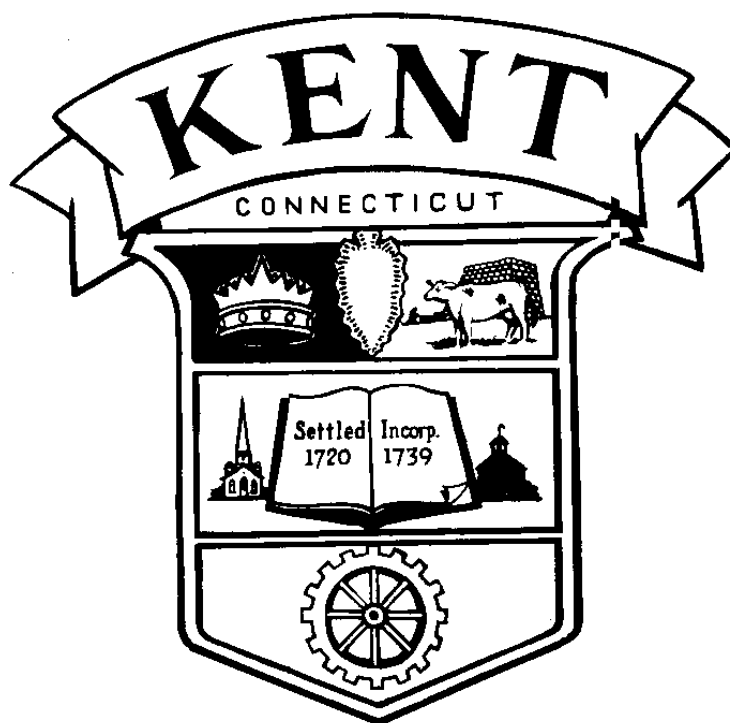


# TOWN OF KENT, CONNECTICUT

## AUDITED FINANCIAL STATEMENTS

JUNE 30, 2023



TOWN OF KENT  
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Independent Auditors' Report

To the Board of Finance of the  
Town of Kent, Connecticut  
Kent, CT

**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 Kent, Connecticut, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Kent, Connecticut'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 Kent, Connecticut, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund 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 Kent, Connecticut 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 these 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 Kent, Connecticut's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Auditors' 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 judgment 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 judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Kent, Connecticut's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Kent, Connecticut'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 and the Connecticut State Teachers Retirement System pension information 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 Kent, Connecticut's basic financial statements. The general fund budgetary comparison detail schedules and the combining and individual nonmajor fund financial statements and other 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 other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Governmental Auditing Standards, we have also issued our report dated March 27, 2024 on our consideration of the Town of Kent, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Kent, Connecticut'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 Kent, Connecticut's internal control over financial reporting and compliance.

A handwritten signature in cursive script, appearing to read "Sinnamon & Associates LLC".

Sinnamon & Associates, LLC  
Certified Public Accountants

March 27, 2024  
Canaan Connecticut

TOWN OF KENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

The management of the Town of Kent, Connecticut (the "Town"), is pleased to present this overview of the financial activities of the Town for the fiscal year ended June 30, 2023. The information presented below should be considered in conjunction with the Town's financial statements that follow. Wherever possible, reference to the financial statements is provided.

**FINANCIAL HIGHLIGHTS**

On a government-wide basis the Town's assets of \$30,229,581 exceeded its liabilities and deferred outflows at June 30, 2023, resulting in a total net position of \$27,424,147. Total net position for Governmental Activities was \$24,810,211 and total net position for Business-Type Activities was \$2,613,936. Of the total \$27,424,147, \$18,273,526 was invested in capital assets while \$9,078,352 represented unrestricted net position, available to meet ongoing government obligations. The Town's net position increased \$1,835,064 or 7.1% during the fiscal year.

The Town's governmental funds, reported on a current financial resource's basis, combined ending fund balance is \$8,551,107, an increase of \$179,604 for the year. The General Fund operating increase for the year was \$300,300 vs. a budgeted decrease of \$627,000. The General Fund balance was \$4,188,429, of which \$700,000 was committed for expenditures in the 2023-2024 fiscal year, \$(13,759) was committed for Schaghticoke Litigation expenses, \$38,925 was committed for Maple Street Debt Service, \$8,601 was committed to the National Opioid settlement funds and \$70,000 was committed to the KCS Non-Lapsing fund.

At the end of the current fiscal year unassigned fund balance for the general fund was \$3,282,607 or 22.5% of the subsequent year's General Fund expenditures and transfers.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

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

The statement of activities presents information showing how the Town's net position 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 these statements for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type

TOWN OF KENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

activities). The government activities of the Town include general government, public safety, public works, sanitation, health and welfare, recreation and education.

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 special activities or objectives. The Town, 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 can be divided into two categories: governmental funds and proprietary funds.

#### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements, that is the Town's most basic services. Unlike the government-wide financial statements, however, the funds focus on (1) cash and other financial resources that can be readily converted to cash flow in and out and (2) balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a near or short-term view of the Town's finances that 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 government's near-term decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains individual government 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 and the capital reserve fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for its general funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 14 - 18 of this report.

#### **Proprietary Funds**

The proprietary fund is the Sewer and Water Commission

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic Proprietary fund statements can be found on pages 19 - 21 of this report.



TOWN OF KENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

**Notes to the Financial Statements.**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and financial fund statements. The notes to the financial statements can be found on pages 22 - 49 of this report.

**Other Information.**

The required supplementary information for the Town's pension plan and the Town's proportionate share of the Connecticut State Teachers Retirement Pension and OPEB liability can be found on pages 50-51 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented following notes to the financial statements. Budget vs Actual, combining and individual fund statements and other schedules can be found on pages 52 – 65 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 and an important determinant of its ability to finance services in the future. In the case of the Town, assets exceeded liabilities by \$27,424,147 at the close of the most recent fiscal year.

By far the largest portion of the Town's assets is its investment in capital assets (e.g., land, buildings, machinery, and equipment). It is presented in the statement of net position less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets, net of accumulated depreciation, is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The Town's net position increased by \$1,835,064 during the current fiscal year.

TOWN OF KENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

**NET POSITION - June 30, 2023 and June 30, 2022**

	6/30/2023 Net Position			6/30/2022 Net Position		
	Governmental	Business -Type		Governmental	Business -Type	
	Activities	Activities	Total	Activities	Activities	Total
<b><u>Assets</u></b>						
Current and Other Assets	\$ 9,728,930	\$ 740,670	\$ 10,469,600	\$ 9,132,425	\$ 779,302	\$ 9,911,727
Capital Assets	16,286,047	3,250,493	19,536,540	14,505,909	3,379,845	17,885,754
Non Current Assets	-	223,441	223,441	-	221,449	221,449
<b><u>Total Assets</u></b>	<b><u>26,014,977</u></b>	<b><u>4,214,604</u></b>	<b><u>30,229,581</u></b>	<b><u>23,638,334</u></b>	<b><u>4,380,596</u></b>	<b><u>28,018,930</u></b>
<b><u>Liabilities</u></b>						
Current Liabilities	1,056,810	139,202	1,196,012	567,551	200,190	767,741
Non Current Liabilities	147,956	1,461,466	1,609,422	141,328	1,481,158	1,622,486
<b><u>Total Liabilities</u></b>	<b><u>1,204,766</u></b>	<b><u>1,600,668</u></b>	<b><u>2,805,434</u></b>	<b><u>708,879</u></b>	<b><u>1,681,348</u></b>	<b><u>2,390,227</u></b>
<b><u>Net Position</u></b>						
Net Investment in Capital Assets	16,286,047	1,987,479	18,273,526	14,505,909	2,093,985	16,599,894
Restricted Net Position	72,269	-	72,269	72,195	-	72,195
Unrestricted	8,451,895	626,457	9,078,352	8,311,731	605,263	8,916,994
<b><u>Total Net Position</u></b>	<b><u>\$ 24,810,211</u></b>	<b><u>\$ 2,613,936</u></b>	<b><u>\$ 27,424,147</u></b>	<b><u>\$ 22,889,835</u></b>	<b><u>\$ 2,699,248</u></b>	<b><u>\$ 25,589,083</u></b>

The largest portion of the Town's net position (66.6%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, and infrastructure assets), which is reported net of any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to its citizens; consequently, those assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position increased \$161,358 or 1.8% to \$9,078,352 during the fiscal year and is 33.1% of the total net position.

TOWN OF KENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

**CHANGES IN NET POSITION - June 30, 2023 and June 30, 2022 Governmental Activities**

	June 30, 2023			June 30, 2022		
	Changes in Net Position			Changes in Net Position		
	Governmental	Business -Type		Governmental	Business -Type	
	Activities	Activities	Total	Activities	Activities	Total
Revenues:						
Program Revenues:						
Charges for Services	\$ 767,540	\$ 434,158	\$ 1,201,698	\$ 665,240	\$ 456,933	\$ 1,122,173
Operating grants and contributions	1,716,502	3,290	1,719,792	920,788	-	920,788
Capital grants and contributions	1,270,340	-	1,270,340	24,900	-	24,900
General Revenues:						
Property Taxes	11,529,066	-	11,529,066	11,348,901	-	11,348,901
Grants and contributions, unrestricted	270,115	-	270,115	178,886	-	178,886
Investment Income	263,034	364	263,398	20,533	385	20,918
Other Revenues	-	24,604	24,604	-	19,028	19,028
Total Revenues	15,816,597	462,416	16,279,013	13,159,248	476,346	13,635,594
Expenses						
General Government	\$ 2,187,265	\$ -	2,187,265	\$ 1,490,935	\$ -	1,490,935
Public Safety	591,958	-	591,958	557,344	-	557,344
Public Works	2,054,701	-	2,054,701	1,966,386	-	1,966,386
Sanitation	145,650	547,728	693,378	127,394	471,876	599,270
Health and Welfare	272,518	-	272,518	185,989	-	185,989
Interest on Long Term Debt	38,906	-	38,906	38,906	-	38,906
Recreation	279,412	-	279,412	189,430	-	189,430
Education	8,220,333	-	8,220,333	7,835,251	-	7,835,251
Capital Outlay	105,478	-	105,478	7,178	-	7,178
Total Expenses	13,896,221	547,728	14,443,949	12,398,813	471,876	12,870,689
Change in Net Position	1,920,376	(85,312)	1,835,064	760,435	4,470	764,905
Net Position, beginning	22,889,835	2,699,248	25,589,083	22,129,400	2,694,778	24,824,178
Net Position, ending	\$ 24,810,211	\$ 2,613,936	\$ 27,424,147	\$ 22,889,835	\$ 2,699,248	\$ 25,589,083

Approximately 71% of the governmental activities' revenue was derived from property taxes, followed by 18% from operating and capital grants, 7% from service charges, and 4% from other sources. Detailed revenue information can be found on page 52.

TOWN OF KENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

For the most part, increases in expenses closely paralleled inflation and growth in demand for services. Approximately 57% of the Town's governmental activities expenses relate to education, 14% relate to public works, 15% for general government and 14% for all other activities.

**FINANCIAL ANALYSIS OF THE FUND FINANCIAL STATEMENTS**

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

**Governmental Funds**

The focus of the Town'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's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources for spending at the end of a fiscal year.

At June 30, 2023, the Town's governmental funds reported combined ending fund balances of \$8,551,107. Of this amount, \$103,604 was nonspendable; \$4,135,597 was restricted for capital projects; \$59,181 was restricted special revenue funds and permanent funds; \$700,000 was committed to the subsequent year 2023/2024 budget and \$270,118 was committed for specific purposes. The remaining \$3,282,607 was unassigned.

The General Fund is the chief operating fund of the Town. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The General Fund's unassigned fund balance of \$3,282,607 represents 22.5% of the General Fund budgeted appropriations for the subsequent fiscal year ending June 30, 2024. For the current fiscal year, the General Fund's fund balance increased \$300,300.

The fund balance of the capital projects fund was \$4,135,597 at June 30, 2023, a decrease of \$181,430 from the previous fiscal year.

**Proprietary Funds**

The Town's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Sewer Enterprise Fund at the end of the year amounted to \$626,457.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The fund balance of the Town's General Fund increased by \$300,300 during the current fiscal year, compared to an expected decrease of \$627,000. This was attributed to revenues received on excess of budget totaling \$440,943 including taxes, building and conveyance fees, investment income and intergovernmental grants, and expenses under budget totaling \$472,557.

Of the \$627,000 General Fund appropriation used to balance the budget, \$0 was used.

Primary factors contributing to the budget surplus included favorable revenue variances of interest collected on property taxes, Building Permit fees, KCS tuition, and Park and Recreation activities. The tax collection rate remained at 99%.

TOWN OF KENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

Expenditure variances reflected savings in compensation costs by the BoE, DPW and Park and Recreation. In part, this was due to the timing of filling open positions. Road material expenditures were substantially under budget primarily related to spring weather conditions.

A statement of revenues and expenditures, budget and actual, can be found on page 18 of this report.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### **Capital Assets**

The town's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of June 30, 2023 amounted to \$16,286,047 and \$3,250,493, respectively. This investment in capital assets included land, Infrastructure, buildings and system improvements, machinery and equipment and vehicles.

#### **CAPITAL ASSETS, Net of Depreciation June 30, 2023 and June 30, 2022**

	June 30, 2023			June 30, 2022		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land & Construction in Process	\$ 2,089,672	\$ -	\$ 2,089,672	\$ 1,511,858	\$ -	\$ 1,511,858
Building and improvements	6,185,451	878,332	7,063,783	6,597,296	941,306	7,538,602
Land improvements	35,933	-	35,933	42,467	-	42,467
Machinery and equipment	202,648	480,319	682,967	232,149	507,108	739,257
Vehicles	231,802		231,802	258,048	-	258,048
Infrastructure	7,540,541	1,891,842	9,432,383	5,864,091	1,931,431	7,795,522
Total	<u>\$ 16,286,047</u>	<u>\$ 3,250,493</u>	<u>\$ 19,536,540</u>	<u>\$ 14,505,909</u>	<u>\$ 3,379,845</u>	<u>\$ 17,885,754</u>

#### **Long-Term Debt**

At the end of the current fiscal year, the Town had total outstanding bonds and notes payable of \$1,263,014 related to business-type activities. All of the debt is backed by the full faith and credit of the Town.

The Town's total bonds and notes payable had a net decrease of \$22,846.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7.0 times its total prior year tax collections. The current statutory debt limitation for the Town is \$78,571,318 which is significantly more than the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note 9 on pages 36 – 38 of this report.

TOWN OF KENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

**ECONOMIC FACTORS AND THE NEXT YEAR'S BUDGETS AND RATES**

The Town's elected officials considered many factors when creating the fiscal year 2023 - 2024 budget and setting the property tax rate.

- EMT staffing, and the appropriate level of funding necessary to provide adequate coverage as required.
- Suitable staffing for Park and Recreation programming.
- Armed Security at Kent Center School.
- Funding OT costs for the Resident State Trooper to provide additional coverage.
- Inflation associated with the cost of Capital expenditures.
- Increased requirements for voting systems, training, and staff.
- Implementing new permitting software in the Land Use Department.
- Swift House needs assessment.
- Presenting a minuscule Mil rate increase to the taxpayers.

All of the above factors were considered in preparing the Town's budget for the 2023-2024 fiscal year.

**Requests for Information**

This financial report is designed to provide a general overview for those with an interest in the Town'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 Selectmen at 41 Kent Green Boulevard, P.O. Box 678, Kent, CT 06757.

TOWN OF KENT  
STATEMENT OF NET POSITION  
JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 8,283,370	\$ 735,348	\$ 9,018,718
Investments	282,585	-	282,585
Inventory and prepaid expenses	40,135	2,011	42,146
Receivables	1,013,115	3,311	1,016,426
Due From Business-Type Activities	109,725	-	109,725
Restricted cash and investments	-	223,441	223,441
Capital Assets, not being depreciated	2,089,672	-	2,089,672
Capital Assets, net of accumulated depreciation	14,196,375	3,250,493	17,446,868
<u>Total Assets</u>	<u>\$ 26,014,977</u>	<u>\$ 4,214,604</u>	<u>\$ 30,229,581</u>
<u>Liabilities</u>			
Accounts payable	\$ 658,230	\$ 4,488	\$ 662,718
Unearned revenue	398,580	-	398,580
Due to Governmental Funds	-	109,725	109,725
Noncurrent Liabilities:			
Due within one year	-	24,989	24,989
Due in more than one year	147,956	1,461,466	1,609,422
<u>Total Liabilities</u>	<u>1,204,766</u>	<u>1,600,668</u>	<u>2,805,434</u>
<u>Net Position</u>			
Net Investment in Capital Assets	16,286,047	1,987,479	18,273,526
Restricted Net Position	72,269	-	72,269
Unrestricted	8,451,895	626,457	9,078,352
<u>Total Net Position</u>	<u>\$ 24,810,211</u>	<u>\$ 2,613,936</u>	<u>\$ 27,424,147</u>

The accompanying notes are an integral part of these financial statements

TOWN OF KENT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023

		Program Revenues			Net (Expenses) Revenue and Changes in Net Position Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Governmental Activities</u>							
General Government	\$ (2,187,265)	\$ 475,232	\$ -	\$ -	\$ (1,712,033)	\$ -	\$ (1,712,033)
Public Safety	(591,958)	3,457	-	-	(588,501)	-	(588,501)
Public Works	(2,054,701)	-	294,420	-	(1,760,281)	-	(1,760,281)
Sanitation	(145,650)	106,652	-	-	(38,998)	-	(38,998)
Health and Welfare	(272,518)	-	45,136	-	(227,382)	-	(227,382)
Recreation	(279,412)	98,225	-	-	(181,187)	-	(181,187)
Interest on Long Term Debt	(38,906)	-	-	-	(38,906)	-	(38,906)
Education	(8,220,333)	83,974	1,376,946	-	(6,759,413)	-	(6,759,413)
Capital Outlay	(105,478)	-	-	1,270,340	1,164,862	-	1,164,862
<u>Total Governmental Activities</u>	<u>(13,896,221)</u>	<u>767,540</u>	<u>1,716,502</u>	<u>1,270,340</u>	<u>(10,141,839)</u>	<u>-</u>	<u>(10,141,839)</u>
<u>Business Type Activities</u>							
Sewer and Water Commission	(547,728)	434,158	3,290	-	-	(110,280)	(110,280)
<u>Total Primary Government</u>	<u>\$ (14,443,949)</u>	<u>\$ 1,201,698</u>	<u>\$ 1,719,792</u>	<u>\$ 1,270,340</u>	<u>(10,141,839)</u>	<u>(110,280)</u>	<u>(10,252,119)</u>
<u>General Revenues:</u>							
Property taxes, interest and lien fees					11,529,066	-	11,529,066
Grants and contributions not restricted to specific programs					270,115	-	270,115
Unrestricted investment earnings					263,034	364	263,398
Transfers					-	24,604	24,604
<u>Total General Revenues</u>					<u>12,062,215</u>	<u>24,968</u>	<u>12,087,183</u>
<u>Change in net position</u>					1,920,376	(85,312)	1,835,064
<u>Net position beginning of year</u>					<u>22,889,835</u>	<u>2,699,248</u>	<u>25,589,083</u>
<u>Net position end of year</u>					<u>\$ 24,810,211</u>	<u>\$ 2,613,936</u>	<u>\$ 27,424,147</u>

The accompanying notes are an integral part of these financial statements



TOWN OF KENT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Capital Projects Fund	Town Special Grant Fund	Non Major Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash and cash equivalents	\$ 3,715,542	\$ 3,986,638	\$ 355,839	\$ 225,351	\$ 8,283,370
Investments	282,585	-	-	-	282,585
Inventory and prepaid expenses	30,933	8,800	-	402	40,135
Receivables	201,321	800,250		11,544	1,013,115
Due from sewer operating fund	109,725	-	-	-	109,725
Due from other funds	307,685	-	-	-	307,685
<u>Total Assets</u>	<u>\$ 4,647,791</u>	<u>\$ 4,795,688</u>	<u>\$ 355,839</u>	<u>\$ 237,297</u>	<u>\$ 10,036,615</u>
<u>Liabilities and Fund Balances</u>					
<u>Liabilities</u>					
Accounts payable	\$ 295,608	\$ 359,841	\$ -	\$ 2,781	\$ 658,230
Unearned revenue	42,741	-	355,839	-	398,580
Due to Other Funds	-	300,250	-	7,435	307,685
<u>Total Liabilities</u>	<u>338,349</u>	<u>660,091</u>	<u>355,839</u>	<u>10,216</u>	<u>1,364,495</u>
<u>Deferred Inflows Of Resources</u>					
Unavailable Revenue - property taxes	121,013	-	-	-	121,013
<u>Total Deferred Inflows Of Resources</u>	<u>121,013</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,013</u>
<u>Fund Balances</u>					
Nonspendable	102,055	-	-	1,549	103,604
Restricted	-	4,135,597	-	59,181	4,194,778
Committed	803,767	-	-	166,351	970,118
Unassigned	3,282,607	-	-	-	3,282,607
<u>Total Fund Balances</u>	<u>4,188,429</u>	<u>4,135,597</u>	<u>-</u>	<u>227,081</u>	<u>8,551,107</u>
<u>Total Liabilities, Deferred Inflows of Resources and Fund Balances</u>	<u>\$ 4,647,791</u>	<u>\$ 4,795,688</u>	<u>\$ 355,839</u>	<u>\$ 237,297</u>	<u>\$ 10,036,615</u>

The accompanying notes are an integral part of these financial statements

TOWN OF KENT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2023

<u>Total fund balances for governmental funds</u>	\$ 8,551,107
Total net position reported for governmental activities in the statement of net assets is different because of the following:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds	16,286,047
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	
Property tax and receivables greater than 60 days	121,013
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds	
Compensated absences	(45,077)
Teachers severance	(102,879)
	<hr/>
<u>Net position of governmental activities</u>	<u>\$ 24,810,211</u>

The accompanying notes are an integral part of these financial statements

TOWN OF KENT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Capital Projects Fund	Town Special Grant Fund	Non Major Governmental Funds	Total Governmental Funds
<u>Revenues:</u>					
Property Taxes	\$ 11,490,239	\$ -	\$ -	\$ -	\$ 11,490,239
Interest and lien fees	71,565	-	-	-	71,565
Intergovernmental	998,066	1,256,668	466,016	85,257	2,806,007
Investment Income	146,285	110,658	-	6,091	263,034
Charges for services	352,593	-	-	63,397	415,990
Other Revenues	284,939	13,672	-	336,199	634,810
<u>Total Revenues</u>	<u>13,343,687</u>	<u>1,380,998</u>	<u>466,016</u>	<u>490,944</u>	<u>15,681,645</u>
<u>Expenditures:</u>					
General Government	1,504,314	-	356,926	244,056	2,105,296
Public Safety	547,077	-	33,087	11,794	591,958
Public Works	1,693,290	-	-	-	1,693,290
Sanitation	137,437	-	8,213	-	145,650
Health and Welfare	170,345	-	62,051	40,122	272,518
Recreation	241,373	-	-	16,976	258,349
Debt Service	38,906	-	-	-	38,906
Education	7,632,720	-	5,739	108,279	7,746,738
Capital Outlay	-	2,649,336	-	-	2,649,336
<u>Total Expenditures</u>	<u>11,965,462</u>	<u>2,649,336</u>	<u>466,016</u>	<u>421,227</u>	<u>15,502,041</u>
Excess (deficiency) of Revenues Over Expenditures	<u>1,378,225</u>	<u>(1,268,338)</u>	<u>-</u>	<u>69,717</u>	<u>179,604</u>
<u>Other Financing Sources (Uses):</u>					
Transfers In	176,483	1,086,908	-	42,500	1,305,891
Transfers Out	(1,254,408)	-	-	(51,483)	(1,305,891)
<u>Total Other Financing sources (Uses):</u>	<u>(1,077,925)</u>	<u>1,086,908</u>	<u>-</u>	<u>(8,983)</u>	<u>-</u>
Net Change in Fund Balances	300,300	(181,430)	-	60,734	179,604
<u>Fund Balances Beginning of Year</u>	<u>3,888,129</u>	<u>4,317,027</u>	<u>-</u>	<u>166,347</u>	<u>8,371,503</u>
<u>Fund Balances End of Year</u>	<u>\$ 4,188,429</u>	<u>\$ 4,135,597</u>	<u>\$ -</u>	<u>\$ 227,081</u>	<u>\$ 8,551,107</u>

The accompanying notes are an integral part of these financial statements

TOWN OF KENT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023

<u>Net change in fund balances for governmental funds</u>	\$ 179,604
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Total change in net position reported for governmental activities in the statement of activities is different because of the following:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation differed from capital outlays in the current period is as follows:

Capital Outlay	2,543,858	
Depreciation expense	(763,720)	
Net adjustment	1,780,138	1,780,138

Some revenues reported in the Statement of Activities do not provide current financial resources and, therefore, are not reported as revenues in the governmental funds:

Tax revenue interest and liens	(32,738)
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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:

Compensated absences	(4,010)
Teachers severance	(2,618)

<u>Change in net position of governmental activities</u>	\$ 1,920,376
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TOWN OF KENT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$11,362,112	\$11,362,112	\$11,490,239	\$ 128,127
Interest and lien fees	40,500	40,500	71,565	31,065
Intergovernmental	378,309	378,309	387,823	9,514
Investment income	15,000	15,000	142,853	127,853
Charges for services	316,400	316,400	404,076	87,676
Other Revenues	230,878	230,878	287,586	56,708
<u>Total Revenues</u>	<u>12,343,199</u>	<u>12,343,199</u>	<u>12,784,142</u>	<u>440,943</u>
<u>Expenditures:</u>				
General Government	1,528,467	1,569,467	1,487,329	82,138
Public Safety	490,735	565,735	547,077	18,658
Public Works	1,856,172	1,856,172	1,693,290	162,882
Sanitation	147,931	147,931	137,437	10,494
Health and Welfare	178,842	178,842	170,345	8,497
Recreation	271,528	255,528	241,373	14,155
Debt Service	38,906	38,906	38,906	-
Education	7,241,710	7,241,710	7,065,977	175,733
<u>Total Expenditures</u>	<u>11,754,291</u>	<u>11,854,291</u>	<u>11,381,734</u>	<u>472,557</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>588,908</u>	<u>488,908</u>	<u>1,402,408</u>	<u>913,500</u>
<u>Other Financing Sources (Uses):</u>				
Transfers In	527,000	627,000	-	(627,000)
Transfers Out	(1,115,908)	(1,115,908)	(1,185,908)	(70,000)
<u>Total Other Financing Sources (Uses)</u>	<u>(588,908)</u>	<u>(488,908)</u>	<u>(1,185,908)</u>	<u>(697,000)</u>
<u>Net Change In Fund Balance</u>	<u>\$ -</u>	<u>\$ -</u>	<u>216,500</u>	<u>\$ 216,500</u>
<u>Fund Balance - Beginning of Year</u>			<u>3,868,162</u>	
<u>Fund Balance - End of Year</u>			<u>\$ 4,084,662</u>	

The accompanying notes are an integral part of these financial statements

TOWN OF KENT  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2023

	Business Type Activities Enterprise Fund Sewer and Water Commission
<u>Assets</u>	
Current Assets	
Cash and cash equivalents	\$ 735,348
Accounts receivable	3,311
Prepaid expenses	2,011
Total current assets	<u>740,670</u>
Noncurrent assets	
Restricted cash and investments	223,441
Capital assets, net of accumulated depreciation	<u>3,250,493</u>
<u>Total Assets</u>	<u>\$ 4,214,604</u>
<u>Liabilities</u>	
Current Liabilities	
Accounts payable	\$ 4,488
Due to Other Funds	109,725
Current portion of notes payable	24,989
Total Current Liabilities	<u>139,202</u>
Noncurrent Liabilities	
Permanent maintenance agreements	223,441
Notes payable, less current portion	<u>1,238,025</u>
Total Noncurrent Liabilities	<u>1,461,466</u>
<u>Total Liabilities</u>	<u>1,600,668</u>
<u>Net Position</u>	
Net Investment in Capital Assets	1,987,479
Unrestricted	<u>626,457</u>
<u>Total Net Position</u>	<u>2,613,936</u>
<u>Total Liabilities and Net Position</u>	<u>\$ 4,214,604</u>

The accompanying notes are an integral part of these financial statements

TOWN OF KENT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2023

	Business Type Activities Enterprise Fund Sewer and Water Commission
<u>Operating Revenue</u>	
Sewer usage fees	\$ 434,158
<u>Total Operating Revenues</u>	<u>434,158</u>
<u>Operating Expenses</u>	
Payroll and payroll taxes	148,241
Materials and supplies Administration	73,851
Operating expenses	66,529
Administration	28,790
Outside services	35,848
Insurance	24,132
Depreciation	129,352
<u>Total Expenditures</u>	<u>506,743</u>
<u>Operating Income (Loss)</u>	<u>(72,585)</u>
<u>Non-Operating Revenues (Expenses)</u>	
Investment income	364
Grants	3,290
Interest expense	(40,985)
<u>Total Non-Operating Revenues (Expenses)</u>	<u>(37,331)</u>
<u>Income before transfers</u>	(109,916)
<u>Transfers in</u>	<u>24,604</u>
<u>Change In Net Position</u>	(85,312)
<u>Net Position, Beginning</u>	<u>2,699,248</u>
<u>Net Position, Ending</u>	<u>\$ 2,613,936</u>

The accompanying notes are an integral part of these financial statements

TOWN OF KENT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2023

	Business Type Activities Enterprise Fund Sewer and Water Commission
<u>Cash Flows from Operating Activities</u>	
Cash received from the following	
Cash received from customers	\$ 432,396
Payments to suppliers and personnel	(373,013)
<u>Net Cash Provided by Operating Activities</u>	<u>59,383</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Purchases of equipment	-
Payments to other funds	(32,607)
Principal payments of clean water fund loans	(22,846)
Interest paid on capital debt	(40,985)
<u>Net Cash Used in Capital and Related Financing Activities</u>	<u>(96,438)</u>
<u>Cash Flows From Investing Activities</u>	
Investment income	364
Grants	3,290
<u>Net Cash Provided by Investing Activities</u>	<u>3,654</u>
<u>Net Increase (Decrease) in Cash</u>	(33,401)
<u>Cash, Beginning of Year</u>	<u>768,749</u>
<u>Cash, End of Year</u>	<u>\$ 735,348</u>
<u>Reconciliation of Operating Income to</u>	
<u>Net Cash Provided by Operating Activities</u>	
Operating Income (Loss)	\$ (72,585)
Adjustments to Reconcile Operating Income to	
Net Cash Provided by Operating Activities	
Depreciation Expense	129,352
Changes in assets and liabilities	
(Increase) decrease in accounts receivable	(1,762)
(Increase) decrease in prepaid expenses	6,993
Increase (decrease) in accounts payable	(2,615)
<u>Net Cash Provided by Operating Activities</u>	<u>\$ 59,383</u>

The accompanying notes are an integral part of these financial statements



TOWN OF KENT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of the Town of Kent, 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 governmental accounting and financial reporting principles. The Town's significant accounting policies are described below.

**Reporting Entity**

The Town of Kent, Connecticut (the "Town") was incorporated in 1739. The Town is a municipal corporation governed by a Board of Selectmen, Town Meeting, Board of Finance form of government and provides a full range of services including public safety (police and fire), public works, health and welfare, recreation, sanitation, education, and general administrative services to its residents. Under this form of Government, the town meeting is the legislative body. A town meeting is required to make appropriations, levy taxes, and borrow money. The executive branch is led by an elected three-member Board of Selectmen. The Selectmen oversee most of the activities not assigned specifically to another Body. An elected Board of Education oversees the public-school system.

The Board of Finance is responsible for financial, and taxation matters as prescribed by Connecticut General Statutes and is responsible for presenting fiscal operating budgets for Town Meeting approval. The Town has the power to incur indebtedness by issuing bonds or notes as provided by Connecticut General Statutes.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The following related organizations, to which the Town appropriates funds annually, do not meet the above criteria and are not included in the reporting entity:

*Regional School District #1* - This potential component unit has a separate elected board and provides educational services to residents of several local Towns which make up the region. It is excluded from the reporting entity because the Town does not have the ability to exercise influence or control over the daily operations or approve budgets.

*Kent Volunteer Fire Department.* – The Kent Volunteer Fire Department has a separate elected board and provides services to residents, generally within the geographic boundaries of the Town. It is excluded from the reporting entity because the Town does not have the ability to exercise influence or control over the daily operations or approve budgets.

*Kent Library Association* – The Town has no financial, operational, or managerial control over this organization. Government-Wide Financial Statements

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

TOWN OF KENT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

The statement of activities demonstrates the degree to which the direct expenses of a 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.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The various funds included in the financial statements are described below:

### **Fund Financial Statements**

Governmental Funds are those through which most governmental functions typically are financed. The governmental funds are as follows:

*General Fund*- the primary operating fund of the Town. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, state and federal grants, licenses, permits, charges for services, and earnings on investments.

*Capital Project Funds* - account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds for assets that will be held in trust for individuals, private organizations, or other governments.

*Special Revenue Funds* - account for revenue derived from specific sources other than capital projects that are restricted or committed by legal and regulatory provisions to finance specific activities.

*Permanent Funds* - used to report resources that are legally restricted to the extent that only income, and not principal, may be used for purposes that support the Town's programs.

Proprietary Funds are used to account for activities that are similar to those often found in the private sector. These funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. The proprietary funds are as follows:

*Enterprise Fund* – is used to account for the operations for the Sewer and Water Commission, which oversees the water and sewer services

The Town has no Fiduciary Funds.

TOWN OF KENT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**Measurement Focus Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund 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. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. 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.

Property taxes, charges for services, licenses, 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. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town or specifically identified.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are 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.

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

Proprietary funds distinguish operating revenues and expenses from non-operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for the funds include the cost of operations and maintenance, provision for doubtful accounts, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

TOWN OF KENT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

The Town reports the following major governmental funds:

*General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

*Capital Projects Fund* accounts for resources to be used for capital expenditures or for the acquisition or construction of capital facilities, improvements and/or equipment and accounts for financial resources designated for future appropriation for capital expenditures, or for the acquisition or construction of capital facilities, improvements and/or equipment. Capital outlays are financed by appropriations from the general fund, intergovernmental grants, and long-term debt obligations.

*Town Special Grant Fund* is a special fund used to account for and report the special activities of the Town in connection with the state and Federal grants related to the ongoing COVID pandemic situation.

The Town reports the following major proprietary fund:

*Sewer Operating Fund* accounts for the operations of the Town's wastewater treatment system. The major sources of revenue for this fund are sewer assessments and use charges.

### **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 reporting period. Actual results could differ from those estimates.

### **Cash Equivalents**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

### **Investments**

Investments for the Town are reported at fair value generally based on quoted market prices.

### **Prepaid Expenses**

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid expenses in both the government-wide and fund financial statements.

TOWN OF KENT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**Interfund Receivables, Payables, and Transactions**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

**Unearned Revenue**

In the government-wide and fund financial statements, this liability represents resources that have been received but not yet earned.

**Property Taxes**

Property taxes are assessed as of October 1, levied on the following July 1 and are due in two installments, July 1 and January 1. Supplemental motor vehicle taxes are due in full January 1. Taxes are overdue on August 1 and February 1. Interest at the rate of 1.5% per month accrues on all overdue taxes. Assessments for real and personal property, including motor vehicles, are computed at 70% of appraised market value. Liens are filed by the last day of the fiscal year.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The Town defines the current period to mean within 60 days after year end. Property taxes receivable not expected to be collected during the available period are reflected in deferred revenue in the fund financial statements. The entire receivable is recorded as revenue in the government-wide financial statements.

Property taxes collected prior to June 30 that are applicable to the subsequent years' assessment are reflected as advance tax collections in both the fund financial statements and the government-wide financial statements. An allowance based on historical collection experience is provided for uncollectible taxes.

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 with an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at fair 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, equipment and infrastructure assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

TOWN OF KENT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

<u>Assets</u>	<u>Years</u>
Buildings	40 - 50
Building improvements	20 - 40
Land improvements	15 - 40
Machinery and equipment	5 - 25
Infrastructure	25 - 50
Vehicles	10 - 12

### **Compensated Absences and Teachers' Severance**

Town employees accumulate, by prescribed formula, vacation and paid-time-off time for subsequent use or for payment upon termination or retirement. In addition, Board of Education teachers with at least 20 years of service are entitled to severance pay by prescribed formula. Vacation and severance pay expenses to be paid in future periods are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only for amounts expected to be paid with available resources, for example, as a result of employee resignations and retirements.

### **Long-Term Obligations**

In the government-wide financial statements, and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities type 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, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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 are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received are reported as debt service expenditures.

### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding in the government-wide statement of net position. The Town had no financial statement elements meeting the criteria to be reported as deferred outflows of resources.

TOWN OF KENT  
NOTES TO FINANCIAL STATEMENTS  
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In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. 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 property taxes. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

### **Fund Equity and Net Position**

Equity in the government-wide financial statements is defined as “net position” and 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 reduce 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.

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

*Nonspendable Fund Balance* – includes amounts that are not in spendable form or amounts that must be maintained intact legally or contractually. The criteria include items that are not expected to be converted to cash such as inventories, prepaid amounts and long term receivables.

*Restricted Fund Balance* – includes amounts that are restricted for specific purposes stipulated by external resource providers or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

*Committed Fund Balance* – includes amounts that can only be used for the specific purposes determined by a formal action of the Town’s highest level of decision-making authority. Commitments may be changed or lifted only by the same group taking the same formal action that imposed the constraint originally.

*Assigned Fund Balance* – includes amounts intended to be used by the Town for specific purposes that do not meet the criteria to be classified as restricted or committed.

TOWN OF KENT  
NOTES TO FINANCIAL STATEMENTS  
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*Unassigned Fund Balance* – includes the general fund balance amount that is not classified as nonspendable, restricted, committed or assigned.

The Town's policy is to apply expenditures against the applicable fund balances in the order of restricted, committed, assigned, and unassigned.

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting**

The Town follows these procedures in establishing budgetary data reflected in the financial statements:

Department heads, officers, and agencies of the Town file estimates of expenditures to be made and revenues to be collected in the upcoming year to the Board of Finance. The Board of Finance recommends budgets, as revised, for adoption at the annual Town meeting in May or, if a petition is filed with the Town Clerk in accordance with Section 7-7 of the Connecticut General Statutes, at Town referendum.

The budget is legally adopted by a vote at the Annual Town Budget meeting referendum. The Board of Finance is authorized to transfer unexpended budgeted amounts between departmental appropriations pursuant to CGS 7-347. Additional or supplemental appropriations are allowable pursuant to CGS 7-348 and may require a Town Meeting referendum.

The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.

The Town appropriated an additional \$100,000 for EMS staffing services at a Town meeting on December 2, 2022. In addition, the Board of Finance approved the creation of a non-lapsing fund for the Board of Education which was funded with \$70,000 from the 2022/2023 budget on August 16, 2023.

The Town does not have legally adopted annual budgets for the Special Revenue Funds. Budgets for the various Special Revenue Funds, which are utilized to account for specific grant programs, are established in accordance with the requirements of the grantor agencies. Such budgets carry over until completion of the grants.

Legal authorization for expenditures of the Capital Project Funds is provided by Town ordinances and/or intergovernmental grant agreements. Capital appropriations do not lapse until completion of the applicable projects.

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. A reconciliation of general fund amounts presented on the budgetary basis to amounts presented in conformity with accounting principles generally accepted in the United States of America is as follows:



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	Fund Balance Beginning	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balance Ending
Total Budgetary Basis - Non GAAP	\$ 3,868,162	\$ 12,784,142	\$ 11,381,734	\$ (1,185,908)	\$ 4,084,662
Teachers retirement System On Behalf Payments	-	601,732	601,732	-	-
Teachers retirement System OPEB	-	8,511	8,511	-	-
Interfund Transfers reported on Non- GAAP statements as revenues and expenditures	-	(76,483)	(43,500)	119,983	-
GASB 54 reclassification and adjustment	19,967	25,785	16,985	75,000	\$ 103,767
Total GAAP Basis	<u>\$ 3,888,129</u>	<u>\$ 13,343,687</u>	<u>\$ 11,965,462</u>	<u>\$ (990,925)</u>	<u>\$ 4,188,429</u>

**NOTE 3 – CASH DEPOSITS**

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call reports, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank. All of the Town's deposits were in qualified public institutions as defined by state statute.

As of June 30, 2023, the carrying amount of the Town's cash deposits were as follows:

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NOTES TO FINANCIAL STATEMENTS  
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	Carrying Amount	Bank Balance
Governmental Funds	\$ 1,681,222	\$ 2,424,971
Enterprise Funds	735,348	967,727
Certificates of deposit classified as investments	506,026	506,026
Total Cash Deposits	2,922,596	3,898,724
Short Term Investment Fund	6,602,148	6,602,148
Less Certificates of deposit classified as investments	(506,026)	(506,026)
Total Cash and Cash Equivalents	<u>\$ 9,018,718</u>	<u>\$ 9,994,846</u>

Classified as follows:

Governmental Funds	\$ 8,283,370
Enterprise Funds	735,348
	<u>\$ 9,018,718</u>

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2023, \$2,532,402 of the Town's bank balance of \$3,898,724 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 2,261,646
Uninsured and collateralized with securities held by the pledging Bank's trust department or agent but not in the Town's name	270,756
	<u>\$ 2,532,402</u>

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2023, the Town's cash equivalents amounted to \$6,602,148. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	<u>Standard &amp; Poor's</u>
State of Connecticut Short-Term Investment Fund (STIF)	AAAm

The level of the Town's deposits varied significantly throughout the year as a result of higher cash flows during certain periods of the year. As a result, uninsured, uncollateralized amounts at those times were substantially higher than at year-end.

TOWN OF KENT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**Concentrations of Credit Risk**

The Town does not have a policy that limits the amounts invested in any one issuer. At June 30, 2023, the Town had all of its cash deposits in financial institutions located in the State of Connecticut. The Town has not experienced any losses on such accounts.

**NOTE 4 – INVESTMENTS**

The Town has no formally adopted investment policy that would limit its investment choices due to credit risk other than the State of Connecticut General Statutes that limit investments to obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. Investments are stated at fair value using quoted market prices and consist of funds deposited in certificates of deposit, permanent funds and pension assets held by the pension administrator. As of June 30, 2023, the Town had the following investments:

	Fair Market Value	Less than 1 Year	1- 5 Years
<u>Governmental Funds</u>			
Certificates of deposit	\$ 282,585	\$ -	\$ 282,585
<u>Enterprise Funds</u>			
Certificates of deposit	223,441	-	223,441
	<u>\$ 506,026</u>	<u>\$ -</u>	<u>\$ 506,026</u>

**Interest Rate Risk**

Interest rate risk is the risk that the Town will incur losses in fair value caused by changing interest rates. 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.

**Custodial Credit Risk**

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

**Concentrations of Credit Risk**

The Town does not have a policy that limits the amounts invested in any one issuer.

TOWN OF KENT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**Fair Value Measurements**

Fair Value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as of the measurement date. Authoritative guidance establishes a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (also referred to as observable inputs).

The Town classifies its assets and liabilities measured at fair value into Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which inputs are observable, either directly or indirectly), and Level 3 (securities valued based on unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The town's investments are measured on a recurring basis using level 1 information (market quotations for investments that have quoted prices in active markets). The Town has no financial assets measured using Level 2 or Level 3 at June 30, 2023.

**NOTE 5 – RECEIVABLES**

Receivables at June 30, 2023 are as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major and Other Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
Property Taxes	\$ 172,647	\$ -	\$ -	\$ -	\$ 172,647
Interest due on taxes	43,147	-	-	-	43,147
Allowance for taxes	(21,579)	-	-	-	(21,579)
Due from State of CT	-	800,250	-	-	800,250
Accounts Receivable	<u>7,106</u>	<u>-</u>	<u>11,544</u>	<u>3,311</u>	<u>21,961</u>
Total Receivables	<u>\$ 201,321</u>	<u>\$ 800,250</u>	<u>\$ 11,544</u>	<u>\$ 3,311</u>	<u>\$ 1,016,426</u>

**NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

As of June 30, 2023, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 307,685	\$ -
Capital Projects Fund	-	300,250
Dog Fund	<u>-</u>	<u>7,435</u>
Total	<u>\$ 307,685</u>	<u>\$ 307,685</u>

A summary of interfund transfers is presented as follows:

TOWN OF KENT  
NOTES TO FINANCIAL STATEMENTS  
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	Transfers In	Transfers Out
General Fund	\$ 176,483	1,254,408
Capital Projects Fund	1,086,908	-
Dog Fund	7,500	-
School Cafeteria	35,000	-
Building Inspection Fund	-	42,725
Recreation Programs	-	8,758
	<hr/>	<hr/>
Total	<u>\$ 1,305,891</u>	<u>\$ 1,305,891</u>

**NOTE 7 – CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b><u>Governmental Activities</u></b>				
Capital Assets, not being depreciated				
Land	\$ 1,378,530	\$ -	\$ -	\$ 1,378,530
Construction in process	133,328	577,814	-	711,142
Total Capital Assets, not being depreciated	<u>1,511,858</u>	<u>577,814</u>	<u>-</u>	<u>2,089,672</u>
Capital Assets, being depreciated				
Building and improvements	14,017,673	-	-	14,017,673
Land improvements	127,939	-	-	127,939
Machinery and equipment	1,014,950	-	74,444	940,506
Vehicles	1,239,317	65,808	-	1,305,125
Infrastructure	11,588,664	1,900,236	-	13,488,900
Total Capital Assets being depreciated	<u>27,988,543</u>	<u>1,966,044</u>	<u>74,444</u>	<u>29,880,143</u>
Less Accumulated Depreciation for:				
Building and improvements	7,420,377	411,845	-	7,832,222
Land improvements	85,472	6,534	-	92,006
Machinery and equipment	782,801	29,501	74,444	737,858
Vehicles	981,269	92,054	-	1,073,323
Infrastructure	5,724,573	223,786	-	5,948,359
Total Accumulated Depreciation	<u>\$ 14,994,492</u>	<u>763,720</u>	<u>74,444</u>	<u>15,683,768</u>
Total Capital Assets, being depreciated net	<u>12,994,051</u>	<u>1,202,324</u>	<u>-</u>	<u>14,196,375</u>
Governmental Activities Capital Assets, net	<u>\$ 14,505,909</u>	<u>\$ 1,780,138</u>	<u>\$ -</u>	<u>\$ 16,286,047</u>

TOWN OF KENT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b><u>Business Type Activities</u></b>				
Capital Assets, being depreciated				
Building and improvements	2,177,465	-	-	2,177,465
Machinery and equipment	709,784	-	-	709,784
System infrastructure	2,442,787	-	-	2,442,787
Total Capital Assets being depreciated	<u>5,330,036</u>	<u>-</u>	<u>-</u>	<u>5,330,036</u>
Less Accumulated Depreciation for:				
Building and improvements	1,236,159	62,974	-	1,299,133
Machinery and equipment	202,676	26,789	-	229,465
System infrastructure	511,356	39,589	-	550,945
Total Accumulated Depreciation	<u>1,950,191</u>	<u>129,352</u>	<u>-</u>	<u>2,079,543</u>
Total Capital Assets, being depreciated net	<u>3,379,845</u>	<u>(129,352)</u>	<u>-</u>	<u>3,250,493</u>
Business Type Activities Capital Assets, net	<u>\$ 3,379,845</u>	<u>\$ (129,352)</u>	<u>\$ -</u>	<u>\$ 3,250,493</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities	
General Government	\$ 77,959
Public Works	361,411
Recreation	21,063
Education	303,287
Total Depreciation Expense - Governmental Activities	<u>\$ 763,720</u>
Business-Type Activities:	
Sewer and Water Commission	<u>\$ 129,352</u>

**NOTE 8 - RISK MANAGEMENT AND UNCERTAINTIES**

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 generally obtains commercial insurance for these risks and any claims have not exceeded commercial coverage.

TOWN OF KENT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 9 - GENERAL LONG-TERM DEBT**

The following is a summary of changes in general obligation debt during the fiscal year:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
<u>General Government</u>					
Compensated absences	41,067	4,010	-	45,077	-
Teachers severance	100,261	2,618	-	102,879	-
Total General Government	141,328	6,628	-	147,956	-
<u>Businesses Type Activities</u>					
General Obligation Bond USDA Loan 92-04	434,779	-	7,846	426,933	9,747
General Obligation Bond USDA Loan 92-06	780,050	-	13,542	766,508	13,617
General Obligation Bond USDA Loan 92-08	71,031	-	1,458	69,573	1,625
Total Business Type Activities	1,285,860	-	22,846	1,263,014	24,989
Total Long-term Debt	<u>\$ 1,427,188</u>	<u>\$ 6,628</u>	<u>\$ 22,846</u>	<u>\$ 1,410,970</u>	<u>\$ 24,989</u>

Bonds and Debt Payable at June 30, 2023 are comprised of the following obligations:

	Balance 6/30/2023
June 29, 2012, \$515,000 general obligation bonds USDA Sewer Series A. The bonds mature serially through 2052, and bear interest at an annual rate of 2.75% .	\$ 426,933
July 24, 2014, \$864,000 general obligation bonds USDA Sewer Series A. The bonds mature serially through 2055, and bear interest at an annual rate of 3.25% .	766,508
June 29, 2012, \$85,000 general obligation bonds USDA Sewer Series A. The bonds mature serially through 2052, and bear interest at an annual rate of 2.75% .	69,573
Total Bonds and Notes Payable	<u>\$ 1,263,014</u>

TOWN OF KENT  
NOTES TO FINANCIAL STATEMENTS  
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The following is a summary of debt service requirements to maturity by year:

Year Ending June 30	Principal	Interest	Total
2024	\$ 24,989	\$ 38,842	\$ 63,831
2025	26,122	37,709	63,831
2026	26,912	36,919	63,831
2027	27,727	36,104	63,831
2028	28,566	35,265	63,831
2029	29,431	34,400	63,831
2030	30,323	33,508	63,831
2031	31,241	32,590	63,831
2032	32,188	31,643	63,831
2033	33,164	30,667	63,831
2034	34,169	29,662	63,831
2035	35,205	28,626	63,831
2036	36,272	27,559	63,831
2037	37,372	26,459	63,831
2038	38,506	25,325	63,831
2039	39,674	24,157	63,831
2040	40,878	22,953	63,831
2041	42,119	21,712	63,831
2042	43,398	20,433	63,831
2043	44,715	19,116	63,831
2044	46,074	17,757	63,831
2045	47,473	16,358	63,831
2046	48,915	14,916	63,831
2047	50,401	13,430	63,831
2048	51,934	11,897	63,831
2049	53,513	10,318	63,831
2050	55,140	8,691	63,831
2051	56,817	7,014	63,831
2052	56,715	5,731	62,446
2053	39,022	3,555	42,577
2054	36,500	2,406	38,906
2055	37,539	1,220	38,759
	<u>\$ 1,263,014</u>	<u>\$ 706,942</u>	<u>\$ 1,969,956</u>



TOWN OF KENT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**Overlapping Debt**

The Town is a member of Regional School District No.1, which provides education facilities for the Towns of Canaan, Cornwall, Kent, North Canaan, Salisbury, and Sharon. As of June 30, 2023, the outstanding bonded indebtedness of the District was \$3,975,000. The Town's share will be 12.3% of the remaining balance. These are general obligations of Regional School District No. 1 and its member towns. At June 30, 2023, the Town is contingently liable for Regional School District No. 1 debt in the amount of \$490,742.

**Statutory Debt Limitation**

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal, and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2023.

**Unissued Bond Authorization**

Authorizations of general obligation bonds that remained unissued as of June 30, 2023, are summarized below:

	<u>Date Authorized</u>	<u>Authorized and Unissued</u>
Sewer Belt Filter Press	1/21/2020	\$ 450,000
Streetscape Improvements Phase I	1/20/2019	2,925,000
Streetscape Improvements Phase II	5/5/2012	<u>2,352,525</u>
Total bond authorizations, unissued		<u>\$ 5,727,525</u>

**Teachers' Severance**

Under the teachers' contract agreement between the Kent Board of Education (BOE) and the Kent Center Faculty Association (KCFA), a severance benefit was offered to members of KCFA who have been employed by the BOE for at least 20 years. Teachers who are eligible shall receive a severance benefit equal to 15% of their basic salary. At June 30, 2023, liabilities totaling \$102,879 for seven teachers qualifying for the contract severance benefit are accrued in the government-wide Statement of Net Position.

**NOTE 10 – COMMITMENTS AND CONTINGENCIES**

There are legal actions pending in which the Town is involved. The Town Officials are of the opinion that the ultimate liabilities, if any, resulting from such lawsuits and claims will not materially affect the financial position of the Town. The Town has received State grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditures disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

TOWN OF KENT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 11 – FUND BALANCES**

As of June 30, 2023, governmental fund balances are composed of the following:

	General Fund	Capital Projects Fund	Non Major Governmental Funds	Total Government al Funds
<u>Nonspendable</u>				
Prepaid expenses	\$ 30,933	\$ -	\$ -	\$ 30,933
Inventory	-	-	402	402
Trusts	71,122	-	1,147	72,269
	<u>102,055</u>	<u>-</u>	<u>1,549</u>	<u>103,604</u>
<u>Restricted</u>				
Capital projects	-	4,135,597	-	4,135,597
General governments	-	-	11,997	11,997
Education	-	-	47,184	47,184
	<u>-</u>	<u>4,135,597</u>	<u>59,181</u>	<u>4,194,778</u>
<u>Committed</u>				
Subsequent year's budget	700,000	-	-	700,000
General government	-	-	45,352	45,352
Public safety	-	-	6,539	6,539
Public works	-	-	138	138
Recreation			25,367	25,367
Health and welfare	8,601		19,903	28,504
Education	70,000		69,052	139,052
Schaghticoke litigation	(13,759)	-	-	(13,759)
Maple Street extension	38,925	-	-	38,925
	<u>803,767</u>	<u>-</u>	<u>166,351</u>	<u>970,118</u>
<u>Unassigned</u>	<u>3,282,607</u>	<u>-</u>	<u>-</u>	<u>3,282,607</u>
<u>Total governmental funds</u>	<u>\$4,188,429</u>	<u>\$ 4,135,597</u>	<u>\$ 227,081</u>	<u>\$ 8,551,107</u>

**NOTE 12 - POST EMPLOYMENT AND HEALTHCARE BENEFITS**

The Town does not provide post-employment healthcare benefits except those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the act, and no direct costs are incurred by the Town.

TOWN OF KENT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 13- PENSION PLANS**

**DEFINED CONTRIBUTION PLAN**

The Town provides retirement benefits through a single-employer defined contribution pension plan for all eligible employees except certified personnel of the Board of Education who are covered by the State of Connecticut Teachers' Retirement System. The Board of Selectmen has oversight and fiduciary responsibility for the plan.

All eligible employees who have completed one year of service with a minimum of 1,000 hours during the year and who have reached age 21 are eligible for inclusion in the plan. The plan provides that benefits are 100% vested at all times with respect to all of the amounts allocated to employees' accounts. The Town contributes an amount equal to 7% of each eligible employee's base compensation. During the year, the Town's contributions totaled \$41,069 and the Board of Education's contributions totaled \$48,326.

As of June 30, 2023, there were no securities of the Town or other related parties held in the plan. Due to the nature of the plan there is no unfunded liability.

**CONNECTICUT STATE TEACHERS' 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, a cost sharing multiple-employer defined benefit pension plan administered by the Teachers Retirement Board. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the Teachers Retirement Board. The Teachers Retirement Board issues a publicly available financial report that can be obtained at [www.ct.gov](http://www.ct.gov).

**Benefit Provisions**

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

*Normal Retirement*

Retirement benefits for the employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary). 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 with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service.

*Minimum Benefit*

Effective January 1, 1999, Public Act 98-251 provides a minimum monthly benefit of \$1,200 to teachers who retire under the normal retirement provisions and who have completed at least 25 years of full time Connecticut service at retirement.

TOWN OF KENT  
NOTES TO FINANCIAL STATEMENTS  
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Benefit amounts are reduced by 6% per year for the first 5 years preceding normal retirement age and 4% per year for the next 5 years preceding normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year by which retirement precedes normal retirement date.

*Disability Retirement*

Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required to be eligible for nonservice related disability. 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 System, but not less than 15%, nor more than 50%. In addition, disability benefits under this System (without regard to cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed average annual salary.

*Pre-Retirement Death Benefit*

The System also offers a lump-sum return of contributions with interest or surviving spouse benefit depending on length of service.

Contributions

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State are amended and certified by the TRB and appropriated by the General Assembly.

*Employer*

School district employers are not required to make contributions to the Plan, as contributions are required only from employees and the State. 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.

For the year ended June 30, 2023 the amount of "on-behalf" contributions made by the state was \$386,371 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

*Employees*

Effective July 1, 1992, each teacher was required to contribute 6% of pensionable salary for the pension benefit. Effective January 1, 2018, the required contribution increased to 7% of pensionable salary.

Pension Liabilities, Pension Expenses, and Deferred Inflows/Outflows of Resources

At June 30, 2023, 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:

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Town's proportional share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	7,632,024
Total	<u>\$ 7,632,024</u>

The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. As of June 30, 2023, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2023, the Town recognized benefits expense and contribution revenue of \$601,732 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$737,644 for pension expense and revenue 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, 2022, with a reporting date of June 30, 2023, using the following key actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 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.

Assumption changes since the prior year are as follows:

There were no changes in assumptions that affected the measurement of the TPL since the prior measurement date.

Benefit changes since the prior year are as follows:

Legislation was passed restoring the 25% wear down of Plan N benefits to vested members as of June 30, 2019.

#### Cost of Living Allowance

Future cost-of-living increases for teachers 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 TRS 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

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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

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%.

Long-Term Rate of Return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The current capital market assumptions and the target asset allocation as provided by the State of Connecticut's Treasurer's Office are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity Fund	20.0%	5.4%
Developed Market International Stock Fund	11.0%	6.4%
Emerging Market International Stock Fund	9.0%	8.6%
Core Fixed Income Fund	13.0%	0.8%
Emerging Market Debt Fund	5.0%	3.8%
High Yield Bond Fund	3.0%	3.4%
Real Estate Fund	19.0%	5.2%
Private Equity	10.0%	9.4%
Private Credit	5.0%	6.5%
Alternative Investments	3.0%	3.1%
Liquidity Fund	2.0%	-0.4%
	100.0%	

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 plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all long-term expected rate of return on pension plan 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, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at [www.ct.gov](http://www.ct.gov).

TOWN OF KENT  
NOTES TO FINANCIAL STATEMENTS  
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Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan.

**NOTE 14 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

Connecticut State Teachers' Other Post-Employment Benefits (OPEB)

Plan Description

Teachers, principals, superintendents or supervisors engaged in service of public schools, plus professional employees at state schools of higher education, are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan (TRS-RHIP), a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at [www.ct.gov/trb](http://www.ct.gov/trb).

Benefit Provisions

There are two types of health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer, and the CTRB Sponsored Medicare Supplement Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School District Coverage.

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute.

A subsidy amount of \$440 per month may be paid for a retired member, spouse, or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost and contributes at least \$440 per month towards coverage under a local school district plan.

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

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplement Plans. Effective July 1, 2018, the System added a Medicare Advantage Plan option. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans.

TOWN OF KENT  
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JUNE 30, 2023

Additionally, effective July 1, 2018, retired members who cancel their health care coverage or elect to not enroll in a CTRB sponsored health care coverage option must wait two years to re-enroll.

Survivor Health Care Coverage

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$220 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement Plans, as long as they do not remarry.

Eligibility

Any member who is currently receiving a retirement or disability benefit is eligible to participate in the plan.

Credited Service

One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of credited service constitutes one year of Credited Service. Certain other types of teaching services, state employment, or wartime military service may be purchased prior to retirement if the member pays one-half the cost.

Normal Retirement

Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.

Early Retirement

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

Pro-ratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

No service requirement if incurred in the performance of duty, and five years of Credited Service in Connecticut if not incurred in the performance of duty.

Termination of Employment

Ten or more years of Credited Service.

Contributions

*State of Connecticut*

Per Connecticut General Statutes 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. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

*Employer (School Districts)*

For the year ended June 30, 2023, the amount of "on-behalf" contributions made by the state was \$8,511 and is recognized in the General Fund as intergovernmental revenues and education expenditures. In the



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NOTES TO FINANCIAL STATEMENTS  
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government-wide financial statements, the Town recognized \$40,289 for OPEB expense and revenue for on-behalf amounts for the benefits provided by the State.

OPEB Liabilities, OPEB Expense, and Deferred Inflows/Outflows of Resources Related to OPEB

As of June 30, 2023, 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 was as follows:

Town's proportional share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	686,390
Total	<u>\$ 686,390</u>

The net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2022. As of June 30, 2023, the Town has no proportionate share of the net OPEB liability.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022 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% to 6.50%
Long-term investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Municipal bond index rate:	
Measurement date	3.54%
Prior Measurement date	2.16%

The projected fiduciary net position is projected to be depleted in 2027.

Single equivalent interest rate	
Measurement date	3.53%, net of OPEB plan investment expense, including price inflation.
Prior Measurement date	2.17 %, net of OPEB plan investment expense, including price inflation.
Healthcare cost trends rates	
Medicare	Known increases until calendar year 2024, then general trend decreasing to an ultimate rate of 4.5% by 2031.

TOWN OF KENT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

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.

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 the evaluation of 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)	100.00%	-0.98%	1.12%
Price Inflation		2.50%	
Expected rate of return (Rounded nearest 0.25%)		1.50%	

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019. The changes in the assumptions since the prior year are as follows:

- Discount rate changed from 2.17% to 3.53%.
- Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience.
- The assumed age-related annual percentage increases in expected annual per capita health care claim costs were updated.
- Long-term health care cost trend rates were updated; and
- The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated to better reflect anticipated plan experience.

The changes in the benefit terms since the prior year are as follows:

- There was a change in the maximum monthly subsidy amounts offered to retirees and their dependents from \$110/\$220 to \$220/\$440.

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 evaluating 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 investment expense and inflation) for each major asset class.

TOWN OF KENT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

The long-term expected rate of return was determined by weighting 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 plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.98%).

Discount Rate

The discount rate used to measure the total OPEB liability was 3.53%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2022.

In addition to the actuarial methods and assumptions of the June 30, 2022, 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.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2027 and, as a result, the Municipal Bond Index rate was used in the determination of the single equivalent rate.

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate and the Discount Rate

The Town's proportionate share of the net OPEB liability is \$-0- and, therefore, the change in the health care cost trend rate or the discount rate would only impact the amount recorded by the State of Connecticut.

OPEB Fiduciary Net Position

Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at [www.ct.gov](http://www.ct.gov).

Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan.

**NOTE 15 – JOINTLY GOVERNED ORGANIZATIONS**

The Town is a participant in three jointly governed organizations as described below:

TOWN OF KENT  
NOTES TO FINANCIAL STATEMENTS  
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Housatonic Resource Recovery Authority

The Town and ten other local municipalities each appoint the governing board of the Housatonic Resource Recovery Authority, with which the Town contracts for waste management services. Each town is awarded voting rights based upon population.

Lake Waramaug Interlocal Commission

The Lake Waramaug Interlocal Commission (the Commission) was created by the towns of Kent, Warren, and Washington to jointly finance and conduct projects for the purpose of controlling water pollution and improving water quality. The Town appoints one member of the five member Commission. The Town expended \$1,953 for the operation of the Commission for the year ended June 30, 2023.

Lake Waramaug Authority

The Lake Waramaug Authority (the Authority) was created by the towns of Kent, Warren, and Washington to enforce water safety. The Authority is comprised of three members from each town. The Town expended \$12,264 for the operation of the Authority for the year ended June 30, 2022.

**NOTE 17 – PRONOUNCEMENTS ISSUED, NOT YET EFFECTIVE**

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

- **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. This statement addresses a variety of topics with the requirements related to financial guarantees and the classification and reporting of derivative instruments effective for the Town's reporting periods beginning July 1, 2023.
- **GASB Statement No. 100**, *Accounting Changes and Error Corrections*—**an amendment of GASB Statement No. 62**. 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 KENT  
Connecticut State Teachers Retirement System  
Required Supplementary Information  
Schedule of the Town's Proportionate Share of the Net Pension Liability

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Towns proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the town	7,632,024	6,626,365	7,301,729	7,054,214	5,439,209	5,962,940	6,290,948	4,635,777	4,284,847
Total	\$ 7,632,024	\$ 6,626,365	\$ 7,301,729	\$ 7,054,214	\$ 5,439,209	\$ 5,962,940	\$ 6,290,948	\$ 4,635,777	\$ 4,284,847
Town's covered-employee payroll	\$ 1,957,227	\$ 1,903,765	\$ 1,719,611	\$ 1,813,744	\$ 1,739,583	\$ 1,788,628	\$ 1,797,405	\$ 1,723,151	\$ 1,971,669
Town's proportionate share of the net pension liability as a percentage of covered-employee payroll	0.00%	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	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

**Notes to Schedule**

Changes in benefit terms	Legislation was passed restoring the 25% wear down of Plan N benefits to vested members as of June 30, 2019.
Changes of assumptions	None
Actuarial cost method	Entry
Amortization method	Level percent of pay, closed, grading to a level dollar amortization method for the June 30, 2024 valuation
Single Equivalent amortization period	27.8 years
Asset valuation method	4-year smoothed fair value
Inflation	2.50%
Salary increases	3.00%-6.50%, including inflation
Investment rate of return	6.90%, net of investment related expense

Notes:

This schedule is intended to show information for ten years. Additional years information will be displayed as it becomes available  
The measurement date is one year earlier than the employer's reporting date.

TOWN OF KENT  
Connecticut State Teachers Retirement System  
Required Supplementary Information  
Schedule of the Town's Proportionate Share of the Net OPEB Liability

	2023	2022	2021	2020	2019	2018
Town's proportion of the net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the town	686,390	721,930	1,089,053	1,100,214	1,087,329	1,534,781
Total	\$ 686,390	\$ 721,930	\$ 1,089,053	\$ 1,100,214	\$ 1,087,329	\$ 1,534,781
Town's covered-employee payroll	\$ 1,957,227	\$ 1,903,765	\$ 1,719,611	\$ 1,813,744	\$ 1,739,583	\$ 1,788,628
Town's proportionate share of the net OPEB liability as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

**Notes to Schedule**

Changes in benefit terms	There was a change in the maximum monthly subsidy amounts offered to retirees and their dependents from \$110/\$220 to \$220/\$440.
Changes of assumptions	Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2022 was updated to equal the SEIR of 3.53% as of June 30, 2022.
	Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience.
	The assumed age-related annual percentage increases in expected annual per capita health care claims costs were updated;
	Long-term health care cost trend rates were updated; and
	The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated to better reflect anticipated plan experience.
Actuarial cost method	Entry Age
Amortization method	Level percent of payroll over an open period
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Investment rate of return	3.00%, net of pension plan investment expense
Inflation	2.50%

**Notes:**

This schedule is intended to show information for ten years. Additional years information will be displayed as it becomes available  
The measurement date is one year earlier than the employer's reporting date.

TOWN OF KENT  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL BUDGETARY BASIS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Actual	Variance With Final Budget Over (Under)
	Original	Transfers	Final		
<u>Property Taxes</u>	\$ 11,362,112	\$ -	\$ 11,362,112	\$ 11,490,239	\$ 128,127
<u>Interest and lien fees</u>	40,500		40,500	71,565	31,065
<u>Intergovernmental</u>					
Education assistance	32,149	-	32,149	32,638	489
Mashantucket Pequot	1,298	-	1,298	1,298	-
Town aid roads	292,151	-	292,151	294,420	2,269
In lieu of taxes	32,055	-	32,055	31,986	(69)
Other	20,656	-	20,656	27,481	6,825
<u>Total Intergovernmental</u>	378,309	-	378,309	387,823	9,514
<u>Investment Income</u>	15,000	-	15,000	142,853	127,853
<u>Charges for services</u>					
Building fees	22,000	-	22,000	42,727	20,727
Planning and zoning	20,000	-	20,000	29,742	9,742
Parks and recreation	25,250	-	25,250	65,844	40,594
Town clerk recording fees and conveyance taxes	80,000	-	80,000	94,570	14,570
Miscellaneous fees	62,500	-	62,500	61,802	(698)
Other permits	1,650	-	1,650	2,739	1,089
Transfer station	95,000	-	95,000	96,617	1,617
Bulky waste	10,000	-	10,000	10,035	35
	316,400	-	316,400	404,076	87,676
<u>Other Revenues</u>					
Cell tower rent	107,928	-	107,928	113,994	6,066
Telecommunications property	13,000	-	13,000	13,650	650
KCS Tuition	78,750	-	78,750	78,750	-
Tax Penalty	-	-	-	52,532	52,532
Maple street extension	25,000	-	25,000	25,000	-
Community house	5,000	-	5,000	3,660	(1,340)
Swift house rent	1,200	-	1,200	-	(1,200)
<u>Total Other Revenues</u>	230,878	-	230,878	287,586	56,708
<u>Transfers in</u>					
Surplus	527,000	100,000	627,000	-	(627,000)
<u>Total Transfers in</u>	527,000	100,000	627,000	-	(627,000)
<u>Total Revenues</u>	\$ 12,870,199	\$ 100,000	\$ 12,970,199	\$ 12,784,142	\$ (186,057)

TOWN OF KENT  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts				Variance Favorable (Unfavorable)
	Original	Transfers	Final	Actual	
<u>General Government</u>					
Board of Selectmen	\$ 222,910	\$ -	\$ 222,910	\$ 219,662	\$ 3,248
Probate Court	4,524	-	4,524	4,524	-
Registrar of Voters	49,627	-	49,627	44,807	4,820
Board of Finance	25,274	-	25,274	22,795	2,479
Treasurer	78,858	-	78,858	78,141	717
Assessors	98,019	(7,000)	91,019	86,739	4,280
Tax Collector	88,542	-	88,542	78,916	9,626
Assessment Appeals	2,471	-	2,471	625	1,846
Conservation Commission	2,495	-	2,495	1,304	1,191
Town Clerk	146,859	-	146,859	138,753	8,106
Planning and Zoning	101,684	18,000	119,684	119,085	599
Zoning Board of Appeals	2,208	-	2,208	1,770	438
Inland Wetlands Commission	48,143	7,000	55,143	54,404	739
Building Inspector	16,577	3,500	20,077	19,673	404
Town Hall	131,200	25,000	156,200	155,825	375
Legal	61,750	-	61,750	40,686	21,064
Grants	274,100	-	274,100	274,000	100
Cemetery Association grant	37,000	-	37,000	37,000	-
Associations	13,556	-	13,556	12,560	996
Insurance	112,170	-	112,170	95,963	16,207
Contingency	10,000	(5,500)	4,500	-	4,500
Historic District Commission	500	-	500	97	403
<u>Total General Government</u>	<u>1,528,467</u>	<u>41,000</u>	<u>1,569,467</u>	<u>1,487,329</u>	<u>82,138</u>
<u>Public Safety</u>					
Fire Marshal	38,173	(7,330)	30,843	28,488	2,355
EMS Staffing	130,000	107,330	237,330	237,316	14
Litchfield County dispatch	35,263	-	35,263	35,263	-
Police Protection	200,800	(25,000)	175,800	168,319	7,481
Paramedic Association	76,499	-	76,499	76,498	1
Emergency Management	10,000	-	10,000	1,193	8,807
<u>Total Public Safety</u>	<u>490,735</u>	<u>75,000</u>	<u>565,735</u>	<u>547,077</u>	<u>18,658</u>
<u>Public Works</u>					
Town garage building	21,910	3,020	24,930	24,922	8
Highway department	1,464,011	(3,020)	1,460,991	1,306,782	154,209
Town aid road	292,151	-	292,151	294,419	(2,268)
Town utilities	48,000	-	48,000	47,012	988
Tree upkeep	30,100	-	30,100	20,155	9,945
<u>Total Public Works</u>	<u>1,856,172</u>	<u>-</u>	<u>1,856,172</u>	<u>1,693,290</u>	<u>162,882</u>



TOWN OF KENT  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance
	Original	Transfers	Final	Favorable (Unfavorable)
<u>Sanitation</u>				
Landfill monitoring	2,000	-	2,000	-
Transfer station	145,931	-	145,931	10,494
<u>Total Sanitation</u>	<u>147,931</u>	<u>-</u>	<u>147,931</u>	<u>10,494</u>
<u>Health and Welfare</u>				
Social services	123,350	-	123,350	863
Senior Center	18,975	-	18,975	1,523
Welcome center public restrooms	20,000	-	20,000	6,111
Director of Health and health district	16,517	-	16,517	-
<u>Total Health and Welfare</u>	<u>178,842</u>	<u>-</u>	<u>178,842</u>	<u>8,497</u>
<u>Recreation</u>				
Parks and recreation	215,118	(18,000)	197,118	11,386
Community house	23,360	1,000	24,360	338
Swift house	13,050	1,000	14,050	898
KCS Ballfield maintenance	20,000	-	20,000	1,533
<u>Total Recreation</u>	<u>271,528</u>	<u>(16,000)</u>	<u>255,528</u>	<u>14,155</u>
<u>Education</u>				
<u>Local Education</u>				
Salaries	2,841,786	-	2,841,786	153,778
Employee benefits	970,937	-	970,937	59,881
Purchased professional services	29,822	-	29,822	9,731
Purchased property services	131,510	-	131,510	(39,405)
Pupil transportation	322,540	-	322,540	16,547
Supplies and utilities	297,025	-	297,025	(68,049)
Insurance	92,815	-	92,815	1,793
Dues and fees	12,475	-	12,475	1,457
Cafeteria subsidy	35,000	-	35,000	-
Contingency	40,000	-	40,000	40,000
Other	8,500	-	8,500	-
	<u>4,782,410</u>	<u>-</u>	<u>4,782,410</u>	<u>175,733</u>
<u>Regional Education</u>				
Pupil services	947,280	-	947,280	-
HVRHS tuition	1,291,730	-	1,291,730	-
Administration services	220,290	-	220,290	-
	<u>2,459,300</u>	<u>-</u>	<u>2,459,300</u>	<u>-</u>
<u>Total Education</u>	<u>7,241,710</u>	<u>-</u>	<u>7,241,710</u>	<u>175,733</u>

TOWN OF KENT  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023

	Original	Budgeted Amounts Transfers	Final	Actual	Variance Favorable (Unfavorable)
<u>Debt Service</u>					
Interest	25,790	-	25,790	25,790	-
Principal	13,116	-	13,116	13,116	-
<u>Total Debt Service</u>	<u>38,906</u>	<u>-</u>	<u>38,906</u>	<u>38,906</u>	<u>-</u>
 <u>Total Expenditures</u>	 <u>11,754,291</u>	 <u>100,000</u>	 <u>11,854,291</u>	 <u>11,381,734</u>	 <u>472,557</u>
 <u>Other Financing Uses - Transfers</u>					
Transfer to Capital	1,078,408	-	1,078,408	1,078,408	-
Transfer to Dog Fund	7,500	-	7,500	7,500	-
Transfer to KCS Non-lapsing Fund	-	-	-	70,000	(70,000)
Transfer to Schaghticoke Litigation	30,000	-	30,000	30,000	-
<u>Total Other Financing Uses - Transfers</u>	<u>1,115,908</u>	<u>-</u>	<u>1,115,908</u>	<u>1,185,908</u>	<u>(70,000)</u>
 <u>Total Expenditures and Other Financing Uses</u>	 <u>\$ 12,870,199</u>	 <u>\$ 100,000</u>	 <u>\$ 12,970,199</u>	 <u>\$ 12,567,642</u>	 <u>\$ 402,557</u>

TOWN OF KENT  
GENERAL FUND  
SPECIAL ACTIVITIES - BALANCE SHEET  
JUNE 30, 2023

	Schaghticoke Litigation Fund	Maple Street Extension Fund	KCS Non Lapsing Fund	National Opioid Settlement Funds	Total
<u>Assets</u>					
Cash and Cash Equivalents	\$ -	\$ 25,166	\$ 70,000	\$ 8,601	\$ 103,767
Investments	-	-	-	-	-
Inventory	-	-	-	-	-
Accounts Receivable	-	-	-	-	-
Due From Other Funds	-	13,759	-	-	13,759
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>Total Assets</u>	<u>\$ -</u>	<u>\$ 38,925</u>	<u>\$ 70,000</u>	<u>\$ 8,601</u>	<u>\$ 117,526</u>
<u>Liabilities and Fund Balances</u>					
<u>Liabilities</u>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	13,759	-	-	-	13,759
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>Total Liabilities</u>	<u>13,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,759</u>
<u>Fund Balances</u>					
Committed	(13,759)	38,925	70,000	8,601	103,767
Unassigned	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>Total Fund Balances</u>	<u>(13,759)</u>	<u>38,925</u>	<u>70,000</u>	<u>8,601</u>	<u>103,767</u>
<u>Total Liabilities, Deferred Inflows of Resources and Fund Balances</u>	<u>\$ -</u>	<u>\$ 38,925</u>	<u>\$ 70,000</u>	<u>\$ 8,601</u>	<u>\$ 117,526</u>

Note to Schedule

The above Special Activities are included in the General Fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance in conformity with GAAP basis.

TOWN OF KENT  
GENERAL FUND  
SPECIAL ACTIVITIES STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2023

	Schaghticoke Litigation Fund	Maple Street Extension Fund	KCS Non Lapsing Fund	National Opioid Settlement Funds	Total
<u>Revenues:</u>					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	2,882	-	550	3,432
Donations and other	-	14,302	-	8,051	22,353
Charges for services	-	-	-	-	-
<u>Total Revenues</u>	<u>-</u>	<u>17,184</u>	<u>-</u>	<u>8,601</u>	<u>25,785</u>
<u>Expenditures:</u>					
General Government	16,985	-	-	-	16,985
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Sanitation	-	-	-	-	-
Health and Welfare	-	-	-	-	-
Recreation	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Debt Service	-	-	-	-	-
Education	-	-	-	-	-
Capital Outlay	-	-	-	-	-
<u>Total Expenditures</u>	<u>16,985</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,985</u>
Excess (deficiency) of Revenues Over Expenditures	<u>(16,985)</u>	<u>17,184</u>	<u>-</u>	<u>8,601</u>	<u>8,800</u>
<u>Other Financing Sources (Uses):</u>					
Operating Transfers In	30,000	-	70,000	-	100,000
Operating Transfers Out	-	(25,000)	-	-	(25,000)
<u>Total Other Financing Sources (Uses)</u>	<u>30,000</u>	<u>(25,000)</u>	<u>70,000</u>	<u>-</u>	<u>75,000</u>
<u>Net Change in Fund Balances</u>	<u>13,015</u>	<u>(7,816)</u>	<u>70,000</u>	<u>8,601</u>	<u>83,800</u>
<u>Fund Balances Beginning of Year</u>	<u>(26,774)</u>	<u>46,741</u>	<u>-</u>	<u>-</u>	<u>19,967</u>
<u>Fund Balances End of Year</u>	<u>\$ (13,759)</u>	<u>\$ 38,925</u>	<u>\$ 70,000</u>	<u>\$ 8,601</u>	<u>\$ 103,767</u>

Note to Schedule

The above Special Activities are included in the General Fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance in conformity with GAAP basis.

TOWN OF KENT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023

	Special Revenue Funds						
	Dog Fund	School Cafeteria	Building Inspection Fund	Shunichi Kuga	Selectmen's Fund	Santa Fund	Ward Recreation
<u>Assets</u>							
Cash and Cash Equivalents	\$ 15,675	\$ 57,508	\$ -	\$ 11,789	\$ 5,741	\$ 27,822	\$ 9,962
Investments	-	-	-	-	-	-	-
Inventory	-	402	-	-	-	-	-
Accounts Receivable	-	11,544	-	-	-	-	-
Due From Other Funds		-	-	-	-	-	-
<u>Total Assets</u>	<u>\$ 15,675</u>	<u>\$ 69,454</u>	<u>\$ -</u>	<u>\$ 11,789</u>	<u>\$ 5,741</u>	<u>\$ 27,822</u>	<u>\$ 9,962</u>
<u>Liabilities and Fund Balances</u>							
<u>Liabilities</u>							
Accounts Payable	\$ 1,701	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	7,435	-	-	-	-	-	-
<u>Total Liabilities</u>	<u>9,136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>							
Nonspendable	-	402	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	6,539	69,052	-	11,789	5,741	27,822	9,962
<u>Total Fund Balances</u>	<u>6,539</u>	<u>69,454</u>	<u>-</u>	<u>11,789</u>	<u>5,741</u>	<u>27,822</u>	<u>9,962</u>
<u>Total Liabilities and Fund Balances</u>	<u>\$ 15,675</u>	<u>\$ 69,454</u>	<u>\$ -</u>	<u>\$ 11,789</u>	<u>\$ 5,741</u>	<u>\$ 27,822</u>	<u>\$ 9,962</u>

TOWN OF KENT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023

					Permanent Fund	
	Kenico Road Fund	KCS Activity Fund	Recreation Programs	Food Bank	Records Preservation	Walter Skiff Fund
						Total
<u>Assets</u>						
Cash and cash equivalents	\$ 138	\$ 47,184	\$ 16,485	\$ 19,903	\$ 11,997	\$ 225,351
Investments	-	-	-	-	-	-
Inventory	-	-	-	-	-	402
Accounts Receivable	-	-	-	-	-	11,544
Due From Other Funds	-	-	-	-	-	-
<u>Total Assets</u>	<u>138</u>	<u>47,184</u>	<u>16,485</u>	<u>19,903</u>	<u>11,997</u>	<u>237,297</u>
<u>Liabilities and Fund Balances</u>						
<u>Liabilities</u>						
Accounts Payable	-	-	1,080	-	-	2,781
Due to Other Funds	-	-	-	-	-	7,435
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>	<u>1,080</u>	<u>-</u>	<u>-</u>	<u>10,216</u>
<u>Fund Balances</u>						
Nonspendable	-	-	-	-	-	1,549
Restricted	-	47,184	-	-	11,997	59,181
Committed	138	-	15,405	19,903	-	166,351
<u>Total Fund Balances</u>	<u>138</u>	<u>47,184</u>	<u>15,405</u>	<u>19,903</u>	<u>11,997</u>	<u>227,081</u>
<u>Total Liabilities and Fund Balances</u>	<u>\$ 138</u>	<u>\$ 47,184</u>	<u>\$ 16,485</u>	<u>\$ 19,903</u>	<u>\$ 11,997</u>	<u>\$ 237,297</u>

TOWN OF KENT  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds						
	Dog Fund	School Cafeteria	Building Inspection Fund	Shunichi Kuga	Selectmen's Fund	Santa Fund	Ward Recreation
<u>Revenues:</u>							
Intergovernmental	\$ -	\$ 85,257	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	-	753	367	1,777	-
Donations and other	-	-	-	-	3,159	9,438	-
Charges for services	3,457	3,299	284,832	1,925	-	-	-
<u>Total Revenues</u>	<u>3,457</u>	<u>88,556</u>	<u>284,832</u>	<u>2,678</u>	<u>3,526</u>	<u>11,215</u>	<u>-</u>
<u>Expenditures:</u>							
General Government	-	-	242,107	1,875	74	-	-
Public Safety	11,794	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	8,521	-
Recreation	-	-	-	-	-	-	-
Education	-	95,275	-	-	-	-	-
<u>Total Expenditures</u>	<u>11,794</u>	<u>95,275</u>	<u>242,107</u>	<u>1,875</u>	<u>74</u>	<u>8,521</u>	<u>-</u>
Excess (deficiency) of Revenues Over Expenditures	<u>(8,337)</u>	<u>(6,719)</u>	<u>42,725</u>	<u>803</u>	<u>3,452</u>	<u>2,694</u>	<u>-</u>
<u>Other Financing Sources (Uses):</u>							
Operating Transfers In	7,500	35,000	-	-	-	-	-
Operating Transfers Out	-	-	(42,725)	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>7,500</u>	<u>35,000</u>	<u>(42,725)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Net Change in Fund Balances</u>	<u>(837)</u>	<u>28,281</u>	<u>-</u>	<u>803</u>	<u>3,452</u>	<u>2,694</u>	<u>-</u>
<u>Fund Balances Beginning of Year</u>	<u>7,376</u>	<u>41,173</u>	<u>-</u>	<u>10,986</u>	<u>2,289</u>	<u>25,128</u>	<u>9,962</u>
<u>Fund Balances End of Year</u>	<u>\$ 6,539</u>	<u>\$ 69,454</u>	<u>\$ -</u>	<u>\$ 11,789</u>	<u>\$ 5,741</u>	<u>\$ 27,822</u>	<u>\$ 9,962</u>

TOWN OF KENT  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

					Permanent Fund	
	Kenico Road Fund	KCS Activity Fund	Recreation Programs	Food Bank	Records Preservation	Walter Skiff Fund
						Total
<u>Revenues:</u>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,257
Investment Income	-	3,015	-	-	105	6,091
Donations and other	-	15,102	-	35,698	-	63,397
Charges for services	-	-	41,139	-	1,547	336,199
<u>Total Revenues</u>	<u>-</u>	<u>18,117</u>	<u>41,139</u>	<u>35,698</u>	<u>1,652</u>	<u>490,944</u>
<u>Expenditures:</u>						
General Government	-	-	-	-	-	244,056
Public Safety	-	-	-	-	-	11,794
Health and Welfare	-	-	-	31,601	-	40,122
Recreation	-	-	16,976	-	-	16,976
Education	-	13,004	-	-	-	108,279
<u>Total Expenditures</u>	<u>-</u>	<u>13,004</u>	<u>16,976</u>	<u>31,601</u>	<u>-</u>	<u>421,227</u>
<u>Excess of Revenues Over (Under)</u>						
<u>Expenditures</u>	<u>-</u>	<u>5,113</u>	<u>24,163</u>	<u>4,097</u>	<u>1,652</u>	<u>69,717</u>
<u>Other Financing Sources (Uses):</u>						
Operating Transfers In	-	-	-	-	-	42,500
Operating Transfers Out	-	-	(8,758)	-	-	(51,483)
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>(8,758)</u>	<u>-</u>	<u>-</u>	<u>(8,983)</u>
<u>Net Change in Fund Balances</u>	<u>-</u>	<u>5,113</u>	<u>15,405</u>	<u>4,097</u>	<u>1,652</u>	<u>60,734</u>
<u>Fund Balances Beginning of Year</u>	<u>138</u>	<u>42,071</u>	<u>-</u>	<u>15,806</u>	<u>10,345</u>	<u>166,347</u>
<u>Fund Balances End of Year</u>	<u>\$ 138</u>	<u>\$ 47,184</u>	<u>\$ 15,405</u>	<u>\$ 19,903</u>	<u>\$ 11,997</u>	<u>\$ 227,081</u>



TOWN OF KENT  
SCHEDULE OF DEBT LIMITATION  
FOR THE YEAR ENDED JUNE 30, 2023

Total tax collection including interest and lien fees  
for prior fiscal year \$ 11,224,474

Reimbursement for revenue loss on  
Tax relief for elderly for prior fiscal year -

Base \$ 11,224,474

	General Purpose	Schools	Sewers	Urban Renewal
Debt limitation:				
2-1/4 times base	\$25,255,067	\$ -	\$ -	\$ -
4-1/2 times base	-	50,510,133	-	-
3-3/4 times base	-	-	42,091,778	-
3-1/4 times base	-	-	-	36,479,541
Total debt limitation	<u>25,255,067</u>	<u>50,510,133</u>	<u>42,091,778</u>	<u>36,479,541</u>

Indebtedness:				
General Obligation Bond USDA Loans	-	-	1,263,014	-
Regional School District #1 town share balance as of prior fiscal year	-	630,410	-	-
Bonds authorized but not issued	<u>5,277,525</u>	<u>-</u>	<u>450,000</u>	<u>-</u>
Total indebtedness	<u>5,277,525</u>	<u>630,410</u>	<u>1,713,014</u>	<u>-</u>

Debt limitation in excess of outstanding and authorized debt	<u>\$19,977,542</u>	<u>\$ 49,879,723</u>	<u>\$40,378,764</u>	<u>\$36,479,541</u>
-----------------------------------------------------------------	---------------------	----------------------	---------------------	---------------------

Total capacity of borrowing (7 times base) \$ 78,571,318

Total present indebtedness 7,620,949

Margin for additional borrowing \$ 70,950,369

TOWN OF KENT  
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Grand List	Balances	Current	Lawful Corrections		Collectable	Collections			Transfers	Balances
Year	6/30/2022	Levy	Additions	Deductions	Taxes	Taxes	Interest and Liens	Total	To Suspense	6/30/2023
2021	\$ -	\$ 11,479,985	\$ 9,394	\$ 22,281	\$ 11,467,098	\$ 11,358,684	\$ 46,665	11,405,349	\$ 952	\$ 107,462
2020	86,121	-	181	1,878	84,424	47,770	11,939	59,709	771	35,883
2019	47,516	-	-	104	47,412	25,626	10,592	36,218	604	21,182
2018	14,140	-	9	-	14,149	3,411	2,040	5,451	4,059	6,679
2017	3,502	-	-	-	3,502	63	20	83	2,961	478
2016	2,529	-	-	-	2,529	34	32	66	2,113	382
2015	1,263	-	-	-	1,263	70	77	147	892	301
2014	616	-	-	-	616	-	-	-	425	191
2013	268	-	-	-	268	18	8	26	226	24
2012	159	-	-	-	159	-	-	-	154	5
2011	27	-	-	-	27	-	-	-	-	27
2010	23	-	-	-	23	-	-	-	-	23
2009	5	-	-	-	5	-	-	-	-	5
2008	5	-	-	-	5	-	-	-	-	5
2007	656	-	-	-	656	100	192	292	556	-
Totals	<u>\$ 156,830</u>	<u>\$ 11,479,985</u>	<u>\$ 9,584</u>	<u>\$ 24,263</u>	<u>\$ 11,622,136</u>	<u>\$ 11,435,776</u>	<u>\$ 71,565</u>	<u>\$ 11,507,341</u>	<u>\$ 13,713</u>	<u>\$ 172,647</u>

TOWN OF KENT  
SCHEDULE OF ASSESSED VALUE OF TAXABLE PROPERTY  
PAST FOUR FISCAL YEARS  
JUNE 30, 2023

<u>Fiscal Year Ended</u>	<u>Grand List Year</u>	<u>Real Estate Gross Assessment</u>	<u>Personal Property Gross Assessment</u>	<u>Motor Vehicle Gross Assessment</u>	<u>Exemptions</u>	<u>Net Taxable Grand Lis</u>
6/30/2022	2020	\$ 683,579,900	\$ 20,531,119	\$ 29,510,510	\$ (131,655,795)	\$ 601,965,734
6/30/2021	2019	675,944,155	18,988,189	27,605,900	(127,739,420)	594,798,824
6/30/2020	2018	673,127,300	18,125,579	26,872,070	(126,279,430)	591,845,519
6/30/2019	2017	690,493,135	17,641,361	26,773,660	(130,743,330)	604,164,826

TOWN OF KENT  
SCHEDULE OF PRINCIPAL TAXPAYERS  
2020 GRAND LIST  
JUNE 30, 2023

Taxpayer	Assessment (1)	Percent of Net Taxable Grand List
Connecticut Light & Power	\$ 9,455,250	1.53%
Kent School Corporation	5,848,500	0.95%
Rock Cobble Farm, LLC	5,825,900	0.94%
Blitzer, David S. Trustee	5,316,300	0.86%
Rachel Fitch LLC	4,644,700	0.75%
Cohn Mitchell D Trustee	3,896,300	0.63%
Iron Mountain Property LLC	3,701,400	0.60%
Keswin, Jeffrey A. & Erica	3,632,500	0.59%
JLAA LLC	3,544,700	0.57%
Willow Brook Farms LLC	3,543,150	0.57%
	<u>\$ 49,408,700</u>	<u>8.01%</u>

1) The net taxable grand list as of October 1, 2021 totaled: \$ 616,508,913

Source: Town Assessor Department

For further clarification of the above information, please contact the Kent Tax Assessor at (860) 927-3160.



Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance And  
Other Matters Based On An Audit Of Financial Statements Performed In Accordance With  
*Government Auditing Standards*

To the Board of Finance of the  
Town of Kent, Connecticut  
Kent, CT

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Kent, Connecticut, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Kent, Connecticut's basic financial statements, and have issued our report thereon dated March 27, 2024.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Kent, Connecticut's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Kent, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Kent, Connecticut's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Kent, Connecticut's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Sinnamon & Associates, LLC  
Certified Public Accountants

Canaan, Connecticut  
March 27, 2024



Independent Auditor's Report On Compliance For Each Major State Program;  
Report On Internal Control Over Compliance; And Report On The Schedule  
Of Expenditures Of State Financial Assistance Required By The State Single Audit Act

To the Board of Finance of the  
Town of Kent, Connecticut  
Kent, CT

**Report on Compliance for Each Major State Program**

***Opinion on Each Major State Program***

We have audited the Town of Kent, Connecticut's compliance with the types of compliance requirements identified as subject to audit in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town of Kent, Connecticut's major state programs for the year ended June 30, 2023. The Town of Kent, Connecticut's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Kent, Connecticut, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Kent, Connecticut and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of the Town of Kent, Connecticut's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town of Kent, Connecticut's state programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Town of Kent, Connecticut's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town of Kent, Connecticut's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town of Kent, Connecticut's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town of Kent, Connecticut's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of the Town of Kent, Connecticut's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of State Financial Assistance Required by the State  
Single Audit Act**

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Kent, Connecticut and the related notes to the financial statements, which collectively comprise the Town of Kent, Connecticut's basic financial statements as of and for the year ended June 30, 2023, and have issued our report thereon dated March 27, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.



Sinnamon & Associates, LLC  
Certified Public Accountants

March 27, 2024  
Canaan, Connecticut

TOWN OF KENT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2023

<u>State Grantor/Pass Through Grantor/Program Title</u>	<u>State Grant Program CORE-CT Number</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures</u>
<u>Office of Policy and Management:</u>			
Property tax relief on property of totally disabled persons	11000-OPM20600-17011	\$ -	\$ 100
Property tax relief for Veterans	11000-OPM20600-17024	-	756
Tiered PILOT	11000-OPM20600-17111	-	25,182
MRSA - Tiered PILOT	11000-OPM20600-35691	-	6,805
Municipal Revenue Sharing - Tiered Payment in Lieu of Taxes (PILOT)	12060-OPM20600-35458	-	26,966
		-	59,809
<u>Judicial Branch</u>			
Judicial fines and fees	34001-JUD95162-40001	-	515
<u>Department of Transportation:</u>			
Let's Go CT Ramp-Up Program	13033-DOT57551-43667		400,000
Town aid road grants transportation fund	12052-DOT57131-43455	-	147,210
Town aid road grants transportation fund - STO	13033-DOT57131-43459	-	147,210
		-	694,420
<u>Department of Housing</u>			
Main Street Investment Fund	12052-DOH46900-43524	-	500,000
<u>Connecticut State Library</u>			
Historic documents preservation grant	12060-CSL66094-35150	-	
<u>Department of Education:</u>			
Child Nutrition Program	11000-SDE64370-16211	-	634
School Breakfast	11000-SDE64370-17046	-	2,662
Healthy Foods Initiative	11000-SDE64370-16212	-	1,204
Talent Development	11000-SDE64370-12552	-	414
		-	4,914
<u>Total State Financial Assistance Before Exempt Programs</u>		-	1,259,658
<u>Exempt Programs</u>			
<u>Department of Education:</u>			
Education Cost Sharing	11000-SDE64370-17041	-	32,638
<u>Office of Policy and Management:</u>			
Mashantucket Pequot/Mohegan Fund	12009-OPM20600-17005		1,298
<u>Total Exempt Programs</u>		-	33,936
<u>Total State Financial Assistance</u>		\$ -	\$ 1,293,594

TOWN OF KENT  
NOTES TO SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2023

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Town of Kent under programs of the State of Connecticut for the fiscal year ended June 30, 2023. Various departments and agencies of the State of Connecticut have provided financial assistance to the Town of Kent through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including road repair and maintenance, capital improvements, tax relief, general assistance and education.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Town of Kent conform to accounting principles generally accepted in the United States of America as applicable to governments.

The information in the Schedule of Expenditures of State Financial Assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

**Basis of Accounting**

The expenditures reported on the Schedule of Expenditures of State Financial Assistance are reported on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditures of State Financial Assistance.

TOWN OF KENT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023

**I. SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of auditor's opinion issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u>      </u> Yes	<u>      </u> <u>X</u> No
Significant deficiency(s) identified	<u>      </u> Yes	<u>      </u> <u>X</u> None Reported
Noncompliance material to financial statements noted?	<u>      </u> Yes	<u>      </u> <u>X</u> No

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified?	<u>      </u> Yes	<u>      </u> <u>X</u> No
Significant deficiency(s) identified	<u>      </u> Yes	<u>      </u> <u>X</u> None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?

<u>      </u> Yes	<u>      </u> <u>X</u> No
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The following schedule reflects the major programs included in the audit:

<u>State Grantor and Program</u>	<u>State CORE-CT Number</u>	<u>Expenditures</u>
<u>Department of Transportation:</u>		
Let's Go CT Ramp-Up Program	13033-DOT57551-43667	\$ 400,000
Town aid road grants transportation fund	12052-DOT57131-43455	147,210
Town aid road grants transportation fund - STO	13033-DOT57131-43459	147,210
<u>Department of Housing</u>		
Main Street Investment Fund	12052-DOH46900-43524	500,000

Dollar threshold used to distinguish between type A and type B programs: \$100,000

**II - FINANCIAL STATEMENTS FINDINGS**

Our audit did not disclose any matters required to be reported in accordance with Government Auditing Standards.

**III - STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**

Our audit did not disclose any matters required to be reported in accordance with the State Single Audit Act.