statements

For the Year Ended June 30, 2022



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

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 Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the Town of Putnam's basic financial statements as listed in the table of contents.

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, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the pension and OPEB schedules on pages 4-11, 58-64, and 65-70 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Putnam, CT's basic financial statements. The accompanying 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.


Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2022, on our consideration of the Town of Putnam, CT's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Putnam, CT's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Putnam, CT's internal control over financial reporting and compliance



King, King & Associates, P.C., CPAs
Winsted, CT
December 10, 2022

TOWN OF PUTNAM, CONNECTICUT
Management's Discussion and Analysis
June 30, 2022

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, 2022.

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 \$107,221,584 (*net position*). Of this amount, \$16,827,891 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. This amount consists of \$9,416,414 that is attributable to the Town's governmental activities and \$7,411,477 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 \$3,184,895.
- In the Town's business-type activities, total net position increased by \$843,880.
- As of the close of the current fiscal year, the Town of Putnam, CT's governmental funds reported combined ending fund balances of \$14,992,722, a decrease of \$414,921 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,998,503 or 25.3% of total General Fund budgeted expenditures. The total fund balance of the General Fund was \$8,435,708 or 30.5% 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).

TOWN OF PUTNAM, CONNECTICUT

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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 12-13 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 14-17 of this report.

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

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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 18-20 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 21-22 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 23-57 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 \$107,221,584 at the close of the most recent fiscal year.

	Governmental Activities		Business-Type Activities		Totals	
	2022	Restated 2021	2022	Restated 2021	2022	Restated 2021
Current and Other Assets	\$ 34,430,086	\$ 39,206,367	\$ 8,088,154	\$ 8,555,234	\$ 42,518,240	\$ 47,761,601
Capital Assets	85,153,915	82,388,622	48,334,611	48,394,938	133,488,526	130,783,560
Total Assets	119,584,001	121,594,989	56,422,765	56,950,172	176,006,766	178,545,161
Deferred Outflows of Resources	2,383,120	1,117,497	197,311	31,777	2,580,431	1,149,274
Long-term Liabilities	26,257,322	27,950,097	26,348,556	27,121,169	52,605,878	55,071,266
Other Liabilities	5,309,894	6,186,354	435,482	582,335	5,745,376	6,768,689
Total Liabilities	31,567,216	34,136,451	26,784,038	27,703,504	58,351,254	61,839,955
Deferred Inflows of Resources	12,678,947	14,039,972	335,412	621,699	13,014,359	14,661,671
Net Position:						
Net Investment in Capital Assets	62,602,216	59,134,681	22,089,149	21,372,019	84,691,365	80,506,700
Restricted	5,702,328	5,338,313	-	-	5,702,328	5,338,313
Unrestricted	9,416,414	10,063,069	7,411,477	7,284,727	16,827,891	17,347,796
Total Net Position	\$ 77,720,958	\$ 74,536,063	\$ 29,500,626	\$ 28,656,746	\$ 107,221,584	\$ 103,192,809

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 \$4,184,665 during the current fiscal year.

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The Town's restricted net position of \$5,702,328 increased by \$364,015 compared to last years restricted net position of \$5,338,313.

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	
	2022	2021	2022	2021	2022	2021
REVENUES						
<i>General Revenues:</i>						
Property Taxes	\$ 15,800,751	\$ 15,379,354	\$ -	\$ -	\$ 15,800,751	\$ 15,379,354
Unrestricted Grants & Contributions	463,862	244,124	-	-	463,862	244,124
Unrestricted Investment Income	338,286	31,324	38,399	24,958	376,685	56,282
Contract and Other Revenues	3,813,362	2,976,233	-	-	3,813,362	2,976,233
<i>Program Revenues:</i>						
Charges for Services	2,183,662	1,849,469	5,737,025	5,589,865	7,920,687	7,439,334
Operating Grants and Contributions	16,811,262	19,618,841	-	-	16,811,262	19,618,841
Capital Grants and Contributions	1,445,934	2,439,264	-	-	1,445,934	2,439,264
Total Revenues	40,857,119	42,538,609	5,775,424	5,614,823	46,632,543	48,153,432
EXPENSES						
<i>Governmental Activities:</i>						
General Government	2,223,056	1,871,361	-	-	2,223,056	1,871,361
Public Safety	168,990	156,575	-	-	168,990	156,575
Public Works	3,989,038	3,041,623	-	-	3,989,038	3,041,623
Culture and Recreation	1,738,805	1,576,122	-	-	1,738,805	1,576,122
Sanitation	690,698	617,079	-	-	690,698	617,079
Community and Social Services	374,253	305,027	-	-	374,253	305,027
Economic Development	291,208	349,264	-	-	291,208	349,264
Education	26,400,920	31,143,097	-	-	26,400,920	31,143,097
Interest on Long-Term Debt	698,852	706,595	-	-	698,852	706,595
<i>Business-Type Activities:</i>						
Water	-	-	2,864,982	2,707,932	2,864,982	2,707,932
Sewer	-	-	3,162,966	2,807,822	3,162,966	2,807,822
Total Expenses	36,575,820	39,766,743	6,027,948	5,515,754	42,603,768	45,282,497
Change in Net Position Before Transfers	4,281,299	2,771,866	(252,524)	99,069	4,028,775	2,870,935
Transfers	(1,096,404)	(92,115)	1,096,404	92,115	-	-
Change in Net Position	3,184,895	2,679,751	843,880	191,184	4,028,775	2,870,935
Beginning Net Position, Restated	74,536,063	71,010,093	28,656,746	28,437,998	103,192,809	99,448,091
Ending Net Position	\$ 77,720,958	\$ 73,689,844	\$ 29,500,626	\$ 28,629,182	\$ 107,221,584	\$ 102,319,026

Governmental activities. Governmental activities increased the Town of Putnam, CT's net position by \$3,184,895.

Key elements of this increase are as follows:

- The sale of the old Town Hall and Library buildings for more than \$800,000.
- The internal service funds experienced a positive change in net position of \$418,754 which is reported with governmental activities.

TOWN OF PUTNAM, CONNECTICUT
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- Capitalization of \$5.5 Million in assets which was \$2.8 Million greater than the current years depreciation.

Thirty-nine percent (39%) of the revenues of the Town were derived from property taxes, followed by forty-six percent (46%) from grants and contributions, five percent (5%) from charges for services and ten percent (10%) of the Town's revenue in the fiscal year was derived from investment, contract, and other income.

Seventy-two percent (72%) of the expenses of the Town were related to education, followed by six percent (6%) related to general government, eleven percent (11%) related to public works, five percent (5%) related to culture and recreation, and six percent (6%) 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 \$843,880 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 \$14,992,722, an increase of \$431,298 in comparison with the prior year. The governmental funds currently have an unassigned fund balance of \$1,810,894, or 12.1% 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 \$6,998,503. 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 25.36% of total General Fund Budget Basis expenditures.

The fund balance of the Town of Putnam, CT's General Fund increased by \$448,645 during the current fiscal year. Key factors in this increase are as follows:

- The anticipated use of \$566,101 of fund balance to balance the budget which was not necessary due to factors described below.
- Revenues coming in over budget by \$882,435 particularly in tax collections and charges for services.
- Expenditures coming in \$29,834 under budget.

TOWN OF PUTNAM, CONNECTICUT

Management's Discussion and Analysis

June 30, 2022

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 \$4,017,321. \$1,029,021 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 \$9,030 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 \$897,928.

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, 2022, 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 \$414,198.

GENERAL FUND BUDGETARY HIGHLIGHTS

The actual net change in fund balance of the General Fund on a budgetary basis was an increase of \$346,168. Budgetary revenues were \$882,435 greater than expected due primarily to higher than anticipated tax collections, investment income, and charges for services. Budgetary expenditures were \$29,834 less than expected due primarily to savings in education, general government, sanitation, and community and social service. The Town also anticipated to use \$566,101 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, 2022, amounts to \$133,488,526 (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 \$2,704,966.

	2022	2021
<i>Governmental Activities:</i>		
Land	\$ 2,055,563	\$ 2,055,563
Construction in Progress	29,545,904	25,844,685
Infrastructure and Improvements	15,144,073	15,708,603
Buildings and Improvements	35,558,139	36,409,505
Machinery and Equipment	2,850,236	2,370,266
	<u>\$ 85,153,915</u>	<u>\$ 82,388,622</u>

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	2022	2021
<i>Business-Type Activities:</i>		
Construction in Progress	\$ 1,303,040	\$ 139,218
Infrastructure and Improvements	21,469,442	22,047,175
Buildings and Improvements	24,727,303	25,352,174
Machinery and Equipment	834,826	856,371
	<u>\$ 48,334,611</u>	<u>\$ 48,394,938</u>

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

- Various bridge projects
- Municipal complex construction
- Generator project for the WPCA
- Equipment at 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 36-37 of this report.

Long-term debt. At the end of the current fiscal year, the Town of Putnam, CT had long-term debt and other long-term liabilities outstanding of \$52,605,878.

	2022	2021
<i>Governmental Activities:</i>		
General Obligation Bonds	\$ 20,200,000	\$ 21,245,000
Unamortized Bond Premiums	1,331,313	1,403,617
Loans Payable	544,000	560,000
Equipment Financing Notes	476,386	45,324
Compensated Absences	356,289	371,534
Landfill Post-Closure Liability	343,000	388,000
OPEB Liability	3,006,334	3,936,622
Total Governmental Activities	<u>\$ 26,257,322</u>	<u>\$ 27,950,097</u>
<i>Business-Type Activities:</i>		
Loans Payable	\$ 26,211,491	\$ 26,956,577
Equipment Financing Notes	33,971	66,342
Compensated Absences	103,094	98,250
Total Business-Type Activities	<u>\$ 26,348,556</u>	<u>\$ 27,121,169</u>

The Town of Putnam, CT's total long-term debt and liabilities decreased by \$2,465,388 (4.5 percent) during the current fiscal year due mainly to the repayment of GO Bonds and loans payable and a decrease in the actuarially calculated OPEB liability. Additional information on the Town of Putnam, CT's long-term debt can be found in Note 6 on pages 38-40 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, 2022

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 2023 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, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 17,258,749	\$ 5,955,335	\$ 23,214,084
Investments	7,581	-	7,581
Receivables, Net	13,158,210	1,715,377	14,873,587
Internal Balances	(77,810)	77,810	-
Health Insurance Escrow	2,533,818	-	2,533,818
Other Assets	21,135	148,796	169,931
Net Pension Asset	1,528,403	190,836	1,719,239
Capital Assets:			
Assets Not Being Depreciated	31,601,467	1,303,040	32,904,507
Assets Being Depreciated, Net	53,552,448	47,031,571	100,584,019
Total Assets	<u>119,584,001</u>	<u>56,422,765</u>	<u>176,006,766</u>
Deferred Outflows of Resources			
Deferred Outflows - Pension	1,580,265	197,311	1,777,576
Deferred Outflows - OPEB	802,855	-	802,855
Total Deferred Outflows of Resources	<u>2,383,120</u>	<u>197,311</u>	<u>2,580,431</u>
Liabilities			
Accounts Payable and Accrued Items	1,760,538	233,277	1,993,815
Accrued Interest Payable	295,585	202,205	497,790
Due to Fiduciary Funds, Net	108,081	-	108,081
Unearned Revenue	3,145,690	-	3,145,690
Noncurrent Liabilities:			
Due Within One Year	1,400,215	836,759	2,236,974
Due In More Than One Year	24,857,107	25,511,797	50,368,904
Total Liabilities	<u>31,567,216</u>	<u>26,784,038</u>	<u>58,351,254</u>
Deferred Inflows of Resources			
Deferred Inflows - Pension	768,749	95,987	864,736
Deferred Inflows - OPEB	1,849,983	-	1,849,983
Related to Leases	10,060,215	239,425	10,299,640
Total Deferred Inflows of Resources	<u>12,678,947</u>	<u>335,412</u>	<u>13,014,359</u>
Net Position			
Net Investment in Capital Assets	62,602,216	22,089,149	84,691,365
Restricted for:			
Enabling Legislation - Landfill Post-closure Care	1,870,613	-	1,870,613
Economic Development	1,082,178	-	1,082,178
Health Insurance	2,296,578	-	2,296,578
Other Purposes	452,959	-	452,959
Unrestricted	9,416,414	7,411,477	16,827,891
Total Net Position	<u>\$ 77,720,958</u>	<u>\$ 29,500,626</u>	<u>\$ 107,221,584</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, 2022

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
Primary Government:						
Governmental Activities:						
General Government	\$ 2,223,056	\$ 969,030	\$ 50,019	\$ -	\$ (1,204,007)	\$ -
Public Safety	168,990	4,580	-	-	(164,410)	-
Public Works	3,989,038	101,530	1,167,019	1,018,009	(1,702,480)	-
Culture and Recreation	1,738,805	207,693	66,486	400,000	(1,064,626)	-
Sanitation	690,698	188,136	-	-	(502,562)	-
Community and Social Services	374,253	2,714	-	-	(371,539)	-
Economic Development	291,208	73,343	98,395	-	(119,470)	-
Education	26,400,920	636,636	15,429,343	27,925	(10,307,016)	-
Interest on Long-Term Debt	698,852	-	-	-	(698,852)	-
Total Governmental Activities	36,575,820	2,183,662	16,811,262	1,445,934	(16,134,962)	-
Business-Type Activities:						
Water	2,864,982	2,898,425	-	-	-	33,443
Sewer	3,162,966	2,838,600	-	-	-	(324,366)
Total Business-Type Activities	6,027,948	5,737,025	-	-	-	(290,923)
Total Primary Government	\$ 42,603,768	\$ 7,920,687	\$ 16,811,262	\$ 1,445,934	(16,134,962)	(290,923)
General Revenues:						
Property Taxes					15,800,751	15,800,751
Grants not Restricted to Specific Programs					463,862	463,862
Unrestricted Investment Earnings					338,286	38,399
Contract Revenue - Ash Landfill					2,664,971	-
Other General Revenues					1,148,391	-
Transfers					(1,096,404)	1,096,404
Total General Revenues and Transfers					19,319,857	1,134,803
Change in Net Position					3,184,895	843,880
Net Position - Beginning of Year, Restated					74,536,063	28,656,746
Net Position - End of Year					\$ 77,720,958	\$ 29,500,626
						\$ 107,221,584

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

TOWN OF PUTNAM, CONNECTICUT

Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	Ash Landfill Fund	High School Renovation & Expansion Fund	Municipal Complex Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents	\$ 13,198,964	\$ -	\$ -	\$ -	\$ 4,059,785	\$ 17,258,749
Investments	-	-	-	-	7,581	7,581
Receivables, Net of Allowance	12,097,738	-	-	-	1,060,472	13,158,210
Other Assets	-	-	-	-	21,135	21,135
Due from Other Funds	4,340,289	2,988,300	-	438,920	5,918,190	13,685,699
Advance to Other Funds	-	1,029,021	-	-	-	1,029,021
Total Assets	\$ 29,636,991	\$ 4,017,321	\$ -	\$ 438,920	\$ 11,067,163	\$ 45,160,395
Liabilities						
Accounts Payable and Accrued Items	\$ 723,040	\$ -	\$ -	\$ 24,722	\$ 775,536	\$ 1,523,298
Unearned Revenue	246,224	-	-	-	2,899,466	3,145,690
Due to Other Funds	9,740,346	-	2,895,781	-	1,235,463	13,871,590
Advance from Other Funds	-	-	-	-	1,029,021	1,029,021
Total Liabilities	10,709,610	-	2,895,781	24,722	5,939,486	19,569,599
Deferred Inflows of Resources						
Unavailable Revenues:						
Property Taxes and Interest	537,859	-	-	-	-	537,859
Lease Related	9,953,814	-	-	-	106,401	10,060,215
Total Deferred Inflows of Resources	10,491,673	-	-	-	106,401	10,598,074
Fund Balances						
Nonspendable	801,882	1,029,021	-	-	28,500	1,859,403
Restricted	-	2,213,613	-	-	1,535,137	3,748,750
Committed	210,323	774,687	-	414,198	5,749,467	7,148,675
Assigned	425,000	-	-	-	-	425,000
Unassigned	6,998,503	-	(2,895,781)	-	(2,291,828)	1,810,894
Total Fund Balances	8,435,708	4,017,321	(2,895,781)	414,198	5,021,276	14,992,722
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 29,636,991	\$ 4,017,321	\$ -	\$ 438,920	\$ 11,067,163	\$ 45,160,395

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, 2022

Fund balances reported in governmental funds Balance Sheet	\$ 14,992,722
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Amounts reported for governmental activities in the Statement of Net Position are different because:

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

<i>Capital Assets</i>	128,120,349
<i>Depreciation</i>	(42,966,434)

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>	537,859
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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.

2,296,578

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

1,528,403

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.

(1,331,313)

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

<i>Deferred Outflows - Pension</i>	1,580,265
<i>Deferred Outflows - OPEB</i>	802,855
<i>Deferred Inflows - Pension</i>	(768,749)
<i>Deferred Inflows - OPEB</i>	(1,849,983)

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>	(295,585)
<i>Bonds payable</i>	(20,200,000)
<i>Equipment Financing Notes Payable</i>	(476,386)
<i>Loan payable</i>	(544,000)
<i>Compensated absences</i>	(356,289)
<i>Post-closure landfill costs</i>	(343,000)
<i>Total OPEB liability</i>	<u>(3,006,334)</u>

Net position of governmental activities	<u>\$ 77,720,958</u>
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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, 2022

	General Fund	Ash Landfill Fund	High School Renovation & Expansion Fund	Municipal Complex Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes, Interest and Lien Fees	\$ 16,162,723	\$ -	\$ -	\$ -	\$ -	\$ 16,162,723
Intergovernmental Revenues	11,720,734	-	-	400,000	7,202,128	19,322,862
Licenses, Permits, and Charges for Services	3,060,474	897,928	-	-	927,140	4,885,542
Investment Income	325,013	-	-	-	11,071	336,084
Other Revenue	-	-	-	1,003,961	285,231	1,289,192
Total Revenues	<u>31,268,944</u>	<u>897,928</u>	<u>-</u>	<u>1,403,961</u>	<u>8,425,570</u>	<u>41,996,403</u>
Expenditures						
Current:						
General Government	1,843,158	-	-	-	45,537	1,888,695
Public Safety	127,059	-	-	-	177	127,236
Public Works	1,374,814	-	-	-	691,339	2,066,153
Culture and Recreation	986,958	-	-	-	90,506	1,077,464
Sanitation	497,006	-	-	-	193,692	690,698
Community and Social Services	371,243	-	-	-	1,253	372,496
Economic Development	129,556	-	-	-	104,395	233,951
Employee and Fringe Benefits	896,779	-	-	-	-	896,779
Risk Management	265,902	-	-	-	-	265,902
Education	22,056,192	-	-	-	4,692,352	26,748,544
Debt Service	1,914,546	-	-	-	27,195	1,941,741
Capital Outlay	518,915	-	-	3,248,058	2,921,025	6,687,998
Total Expenditures	<u>30,982,128</u>	<u>-</u>	<u>-</u>	<u>3,248,058</u>	<u>8,767,471</u>	<u>42,997,657</u>
Excess/(Deficiency) of Revenues over Expenditures	286,816	897,928	-	(1,844,097)	(341,901)	(1,001,254)
Other Financing Sources/(Uses)						
Issuance of Equipment Financing Notes	518,915	-	-	-	-	518,915
Transfers In	79,383	4,984	-	-	2,131,086	2,215,453
Transfers Out	(436,469)	(911,942)	-	-	(799,624)	(2,148,035)
Total Other Financing Sources/(Uses)	<u>161,829</u>	<u>(906,958)</u>	<u>-</u>	<u>-</u>	<u>1,331,462</u>	<u>586,333</u>
Net Change in Fund Balances	448,645	(9,030)	-	(1,844,097)	989,561	(414,921)
Fund Balances at Beginning of Year, Restated	<u>7,987,063</u>	<u>4,026,351</u>	<u>(2,895,781)</u>	<u>2,258,295</u>	<u>4,031,715</u>	<u>15,407,643</u>
Fund Balances at End of Year	<u>\$ 8,435,708</u>	<u>\$ 4,017,321</u>	<u>\$ (2,895,781)</u>	<u>\$ 414,198</u>	<u>\$ 5,021,276</u>	<u>\$ 14,992,722</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, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ (414,921)
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**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 outlay</i>	5,491,683
<i>Depreciation expense</i>	(2,668,046)
<i>Loss on disposal</i>	(58,344)

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>	(361,972)
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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 - equipment financing notes</i>	(518,915)
<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 - equipment financing notes</i>	87,853
<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>	21,732
<i>Compensated absences</i>	15,245
<i>Post-closure landfill costs</i>	45,000
<i>Net pension asset and related outflows/inflows</i>	199,973
<i>OPEB liability and related outflows/inflows</i>	(206,451)

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.

	<u>418,754</u>
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Change in net position of governmental activities	<u>\$ 3,184,895</u>
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TOWN OF PUTNAM, CONNECTICUT

Statement of Fund Net Position

Proprietary Funds

June 30, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ 4,087,123	\$ 1,868,212	\$ 5,955,335	\$ -
Receivables, Net	1,061,916	653,461	1,715,377	-
Due from Other Funds	214,068	266,426	480,494	-
Health Insurance Escrow	-	-	-	2,533,818
Other	110,401	38,395	148,796	-
Total Current Assets	5,473,508	2,826,494	8,300,002	2,533,818
Noncurrent Assets:				
Net Pension Asset	97,997	92,839	190,836	-
Nondepreciable Capital Assets	-	1,303,040	1,303,040	-
Capital Assets, Net of Accum. Depreciation	26,986,644	20,044,927	47,031,571	-
Total Noncurrent Assets	27,084,641	21,440,806	48,525,447	-
Total Assets	\$ 32,558,149	\$ 24,267,300	\$ 56,825,449	\$ 2,533,818
Deferred Outflows of Resources				
Deferred Outflows - Pension	101,323	95,988	197,311	-
Liabilities				
Current Liabilities:				
Accounts Payable and Accrued Items	\$ 144,025	\$ 89,252	\$ 233,277	\$ -
Accrued Interest Payable	138,840	63,365	202,205	-
Due to Other Funds	402,684	-	402,684	-
Loans Payable	447,792	301,915	749,707	-
Compensated Absences	21,289	31,792	53,081	-
Equipment Financing Notes	-	33,971	33,971	-
Claims Payable	-	-	-	237,240
Total Current Liabilities	1,154,630	520,295	1,674,925	237,240
Noncurrent Liabilities:				
Loans Payable	13,845,886	11,615,898	25,461,784	-
Compensated Absences	31,007	19,006	50,013	-
Total Noncurrent Liabilities	13,876,893	11,634,904	25,511,797	-
Total Liabilities	15,031,523	12,155,199	27,186,722	237,240
Deferred Inflows of Resources				
Deferred Inflows - Pension	49,291	46,696	95,987	-
Related to Leases	239,425	-	239,425	-
Total Deferred Inflows of Resources	288,716	46,696	335,412	-
Net Position				
Net Investment in Capital Assets	12,692,966	9,396,183	22,089,149	-
Unrestricted	4,646,267	2,765,210	7,411,477	2,296,578
Total Net Position	\$ 17,339,233	\$ 12,161,393	\$ 29,500,626	\$ 2,296,578

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, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service
OPERATING REVENUES				
Charges for Services	\$ 2,889,340	\$ 2,821,097	\$ 5,710,437	\$ 4,341,635
Other	9,085	17,503	26,588	-
Total Operating Revenues	<u>2,898,425</u>	<u>2,838,600</u>	<u>5,737,025</u>	<u>4,341,635</u>
OPERATING EXPENSES				
Personnel Services	699,166	958,096	1,657,262	-
Contractual Services	245,678	470,763	716,441	-
Rent and Utilities	236,391	234,541	470,932	-
Supplies, Repairs and Maintenance	521,771	551,919	1,073,690	-
Depreciation	707,562	615,582	1,323,144	-
Administration	145,812	4,004	149,816	94,474
Claims	-	-	-	3,330,748
Premiums	-	-	-	499,861
Total Operating Expenses	<u>2,556,380</u>	<u>2,834,905</u>	<u>5,391,285</u>	<u>3,925,083</u>
Operating Income/(Loss)	342,045	3,695	345,740	416,552
NON-OPERATING REVENUES (EXPENSES)				
Antenna Lease	15,700	-	15,700	-
Interest Income	16,180	6,519	22,699	2,202
Interest Expense	(308,602)	(328,061)	(636,663)	-
Total Non-Operating Expenses	<u>(276,722)</u>	<u>(321,542)</u>	<u>(598,264)</u>	<u>2,202</u>
Income/(Loss) before Capital Contributions and Transfers	<u>65,323</u>	<u>(317,847)</u>	<u>(252,524)</u>	<u>418,754</u>
Capital Contributions	-	1,163,822	1,163,822	-
Transfers	<u>(28,709)</u>	<u>(38,709)</u>	<u>(67,418)</u>	<u>-</u>
Change in Net Position	36,614	807,266	843,880	418,754
Net Position - Beginning of Year, Restated	<u>17,302,619</u>	<u>11,354,127</u>	<u>28,656,746</u>	<u>1,877,824</u>
Net Position - End of Year	<u>\$ 17,339,233</u>	<u>\$ 12,161,393</u>	<u>\$ 29,500,626</u>	<u>\$ 2,296,578</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, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service
Cash Flows from Operating Activities:				
Receipts from Customers and Users	\$ 2,913,554	\$ 2,862,144	\$ 5,775,698	\$ -
Receipts from Interfund Charges for Risk Management	-	-	-	4,341,635
Payments for Operating Activities	(1,934,226)	(2,292,532)	(4,226,758)	-
Payments for Benefits and Claims	-	-	-	(3,749,502)
Premiums and Administrative Charges	-	-	-	(594,335)
Net Cash Provided by Operating Activities	979,328	569,612	1,548,940	(2,202)
Cash Flows from Noncapital Financing Activities:				
Interfund Activity	(414,946)	(483,946)	(898,892)	-
Net Cash (Used)/Provided by Noncapital Financing Activities	(414,946)	(483,946)	(898,892)	-
Cash Flows from Capital and Related Financing Activities:				
Interfund Transfers	(28,709)	(38,709)	(67,418)	-
Purchases of Capital Assets	(87,392)	(25,888)	(113,280)	-
Principal Paid on Loans	(447,792)	(297,294)	(745,086)	-
Principal Paid on Equipment Financing Notes	-	(32,371)	(32,371)	-
Interest Paid on Capital Debt	(312,580)	(333,858)	(646,438)	-
Net Cash Used by Capital and Related Financing Activities	(876,473)	(728,120)	(1,604,593)	-
Cash Flows from Investing Activities:				
Antenna Lease	15,700	-	15,700	-
Interest Income	16,180	6,519	22,699	2,202
Net Cash Provided by Investing Activities	31,880	6,519	38,399	2,202
Net Increase/(Decrease) in Cash and Cash Equivalents	(280,211)	(635,935)	(916,146)	-
Cash and Cash Equivalents at Beginning of Year	4,367,334	2,504,147	6,871,481	-
Cash and Cash Equivalents at End of Year	\$ 4,087,123	\$ 1,868,212	\$ 5,955,335	\$ -
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:				
Operating Income/(Loss)	\$ 342,045	\$ 3,695	\$ 345,740	\$ 416,552
Adjustments to Reconcile Income to Net Cash Provided by Operating Activities:				
Depreciation	707,562	615,582	1,323,144	-
Loss on Disposal of Capital Assets	14,285	-	14,285	-
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	15,129	23,544	38,673	-
(Increase) Decrease in Deferred Outflows	(85,005)	(80,529)	(165,534)	-
(Increase) Decrease in Net Pension Asset	211,133	200,020	411,153	-
(Increase) Decrease in Health Insurance Escrow	-	-	-	(436,505)
Increase (Decrease) in Deferred Inflows	(154,650)	(131,637)	(286,287)	-
Increase (Decrease) in Accounts Payable and Accrued	(72,252)	(64,826)	(137,078)	-
Increase (Decrease) in Claims Payable	-	-	-	17,751
Increase (Decrease) in Compensated Absences	1,081	3,763	4,844	-
Total Adjustments	637,283	565,917	1,203,200	(418,754)
Net Cash Provided by Operating Activities	\$ 979,328	\$ 569,612	\$ 1,548,940	\$ (2,202)
Noncash Capital and Related Financing Activity:				
Capital Contributions from Other Funds	\$ -	\$ 1,163,822	\$ 1,163,822	\$ -

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, 2022

	Pension Trust Fund	Private- Purpose Trust Funds
Assets		
Cash and Cash Equivalents	\$ 212,022	\$ 478,304
Investments	15,862,911	100,857
Due from Other Funds	-	111,381
Total Assets	16,074,933	690,542
Deferred Outflows of Resources	-	-
Liabilities		
Due to Other Funds	-	3,300
Total Liabilities	-	3,300
Deferred Inflows of Resources	-	-
Net Position		
Restricted for Pension Benefits	16,074,933	-
Restricted for Scholarships	-	687,242
Total Net Position	\$ 16,074,933	\$ 687,242

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, 2022

	Pension Trust Fund	Private- Purpose Trust Funds
Additions		
Contributions:		
Employer	\$ 113,901	\$ -
Plan Members	160,604	-
Contributions and Donations	-	22,125
Total Contributions	<u>274,505</u>	<u>22,125</u>
Investment Income:		
Net Appreciation/(Depreciation) in Fair Value of Investments	(3,786,906)	(2,097)
Interest and Dividends	<u>1,080,474</u>	<u>1,131</u>
Total Investment Income	(2,706,432)	(966)
Less: Investment Management Fees	<u>(35,868)</u>	<u>-</u>
Total Additions	<u>(2,467,795)</u>	<u>21,159</u>
Deductions		
Pension Benefits	581,966	-
Scholarships	-	44,250
Administrative Expenses	<u>10,223</u>	<u>-</u>
Total Deductions	<u>592,189</u>	<u>44,250</u>
Change in Net Position	(3,059,984)	(23,091)
Net Position at Beginning of Year, Restated	<u>19,134,917</u>	<u>710,333</u>
Net Position at End of Year	<u>\$ 16,074,933</u>	<u>\$ 687,242</u>

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

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Related Organizations

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

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

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

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

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statements Presentation

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

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

Property taxes when levied and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government, or specifically identified.

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

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

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

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

The Town reports the following major enterprise funds:

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

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

- The *Pension Trust Fund* accounts for the activities of the Town's defined benefit pension plan, which accumulates resources for pension benefit payments to qualified employees upon retirement.
- The *Private Purpose Trust Funds* are used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

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.

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

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.

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.

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

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, 2022 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 \$143,000 and an allowance for related interest in the amount of \$42,000 as of June 30, 2022. 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.

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, 2022.

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.

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

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

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

Interfund Receivables and Payables - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (the current portion of interfund loans) or "advances to/from other funds" (the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

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

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

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

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

Leases Receivable – The Town's leases receivable are measured at the present value of lease payments expected to be received during the lease term. Under the lease agreements, the Town may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

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

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

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

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

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

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

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

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

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

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

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

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

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

Nonspendable Fund Balance – Indicates amounts that cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Leases – portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

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, 2022.

	Governmental Funds	Proprietary Funds	Fiduciary Funds	Total
Cash	\$ 8,182,588	\$ 1,425,698	\$ 690,326	\$ 10,298,612
Cash Equivalents	9,076,161	4,529,637	-	13,605,798
Total Cash and Cash Equivalents	<u>\$ 17,258,749</u>	<u>\$ 5,955,335</u>	<u>\$ 690,326</u>	<u>\$ 23,904,410</u>

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	\$ 23,904,410
Less: Cash Equivalents (STIF)	(13,605,798)
Plus: Investments (CDs)	34,650
	<u>\$ 10,333,262</u>

At year-end, the Town's carrying amount of deposits subject to custodial credit risk was \$10,333,262 and the bank balance was \$10,790,242. Of the bank balance, Federal Depository Insurance Corporation insured \$5,221,475.

As of June 30, 2022, \$5,568,767 of the Town's bank balance of \$10,790,242 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 4,961,890
Uninsured and collateral held by pledging bank's Trust department not in the Town's name	606,877
Total	<u>\$ 5,568,767</u>

Cash Equivalents

At June 30, 2022, the Town's cash equivalents (Short-Term Investment Fund “STIF”) amounted to \$13,605,798. 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, 2022:

	Governmental Funds	Fiduciary Funds	Total
Certificates of Deposit	\$ 7,581	\$ 27,069	\$ 34,650
U.S. Treasuries	-	19,004	19,004
Mutual Funds	-	15,917,695	15,917,695
Total Investments	<u>\$ 7,581</u>	<u>\$ 15,963,768</u>	<u>\$ 15,971,349</u>

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

Description	June 30, 2022	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasuries	\$ 19,004	\$ 19,004	\$ -	\$ -
Mutual Funds	15,917,695	15,917,695	-	-
		<u>\$ 15,936,699</u>	<u>\$ -</u>	<u>\$ -</u>
Investments not included above:				
Certificates of Deposit	34,650			
Total Investments	<u>\$ 15,971,349</u>			

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, 2022, 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	\$ 34,650	\$ 27,069	\$ 7,581	\$ -
U.S. Treasuries	19,004	19,004	-	-
Total	<u>\$ 53,654</u>	<u>\$ 46,073</u>	<u>\$ 7,581</u>	<u>\$ -</u>

NOTE 3 – RECEIVABLES

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

	General Fund	Water Fund	Sewer Fund	Nonmajor and Other Funds	Total
Receivables:					
Property taxes	\$ 1,034,867	\$ -	\$ -	\$ -	\$ 1,034,867
Interest, Liens, and Fees	418,336	-	-	-	418,336
Usage Charges	-	824,530	676,545	-	1,501,075
Loans	-	-	-	563,360	563,360
Leases	10,755,696	272,820	-	125,186	11,153,702
Intergovernmental	-	-	-	362,408	362,408
Accounts	73,839	-	-	9,518	83,357
Gross Receivables	<u>12,282,738</u>	<u>1,097,350</u>	<u>676,545</u>	<u>1,060,472</u>	<u>15,117,105</u>
Less allowance for uncollectibles:					
Property taxes, interest, liens, and fees	(185,000)	-	-	-	(185,000)
Usage Charges	-	(35,434)	(23,084)	-	(58,518)
Total allowance	<u>(185,000)</u>	<u>(35,434)</u>	<u>(23,084)</u>	<u>-</u>	<u>(243,518)</u>
Net Total Receivables	<u>\$ 12,097,738</u>	<u>\$ 1,061,916</u>	<u>\$ 653,461</u>	<u>\$ 1,060,472</u>	<u>\$ 14,873,587</u>

The loans receivable of \$563,360 in the nonmajor governmental funds are long-term receivables and not expected to be collected within one year.

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

	Governmental Funds
General Fund:	
Fees Collected in Advance	\$ 246,224
Nonmajor Funds:	
Advances on Grants	2,899,466
Total Unearned Revenue	<u>\$ 3,145,690</u>

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

Leases Receivable

In October 2017, the Town, acting as lessor, entered into a lease agreement for a Cell Tower that is split 50/50 between the Town and the WPCA. Under the lease, the Town will receive monthly payments through September 2037.

In March 2016, the Town, acting as lessor, entered into a ground lease that will expire in March 2066. Under the lease, the Town will receive guaranteed monthly payments as well as variable payments based on a formula. See Note 7 for additional information regarding this lease.

In October 2017, the Town, acting as lessor, entered into a noncancelable building lease that will expire in September 2025.

	Discount Rate	Lease Receivable at 6/30/22	Deferred Inflow at 6/30/22
Governmental Activities			
T-Mobile Cell Tower	2.65%	\$ 272,820	\$ 239,425
Wheelabrator	2.65%	10,482,876	9,714,389
Incubator Building	2.65%	125,186	106,401
		<u>\$ 10,880,882</u>	<u>\$ 10,060,215</u>
Business-Type Activities			
T-Mobile Cell Tower	2.65%	<u>\$ 272,820</u>	<u>\$ 239,425</u>

The future minimum lease payments to be received under lease agreements are as follows:

Year(s)	Governmental Activities		Business-Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 174,680	\$ 286,238	\$ 10,659	\$ 7,102	\$ 185,339	\$ 293,340
2024	181,835	281,523	11,483	6,810	193,318	288,333
2025	189,296	276,614	12,345	6,495	201,641	283,109
2026	163,247	271,802	13,248	6,157	176,495	277,959
2027	157,336	267,653	14,194	5,795	171,530	273,448
2028-2032	862,102	1,272,196	86,698	22,600	948,800	1,294,796
2033-2037	1,002,591	1,149,045	117,456	9,180	1,120,047	1,158,225
2038-2042	1,017,130	1,014,637	6,737	30	1,023,867	1,014,667
2043-2047	1,153,375	871,625	-	-	1,153,375	871,625
2048-2052	1,316,591	708,409	-	-	1,316,591	708,409
2053-2057	1,502,906	522,094	-	-	1,502,906	522,094
2058-2062	1,715,584	309,416	-	-	1,715,584	309,416
2063-2067	1,444,209	74,540	-	-	1,444,209	74,540
	<u>\$ 10,880,882</u>	<u>\$ 7,305,792</u>	<u>\$ 272,820</u>	<u>\$ 64,169</u>	<u>\$ 11,153,702</u>	<u>\$ 7,369,961</u>

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

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, 2022, were as follows:

Transfers In:	Transfers Out:	Amount
Governmental Funds:		
General Fund	Ash Landfill Fund	\$ 79,383
Ash Landfill Fund	General Fund	4,984
Nonmajor Governmental Funds	Ash Landfill Fund	832,559
	General Fund	431,485
	Nonmajor Governmental Funds	799,624
	Proprietary Fund - Water Fund	28,709
	Proprietary Fund - Sewer Fund	38,709
		<u>2,131,086</u>
	Total Transfers	<u>\$ 2,215,453</u>

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, 2022, the outstanding balances between funds were:

Receivable Fund:	Payable Fund:	Total
Governmental Funds:		
General Fund	High School Renovation Fund	\$ 2,895,781
	Water Fund	205,745
	Private Purpose Trust Funds	3,300
	Nonmajor Governmental Funds	1,235,463
		<u>4,340,289</u>
Ash Landfill Fund	General Fund	2,988,300
Municipal Complex Fund	General Fund	438,920
Nonmajor Governmental Funds	General Fund	5,721,251
	Water Fund	196,939
		<u>5,918,190</u>
	Total Governmental Funds	<u>13,685,699</u>
Proprietary Funds:		
Water Fund	General Fund	214,068
Sewer Fund	General Fund	266,426
	Total Proprietary Funds	<u>480,494</u>
Fiduciary Funds:		
Private Purpose Trust Funds	General Fund	\$ 111,381

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

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 \$1,029,021 has been presented as an advance in the accompanying governmental funds balance sheet as of June 30, 2022.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2022, consisted of the following:

	Beginning Balance	Increases	Decreases	Ending Balances
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 2,055,563	\$ -	\$ -	\$ 2,055,563
Construction in Progress	25,844,685	3,701,219	-	29,545,904
Total capital assets, not being depreciated	27,900,248	3,701,219	-	31,601,467
Capital assets, being depreciated:				
Infrastructure and Improvements	26,669,160	-	(12,182)	26,656,978
Buildings and Improvements	61,408,074	853,522	(452,141)	61,809,455
Machinery and Equipment	7,404,175	936,942	(288,668)	8,052,449
Total capital assets, being depreciated	95,481,409	1,790,464	(752,991)	96,518,882
Less accumulated depreciation for:				
Infrastructure and Improvements	10,960,557	556,680	(4,332)	11,512,905
Buildings and Improvements	24,998,569	1,669,744	(416,997)	26,251,316
Machinery and Equipment	5,033,909	441,622	(273,318)	5,202,213
Total accumulated depreciation	40,993,035	2,668,046	(694,647)	42,966,434
Total capital assets, being depreciated	54,488,374	(877,582)	(58,344)	53,552,448
<i>Governmental Activities capital assets, net</i>	<u>\$ 82,388,622</u>	<u>\$ 2,823,637</u>	<u>\$ (58,344)</u>	<u>\$ 85,153,915</u>

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

Governmental Activities:	
General Government	\$ 49,310
Public Safety	6,871
Public Works	809,626
Culture and Recreation	307,635
Economic Development	6,926
Education	1,487,678
Total Depreciation and Amortization Expense	
Governmental Activities	<u>\$ 2,668,046</u>

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

Capital asset activity for business-type activities for the year ended June 30, 2022, consisted of the following:

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balances
Capital assets, not being depreciated:				
Construction in Progress	\$ 139,218	\$ 1,163,822	\$ -	\$ 1,303,040
Total capital assets, not being depreciated	<u>139,218</u>	<u>1,163,822</u>	<u>-</u>	<u>1,303,040</u>
Capital assets, being depreciated:				
Infrastructure and Improvements	31,841,561	-	-	31,841,561
Buildings and Improvements	33,294,368	11,300	(21,008)	33,284,660
Machinery and Equipment	1,477,235	101,980	-	1,579,215
Total capital assets, being depreciated	<u>66,613,164</u>	<u>113,280</u>	<u>(21,008)</u>	<u>66,705,436</u>
Less accumulated depreciation for:				
Infrastructure and Improvements	9,794,386	577,733	-	10,372,119
Buildings and Improvements	7,942,194	621,886	(6,723)	8,557,357
Machinery and Equipment	620,864	123,525	-	744,389
Total accumulated depreciation	<u>18,357,444</u>	<u>1,323,144</u>	<u>(6,723)</u>	<u>19,673,865</u>
Total capital assets, being depreciated	<u>48,255,720</u>	<u>(1,209,864)</u>	<u>(14,285)</u>	<u>47,031,571</u>
Business-Type Activities capital assets, net	<u>\$ 48,394,938</u>	<u>\$ (46,042)</u>	<u>\$ (14,285)</u>	<u>\$ 48,334,611</u>

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

Business-Type Activities:	
Water	\$ 707,562
Sewer	<u>615,582</u>
Total Depreciation and Amortization Expense	
Business-Type Activities	<u>\$ 1,323,144</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, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$ 21,245,000	\$ -	\$ 1,045,000	\$ 20,200,000	\$ 1,045,000
Unamortized Bond Premiums	1,403,617	-	72,304	1,331,313	72,304
Loans Payable	560,000	-	16,000	544,000	16,000
Equipment Financing Notes	45,324	518,915	87,853	476,386	82,053
Compensated Absences	371,534	19,661	34,906	356,289	139,858
Landfill Post-closure Liability	388,000	-	45,000	343,000	45,000
OPEB Liability	3,936,622	-	930,288	3,006,334	-
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 27,950,097</u>	<u>\$ 538,576</u>	<u>\$ 2,231,351</u>	<u>\$ 26,257,322</u>	<u>\$ 1,400,215</u>
Business-Type Activities					
Loans Payable	\$ 26,956,577	\$ -	\$ 745,086	\$ 26,211,491	\$ 749,707
Equipment Financing Notes	66,342	-	32,371	33,971	33,971
Compensated Absences	98,250	4,844	-	103,094	53,081
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 27,121,169</u>	<u>\$ 4,844</u>	<u>\$ 777,457</u>	<u>\$ 26,348,556</u>	<u>\$ 836,759</u>

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

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

Bonds and Loans Payable

A summary of bonds and loans payable outstanding at June 30, 2022 is as follows:

	Year of Issue (FY)	Maturity Date (FY)	Interest Rate	Original Amount	Balance June 30, 2022
Governmental Activities					
Rural Development Loan Payable	2016	2056	2.25%	\$ 640,000	\$ 544,000
General Obligation Bond	2018	2043	3.00%-5.00%	12,280,000	10,300,000
Municipal Complex Bond	2021	2040	2.00%-5.00%	11,000,000	9,900,000
				<u>23,920,000</u>	<u>20,744,000</u>
Business-Type Activities					
Wastewater Loan Payable	1994	2024	4.50%	300,000	20,000
Wastewater Loan Payable	2012	2052	2.75%	6,800,000	5,716,492
Drinking Water Loan Payable	2012	2031	2.06%	1,075,271	456,988
Wastewater Loan Payable	2013	2053	2.50%	711,000	605,918
Drinking Water Loan Payable	2014	2054	2.75%	1,208,113	966,490
Wastewater Loan Payable	2014	2054	3.50%	3,836,000	2,930,849
Wastewater Loan Payable	2016	2056	1.75%	2,970,000	2,644,554
Drinking Water Loan Payable	2017	2057	1.875%	9,100,000	7,962,500
Drinking Water Loan Payable	2018	2058	1.875%	1,272,000	1,144,800
Drinking Water Loan Payable	2018	2058	2.75%	1,580,000	1,422,000
Drinking Water Loan Payable	2018	2058	2.25%	1,101,000	990,900
Drinking Water Loan Payable	2018	2058	2.625%	1,500,000	1,350,000
				<u>31,453,384</u>	<u>26,211,491</u>
				<u>\$ 55,373,384</u>	<u>\$ 46,955,491</u>

Annual debt service requirements on bonds and loans payable as of June 30, 2022, are as follows:

Year(s)	Governmental Activities		Business-Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
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	1,056,000	510,676	759,569	557,917	1,815,569	1,068,593
2028-2032	5,280,000	1,925,980	3,809,325	2,506,158	9,089,325	4,432,138
2033-2037	5,280,000	1,099,690	3,778,870	2,048,138	9,058,870	3,147,828
2038-2042	4,180,000	425,514	3,937,074	1,596,224	8,117,074	2,021,738
2043-2047	570,000	38,138	4,116,508	1,123,279	4,686,508	1,161,417
2048-2052	80,000	12,600	4,314,428	627,289	4,394,428	639,889
2053-2057	64,000	3,600	2,351,390	165,634	2,415,390	169,234
2058-2060	-	-	136,325	3,285	136,325	3,285
	<u>\$ 20,744,000</u>	<u>\$ 6,583,250</u>	<u>\$ 26,211,491</u>	<u>\$ 11,039,539</u>	<u>\$ 46,955,491</u>	<u>\$ 17,622,789</u>

Authorized, Unissued Bonds

As of June 30, 2022, 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

Equipment Financing Notes

The Town has equipment financing notes for the acquisition of various equipment.

Equipment	Year of Issue	Original Amount	Interest Rate	Final Maturity	Principal Outstanding June 30, 2022
Governmental Activities					
Tandem Roller	2021	\$ 54,389	0.00%	2/1/2023	\$ 18,130
Freightliner Trucks	2022	314,441	3.22%	7/1/2027	274,625
Daimler Truck	2022	204,474	4.11%	2/1/2029	183,631
					<u>\$ 476,386</u>
Business-Type Activities					
WPCA Camera System	2019	161,217	4.94%	1/15/2023	<u>\$ 33,971</u>

Annual debt service requirements on equipment financing notes as of June 30, 2022 are as follows:

Year(s)	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 82,053	\$ 16,397	\$ 33,971	\$ 1,678	\$ 116,024	\$ 18,075
2024	66,175	14,145	-	-	66,175	14,145
2025	68,508	11,812	-	-	68,508	11,812
2026	70,925	9,396	-	-	70,925	9,396
2027	73,427	6,893	-	-	73,427	6,893
2028	76,019	4,301	-	-	76,019	4,301
2029	39,279	1,616	-	-	39,279	1,616
Total	<u>\$ 476,386</u>	<u>\$ 64,560</u>	<u>\$ 33,971</u>	<u>\$ 1,678</u>	<u>\$ 510,357</u>	<u>\$ 66,238</u>

Compensated Absences

Vacation time earned during the fiscal year can be carried over to the succeeding year, subject to limitations as provided in the respective collective bargaining agreements. Employees are entitled to accumulate sick leave up to a maximum amount stipulated in each contract. Payment for accumulated sick leave is dependent upon the length of service and accumulated days. 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 7.5 years to be \$688,000, which includes an estimated \$345,000 in costs to be reimbursed by the contractor. Accordingly, the Town has reflected a liability for post-closure care costs in the amount of \$343,000 as of June 30, 2022. 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 \$405,000, 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 \$2,664,971 for the year ended June 30, 2022. 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, 2022 are as follows:

	General Fund	Ash Landfill Fund	High School Renovation & Expansion Fund	Municipal Complex Fund	Other Governmental Funds	Total
Nonspendable:						
Advance Receivable	\$ -	\$ 1,029,021	\$ -	\$ -	\$ -	\$ 1,029,021
Leases	801,882	-	-	-	18,785	820,667
Library	-	-	-	-	9,715	9,715
Total Nonspendable	801,882	1,029,021	-	-	28,500	1,859,403
Restricted for:						
General Government	-	-	-	-	4,482	4,482
Public Safety	-	-	-	-	1,856	1,856
Public Works	-	-	-	-	168,814	168,814
Culture and Recreation	-	-	-	-	23,475	23,475
Comm. and Social Services	-	-	-	-	2,431	2,431
Economic Development	-	-	-	-	1,082,178	1,082,178
Education	-	-	-	-	149,670	149,670
Capital Purposes	-	-	-	-	1,724	1,724
Landfill Post-closure Care	-	2,213,613	-	-	-	2,213,613
Preservation Fees	-	-	-	-	100,507	100,507
Total Restricted	-	2,213,613	-	-	1,535,137	3,748,750
Committed to:						
General Government	-	-	-	-	-	-
Library	-	-	-	-	297,354	297,354
Culture and Recreation	-	-	-	-	24,002	24,002
Comm. and Social Services	-	-	-	-	-	-
Comp. Abs. and Insurance	37,396	-	-	-	-	37,396
Economic Development	-	-	-	-	206,769	206,769
Capital Purposes	-	774,687	-	414,198	1,636,286	2,825,171
Education	172,927	-	-	-	3,351,203	3,524,130
Pay Per Sticker Program	-	-	-	-	177,271	177,271
Interscholastic Sports	-	-	-	-	56,582	56,582
Total Committed	210,323	774,687	-	414,198	5,749,467	7,148,675
Assigned:						
Subsequent Year's Budget	425,000	-	-	-	-	425,000
Total Assigned	425,000	-	-	-	-	425,000
Unassigned	6,998,503	-	(2,895,781)	-	(2,291,828)	1,810,894
Total Fund Balances	\$ 8,435,708	\$ 4,017,321	\$ (2,895,781)	\$ 414,198	\$ 5,021,276	\$ 14,992,722

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, 2022:

Fund	Amount
Recreation and Athletic Fields Fund	\$ (336,370)
Airline Trail Fund	(36,765)
Quinebaug Regional Tech Park Fund	(330,050)
Sewer Capital Project Fund	(557,222)
Capital Nonrecurring Ash Fund	(1,029,021)
Affordable Housing Grant Fund	(2,400)

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, 2021, the date of the latest actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefits	65
Inactive plan members entitled to but not yet receiving benefits	89
Active plan members	98
	<u>252</u>

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

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

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

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

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

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

Summary of Significant Accounting Policies

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

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

Investment Policy – The Town policy in regards to the allocation of invested assets is established and may be amended by the Board of Selectmen. The Town pursues an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes, discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the target asset allocation of the pension plan as of June 30, 2022:

Target Allocation and Expected Rate of Return

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Weighting
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%
	100.00%		3.82%
Long-Term Inflation Expectation			2.50%
Long-Term Expected Nominal Return			6.32%

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, 2022 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, 2022, were as follows:

Total pension liability	\$ 14,355,694
Plan fiduciary net position	16,074,933
Net pension liability (asset)	<u>\$ (1,719,239)</u>
Plan fiduciary net position as a percentage of total pension liability	111.98%

Actuarial Methods and Significant Assumptions

The following actuarial methods and assumptions were used in the July 1, 2021 valuation and projected forward to a measurement date of June 30, 2022:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent of salary
Inflation	2.50%
Payroll growth	2.50%
Investment rate of return	6.50%, net of investment and admin fees
Retirement age	The earlier of age 55 with 15 years of service or age 65
Post-retirement mortality	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), projected to the valuation date with Scale MP-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% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net Pension Liability/(Asset)	\$ (32,891)	\$ (1,719,239)	\$ (3,148,496)

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, 2022 was as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at June 30, 2021	\$ 13,711,592	\$ 19,134,917	\$ (5,423,325)
Changes for the year:			
Service Cost	369,772	-	369,772
Interest	896,672	-	896,672
Differences Between Expected and Actual Experience	(69,669)	-	(69,669)
Changes in Assumptions	29,293	-	29,293
Employer Contributions	-	113,901	(113,901)
Member Contributions	-	160,604	(160,604)
Net Investment Income	-	(2,752,523)	2,752,523
Benefit Payments	(581,966)	(581,966)	-
Administrative Expenses	-	-	-
Net Changes	644,102	(3,059,984)	3,704,086
Balance at June 30, 2022	\$ 14,355,694	\$ 16,074,933	\$ (1,719,239)

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

111.98%

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, 2022, the total pension expense recognized is (\$111,040). As of June 30, 2022, the Town reported deferred inflows and outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual earnings	\$ -	\$ 844,838
Differences between expected and actual experience	1,552,540	-
Changes of assumptions	225,036	19,898
Total	\$ 1,777,576	\$ 864,736

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:		
2023	\$	83,363
2024		121,813
2025		(14,003)
2026		721,667
2027		-
Thereafter		-
	\$	912,840

TOWN OF PUTNAM, CONNECTICUT
Notes to the Financial Statements

Connecticut State Teacher's Retirement System

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

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, 2022, the certified teachers' contribution to the Connecticut Teachers Retirement Board was \$723,311. Covered payroll for the town for the year ended June 30, 2022 was approximately \$10,333,008.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2022 the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

TOWN OF PUTNAM, CONNECTICUT
Notes to the Financial Statements

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>30,963,786</u>
Total	<u>\$ 30,963,786</u>

The net pension liability was measured as of June 30, 2021, 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, 2022, the Town had no proportionate share of the net pension liability.

For the year ended June 30, 2022, the Town recognized benefits expense and contribution revenue of \$2,592,715 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$1,998,784 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of June 30, 2021, 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, 2022, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	5
Active plan members	122
	<u>127</u>

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

Total OPEB Liability - The Town's total OPEB liability of \$3,006,334 was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the July 1, 2021 valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	June 30, 2022 for June 30, 2022 Reporting Date
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Salary
Salary Increases	2.50% as of June 30, 2022
Discount Rate	3.54% as of June 30, 2022 and 2.16% as of June 30, 2021, which is based on the 20-year AA municipal bond index.
Mortality Rates	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety, and Teachers), projected to the valuation date with Scale MP-2019
Inflation	2.50% as of June 30, 2022
Healthcare Cost Trend Rates	6.50% in 2019, reducing by 0.25% each year to an ultimate rate of 4.50% per year rate for 2027 and later.

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

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 6/30/21	\$ 3,936,622
Changes for the year:	
Service Cost	197,243
Interest	89,149
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	(537,930)
Changes in Assumptions	(665,573)
Benefit Payments	(13,177)
Net Changes	(930,288)
Balance at 6/30/22	\$ 3,006,334

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 (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	1% Decrease 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
Total OPEB Liability	\$ 3,416,424	\$ 3,006,334	\$ 2,654,715

TOWN OF PUTNAM, CONNECTICUT
Notes to the Financial Statements

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 2,560,094	\$ 3,006,334	\$ 3,553,751

OPEB Expense: For the year ended June 30, 2022, the Town recognized OPEB expense of \$205,328. As of June 30, 2022, deferred inflows and outflows of resources related to OPEB are reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 27,238	\$ (1,147,529)
Changes of assumptions	775,617	(702,454)
Total	<u>\$ 802,855</u>	<u>\$ (1,849,983)</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:	
2023	\$ (66,764)
2024	(66,764)
2025	(66,764)
2026	(66,764)
2027	(66,764)
Thereafter	<u>(713,308)</u>
	<u>\$ (1,047,128)</u>

Connecticut Teachers' Retirement System - OPEB

Plan Description - Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with benefits, including retiree health insurance, through the Connecticut Teachers' Retirement System—a cost sharing multiemployer defined benefit pension plan administered by the TRB. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov.

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

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

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

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the system. If they elect to remain in the Plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

Contributions - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

School district employers are not required to make contributions to the Plan. The State of Connecticut's estimated allocated contribution to the Plan on behalf of the Town was \$61,012.

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

Municipal bond index rate:

Measurement Date	2.17%
Prior Measurement Date	2.21%

The projected fiduciary net position is projected to be depleted in 2023.

Single equivalent interest rate

Measurement Date	2.17%, net of OPEB plan investment expense, including price inflation
Prior Measurement Date	2.21%, net of OPEB plan investment expense, Including price inflation

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

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 2.17%. 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 2023 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

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

	1% Lower Trend Rates	Current Trend Rates	1% Higher Trend Rates
Initial Healthcare Cost Trend Rate	4.125%	5.125%	6.125%
Ultimate Healthcare Cost Trend Rate	3.50%	4.50%	5.50%
Total OPEB Liability	\$ 2,825,445	\$ 3,373,448	\$ 4,122,829

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 (1.17%)	Current Discount Rate (2.17%)	1% Increase (3.17%)
Net OPEB liability	\$ 4,128,983	\$ 3,373,448	\$ 2,784,528

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2022 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>3,373,448</u>
Total	<u>\$ 3,373,448</u>

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. At June 30, 2022, the Town had no proportionate share of the net OPEB liability.

For the year ended June 30, 2022, the Town recognized OPEB expense and revenue of \$61,012 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized (\$124,571) for OPEB expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

TOWN OF PUTNAM, CONNECTICUT
Notes to the Financial Statements

NOTE 11 – RISK MANAGEMENT

The Town is exposed to various risks of loss involving torts, theft of, damage to, and destruction of assets, errors and omissions, injuries of employees, natural disaster and public official liabilities. The Town purchases commercial insurance for all risks of loss except workers' compensation and liability-automobile-property insurance for which it participates in risk sharing pools. During the year ended June 30, 2022, 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, 2022. 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, 2022, 2021, and 2020:

Year Ended	Beginning Claims Payable	Current Year Claims and Changes in Estimates	Claim Payments	Ending Claims Payable
2022	\$ 219,489	\$ 3,330,748	\$ (3,312,997)	\$ 237,240
2021	213,267	3,342,461	(3,336,239)	219,489
2020	278,604	3,082,708	(3,148,045)	213,267

As of June 30, 2022, cumulative contributions paid by the Town to ECHIP exceeded insurance premiums, claims and fees paid by \$2,296,578. 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, 2022 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. 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. 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.

TOWN OF PUTNAM, CONNECTICUT

Notes to the Financial Statements

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.

GASB Statement No. 99 – *Omnibus 2022* - The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for the Town's reporting period beginning July 1, 2022. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the Town's reporting period beginning July 1, 2023.

GASB Statement No. 100 – *Accounting Changes and Error Corrections* - The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for the Town's reporting period beginning July 1, 2023.

GASB Statement No. 101 – *Compensated Absences* - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for the Town's reporting period beginning July 1, 2024.

TOWN OF PUTNAM, CONNECTICUT
Notes to the Financial Statements

NOTE 14 – ADOPTION OF NEW ACCOUNTING STANDARD

As a result of the implementation of GASB No. 87, *Leases*, as of July 1, 2021, the Town made the following reporting change: leases receivable were added to receivables and deferred leases are now reported under deferred inflows of resources. In addition to the restatements from adopting GASB No. 87, the Town also now reports the Student Activities Fund as a special revenue fund instead of as a Custodial Fund. The results of the changes to the fund balance and net position are as follows:

	Governmental Activities	Business-Type Activities	General Fund	Nonmajor Governmental Funds	Custodial Funds
Net position/fund balance as reported at June 30, 2021	\$ 73,689,844	\$ 28,629,182	\$ 7,287,658	\$ 3,884,901	\$ 128,129
Adoption of GASB 87:					
Receivables	11,048,786	282,689	10,890,962	157,824	-
Deferred inflows	(10,330,696)	(255,125)	(10,191,557)	(139,139)	-
Reclassify student activity fund to proper fund type	128,129	-	-	128,129	(128,129)
Net position/fund balance as restated at July 1, 2021	<u>\$ 74,536,063</u>	<u>\$ 28,656,746</u>	<u>\$ 7,987,063</u>	<u>\$ 4,031,715</u>	<u>\$ -</u>

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, 2022

	Budgeted Amounts		Actual	
	Original	Amended	Budgetary	Variance
			Basis	
Revenues				
Taxes, Liens and Interest	\$ 15,300,408	\$ 15,300,408	\$ 16,162,723	\$ 862,315
Intergovernmental	8,690,985	8,890,985	8,616,364	(274,621)
Charges for Services	2,985,269	2,985,269	3,244,973	259,704
Investment Income	3,000	3,000	38,037	35,037
Total Revenues	26,979,662	27,179,662	28,062,097	882,435
Expenditures				
Current:				
General Government	1,703,044	1,721,181	1,710,731	(10,450)
Public Safety	125,050	127,059	127,059	-
Public Works	1,353,316	1,375,087	1,374,814	(273)
Culture and Recreation	994,383	986,958	986,958	-
Sanitation	466,790	503,991	497,006	(6,985)
Community and Social Services	366,836	373,761	371,243	(2,518)
Economic Development	132,305	129,556	129,556	-
Employee and Fringe Benefits	932,907	897,179	896,779	(400)
Risk Management	220,000	265,994	265,902	(92)
Information Technology	115,000	129,738	129,738	-
Redevelopment	4,500	2,689	2,689	-
Contingency/Reserves	249,272	149,272	149,272	-
Education	18,963,407	18,963,407	18,951,822	(11,585)
Debt Service	1,998,336	1,999,274	1,999,274	-
Capital Outlay	-	-	-	-
Total Expenditures	27,625,146	27,625,146	27,592,843	(32,303)
Excess of Revenues Over Expenditures	(645,484)	(445,484)	469,254	914,738
Other Financing Sources (Uses)				
Appropriation of Fund Balance	566,101	566,101	-	(566,101)
Transfer in from Other Funds	79,383	79,383	79,383	-
Transfers Out to Other Funds	-	(200,000)	(202,469)	(2,469)
Total Other Financing Sources (Uses)	645,484	445,484	(123,086)	(568,570)
Net Change in Fund Balance	\$ -	\$ -	\$ 346,168	\$ 346,168

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, 2022

Page 1 of 2

	Budgeted Amounts		Actual	
	Original	Amended	Budgetary	Variance
			Basis	
Collector of Revenue				
Current Year Taxes	\$ 14,968,408	\$ 14,968,408	\$ 15,423,343	\$ 454,935
Prior Year Taxes	150,000	150,000	266,414	116,414
Interest, Liens and Fees	82,000	82,000	251,725	169,725
Motor Vehicle Supplemental	100,000	100,000	221,241	121,241
Total Collector of Revenue	15,300,408	15,300,408	16,162,723	862,315
Charges for Services				
Town Clerk:				
Real Estate Conveyance	60,000	60,000	199,965	139,965
Vital Statistics	60,000	60,000	54,797	(5,203)
Recording Land Records	52,000	52,000	72,920	20,920
Copy Machine Receipts	6,500	6,500	11,961	5,461
Miscellaneous	1,500	1,500	3,584	2,084
Dog Licenses	325	325	299	(26)
Recording Maps	150	150	240	90
Fish & Game Fees	100	100	305	205
Credit Card - Town Clerk	-	-	475	475
Bingo/Raffle Permits	500	500	-	(500)
Total Town Clerk	181,075	181,075	344,546	163,471
General Government:				
Ash Landfill Tipping Fees	1,950,000	1,950,000	1,950,000	-
Miscellaneous	100,000	100,000	48,988	(51,012)
Recreation	75,550	75,550	54,839	(20,711)
Telephone Access Line Grant	40,000	40,000	26,689	(13,311)
Housing Authority	50,000	50,000	43,823	(6,177)
Library Fines and Fees	-	-	8,579	8,579
Pistol Permits	800	800	1,750	950
Total General Government	2,216,350	2,216,350	2,134,668	(81,682)
Assessor and Building Official:				
Zoning and Building Permits	120,000	120,000	167,726	47,726
Inland Wetland Fees	500	500	418	(82)
Zoning Board of Appeals	100	100	303	203
Zoning Commission Fees	1,000	1,000	1,010	10
Zoning and Subdivision Fees	1,000	1,000	-	(1,000)
Copy Fees - Building Official	-	-	18	18
Miscellaneous - Land Use	100	100	406	306
Total Assessor and Building Official	122,700	122,700	169,881	47,181

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, 2022

Page 2 of 2

	Budgeted Amounts		Actual Budgetary Basis	Variance
	Original	Amended		
Charges for Services (Continued)				
Rents:				
Rents	\$ 12,350	\$ 12,350	\$ 8,100	\$ (4,250)
Antennae Rentals	11,000	11,000	17,242	6,242
Total Rents	23,350	23,350	25,342	1,992
Miscellaneous:				
Contractual Services	170,000	170,000	180,850	10,850
Administrative Reimbursement	76,225	76,225	104,323	28,098
Metal Recovery Revenues	70,000	70,000	61,870	(8,130)
Other Tuition	31,569	31,569	111,679	80,110
Senior Fees	-	-	2,284	2,284
Fuel Reimbursement	60,000	60,000	101,530	41,530
Library Utilities	12,200	12,200	-	(12,200)
Library Shared Personnel	20,800	20,800	-	(20,800)
Employment Reimbursement	-	-	3,420	3,420
Miscellaneous - Fire	1,000	1,000	4,580	3,580
Total Miscellaneous	441,794	441,794	570,536	128,742
Total Charges for Services	2,985,269	2,985,269	3,244,973	259,704
Intergovernmental				
Education Cost Sharing	8,340,282	8,340,282	8,081,463	(258,819)
PILOT - Private Tax Exempt	108,104	308,104	345,851	37,747
Mashantucket Pequot Grant	75,902	75,902	66,794	(9,108)
Off Track Betting	40,000	40,000	-	(40,000)
Municipal Stabilization Grant	71,039	71,039	71,039	-
Distressed Municipalities	27,573	27,573	23,953	(3,620)
PILOT - State Owned Property	18,421	18,421	18,421	-
FEMA	5,448	5,448	5,000	(448)
Additional Veterans Benefits	2,816	2,816	2,376	(440)
Disabled Persons	1,400	1,400	1,467	67
Total Intergovernmental	8,690,985	8,890,985	8,616,364	(274,621)
Investment Income	3,000	3,000	38,037	35,037
Total Revenues	26,979,662	27,179,662	28,062,097	882,435
Other Financing Sources				
Appropriation of Fund Balance	566,101	566,101	-	(566,101)
Transfer in from Other Funds	79,383	79,383	79,383	-
Total Other Financing Sources	645,484	645,484	79,383	(566,101)
Total Revenues and Other Financing Sources	\$ 27,625,146	\$ 27,825,146	\$ 28,141,480	\$ 316,334

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, 2022

Page 1 of 2

	Budgeted Amounts		Actual	
	Original	Amended	Budgetary	Variance
General Government				
Mayor/Selectmen's Office	\$ 306,450	\$ 328,455	\$ 328,455	\$ -
Town Clerk	150,210	153,687	153,175	512
Assessor	115,606	106,525	106,525	-
Treasurer	180,465	162,211	162,166	45
Revenue Department	129,742	118,173	118,173	-
Town Building	296,564	355,782	355,472	310
Land Use Agent	93,100	83,096	83,096	-
Land Use Commissions	6,400	3,305	3,305	-
Essential Services	48,500	34,449	34,449	-
HR/PR Department	57,202	61,865	61,865	-
Building Official	143,447	143,800	143,399	401
Legal Counsel	65,000	70,489	61,773	8,716
Board of Finance	35,800	33,767	33,767	-
Elections	27,520	21,086	21,086	-
Registrar of Voters	36,048	33,817	33,351	466
Probate Court	10,400	10,606	10,606	-
Board of Tax Review	590	68	68	-
Total General Government	1,703,044	1,721,181	1,710,731	10,450
Public Safety				
Fire Marshal/Emergency Management	93,975	96,325	96,325	-
Animal Control	29,825	29,575	29,575	-
Facility Study Group	1,250	1,159	1,159	-
Total Public Safety	125,050	127,059	127,059	-
Public Works	1,353,316	1,375,087	1,374,814	273
Culture and Recreation				
Library	429,905	411,538	411,538	-
Recreation	386,010	404,348	404,348	-
Parks and Grounds	177,968	170,572	170,572	-
Municipal Historian	500	500	500	-
Total Culture and Recreation	994,383	986,958	986,958	-
Sanitation	466,790	503,991	497,006	6,985
Community and Social Services				
Veterans Center	5,728	4,454	4,454	-
Commission on Aging	8,300	8,713	8,713	-
Outside Agencies - Contributions	349,808	360,594	358,076	2,518
Social Services Department	3,000	-	-	-
Total Community and Social Services	366,836	373,761	371,243	2,518

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, 2022

Page 2 of 2

	Budgeted Amounts		Actual	
	Original	Amended	Budgetary Basis	Variance
Economic Development Commission	\$ 132,305	\$ 129,556	\$ 129,556	\$ -
Employee and Fringe Benefits	932,907	897,179	896,779	400
Risk Management	220,000	265,994	265,902	92
Information Technology	115,000	129,738	129,738	-
Redevelopment	4,500	2,689	2,689	-
Capital Outlays	-	-	-	-
Contingency/Reserves	249,272	149,272	149,272	-
Education	18,963,407	18,963,407	18,951,822	11,585
Debt Service	1,998,336	1,999,274	1,999,274	-
Total Expenditures	27,625,146	27,625,146	27,592,843	32,303
Other Financing Uses				
Transfers to Other Funds	-	200,000	202,469	(2,469)
Total Expenditures and Other Financing Uses	\$ 27,625,146	\$ 27,825,146	\$ 27,795,312	\$ 29,834

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT
Notes to Required Supplementary Information

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Budgetary Information and Accounting

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

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

TOWN OF PUTNAM, CONNECTICUT
Notes to Required Supplementary Information

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

A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2022:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Sources (Uses)</u>
Budgetary Basis	\$ 28,062,097	\$ 27,592,843	\$ (123,086)
"On-behalf" payments - State Teachers Retirement Fund	2,653,727	2,653,727	-
Excess Cost Grant	450,643	450,643	-
GASB 87, Leases Adjustment	102,477	-	-
Issuance of Equipment Financing Notes	-	518,915	518,915
Reclassifications for GAAP Purposes	<u>-</u>	<u>(234,000)</u>	<u>(234,000)</u>
GAAP Basis	<u>\$ 31,268,944</u>	<u>\$ 30,982,128</u>	<u>\$ 161,829</u>

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service Cost	\$ 369,772	\$ 476,229	\$ 436,028	\$ 413,816	\$ 417,463	\$ 362,585	\$ 386,965	\$ 370,129	\$ 352,504
Interest	896,672	942,916	871,396	829,916	789,202	766,963	740,110	678,518	626,494
Differences Between Expected and Actual Experience	(69,669)	(969,993)	(193,341)	(220,960)	(215,319)	(186,622)	(313,896)	(140,298)	-
Changes of Assumptions	29,293	40,012	396,662	(35,484)	(74,107)	21,780	(147,992)	221,286	-
Benefit Payments, Including Refunds of Member Contributions	(581,966)	(532,255)	(451,822)	(339,958)	(281,820)	(276,278)	(249,043)	(293,563)	(224,291)
Net Change in Total Pension Liability	644,102	(43,091)	1,058,923	647,330	635,419	688,428	416,144	846,072	754,707
Total Pension Liability - Beginning	13,711,592	13,754,683	12,695,760	12,048,430	11,413,012	10,724,584	10,308,440	9,462,368	8,707,661
Total Pension Liability - Ending (a)	\$ 14,355,694	\$ 13,711,592	\$ 13,754,683	\$ 12,695,760	\$ 12,048,431	\$ 11,413,012	\$ 10,724,584	\$ 10,308,440	\$ 9,462,368
Plan Fiduciary Net Position									
Contributions - Employer	\$ 113,901	\$ -	\$ 78,918	\$ 115,737	\$ 142,930	\$ 136,043	\$ 185,420	\$ 415,283	\$ -
Contributions - Member	160,604	151,002	157,089	163,274	154,171	152,289	177,925	114,403	126,899
Net Investment Income	(2,742,300)	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	(581,966)	(532,255)	(451,822)	(339,958)	(281,820)	(276,278)	(249,043)	(283,563)	(224,291)
Administrative Expenses	(10,223)	(9,032)	(8,684)	(8,149)	(9,198)	(10,318)	(19,838)	-	-
Net Change in Pension Fiduciary Net Position	(3,059,984)	3,865,413	117,140	770,379	971,067	1,600,301	(4,911)	570,585	1,471,919
Plan Fiduciary Net Position - Beginning	19,134,917	15,269,504	15,152,364	14,381,985	13,410,918	11,810,617	11,815,528	11,244,943	9,773,024
Plan Fiduciary Net Position - Ending (b)	\$ 15,074,933	\$ 19,134,917	\$ 15,269,504	\$ 15,152,364	\$ 14,381,985	\$ 13,410,918	\$ 11,810,617	\$ 11,815,528	\$ 11,244,943
Net Pension Asset - Ending: (a) - (b)	\$ (1,719,239)	\$ (5,423,325)	\$ (1,514,821)	\$ (2,456,604)	\$ (2,333,554)	\$ (1,997,906)	\$ (1,086,033)	\$ (1,507,088)	\$ (1,782,575)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	111.98%	139.55%	111.01%	119.35%	119.37%	117.51%	110.13%	114.62%	118.84%
Covered Payroll	\$ 4,687,321	\$ 4,845,923	\$ 5,491,703	\$ 5,056,797	\$ 4,929,923	\$ 4,543,004	\$ 4,304,604	\$ 4,313,562	\$ 4,186,034
Net Pension Asset as a Percentage of Covered Payroll	36.68%	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 Nine Fiscal Years*

	2022	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	113,901	-	78,918	115,737	142,930	136,043	185,420	415,283	-
Contribution Deficiency (Excess)	<u>\$ (113,901)</u>	<u>\$ 113,901</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (215,446)</u>	<u>\$ 215,446</u>
Covered Payroll	4,687,321	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	2.43%	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, 2020, 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, 2022:

Actuarial cost method Aggregate Actuarial Cost Method

Salary increases 2.5% (Prior 4.5%)

Investment rate of return 6.50% (Prior 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), projected with Scale MP-2020.

See accountant's report.

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expense	-14.48%	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 Pension Liability
Last Eight Fiscal Years*

Schedule of Proportionate Share of Net Pension Liability									
	2022	2021	2020	2019	2018	2017	2016	2015	
Town's percentage of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
State of Connecticut's proportionate share of the net pension liability associated with the Town	30,963,786	39,095,271	36,389,446	28,058,377	24,799,217	26,163,364	20,152,069	18,627,000	
Total	\$ 30,963,786	\$ 39,095,271	\$ 36,389,446	\$ 28,058,377	\$ 24,799,217	\$ 26,163,364	\$ 20,152,069	\$ 18,627,000	
Town's covered payroll	\$ 10,333,008	\$ 9,285,118	\$ 9,027,959	\$ 9,100,657	\$ 8,743,000	\$ 8,690,000	\$ 8,689,000	\$ 8,585,000	
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Plan fiduciary net position as a percentage of the total pension liability	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%	

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

Notes to Schedule

Actual cost method	Entry Age
Amortization method	Level percent of pay closed, grading to a level dollar amortization method for the June 30, 2024 valuation.
Single equivalent amortization period	30 years
Asset valuation method	4-year smoothed market
Inflation	2.50%
Salary increases	3.25% - 6.50% average, including inflation
Investment rate of return	6.90% net of investment related expense

See accountant's report.

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

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service Cost	\$ 197,243	\$ 186,767	\$ 141,494	\$ 125,861	\$ 127,684
Interest	89,149	85,389	122,214	122,732	111,902
Differences Between Expected and Actual Experience	(537,930)	30,970	(646,190)	(89,717)	(66,400)
Changes of Assumptions	(665,573)	25,570	788,945	143,579	(111,897)
Benefit Payments, Including Refunds	(13,177)	(137,256)	(3,330)	(11,698)	(16,036)
Net Change in Total OPEB Liability	(930,288)	191,440	403,133	290,757	45,253
Total OPEB Liability - Beginning	3,936,622	3,745,182	3,342,049	3,051,292	3,006,039
Total OPEB Liability - Ending	<u>\$ 3,006,334</u>	<u>\$ 3,936,622</u>	<u>\$ 3,745,182</u>	<u>\$ 3,342,049</u>	<u>\$ 3,051,292</u>
Covered-Employee Payroll	\$ 9,394,191	\$ 8,733,298	\$ 8,520,291	\$ 8,756,020	\$ 8,521,674
Total OPEB Liability as a Percentage of Covered-Employee Payroll	32.00%	45.08%	43.96%	38.17%	35.81%

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

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

Notes to Schedule

Measurement Date	June 30, 2022
Valuation Date	July 1, 2021
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.50%
Discount Rate	3.54% (Prior 2.16%)
Salary Increases	2.50%
Mortality	PUB-2010 Public Retirement Plans Amount-Weighted Mortality Tables, projected to the valuation date with Scale MP-2021.
Healthcare Cost Trend Rates	(Prior PUB-2010 Public Retirement Plans Amount-Weighted Mortality Tables, projected to the valuation date with Scale MP-2019.)
	6.50% in 2021, reducing by 0.20% each year to an ultimate rate of 4.50% per year for 2031 and later.
	(Prior 6.50% in 2019, reducing by 0.25% each year to an ultimate rate of 4.50% per year for 2027 and later.)

See accountant's report.

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

Schedule of Proportionate Share of Net OPEB Liability

	2022	2021	2020	2019	2018
Town's percentage of the net OPEB liability	0.00%	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	3,373,448	5,831,061	5,675,139	5,609,074	6,383,037
Total	\$ 3,373,448	\$ 5,831,061	\$ 5,675,139	\$ 5,609,074	\$ 6,383,037
Town's covered-employee payroll	\$ 10,333,008	\$ 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%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	6.11%	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 an open 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, 2022

	General Fund	Board of Education Carryover Fund	Eliminations	Total
Assets				
Cash and Cash Equivalents	\$ 13,198,964	\$ -	\$ -	\$ 13,198,964
Receivables, Net of Allowance	12,097,738	-	-	12,097,738
Other Assets	-	-	-	-
Due from Other Funds	4,340,289	172,927	(172,927)	4,340,289
Total Assets	<u>\$ 29,636,991</u>	<u>\$ 172,927</u>	<u>\$ (172,927)</u>	<u>\$ 29,636,991</u>
Liabilities				
Accounts Payable and Accrued Items	\$ 723,040	\$ -	\$ -	\$ 723,040
Unearned Revenue	246,224	-	-	246,224
Due to Other Funds	9,913,273	-	(172,927)	9,740,346
Total Liabilities	<u>10,882,537</u>	<u>-</u>	<u>(172,927)</u>	<u>10,709,610</u>
Deferred Inflows of Resources				
Unavailable Revenues:				
Property Taxes and Interest	537,859	-	-	537,859
Lease Related	9,953,814	-	-	9,953,814
Total Deferred Inflows of Resources	<u>10,491,673</u>	<u>-</u>	<u>-</u>	<u>10,491,673</u>
Fund Balances				
Nonspendable	801,882	-	-	801,882
Restricted	-	-	-	-
Committed	37,396	172,927	-	210,323
Assigned	425,000	-	-	425,000
Unassigned	6,998,503	-	-	6,998,503
Total Fund Balances	<u>8,262,781</u>	<u>172,927</u>	<u>-</u>	<u>8,435,708</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 29,636,991</u>	<u>\$ 172,927</u>	<u>\$ (172,927)</u>	<u>\$ 29,636,991</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, 2022

	General Fund	Board of Education Carryover Fund	Eliminations	Total
Revenues				
Property Taxes, Interest and Lien Fees	\$ 16,162,723	\$ -	\$ -	\$ 16,162,723
Intergovernmental Revenues	11,720,734	-	-	11,720,734
Licenses, Permits, and Charges for Services	3,060,474	-	-	3,060,474
Investment Income	325,013	-	-	325,013
Total Revenues	<u>31,268,944</u>	<u>-</u>	<u>-</u>	<u>31,268,944</u>
Expenditures				
Current:				
General Government	1,843,158	-	-	1,843,158
Public Safety	127,059	-	-	127,059
Public Works	1,374,814	-	-	1,374,814
Culture and Recreation	986,958	-	-	986,958
Sanitation	497,006	-	-	497,006
Community and Social Services	371,243	-	-	371,243
Economic Development	129,556	-	-	129,556
Employee and Fringe Benefits	896,779	-	-	896,779
Risk Management	265,902	-	-	265,902
Education	22,056,192	-	-	22,056,192
Debt Service	1,914,546	-	-	1,914,546
Capital Outlay	518,915	-	-	518,915
Total Expenditures	<u>30,982,128</u>	<u>-</u>	<u>-</u>	<u>30,982,128</u>
Excess/(Deficiency) of Revenues over Expenditures	286,816	-	-	286,816
Other Financing Sources/(Uses)				
Issuance of Equipment Financing Notes	518,915	-	-	518,915
Transfers In	79,383	85,000	(85,000)	79,383
Transfers Out	(521,469)	-	85,000	(436,469)
Total Other Financing Sources/(Uses)	<u>76,829</u>	<u>85,000</u>	<u>-</u>	<u>161,829</u>
Net Change in Fund Balances	363,645	85,000	-	448,645
Fund Balances at Beginning of Year, Restated	<u>7,899,136</u>	<u>87,927</u>	<u>-</u>	<u>7,987,063</u>
Fund Balances at End of Year	<u>\$ 8,262,781</u>	<u>\$ 172,927</u>	<u>\$ -</u>	<u>\$ 8,435,708</u>

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	SPECIAL REVENUE FUNDS						
	Economic and Community Development Loan Fund	Educational Grants Fund	Library Fund	Municipal Nips Fund	Pay Per Sticker Program Fund	Drug Prevention Grant Fund	Student Activities Fund
Assets							
Cash and Cash Equivalents	\$ 521,910	\$ 104,692	\$ 307,069	\$ -	\$ 185,153	\$ -	\$ 142,089
Investments	-	-	-	-	-	-	7,581
Receivables, Net	688,546	710	-	-	9,518	-	-
Other Assets	-	-	-	-	-	-	-
Due from Other Funds	-	263,268	-	4,482	7,740	4,462	-
Total Assets	\$ 1,210,456	\$ 368,670	\$ 307,069	\$ 4,482	\$ 202,411	\$ 4,462	\$ 149,670
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities:							
Accounts Payable and Accrued Items	\$ -	\$ 17,801	\$ -	\$ -	\$ 25,140	\$ -	\$ -
Unearned Revenue	3,065	350,869	-	-	-	4,462	-
Due to Other Funds	27	-	-	-	-	-	-
Advance from Other Funds	-	-	-	-	-	-	-
Total Liabilities	3,092	368,670	-	-	25,140	4,462	-
Deferred Inflows of Resources:							
Lease Related	106,401	-	-	-	-	-	-
Fund Balances:							
Nonspendable	18,785	-	9,715	-	-	-	-
Restricted	1,082,178	-	-	4,482	-	-	149,670
Committed	-	-	297,354	-	177,271	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	1,100,963	-	307,069	4,482	177,271	-	149,670
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,210,456	\$ 368,670	\$ 307,069	\$ 4,482	\$ 202,411	\$ 4,462	\$ 149,670

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	SPECIAL REVENUE FUNDS									
	Affordable		Interscholastic		Preservation		Recreation		Community	
	Miscellaneous Grant Fund	Housing Grant Fund	Sports Fund	Fees Fund	Donation Fund	Garden Fund	Dog Fund			
Assets										
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 26,999	\$ -	\$ -			
Investments	-	-	-	-	-	-	-			
Receivables, Net	-	-	-	-	-	-	-			
Other Assets	-	-	-	-	-	-	-			
Due from Other Funds	-	-	59,571	100,507	-	2,483	1,922			
Total Assets	\$ -	\$ -	\$ 59,571	\$ 100,507	\$ 26,999	\$ 2,483	\$ 1,922			
Liabilities, Deferred Inflows of Resources, and Fund Balances										
Liabilities:										
Accounts Payable and										
Accrued Items	\$ -	\$ 2,400	\$ 2,989	\$ -	\$ 2,400	\$ 52	\$ 66			
Unearned Revenue	-	-	-	-	251	-	-			
Due to Other Funds	-	-	-	-	873	-	-			
Advance from Other Funds	-	-	-	-	-	-	-			
Total Liabilities	-	2,400	2,989	-	3,524	52	66			
Deferred Inflows of Resources:										
Lease Related	-	-	-	-	-	-	-			
Fund Balances:										
Nonspendable	-	-	-	-	-	-	-			
Restricted	-	-	-	100,507	23,475	2,431	1,856			
Committed	-	-	56,582	-	-	-	-			
Unassigned	-	(2,400)	-	-	-	-	-			
Total Fund Balances	-	(2,400)	56,582	100,507	23,475	2,431	1,856			
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ -	\$ 59,571	\$ 100,507	\$ 26,999	\$ 2,483	\$ 1,922			

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	SPECIAL REVENUE FUNDS						
	Road Reconstruction Fund	Medicare Special Education Fund	School Readiness & Family Resource Fund	Cafeteria Fund	Arts Council Fund	Saturday Farmers' Market Fund	School Facilities Fund
Assets							
Cash and Cash Equivalents	\$ -	\$ -	\$ 272,046	\$ 2,353,389	\$ -	\$ 20,991	\$ 125,447
Investments	-	-	-	-	-	-	-
Receivables, Net	-	-	-	206,280	-	-	-
Other Assets	-	-	-	21,135	-	-	-
Due from Other Funds	203,939	537,993	-	-	-	4,903	-
Total Assets	\$ 203,939	\$ 537,993	\$ 272,046	\$ 2,580,804	\$ -	\$ 25,894	\$ 125,447
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities:							
Accounts Payable and Accrued Items	\$ 35,125	\$ -	\$ 500	\$ 25,520	\$ -	\$ 1,892	\$ -
Unearned Revenue	-	-	-	-	-	-	-
Due to Other Funds	-	-	33,555	105,512	-	-	-
Advance from Other Funds	-	-	-	-	-	-	-
Total Liabilities	35,125	-	34,055	131,032	-	1,892	-
Deferred Inflows of Resources:							
Lease Related	-	-	-	-	-	-	-
Fund Balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	168,814	-	-	-	-	-	-
Committed	-	537,993	237,991	2,449,772	-	24,002	125,447
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	168,814	537,993	237,991	2,449,772	-	24,002	125,447
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 203,939	\$ 537,993	\$ 272,046	\$ 2,580,804	\$ -	\$ 25,894	\$ 125,447

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUNDS				
	COVID Grant Fund	Economic Development Special Fund		Capital Nonrecurring Fund	Water Capital Project Fund	Grove Street Sidewalks Fund	Recreation and Athletic Fields Fund	Woodstock and Church Sidewalks Fund
Assets								
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-
Receivables, Net	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-
Due from Other Funds	767,563	206,769		348,602	196,299	124,698	-	1,853,077
Total Assets	\$ 767,563	\$ 206,769		\$ 348,602	\$ 196,299	\$ 124,698	\$ -	\$ 1,853,077
Liabilities, Deferred Inflows of Resources, and Fund Balances								
Liabilities:								
Accounts Payable and								
Accrued Items	\$ 2,076	-	\$ -	-	-	-	-	\$ 314,716
Unearned Revenue	765,487	-	-	-	90,673	-	-	1,454,720
Due to Other Funds	-	-	-	-	-	-	336,370	-
Advance from Other Funds	-	-	-	-	-	-	-	-
Total Liabilities	767,563	-		-	90,673	-	336,370	1,769,436
Deferred Inflows of Resources:								
Lease Related	-	-	-	-	-	-	-	-
Fund Balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	1,724	-	-	-	-
Committed	-	206,769	-	346,878	105,626	124,698	-	83,641
Unassigned	-	-	-	-	-	-	(336,370)	-
Total Fund Balances	-	206,769		348,602	105,626	124,698	(336,370)	83,641
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 767,563	\$ 206,769		\$ 348,602	\$ 196,299	\$ 124,698	\$ -	\$ 1,853,077

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

CAPITAL PROJECTS FUNDS

	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 Fund	Equipment Reserve Fund
Assets								
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-
Receivables, Net	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-
Due from Other Funds	119,800	229,939	-	93,447	2,321	97,528	95,335	139,287
Total Assets	\$ 119,800	\$ 229,939	\$ -	\$ 93,447	\$ 2,321	\$ 97,528	\$ 95,335	\$ 139,287
Liabilities, Deferred Inflows of Resources, and Fund Balances								
Liabilities:								
Accounts Payable and Accrued Items	\$ -	\$ -	\$ -	\$ 1,342	\$ 2,321	\$ -	\$ 2,266	\$ 15,431
Unearned Revenue	-	229,939	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-
Advance from Other Funds	-	-	-	-	-	-	-	-
Total Liabilities	-	229,939	-	1,342	2,321	-	2,266	15,431
Deferred Inflows of Resources:								
Lease Related	-	-	-	-	-	-	-	-
Fund Balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	119,800	-	-	92,105	-	97,528	93,069	123,856
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	119,800	-	-	92,105	-	97,528	93,069	123,856
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 119,800	\$ 229,939	\$ -	\$ 93,447	\$ 2,321	\$ 97,528	\$ 95,335	\$ 139,287

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

CAPITAL PROJECTS FUNDS

	Airline Trail Fund	Bridge Improvement Fund	Quinebaug Regional Tech Park Fund	Sewer Generator Project Fund	Tyler Tech Fund	Capital Nonrecurring Ash Fund	Total
Assets							
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,059,785
Investments	-	-	-	-	-	-	7,581
Receivables, Net	16,200	-	-	139,218	-	-	1,060,472
Other Assets	-	-	-	-	-	-	21,135
Due from Other Funds	-	451,615	-	-	640	-	5,918,190
Total Assets	\$ 16,200	\$ 451,615	\$ -	\$ 139,218	\$ 640	\$ -	\$ 11,067,163
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities:							
Accounts Payable and Accrued Items	\$ 36,765	\$ 2,530	\$ -	\$ 283,564	\$ 640	\$ -	\$ 775,536
Unearned Revenue	-	-	-	-	-	-	2,899,466
Due to Other Funds	16,200	-	330,050	412,876	-	-	1,235,463
Advance from Other Funds	-	-	-	-	-	1,029,021	1,029,021
Total Liabilities	52,965	2,530	330,050	696,440	640	1,029,021	5,939,486
Deferred Inflows of Resources:							
Lease Related	-	-	-	-	-	-	106,401
Fund Balances:							
Nonspendable	-	-	-	-	-	-	28,500
Restricted	-	-	-	-	-	-	1,535,137
Committed	-	449,085	-	-	-	-	5,749,467
Unassigned	(36,765)	-	(330,050)	(557,222)	-	(1,029,021)	(2,291,828)
Total Fund Balances	(36,765)	449,085	(330,050)	(557,222)	-	(1,029,021)	5,021,276
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 16,200	\$ 451,615	\$ -	\$ 139,218	\$ 640	\$ -	\$ 11,067,163

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, 2022

	SPECIAL REVENUE FUNDS						
	Economic and Community Development Loan Fund	Educational Grants Fund	Library Fund	Municipal Nips Fund	Pay Per Sticker Program Fund	Drug Prevention Grant Fund	Student Activities Fund
Revenues							
Intergovernmental Revenues	\$ -	\$ 3,589,220	\$ 14,649	\$ -	\$ -	\$ -	\$ -
Licenses, Permits and Charges for Services	73,343	-	-	-	188,136	-	104,169
Investment Income	3,890	-	540	-	125	-	-
Other Revenue	-	22,972	6,249	18,670	-	-	-
Total Revenues	77,233	3,612,192	21,438	18,670	188,261	-	104,169
Expenditures							
Current:							
General Government	-	-	-	14,188	-	-	-
Public Safety	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Culture and Recreation	-	-	54,583	-	-	-	-
Sanitation	-	-	-	-	193,692	-	-
Community and Social Services	-	-	-	-	-	-	-
Economic Development	42,681	-	-	-	-	-	-
Education	-	3,602,630	-	-	-	-	82,628
Debt Service	-	-	-	-	-	-	-
Capital Outlay	-	27,925	-	-	-	-	-
Total Expenditures	42,681	3,630,555	54,583	14,188	193,692	-	82,628
Excess/(Deficiency) of Revenues Over Expenditures	34,552	(18,363)	(33,145)	4,482	(5,431)	-	21,541
Other Financing Sources/(Uses)							
Transfers In	-	18,363	-	-	-	-	-
Transfers Out	(115,872)	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	(115,872)	18,363	-	-	-	-	-
Net Change in Fund Balances	(81,320)	-	(33,145)	4,482	(5,431)	-	21,541
Fund Balances at Beginning of Year, Restated	1,182,283	-	340,214	-	182,702	-	128,129
Fund Balances at End of Year	\$ 1,100,963	\$ -	\$ 307,069	\$ 4,482	\$ 177,271	\$ -	\$ 149,670

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, 2022

	SPECIAL REVENUE FUNDS						
	Miscellaneous Grant Fund	Affordable Housing Grant Fund	Interscholastic Sports Fund	Preservation Fees Fund	Recreation Donation Fund	Community Garden Fund	Dog Fund
Revenues							
Intergovernmental Revenues	\$ 5,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, Permits and Charges for Services	-	-	17,347	8,188	23,485	430	-
Investment Income	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-
Total Revenues	5,500	-	17,347	8,188	23,485	430	-
Expenditures							
Current:							
General Government	5,500	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	177
Public Works	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	23,288	-	-
Sanitation	-	-	-	-	-	-	-
Community and Social Services	-	-	-	-	-	1,253	-
Economic Development	-	2,400	-	-	-	-	-
Education	-	-	20,208	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	5,500	2,400	20,208	-	23,288	1,253	177
Excess/(Deficiency) of Revenues Over Expenditures	-	(2,400)	(2,861)	8,188	197	(823)	(177)
Other Financing Sources/(Uses)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	-	-	-	-
Net Change in Fund Balances	-	(2,400)	(2,861)	8,188	197	(823)	(177)
Fund Balances at Beginning of Year, Restated	-	-	59,443	92,319	23,278	3,254	2,033
Fund Balances at End of Year	\$ -	\$ (2,400)	\$ 56,582	\$ 100,507	\$ 23,475	\$ 2,431	\$ 1,856

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, 2022

	SPECIAL REVENUE FUNDS						
	Road Reconstruction Fund	Medicare Special Education Fund	School Readiness & Family Resource Fund	Cafeteria Fund	Arts Council Fund	Saturday Farmers' Market Fund	School Facilities Fund
Revenues							
Intergovernmental Revenues	\$ 410,062	\$ -	\$ -	\$ 1,420,394	\$ -	\$ -	\$ -
Licenses, Permits and Charges for Services	-	106,009	231,577	60,773	-	-	5,082
Investment Income	-	-	355	6,161	-	-	-
Other Revenue	3,836	-	-	-	-	12,189	77,500
Total Revenues	413,898	106,009	231,932	1,487,328	-	12,189	82,582
Expenditures							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Public Works	691,339	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	449	12,186	-
Sanitation	-	-	-	-	-	-	-
Community and Social Services	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-
Education	-	6,300	117,395	835,059	-	-	28,132
Debt Service	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	31,035
Total Expenditures	691,339	6,300	117,395	835,059	449	12,186	59,167
Excess/(Deficiency) of Revenues Over Expenditures	(277,441)	99,709	114,537	652,269	(449)	3	23,415
Other Financing Sources/(Uses)							
Transfers In	155,000	-	-	-	449	-	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	155,000	-	-	-	449	-	-
Net Change in Fund Balances	(122,441)	99,709	114,537	652,269	-	3	23,415
Fund Balances at Beginning of Year, Restated	291,255	438,284	123,454	1,797,503	-	23,999	102,032
Fund Balances at End of Year	\$ 168,814	\$ 537,993	\$ 237,991	\$ 2,449,772	\$ -	\$ 24,002	\$ 125,447

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, 2022

	SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUNDS				
	COVID Grant Fund	Economic Development Special Fund	Capital Nonrecurring Fund	Water Capital Project Fund	Grove Street Sidewalks Fund	Recreation and Athletic Fields Fund	Woodstock and Church and Sidewalks Fund
Revenues							
Intergovernmental Revenues	\$ 640,812	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 682,082
Licenses, Permits and Charges for Services	-	-	-	-	-	108,601	-
Investment Income	-	-	-	-	-	-	-
Other Revenue	-	98,395	-	-	-	-	-
Total Revenues	640,812	98,395	-	-	-	108,601	682,082
Expenditures							
Current:							
General Government	25,849	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Community and Social Services	-	-	-	-	-	-	-
Economic Development	-	59,314	-	-	-	-	-
Education	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Capital Outlay	-	-	168,125	-	302	20,272	682,082
Total Expenditures	25,849	59,314	168,125	-	302	20,272	682,082
Excess/(Deficiency) of Revenues Over Expenditures	614,963	39,081	(168,125)	-	(302)	88,329	-
Other Financing Sources/(Uses)							
Transfers In	-	117,892	262,313	-	125,000	48,545	-
Transfers Out	(614,963)	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	(614,963)	117,892	262,313	-	125,000	48,545	-
Net Change in Fund Balances	-	156,973	94,188	-	124,698	136,874	-
Fund Balances at Beginning of Year, Restated	-	49,796	254,414	105,626	-	(473,244)	83,641
Fund Balances at End of Year	\$ -	\$ 206,769	\$ 348,602	\$ 105,626	\$ 124,698	\$ (336,370)	\$ 83,641

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT

Page 5 of 6

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	CAPITAL PROJECTS FUNDS							
	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 Fund	Equipment Reserve Fund
Revenues								
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ 10,400	\$ -	\$ 411,009	\$ -	\$ -
Licenses, Permits and Charges for Services	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	45,420	-
Total Revenues	-	-	-	10,400	-	411,009	45,420	-
Expenditures								
Current:								
General Government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-
Community and Social Services	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	27,195	-
Capital Outlay	-	-	-	5,394	14,014	413,481	113	167,021
Total Expenditures	-	-	-	5,394	14,014	413,481	27,308	167,021
Excess/(Deficiency) of Revenues Over Expenditures	-	-	-	5,006	(14,014)	(2,472)	18,112	(167,021)
Other Financing Sources/(Uses)								
Transfers In	-	-	-	-	14,014	100,000	-	126,959
Transfers Out	-	-	(68,789)	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	(68,789)	-	14,014	100,000	-	126,959
Net Change in Fund Balances	-	-	(68,789)	5,006	-	97,528	18,112	(40,062)
Fund Balances at Beginning of Year, Restated	119,800	-	68,789	87,099	-	-	74,957	163,918
Fund Balances at End of Year	\$ 119,800	\$ -	\$ -	\$ 92,105	\$ -	\$ 97,528	\$ 93,069	\$ 123,856

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, 2022

	CAPITAL PROJECTS FUNDS						Total
	Airline Trail Fund	Bridge Improvement Fund	Quinebaug Regional Tech Park Fund	Sewer Generator Project Fund	Tyler Tech Fund	Capital Nonrecurring Ash Fund	
Revenues							
Intergovernmental Revenues	\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,202,128
Licenses, Permits and Charges for Services	-	-	-	-	-	-	927,140
Investment Income	-	-	-	-	-	-	11,071
Other Revenue	-	-	-	-	-	-	285,231
Total Revenues	18,000	-	-	-	-	-	8,425,570
Expenditures							
Current:							
General Government	-	-	-	-	-	-	45,537
Public Safety	-	-	-	-	-	-	177
Public Works	-	-	-	-	-	-	691,339
Culture and Recreation	-	-	-	-	-	-	90,506
Sanitation	-	-	-	-	-	-	193,692
Community and Social Services	-	-	-	-	-	-	1,253
Economic Development	-	-	-	-	-	-	104,395
Education	-	-	-	-	-	-	4,692,352
Debt Service	-	-	-	-	-	-	27,195
Capital Outlay	50,317	119,704	-	1,163,822	57,418	-	2,921,025
Total Expenditures	50,317	119,704	-	1,163,822	57,418	-	8,767,471
Excess/(Deficiency) of Revenues Over Expenditures	(32,317)	(119,704)	-	(1,163,822)	(57,418)	-	(341,901)
Other Financing Sources/(Uses)							
Transfers In	-	418,789	-	606,600	57,418	79,744	2,131,086
Transfers Out	-	-	-	-	-	-	(799,624)
Total Other Financing Sources/(Uses)	-	418,789	-	606,600	57,418	79,744	1,331,462
Net Change in Fund Balances	(32,317)	299,085	-	(557,222)	-	79,744	989,561
Fund Balances at Beginning of Year, Restated	(4,448)	150,000	(330,050)	-	-	(1,108,765)	4,031,715
Fund Balances at End of Year	\$ (36,765)	\$ 449,085	\$ (330,050)	\$ (557,222)	\$ -	\$ (1,029,021)	\$ 5,021,276

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT
Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2022

	Governmental Activities - Internal Service Funds		
	BOE Health Insurance Fund	Town Health Insurance Fund	Total
Assets			
Current Assets:			
Health Insurance Escrow	<u>\$ 1,986,957</u>	<u>\$ 546,861</u>	<u>\$ 2,533,818</u>
Liabilities			
Current Liabilities:			
Claims Payable	<u>\$ 162,195</u>	<u>\$ 75,045</u>	<u>\$ 237,240</u>
Noncurrent Liabilities:			
Claims Payable	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>162,195</u>	<u>75,045</u>	<u>237,240</u>
Net Position			
Unrestricted	<u>\$ 1,824,762</u>	<u>\$ 471,816</u>	<u>\$ 2,296,578</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, 2022

	Governmental Activities - Internal Service Funds		
	BOE Health Insurance Fund	Town Health Insurance Fund	Total
Operating Revenues			
Charges for Services	\$ 2,805,380	\$ 1,536,255	\$ 4,341,635
Operating Expenses			
Administration	66,741	27,733	94,474
Claims	2,014,531	1,316,217	3,330,748
Premiums	340,807	159,054	499,861
Total Operating Expenses	2,422,079	1,503,004	3,925,083
Operating Income/(Loss)	383,301	33,251	416,552
Non-Operating Revenues			
Interest Income	840	1,362	2,202
Change in Net Position	384,141	34,613	418,754
Net Position - Beginning of Year	1,440,621	437,203	1,877,824
Net Position - End of Year	\$ 1,824,762	\$ 471,816	\$ 2,296,578

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2022

	Governmental Activities - Internal Service Funds		
	BOE Health Insurance Fund	Town Health Insurance Fund	Total
Cash Flows from Operating Activities			
Receipts from Interfund Charges for Risk Management	\$ 2,805,380	\$ 1,536,255	\$ 4,341,635
Payments for Benefits and Claims	(2,398,672)	(1,350,830)	(3,749,502)
Premiums and Administrative Charges	(407,548)	(186,787)	(594,335)
Net Cash from Operating Activities	(840)	(1,362)	(2,202)
Cash Flows from Investing Activities			
Interest Income	840	1,362	2,202
Net Cash from Investing Activities	840	1,362	2,202
Net Increase (Decrease) in Cash and Equivalents	-	-	-
Cash and Equivalents - Beginning of Year	-	-	-
Cash and Equivalents - End of Year	\$ -	\$ -	\$ -
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Operating Income/(Loss)	\$ 383,301	\$ 33,251	\$ 416,552
Changes in Operating Assets and Liabilities			
Health Insurance Escrow	(377,161)	(59,344)	(436,505)
Claims Payable	(6,980)	24,731	17,751
Total Adjustments	(384,141)	(34,613)	(418,754)
Net Cash Provided by Operating Activities	\$ (840)	\$ (1,362)	\$ (2,202)

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT

Schedule of Debt Limitation

June 30, 2022

Total Tax Collections, Including Interest and Lien Fees - Prior Fiscal Year:

Town	\$15,438,836
Taxing District	4,235,652

Reimbursement for Revenue Loss on:

Tax Relief for Elderly - Prior Fiscal Year	-
Base	<u>\$ 19,674,488</u>

	General Purposes (2.25 x base)	Schools (4.50 x base)	Sewers (3.75 x base)	Urban Renewal (3.25 x base)	Pension Deficit (3.00 x base)
Debt Limitation:					
Statutory Debt Limits by Function	<u>\$ 44,267,598</u>	<u>\$ 88,535,196</u>	<u>\$ 73,779,330</u>	<u>\$ 63,942,086</u>	<u>\$ 59,023,464</u>
Indebtedness:					
Loans Payable	544,000	-	11,917,813 **	-	-
Bonds Payable	9,900,000	10,300,000	-	-	-
Bonds/Loans Payable - Overlapping Governments	3,182,385 ***	-	-	-	-
Authorized But Unissued Debt	5,050,790	3,045,023	1,726,064	-	-
Total Gross Indebtedness	<u>18,677,175</u>	<u>13,345,023</u>	<u>13,643,877</u>	<u>-</u>	<u>-</u>
Less: Estimated Grant Reimbursements	-	(3,000,000) ****	-	-	-
Total Net Indebtedness	<u>18,677,175</u>	<u>10,345,023</u>	<u>13,643,877</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Debt*	<u>\$ 25,590,423</u>	<u>\$ 78,190,173</u>	<u>\$ 60,135,453</u>	<u>\$ 63,942,086</u>	<u>\$ 59,023,464</u>

*In no event shall total debt exceed seven times annual receipts from base. The maximum amount permitted under this formula would be approximately \$137,721,416.

**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 \$14,293,678 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.

See accountant's report.

TOWN OF PUTNAM, CONNECTICUT

Net Grand List - October 1, 2020
Tax Rate: 20.84 mills

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Other Supplemental Schedules

TOWN OF PUTNAM, CONNECTICUT
Comparative Assessed Valuations
For the Year Ended June 30, 2022

Grand List of 10/1	Real Property (%)	Personal Property (%)	Motor Vehicle (%)	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List
2020	75.7%	15.9%	8.4%	\$ 773,771,077	\$ 33,303,330	\$ 740,467,747
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

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 10/1/20 Net Taxable Grand Lists
For the Year Ended June 30, 2022

Name	Valuation	Percent of Net Taxable Grand List
Eversource	\$ 48,471,040	6.55%
Putnam Downtown LLC	10,494,300	1.42%
Putnam Acquisition LP	9,821,090	1.33%
Staples Inc	7,885,300	1.06%
Putnam LLC	7,437,650	1.00%
Pall Corporation	6,770,830	0.91%
JR&R II LLC	4,935,910	0.67%
Putnam Baptist Homes	4,654,400	0.63%
D&M Group LLC	4,577,860	0.62%
Valley Village	4,517,090	0.61%
	<u>\$ 109,565,470</u>	<u>14.80%</u>

Source: Assessor's Office, Town of Putnam

(Unaudited)
See accountant's report.

TOWN OF PUTNAM, CONNECTICUT
Property Tax Levies and Collections
For the Year Ended June 30, 2022

Grand List October 1,	Fiscal Year Ending June 30,	Net Taxable Grand List	Mill Rate	Adjusted Tax Levy	Percent Collected in Year Due	Percent Uncollected in Year Due	Percent Uncollected at June 30, 2022
2020	2022	\$740,467,747	20.84	\$ 15,597,740	97.55%	2.45%	2.45%
2019	2021	732,944,590	20.84	15,304,620	97.59%	2.41%	1.52%
2018	2020	651,895,151	22.06	14,612,707	96.41%	3.59%	1.95%
2017	2019	631,892,551	20.84	13,229,136	98.30%	1.70%	0.33%
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%	0.24%
2014	2016	610,075,511	16.42	10,058,883	97.80%	2.20%	0.17%
2013	2015	640,574,901	15.07	9,759,297	97.10%	2.90%	0.03%
2012	2014	628,059,475	15.07	9,382,379	97.40%	2.60%	0.03%
2011	2013	626,596,465	14.94	9,281,112	97.40%	2.60%	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, 2022

Fiscal Year Ending 6/30	Principal	Interest	Total
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
Total	\$ 20,200,000	\$ 6,369,050	\$ 26,569,050

(Unaudited)
See accountant's report.

TOWN OF PUTNAM, CONNECTICUT

Debt Statement
As of June 30, 2022

Direct Debt

Long-term Debt

General Purpose	\$ 10,444,000
Schools	10,300,000
Water	14,293,678
Sewer	<u>11,917,813</u>
Total Long-term Debt	<u>46,955,491</u>

Total Direct Debt 46,955,491

Less:

Self Supporting Debt	
Water	14,293,678
Sewer	<u>11,917,813</u>

Total Net Direct Debt 20,744,000

* **Overlapping Debt** 3,182,385

Total Overall Net Debt \$ 23,926,385

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

TOWN OF PUTNAM, CONNECTICUT

Current Debt Ratios

June 30, 2022

2 Population	9,219
1 Net Taxable Grand List (10/1/20) (70%)	\$ 740,467,747
Estimated Full Value	\$ 1,057,811,067

	Total <u>Direct Debt</u>	Total Net <u>Direct Debt</u>	Total Overall <u>Net Debt</u>
Per Capita	\$46,955,491	\$ 20,744,000	\$23,926,385
Ratio to Net Taxable Grand List	\$ 5,093.34	\$ 2,250.14	\$ 2,595.33
Ratio to Net Taxable Grand List	6.34%	2.80%	3.23%
Ratio to Estimated Full Value	4.44%	1.96%	2.26%

1 Revalued 10/1/19

2 OPM Municipal Fiscal Indicators

