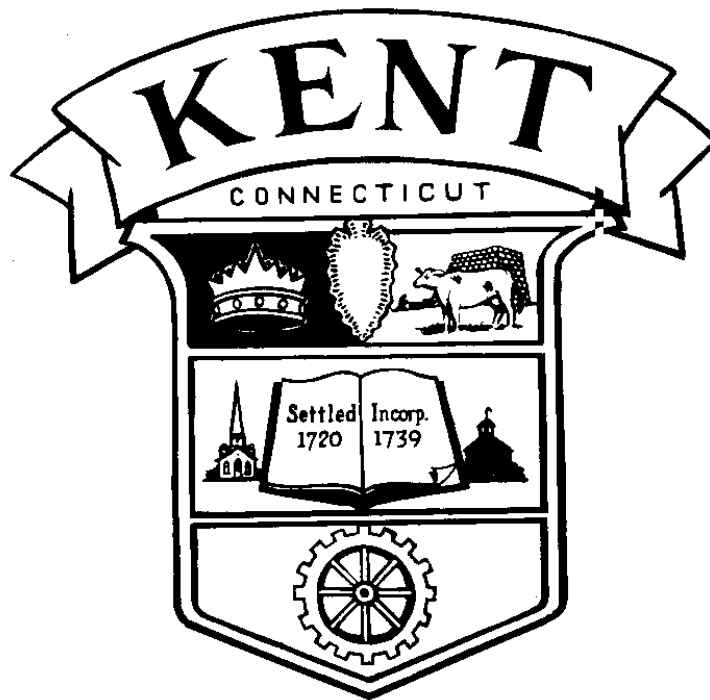


TOWN OF KENT, CONNECTICUT

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021



with

SUPPLEMENTAL STATEMENTS AND SCHEDULES

and

INDEPENDENT AUDITORS' REPORT

Sandra E. Welwood, LLC

Certified Public Accountants

**TOWN OF KENT, CONNECTICUT
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INDEPENDENT AUDITORS' REPORT

To the Board of Finance
Town of Kent, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Kent, Connecticut (the "Town"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2021, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10, the schedule of the Town's proportionate share of the net pension liability – Teachers Retirement Plan on page 46, and the schedule of the Town's proportionate share of the net OPEB liability – Connecticut State Teachers' OPEB on page 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2021, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Sandra E. Welwood, LLC

Danbury, Connecticut
December 3, 2021

TOWN OF KENT, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2021

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, 2021. The information presented below should be considered in conjunction with the Town's financial statements that follow:

FINANCIAL HIGHLIGHTS

On a government-wide basis, the Town's assets and deferred outflows of \$28,126,991 exceeded its liabilities and deferred inflows of \$3,302,813 at June 30, 2021, resulting in total net position of \$24,824,178. Of that, \$16,999,781 was invested in capital assets while \$7,766,947 represented unrestricted net position, available to meet ongoing government obligations. The Town's net position increased \$757,752 or 3.1% during the fiscal year.

The Town's governmental funds reported, on a current financial resource basis, a combined ending fund balance of \$6,967,356, an increase of \$341,415 or 5.2%, during the fiscal year. The General Fund operating surplus for this fiscal year was \$36,022. The General Fund balance at June 30, 2021, was \$3,482,219 of which \$486,250 is committed for expenditures in the 2021-2022 fiscal year, \$(153) is committed for Schaghticoke Litigation expenses, and \$46,778 is committed for Maple Street Debt Service.

The unassigned fund balance of \$2,872,233 of the General Fund represents 23.1% of the General Fund budgeted appropriations for the fiscal year ending June 30, 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves 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. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide a broad overview of the Town's finances, similar to those used by private-sector businesses. The Statement of Net Position and the Statement of Activities, which are the government-wide statements, report information about Town finances as a whole. All revenues and charges are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues, called "governmental activities" from other functions that are intended to recover all or a significant portion of their costs through user fees and charges, referred to as "business-type" activities". The governmental activities of the Town include general government, public safety, public works, health and welfare, recreation, sanitation, and education activities. The Kent Sewer Commission operates the Town's only business-type activity.

The government-wide financial statements can be found on pages 11 and 12 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain and control accountability over resources that have been segregated for specific activities or objectives. In order to comply with finance-related legal requirements, the Town, like other state and local governments, uses fund accounting. All of the Town's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 the current year's cash receipts and expenditures and the balances of expendable resources at the end of the year. Consequently, the governmental fund statements provide a near or short-term view of the Town's finances that may be useful in evaluating the Town'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. This comparison is facilitated by a reconciliation schedule of both statements, found on pages 14 and 16 of this report.

The Town maintains various governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Capital Projects Fund and the Town Special Grant Fund, each of which is considered to be a major fund. The remaining 14 governmental funds are combined into a single aggregated presentation in the governmental fund financial statements as other funds.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided on page 17 of this report to demonstrate compliance with the authorized budget.

The basic governmental fund financial statements can be found on pages 13 to 17 of this report.

Proprietary Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The information provided for proprietary funds is the same type as for government-wide financial statements but in more detail.

The proprietary fund statements provide separate information for the Kent Sewer Operating Fund, the Town's enterprise fund.

The proprietary fund financial statements can be found on pages 18 to 20 of this report.

Fiduciary Funds are used to account for resources held by the Town for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to provide services to the Town. The accounting used for fiduciary fund is much like that used for proprietary funds.

The Town currently has no fiduciary funds.

Town of Kent, Connecticut
Management's Discussion and Analysis (Unaudited)
June 30, 2021 (continued)

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 to 45 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve as a useful indicator of a government's financial position. The Town's net position was \$24,824,178 at June 30, 2021.

	Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
<u>Assets</u>						
Current assets	\$ 8,436,715	\$ 7,016,478	\$ 738,789	\$ 730,970	\$ 9,175,504	\$ 7,747,448
Capital assets	15,219,842	15,189,669	3,510,196	3,271,008	18,730,038	18,460,677
Noncurrent assets	-	-	221,449	221,400	221,449	221,400
	<u>23,656,557</u>	<u>22,206,147</u>	<u>4,470,434</u>	<u>4,223,378</u>	<u>28,126,991</u>	<u>26,429,525</u>
<u>Deferred outflows of resources</u>	-	11,943	-	-	-	11,943
<u>Liabilities</u>						
Current liabilities	1,370,675	731,587	267,904	25,528	1,638,579	757,115
Noncurrent liabilities	<u>156,482</u>	<u>117,373</u>	<u>1,507,752</u>	<u>1,530,675</u>	<u>1,664,234</u>	<u>1,648,048</u>
	<u>1,527,157</u>	<u>848,960</u>	<u>1,775,656</u>	<u>1,556,203</u>	<u>3,302,813</u>	<u>2,405,163</u>
<u>Deferred inflows of resources</u>	-	-	-	-	-	-
<u>Net position</u>						
Net investment in capital assets	14,799,759	14,799,759	2,200,022	1,939,227	16,999,781	16,738,986
Restricted	57,450	57,448	-	-	57,450	57,448
Unrestricted	<u>7,272,191</u>	<u>6,511,923</u>	<u>494,756</u>	<u>727,948</u>	<u>7,766,947</u>	<u>7,239,871</u>
	<u>\$ 22,129,400</u>	<u>\$ 21,369,130</u>	<u>\$ 2,694,778</u>	<u>\$ 2,667,175</u>	<u>\$ 24,824,178</u>	<u>\$ 24,036,305</u>

The largest portion of the Town's net position (68.5%) 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 \$527,076 or 7.3% to \$7,766,947 during the fiscal year and is 31% of the total net position.

Town of Kent, Connecticut
Management's Discussion and Analysis (Unaudited)
June 30, 2021 (continued)

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Program revenues						
Charges for services	\$ 590,980	\$ 600,581	\$ 446,689	\$ 338,834	\$ 1,037,669	\$ 939,415
Operating grants and contributions	1,707,562	1,440,128	-	-	1,707,562	1,440,128
Capital grants and contributions	-	-	-	-	-	-
General revenues						
Property taxes	11,045,304	11,037,920	-	-	11,045,304	11,037,920
Grants and contributions not restricted to specific programs	195,134	109,284	-	-	195,134	109,284
Investment income	9,706	110,030	383	337	10,089	110,367
Miscellaneous	274,464	34,452	-	-	274,464	34,452
Total revenues	<u>13,823,150</u>	<u>13,332,395</u>	<u>447,072</u>	<u>339,171</u>	<u>14,270,222</u>	<u>13,671,566</u>
Expenses						
General government	1,396,211	1,707,366	-	-	1,396,211	1,707,366
Public safety	416,595	402,031	-	-	416,595	402,031
Public works	1,854,743	1,970,556	-	-	1,854,743	1,970,556
Health and welfare	188,582	177,564	-	-	188,582	177,564
Recreation	216,282	243,944	-	-	216,282	243,944
Sanitation	149,824	130,003	431,937	421,965	581,761	551,968
Education	8,819,771	8,225,070	-	-	8,819,771	8,225,070
Interest on long-term debt	38,525	34,626	-	-	38,525	34,626
Transfers	12,468	27,363	(12,468)	(27,363)	-	-
Total expenses	<u>13,093,001</u>	<u>12,918,523</u>	<u>419,469</u>	<u>394,602</u>	<u>13,512,470</u>	<u>13,313,125</u>
Change in net position	730,149	413,872	27,603	(55,431)	757,752	358,441
Net position, July 1	<u>21,399,251</u>	<u>20,955,258</u>	<u>2,667,175</u>	<u>2,722,606</u>	<u>24,066,426</u>	<u>23,677,864</u>
Net position, June 30	<u>\$ 22,129,400</u>	<u>\$ 21,369,130</u>	<u>\$ 2,694,778</u>	<u>\$ 2,667,175</u>	<u>\$ 24,824,178</u>	<u>\$ 24,036,305</u>

Governmental Activities

Key elements of the activities are as follows: 80% of the revenues of the Town were derived from property taxes, followed by 12.3% from Operating grants and contributions, 4.3% from charges for services, and 1.5% from investment income, grants and other revenues and 1.9% from Miscellaneous fees and receipts.

Expenses increased \$174,478 or 1.4% from the previous year. Public Safety, Health and Welfare, Sanitation as well as *Education* all reflected increased costs. However, *General Government*, *Public Works* and *Recreation* all reflected decreases in spending.

Business-Type Activities

Business-type activities increased the Town's net position by \$27,603 principally related to the increased collection of user charges and the minimal increase in operating expenses.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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. The unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2021, the Town's governmental funds reported combined ending fund balances of \$6,967,356. Of this amount, \$78,581 was nonspendable; \$3,311,443 was restricted for capital projects; \$40,041 was restricted by permanent funds; \$132,183 was committed through special revenue funds; and \$532,875 was committed for specific purposes. The remaining \$2,872,233 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 \$2,872,233 represents 23.1% of the General Fund budgeted appropriations for the fiscal year ending June 30, 2022. The General Fund's total fund balance of \$3,482,219 represents 28% of total General Fund budgeted appropriations for the fiscal year ending June 30, 2022. For the current fiscal year, the General Fund's fund balance increased \$36,022. See "General Fund Budgetary Highlights" for further discussion.

The fund balance of the capital projects fund was \$3,311,443 at June 30, 2021, an increase of \$283,590 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. Net position of the Sewer Commission's fund was \$2,694,778 at June 30, 2021. The factors affecting the funds are discussed in the Business-Type Activities section of this report.

GENERAL FUND BUDGETARY HIGHLIGHTS

The fund balance of the Town's General Fund increased by \$36,022 or 1.2% during the fiscal year. The original budget proposed and adopted in May 2020 included an appropriation of \$780,000 from the available fund balance. Actual revenues did not meet budgetary estimates by \$462,769 and actual expenditures were \$699,843 less than appropriations. As a result, \$0 of the General Fund balance was used to balance the budget.

It is important to note that the State of Connecticut and the Town of Kent remained under an Emergency Declaration for the entire fiscal year due to the Covid-19 Pandemic. Public access to the Kent Municipal offices was restricted and access was only granted by appointment.

Town of Kent, Connecticut
Management's Discussion and Analysis (Unaudited)
June 30, 2021 (continued)

Primary factors contributing to the budget surplus included collection of four 490 tax penalties, FEMA reimbursements from Storm Isaias, COVID Relief funding received for expenses incurred in the prior year and a significant increase in the fees collected on the transfer of Real Estate. Despite the Covid-19 pandemic, the tax collection rate remained at 99%.

To some extent, expenditures were impacted by the Covid-19 Pandemic. Open positions either remained unfilled or were very difficult to fill and the Park and Recreation department was unable to offer regular programming. There were two mid-year appropriations approved by taxpayers at the January Town Meeting. The first was in the amount of \$140,000 and was used for KCS Vestibule renovations to increase security and the second was in the amount of \$55,000 and was used to pay for EMT staffing to cover shifts that could not be covered by the Kent Volunteer Ambulance Corps.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2021, amounted to \$18,730,038 (net of accumulated depreciation). The investment in capital assets included land, buildings and improvements, machinery and equipment, vehicles, and infrastructure. The increase in the Town's investment in capital assets for the fiscal year was \$269,362.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 1,378,530	\$ 1,378,530	\$ -	\$ -	\$ 1,378,530	\$ 1,378,530
Construction in progress	109,828	28,828	-	-	109,828	28,828
Buildings and improvements	7,017,153	6,908,116	1,004,280	1,023,312	8,021,433	7,931,428
Land improvements	50,996	59,525	-	-	50,996	59,525
Machinery and equipment	264,571	132,697	534,896	237,085	799,467	369,782
Vehicles	351,146	450,828	-	-	351,146	450,828
Infrastructure	<u>6,047,618</u>	<u>6,231,145</u>	<u>1,971,020</u>	<u>2,010,610</u>	<u>8,018,638</u>	<u>8,241,755</u>
	<u>\$ 15,219,842</u>	<u>\$ 15,189,669</u>	<u>\$ 3,510,196</u>	<u>\$ 3,271,007</u>	<u>\$ 18,730,038</u>	<u>\$ 18,460,676</u>

Major capital asset additions during FY 2020-2021 include a JD 4WD Loader to be used by the Highway department and window replacements and vestibule security renovations at the Kent Center School facility. The Kent Sewer Commission added a Belt Press, an air conditioning system for the plant office, a new mower and a used loader.

Debt Administration

At June 30, 2021, the Town's long-term debt, the refunded general obligation bond of February 1 2012, was satisfied and there was no debt outstanding at the end of the fiscal year.

The Kent Sewer Commission does have USDA loan obligations and that information can be found on page 35 in the notes to Financial Statements.

Including \$727,980 of Regional School District No. 1 debt, for which the Town is contingently liable, the Town's outstanding debt is significantly below the statutory debt limit of \$77,068,103 (seven times the base for debt limitation computation).

Additional information on the Town's long-term obligations can be found in Note 8 of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

While there were no changes to the budget preparation process due to the Covid-19 pandemic, there were several changes to the budget approval process. In continuum, all meetings were held via Zoom teleconferencing including the annual Public Hearing to present the proposed budgets. The budget referendum was held via Zoom as well which was in contrast to the prior year where the Board of Finance operated under an executive order from the Governor and approved the budgets and mil rate without holding a budget referendum. The Board of Finance anticipates that the budget approval process will revert to prior practices when all of the Covid-19 pandemic restrictions are lifted.

The Town's elected officials considered many factors when creating the fiscal year 2021 - 2022 budget and setting the property tax rate.

- Increased funding and an expansion of the Emergency Management Department.
- Increased funding for the Kent Memorial Library
- EMT staffing and the appropriate funding level needed for those services.
- Keeping Capital Project funding moderate.
- Keeping the Mil rate flat
- Enrollment at Kent Center School due to the influx of permanent residents.
- Covid Relief funding and ARPA funding

REQUESTS FOR INFORMATION

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, CONNECTICUT

STATEMENT OF NET POSITION JUNE 30, 2021

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 7,645,461	\$ 728,935	\$ 8,374,396
Investments	280,741	-	280,741
Receivables	248,923	1,230	250,153
Due from Sewer Operating Fund	240,459	-	240,459
Inventory	399	-	399
Prepaid expenses	20,732	8,624	29,356
Restricted cash and investments	-	221,449	221,449
Noncurrent assets:			
Capital assets not being depreciated	1,488,358	-	1,488,358
Capital assets, net of accumulated depreciation	13,731,484	3,510,196	17,241,680
Total assets	23,656,557	4,470,434	28,126,991
<u>Liabilities</u>			
Accounts payable	914,680	3,574	918,254
Accrued liabilities	1,323	-	1,323
Due to General Fund	-	240,459	240,459
Unearned revenue	454,672	-	454,672
Noncurrent liabilities:			
Due within one year	-	23,871	23,871
Due in more than one year	156,482	1,507,752	1,664,234
Total liabilities	1,527,157	1,775,656	3,302,813
<u>Net Position</u>			
Net investments in capital assets	14,799,759	2,200,022	16,999,781
Permanent endowments:			
Endowments - nonexpendable	57,450	-	57,450
Unrestricted	7,272,191	494,756	7,766,947
Total net position	\$ 22,129,400	\$ 2,694,778	\$ 24,824,178

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

TOWN OF KENT, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 1,396,211	\$ 464,266	\$ 81,746	\$ -	\$ (850,199)	\$ -	\$ (850,199)
Public safety	416,595	3,919	-	-	(412,676)	-	(412,676)
Public works	1,854,743	-	291,531	-	(1,563,212)	-	(1,563,212)
Parks and recreation	216,282	10,135	-	-	(206,147)	-	(206,147)
Health and welfare	188,582	-	-	-	(188,582)	-	(188,582)
Sanitation	149,824	107,870	-	-	(41,954)	-	(41,954)
Education	8,819,771	4,790	1,334,285	-	(7,480,696)	-	(7,480,696)
Interest on long-term debt	38,525	-	-	-	(38,525)	-	(38,525)
	<u>13,080,533</u>	<u>590,980</u>	<u>1,707,562</u>	<u>-</u>	<u>(10,781,991)</u>	<u>-</u>	<u>(10,781,991)</u>
Business-Type Activities:							
Sewer Fund	<u>431,937</u>	<u>446,689</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,752</u>	<u>14,752</u>
Total	<u>\$ 13,512,470</u>	<u>\$ 1,037,669</u>	<u>\$ 1,707,562</u>	<u>\$ -</u>	<u>(10,781,991)</u>	<u>14,752</u>	<u>(10,767,239)</u>
General revenues:							
Property taxes, interest, and lien fees					11,045,304	-	11,045,304
Grants and contributions not restricted to specific programs					195,134	-	195,134
Unrestricted investment earnings					9,706	383	10,089
Miscellaneous					274,464	-	274,464
Transfers					(12,468)	12,468	-
Total general revenues and transfers					<u>11,512,140</u>	<u>12,851</u>	<u>11,524,991</u>
Change in net position					730,149	27,603	757,752
Net position, beginning of year					<u>21,399,251</u>	<u>2,667,175</u>	<u>24,066,426</u>
Net position, end of year					<u>\$ 22,129,400</u>	<u>\$ 2,694,778</u>	<u>\$ 24,824,178</u>

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

TOWN OF KENT, CONNECTICUT

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021**

	General Fund	Capital Projects Fund	Town Special Grant Fund	Nonmajor Governmental Funds	Total
<u>Assets</u>					
Cash and cash equivalents	\$ 3,833,020	\$ 3,622,598	\$ -	\$ 189,843	\$ 7,645,461
Investments	280,741	-	-	-	280,741
Receivables	215,057	7,800	15,667	10,399	248,923
Due from other funds	42,909	-	410,927	-	453,836
Due from Sewer Operating Fund	240,459	-	-	-	240,459
Prepaid expenses and inventory	20,732	-	-	399	21,131
Total assets	\$ 4,632,918	\$ 3,630,398	\$ 426,594	\$ 200,641	\$ 8,890,551
<u>Liabilities</u>					
Accounts and other payables	\$ 596,020	\$ 315,413	\$ -	\$ 3,247	\$ 914,680
Due to other funds	410,927	3,542	15,667	23,700	453,836
Unearned revenue	43,745	-	410,927	-	454,672
Other liabilities	1,323	-	-	-	1,323
Total liabilities	1,052,015	318,955	426,594	26,947	1,824,511
<u>Deferred Inflows of Resources</u>					
Unavailable revenue - property taxes	98,684	-	-	-	98,684
Total deferred inflows of resources	98,684	-	-	-	98,684
<u>Fund Balances</u>					
Nonspendable	77,111	-	-	1,470	78,581
Restricted	-	3,311,443	-	40,041	3,351,484
Committed	532,875	-	-	132,183	665,058
Unassigned	2,872,233	-	-	-	2,872,233
Total fund balances	3,482,219	3,311,443	-	173,694	6,967,356
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,632,918	\$ 3,630,398	\$ 426,594	\$ 200,641	\$ 8,890,551

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

TOWN OF KENT, CONNECTICUT

**GOVERNMENTAL FUNDS
BALANCE SHEET
(CONTINUED)
JUNE 30, 2021**

Reconciliation of the Balance Sheet-Government Funds to the Statement of Net Position:

Fund balances - total governmental funds		\$	6,967,356
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:			
Governmental capital assets	\$	29,588,853	
Less accumulated depreciation		<u>(14,369,011)</u>	
Net capital assets			15,219,842
Other long-term assets are not available to pay for current period expenditures and, therefore, are not recorded in the funds:			
Property tax receivables - accrual basis change			98,684
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:			
Compensated absences			(44,201)
Teacher severance			<u>(112,281)</u>
Net position of governmental activities		\$	<u><u>22,129,400</u></u>

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

TOWN OF KENT, CONNECTICUT

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021**

	General Fund	Capital Projects Fund	Town Special Grant Fund	Nonmajor Governmental Funds	Total
<u>Revenues</u>					
Property taxes	\$ 11,029,210	\$ -	\$ -	\$ -	\$ 11,029,210
Interest and lien fees	47,963	-	-	-	47,963
Intergovernmental	1,665,958	7,800	89,606	50,583	1,813,947
Charges for services	356,679	1,722	-	211,861	570,262
Investment income	6,493	3,055	-	158	9,706
Other	254,222	29,500	-	52,246	335,968
Total revenues	13,360,525	42,077	89,606	314,848	13,807,056
<u>Expenditures</u>					
Current:					
General government	1,175,959	-	31,355	170,472	1,377,786
Public safety	405,099	-	-	11,496	416,595
Public works	1,432,403	-	-	-	1,432,403
Health and welfare	158,608	-	-	29,974	188,582
Recreation	166,294	-	-	2,457	168,751
Sanitation	149,824	-	-	-	149,824
Board of Education	8,297,851	-	58,251	91,695	8,447,797
Debt service	420,101	-	-	-	420,101
Capital outlay	-	851,334	-	-	851,334
Total expenditures	12,206,139	851,334	89,606	306,094	13,453,173
Excess (deficiency) of revenues over (under) expenditures	1,154,386	(809,257)	-	8,754	353,883
<u>Other Financings Sources (Uses)</u>					
Transfers in	29,451	1,092,847	-	42,500	1,164,798
Transfers out	(1,147,815)	-	-	(29,451)	(1,177,266)
Total other financing sources (uses)	(1,118,364)	1,092,847	-	13,049	(12,468)
Net change in fund balances	36,022	283,590	-	21,803	341,415
Fund balances, beginning of year	3,446,197	3,027,853	-	151,891	6,625,941
Fund balances, end of year	\$ 3,482,219	\$ 3,311,443	\$ -	\$ 173,694	\$ 6,967,356

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

TOWN OF KENT, CONNECTICUT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities:

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

Net change in fund balances - total governmental funds	\$ 341,415
Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays were less than depreciation in the current period:	
Capital outlay (net of disposals)	769,698
Depreciation expense	(739,525)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the Statement of Activities:	
Decrease in property tax receivable - accrual basis change	16,094
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the Statement of Activities. The details of these differences in the treatment of long-term debt and related items are as follows:	
Bond payments	385,000
Amortization of premium and deferred charges on refunding	(7,033)
Change in accrued interest	3,609
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	32,025
Teacher severance	(71,134)
Change in net position of governmental activities	<u>\$ 730,149</u>

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

TOWN OF KENT, CONNECTICUT

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts				Variance with Final Budget Positive (Negative)
	Original	Transfers	Final	Actual	
<u>Revenues</u>					
Property taxes	\$ 10,916,134	\$ -	\$ 10,916,134	\$ 11,029,210	113,076
Interest and lien fees	40,500	-	40,500	47,963	7,463
Intergovernmental	344,017	-	344,017	409,850	65,833
Investment income	50,000	-	50,000	6,397	(43,603)
Departmental	247,500	-	247,500	386,130	138,630
Other	991,952	-	991,952	247,784	(744,168)
Total revenues	12,590,103	-	12,590,103	12,127,334	(462,769)
<u>Expenditures</u>					
Current:					
General government	1,211,657	42,560	1,254,217	1,163,373	90,844
Public safety	389,297	55,000	444,297	405,099	39,198
Public works	1,779,817	(64,060)	1,715,757	1,432,403	283,354
Health and welfare	159,397	12,500	171,897	158,608	13,289
Recreation	221,690	2,200	223,890	166,294	57,596
Sanitation	143,292	6,800	150,092	149,824	268
Education	7,292,037	-	7,292,037	7,076,743	215,294
Debt service	432,569	-	432,569	432,569	-
Total expenditures	11,629,756	55,000	11,684,756	10,984,913	699,843
Excess of revenues over expenditures	960,347	(55,000)	905,347	1,142,421	237,074
<u>Other Financing Uses</u>					
Transfers out	(960,347)	(140,000)	(1,100,347)	(1,100,347)	-
Excess of revenues over expenditures and other financing uses	\$ -	\$ (195,000)	\$ (195,000)	42,074	\$ 237,074
Fund balance, beginning of year				3,393,520	
Fund balance, end of year				\$ 3,435,594	

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

TOWN OF KENT, CONNECTICUT

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2021**

	Business-Type Activities Enterprise Funds Sewer Operating Fund
<u>Assets</u>	
Current assets:	
Cash and cash equivalents	\$ 728,935
Accounts receivable	1,230
Prepaid expenses	8,624
Total current assets	<u>738,789</u>
Noncurrent assets:	
Restricted cash and investments	221,449
Capital assets, net of accumulated depreciation:	
Plant and pumping station	<u>3,510,196</u>
Total assets	<u><u>4,470,434</u></u>
<u>Liabilities</u>	
Current liabilities:	
Accounts payable	3,574
Due to other funds	240,459
Current portion of notes payable	23,871
Total current liabilities	<u>267,904</u>
Noncurrent liabilities:	
Permanent maintenance agreements	221,449
Notes payable, less current portion	<u>1,286,303</u>
Total liabilities	<u><u>1,775,656</u></u>
<u>Net Position</u>	
Net investment in capital assets	2,200,022
Unrestricted	<u>494,756</u>
Total net position	<u><u>\$ 2,694,778</u></u>

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

TOWN OF KENT, CONNECTICUT

**PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021**

	Business-Type Activities Enterprise Funds Sewer Operating Fund
Operating revenues:	
Charges for services	\$ 446,689
Operating expenses:	
Payroll and payroll taxes	127,088
Materials and supplies	6,325
Operating expenses	82,966
Administration	13,763
Outside services	988
Insurance	20,315
Other expenses	12,319
Depreciation	125,949
Total operating expenses	389,713
Operating loss	56,976
Nonoperating revenue (expenses):	
Investment income	383
Interest expense	(42,224)
Total nonoperating revenue (expenses)	(41,841)
Income before transfers	15,135
Transfer in	12,468
Total transfers in (out)	12,468
Change in net position	27,603
Net position, beginning of year	2,667,175
Net position, end of year	\$ 2,694,778

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

TOWN OF KENT, CONNECTICUT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities Enterprise Funds Sewer Operating Fund
Cash flows from operating activities:	
Receipts from customers	\$ 447,583
Payments to suppliers and personnel	(265,981)
Net cash provided by operating activities	181,602
Cash flows from capital and related financing activities:	
Purchase of capital assets	(365,137)
Receipts from other funds	284,419
Principal payments of clean water fund loans	(21,607)
Interest paid on capital debt	(42,224)
Net cash used by capital and related financing activities	(144,549)
Cash flows from investing activities:	
Investment income	383
Net cash provided by investing activities	383
Net increase in cash and cash equivalents	37,436
Cash and cash equivalents, beginning of year	691,499
Cash and cash equivalents, end of year	\$ 728,935
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ 56,976
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	125,949
(Increase) decrease in accounts receivable	894
(Increase) decrease in prepaid expenses	(2,771)
Increase (decrease) in accounts payable	554
Net cash provided by operating activities	\$ 181,602

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

TOWN OF KENT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

The Town of Kent, Connecticut (the “Town”) was incorporated in 1739. It operates under 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.

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:

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.

Basis of Presentation

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town’s accounting policies are described below.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been eliminated 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.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Agency funds, however, have no measurement focus.

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, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and 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 program eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town.

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.

The Town reports the following major governmental funds:

The *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.

The *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.

The *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:

The *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.

Additionally, the Town reports the following fund type:

The *Private Purpose Trust Fund* is used to account for resources legally held in trust for the benefit of individuals, private organizations, or other governments.

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

Cash Equivalents

For purposes of reporting cash flows, all savings, checking, money market accounts, and certificates of deposit with an original maturity of less than three months are considered to be cash equivalents.

Investments

Investments are stated at fair value.

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.

Receivables and Payables

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

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2021 (continued)

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and enterprise fund financial statements. Capital assets are defined by the Town 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 estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment, and infrastructure assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building	40 - 50
Building improvements	20 - 40
Land improvements	15 - 40
Infrastructure	25 - 50
Sewer system infrastructure	50 - 100
Machinery and equipment	5 - 25
Vehicles	10 - 12

Unearned Revenue

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

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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has no items that qualify for reporting in this category.

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(s) and so will not be recognized as an inflow of resources (revenue) until then. 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.

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 and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund 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 issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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 component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position – Net position is restricted because it is externally imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This component consists of net position that does not meet the definition of "Restricted Net Position" or "Net Investment in Capital Assets".

Governmental Accounting Standards Board Statement No. 54 (GASB 54) defines the different types of fund balances that the Town must use for its governmental funds. GASB 54 requires the fund balances to be properly reported within one of the following categories for financial reporting purposes.

Nonspendable Fund Balance – represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

Restricted Fund Balance – represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors, or laws and regulations of their governments.

Committed Fund Balance – represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. The Board of Selectmen is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned Fund Balance – represents amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official hat has been delegated authority to assign amounts by the Town Charter.

Unassigned Fund Balance – represents fund balance in the General Fund in excess of nonspendable, restricted, committed, and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The Town does not have a minimum fund balance policy.

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.

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.

Note 2 – Stewardship, Compliance, and Accountability

Budgetary Information

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 budgeted amounts between departmental appropriations of up to \$20,000 per department per year. Subsequent appropriations and appropriations of more than \$20,000 for any one department per year must be approved by Town Meeting referendum.

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

Appropriations for capital projects do not lapse until completions of the applicable projects. All General Fund unexpended appropriations lapse at year end.

There were no supplemental budgetary appropriations for the fiscal year ended June 30, 2021.

The Town does not have legally adopted annual budgets for its special revenue funds because budgetary control is alternatively achieved by constraints imposed by the project authorization and grant awards related to these funds. The Town does not have legally adopted budgets for its fiduciary funds.

The Town's budgeting system requires accounting for certain transactions to be on a basis other than GAAP. The major difference between the budgetary basis and GAAP basis is that encumbrances are recognized as a charge against a budget appropriation in the year in which the purchase order is issued, and, accordingly, encumbrances outstanding at year end are recorded in budgetary reports as expenditures of the current year, whereas, on a GAAP basis encumbrances are recorded as reservations of fund balance.

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2021 (continued)

As explained above, the Town's budgetary fund structure accounts for certain transactions differently from that utilized in reporting in conformity with GAAP. A reconciliation of revenues, expenditures, and fund balance of the General Fund between the accounting treatment required by GAAP and budgetary requirements is as follows:

	<u>Fund balance beginning</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Other financing sources (uses)</u>	<u>Fund balance ending</u>
Balance, GAAP basis	\$ 3,446,197	\$ 13,360,525	\$ (12,206,139)	\$ (1,118,364)	\$ 3,482,219
Reclassifications	-	49,451	(47,468)	(1,983)	-
State Teachers' retirement and OPEB on behalf payments	-	(1,256,108)	1,256,108	-	-
GASB 54 reclassification and adjustment	<u>(52,677)</u>	<u>(26,534)</u>	<u>12,586</u>	<u>20,000</u>	<u>(46,625)</u>
Balance, budgetary basis	<u>\$ 3,393,520</u>	<u>\$ 12,127,334</u>	<u>\$ (10,984,913)</u>	<u>\$ (1,100,347)</u>	<u>\$ 3,435,594</u>

Special Revenue Funds

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.

Capital Project Funds

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.

Note 3 – Cash, Cash Equivalents, and Investments – All Funds

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a "qualified public depository" as defined by the Statutes, or, in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit, in an "out of state bank" as defined by the Statutes, which is not a "qualified public depository".

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2021 (continued)

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF) and the State Tax Exempt Proceeds Fund (TEPF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer's Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

Deposits

Based on the criteria described in GASB Statement No. 40, Deposits and Investment Risk Disclosures, \$2,615,222 of the Town's bank balance of \$3,149,961 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 2,321,021
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>294,201</u>
Total amount subject to custodial credit risk	<u>\$ 2,615,222</u>

Cash Equivalents

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, 2021, the Town's cash equivalents amounted to \$5,421,704. 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.

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

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Investment Maturities (Years)</u>		
		<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-10</u>
Certificates of deposit	N/A	<u>\$ 395,477</u>	<u>\$ -</u>	<u>\$ 395,477</u>
Total investments		<u>\$ 395,477</u>	<u>\$ -</u>	<u>\$ 395,477</u>

Investment Custodial Credit Risk – Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Credit Risk – The Town has no investment policy that would limit its investment choices due to credit risk other than State statutes governing investments in obligations of any state or political subdivision or in obligations of the State of Connecticut or political subdivision.

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2021 (continued)

Concentration of Credit Risk – The Town places no limit on the amount invested in any one issuer. No more than 5% of the Town’s investments were invested in any one issuer in which credit risk was applicable.

Interest Rate Risk – The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Fair Value Measurements

The Town utilizes the market approach as the valuation technique to measure fair value of its financial assets. GAAP establishes a three-level hierarchy for fair value measurements that distinguishes between market participant assumptions developed based on market data obtained from sources independent of the reporting entity (“observable inputs”) and the reporting entity’s own assumptions about market participant assumptions developed based on the best information available in the circumstances (“unobservable inputs”) and requires that the most observable inputs be used when available. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 - Valuation based on unadjusted quoted prices in active markets for identical assets the Town has the ability to access. Since valuations are based on quoted prices readily and regularly available in an active market, valuation of these assets does not entail significant judgment.
- Level 2 - Valuation based on quoted prices for similar assets in active markets; quoted prices for similar assets in inactive markets; or valuations based on models where the significant inputs are observable (e.g. interest rates, yield curves, etc.) or can be corroborated by observable market data.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement. The unobservable inputs reflect the Town’s own assumptions about assumptions that market participants might use.

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, 2021.

Note 4 – Receivables

Receivables by type at year end for the Town’s governmental fund financial statements, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Capital Projects Fund	Town Special Grant Fund	Nonmajor Governmental Fund	Total
Receivables:					
Taxes	\$ 128,086	\$ -	\$ -	\$ -	\$ 128,086
Interest and liens	35,107	-	-	-	35,107
Other	75,851	7,800	15,667	10,399	109,717
Gross receivables	239,044	7,800	15,667	10,399	272,910
Less allowance for collection losses	(23,987)	-	-	-	(23,987)
	<u>\$ 215,057</u>	<u>\$ 7,800</u>	<u>\$ 15,667</u>	<u>\$ 10,399</u>	<u>\$ 248,923</u>

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2021 (continued)

To reflect that a portion of property taxes, interest, and lien fees receivable at June 30, 2021, are not considered available to liquidate general fund liabilities of the current period, the General Fund column of the governmental funds Balance Sheet reports property tax revenue, unavailable for expenditure in the current fiscal year of \$98,684, as a deferred inflow of resources.

Note 5 – Governmental Fund Balances

The components of fund balance for the governmental funds at June 30, 2021, are as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<u>Nonspendable:</u>				
Prepaid expenses	\$ 20,732	\$ -	\$ -	\$ 20,732
Inventory	-	-	399	399
Trusts	<u>56,379</u>	<u>-</u>	<u>1,071</u>	<u>57,450</u>
	<u>77,111</u>	<u>-</u>	<u>1,470</u>	<u>78,581</u>
<u>Restricted:</u>				
Capital projects	-	3,311,443	-	3,311,443
General government	-	-	8,164	8,164
Education	<u>-</u>	<u>-</u>	<u>31,877</u>	<u>31,877</u>
	<u>-</u>	<u>3,311,443</u>	<u>40,041</u>	<u>3,351,484</u>
<u>Committed:</u>				
Subsequent year's budget	486,250	-	-	486,250
General government	-	-	58,280	58,280
Public safety	-	-	7,270	7,270
Recreation	-	-	9,962	9,962
Health and welfare	-	-	17,406	17,406
Education	-	-	39,265	39,265
Schaghticoke litigation	(153)	-	-	(153)
Maple Street extension	<u>46,778</u>	<u>-</u>	<u>-</u>	<u>46,778</u>
	<u>532,875</u>	<u>-</u>	<u>132,183</u>	<u>665,058</u>
<u>Unassigned</u>	<u>2,872,233</u>	<u>-</u>	<u>-</u>	<u>2,872,233</u>
	<u>\$ 3,482,219</u>	<u>\$ 3,311,443</u>	<u>\$ 173,694</u>	<u>\$ 6,967,356</u>

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2021 (continued)

Note 6 – Capital Assets

Capital asset activity for the year ended June 30, 2021, was as follows:

	Balance at July 1, 2020	Increases	Decreases	Balance at June 30, 2021
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 1,378,530	\$ -	\$ -	\$ 1,378,530
Construction in progress	28,828	81,000	-	109,828
Total capital assets not being depreciated	<u>1,407,358</u>	<u>81,000</u>	<u>-</u>	<u>1,488,358</u>
Capital assets being depreciated:				
Buildings and improvements	13,496,042	521,631	-	14,017,673
Land improvements	127,939	-	-	127,939
Machinery and equipment	1,047,883	169,262	92,195	1,124,950
Vehicles	1,241,269	-	-	1,241,269
Infrastructure	<u>11,588,664</u>	<u>-</u>	<u>-</u>	<u>11,588,664</u>
Total capital assets being depreciated	<u>27,501,797</u>	<u>690,893</u>	<u>92,195</u>	<u>28,100,495</u>
Less accumulated depreciation for:				
Buildings and improvements	6,587,926	412,594	-	7,000,520
Land improvements	68,414	8,529	-	76,943
Machinery and equipment	915,186	35,193	90,000	860,379
Vehicles	790,441	99,682	-	890,123
Infrastructure	<u>5,357,519</u>	<u>183,527</u>	<u>-</u>	<u>5,541,046</u>
Total accumulated depreciation	<u>13,719,486</u>	<u>739,525</u>	<u>90,000</u>	<u>14,369,011</u>
Total capital assets being depreciated, net	<u>13,782,311</u>	<u>(48,632)</u>	<u>2,195</u>	<u>13,731,484</u>
Governmental activities capital assets, net	<u>\$ 15,189,669</u>	<u>\$ 32,368</u>	<u>\$ 2,195</u>	<u>\$ 15,219,842</u>
Business-Type Activities				
Capital assets being depreciated:				
Buildings and improvements	\$ 2,137,927	\$ 39,538	\$ -	\$ 2,177,465
Machinery and equipment	384,185	325,599	-	709,784
System infrastructure	<u>2,442,787</u>	<u>-</u>	<u>-</u>	<u>2,442,787</u>
Total capital assets being depreciated	<u>4,964,899</u>	<u>365,137</u>	<u>-</u>	<u>5,330,036</u>
Less accumulated depreciation for:				
Buildings and improvements	1,114,614	58,571	-	1,173,185
Machinery and equipment	147,100	27,788	-	174,888
System infrastructure	<u>432,177</u>	<u>39,590</u>	<u>-</u>	<u>471,767</u>
Total accumulated depreciation	<u>1,693,891</u>	<u>125,949</u>	<u>-</u>	<u>1,819,840</u>
Total capital assets being depreciated, net	<u>3,271,008</u>	<u>239,188</u>	<u>-</u>	<u>3,510,196</u>
Business-type activities capital assets, net	<u>\$ 3,271,008</u>	<u>\$ 239,188</u>	<u>\$ -</u>	<u>\$ 3,510,196</u>

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2021 (continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 50,450
Public works	340,704
Recreation	47,531
Education	<u>300,840</u>
Total depreciation expense – governmental activities	<u>\$ 739,525</u>
Business-type activities:	
Sewer operating	<u>\$ 125,949</u>
Total depreciation expense – business-type activities	<u>\$ 125,949</u>

Note 7 – Interfund Receivables, Payables, and Transfers

Interfund receivables and payables that resulted from various interfund transactions as of June 30, 2021, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 3,542
General Fund	Town Special Grant Fund	15,667
General Fund	Nonmajor Funds	23,700
Town Special Grant Fund	General Fund	<u>410,927</u>
Total		<u>\$ 453,836</u>

All balances are expected to be repaid within a year.

Interfund transfers are generally used to supplement revenues of other funds. The transfers that occurred during the year are as follows:

	<u>Transfers In</u>				
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Sewer Operating Fund</u>	<u>Total Transfers Out</u>
Transfers out:					
General Fund	\$ -	\$ 1,092,847	\$ 42,500	\$ 12,468	\$ 1,147,815
Nonmajor Governmental Funds	<u>29,351</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,351</u>
Total transfers in	<u>\$ 29,351</u>	<u>\$ 1,092,847</u>	<u>\$ 42,500</u>	<u>\$ 12,468</u>	<u>\$ 1,177,166</u>

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2021 (continued)

Note 8 – Long -Term Obligations

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation bonds	\$ 385,000	\$ -	\$ 385,000	\$ -	\$ -
Premium on general obligation bonds	4,910	-	4,910	-	-
Compensated absences	76,226	-	32,025	44,201	-
Teachers' severance	<u>41,147</u>	<u>71,134</u>	<u>-</u>	<u>112,281</u>	<u>-</u>
Total governmental activities long-term liabilities	<u>\$ 507,283</u>	<u>\$ 71,134</u>	<u>\$ 421,935</u>	<u>\$ 156,482</u>	<u>\$ -</u>
Business-type activities:					
Clean water loan	<u>\$ 1,331,781</u>	<u>\$ -</u>	<u>\$ 22,490</u>	<u>\$ 1,309,291</u>	<u>\$ 23,871</u>

For the governmental activities, compensated absences are generally liquidated by the General Fund.

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, 2021, the outstanding bonded indebtedness of the District was \$5,081,000. The Town's share will be 14.1% of the remaining balance. These are general obligations of Regional School District No. 1 and its member towns.

At June 30, 2021, the Town is contingently liable for Regional School District No. 1 debt in the amount of \$727,980.

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, 2021.

Unissued Bond Authorization

Authorizations of general obligation bonds that remained unissued as of June 30, 2021, are summarized below:

	<u>Date Authorized</u>	<u>Authorized and Unissued</u>
Sewer Belt Filter Press	01/21/2020	\$ 450,000
Streetscape Improvements	01/20/2019	<u>2,925,000</u>
Total bond authorizations, unissued		<u>\$ 3,375,000</u>

Clean Water Fund Loans Payable

The United States Department of Agriculture under the Clean Water Fund Program issued project loan obligations. The loan proceeds financed the sanitary sewer construction projects. The obligation will be paid from future user fees. Project loan obligations payable to the United States Department of Agriculture mature as follows:

	<u>Principal</u>	<u>Interest</u>
2022	\$ 23,871	\$ 39,960
2023	24,593	39,238
2024	25,337	38,494
2025	26,104	37,727
2026	26,894	36,937
2027-2031	147,189	171,966
2032-2036	168,655	150,500
2037-2041	198,418	120,737
2042-2046	230,425	88,730
2047-2051	267,633	51,522
2052-2055	<u>170,172</u>	<u>10,229</u>
Total	<u>\$ 1,309,291</u>	<u>\$ 786,040</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, 2021, liabilities totaling \$112,281 for five teachers qualifying for the contract severance benefit are accrued in the government-wide Statement of Net Position.

Note 9 – Employee Retirement 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 \$28,086 and the Board of Education's contributions totaled \$42,380.

Connecticut State Teachers' Retirement System

Description of the Connecticut State Teachers' Retirement System

Teachers, principals, superintendents, and supervisors engaged in service within the Town's school system participate in a retirement system administered by the Connecticut State Teachers' Retirement Board. This Connecticut State Teachers' Retirement System (the "System") is a cost sharing multiple employer defined benefit pension system with a special funding situation. As such, the Town does not have a liability related to participants in the System.

The System is considered a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained at www.ct.gov.

The System is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). Participation in the System is restricted to certified staff employed in the public schools of Connecticut and members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units. Participation in the System is mandatory for certified personnel of local boards of education who are employed for an average of at least one-half of a school day. Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate in this system, the State Employees' Retirement System, or the Alternate Retirement System (TIAA-CREF).

Benefits Provided

The benefits provided to participants by the System are as follows:

Normal Retirement: The System 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.

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.

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.

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.

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.

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2021 (continued)

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 non-service 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.

Contribution Requirements

The pension contributions made by the State to the System are determined on an actuarial reserve basis as described in CGS Sections 10-183l and 10-183z.

Participants are required to contribute 7.00% of their annual salary rate to the System as required by CGS Section 10-183b (7). For the 2020/2021 school year, \$131,105 mandatory contributions were deducted from the salaries of teachers who were participants of the System during that school year. The covered payroll for the Town is \$1,872,940. The Town had 24 active participants in the System at June 30, 2021.

Employers are not required to contribute to the System. The Town does not contribute to the System.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2020, with a reporting date of June 30, 2021, using the following key actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females as ages 82 and above), projected generationally with MP-2019 for the period after service retirement. The PubT-2010 Disabled Retiree Table projected generationally with MP-2019 was used for the period after disability retirement. The PubT-2010 Contingent Survivor Table projected generationally with MP-2019 and set forward 1 year for both males and females was used for survivors and beneficiaries. The PubT-2010 Employee Table projected generationally with MP-2019 was used for active members.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2019.

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2021 (continued)

Since the prior valuation, the Board adopted new assumptions as the result of an experience study for the five-year period ending June 30, 2019. The changes in assumptions are summarized below:

- Decrease the annual rate of real wage increase assumption from 0.75% to 0.50%.
- Decrease payroll growth assumption from 3.25% to 3.00%.
- Rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity Fund	20.0%	5.6%
Developed Market International Stock Fund	11.0%	6.0%
Emerging market International Stock Fund	9.0%	7.9%
Core Fixed Income Fund	16.0%	2.1%
Inflation Linked Bond Fund	5.0%	1.1%
Emerging Market Debt Fund	5.0%	2.7%
High Yield Bond Fund	6.0%	4.0%
Real Estate Fund	10.0%	4.5%
Private Equity	10.0%	7.3%
Alternative Investments	7.0%	2.9%
Liquidity Fund	1.0%	0.4%

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. 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 rates in 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 periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability of the System, calculated using the discount rate of 6.90 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate.

	<u>1% Decrease (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
Sensitivity of the System's proportionate share of the net pension liability related to the Town	\$ 10,464,118	\$ 8,366,533	\$ 6,625,107

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

The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the Town. The portion of the net pension liability that was associated with the Town was \$8,366,533 and 100% of the collective net pension liability is allocated to the State.

June 30, 2020 is the actuarial valuation date upon which the total pension liability is based. In order to provide the experience gain or loss, an expected total pension liability is determined as of June 30, 2021 using standard roll forward techniques from last year's total pension liability. The roll forward calculation adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year and then applies the expected investment rate of return for the year. The change in assumptions due to the most recent experience study is similarly measured.

The Town recognized the total pension expense associated with the Town as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the Town. For the fiscal year ended June 30, 2021, the Town recognized \$1,198,466 as the amount expended by the State on behalf of the Town to meet the State's funding requirements.

Note 10 – Connecticut State Teachers' Other Post-Employment Benefits (OPEB)

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

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 (Connecticut State Teachers' OPEB), a cost sharing multiple-employer defined benefit other post-employment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered. The Connecticut State Teachers' OPEB is administered under the provisions of Chapter 167a Section 10-183 (t) of the Connecticut General Statutes. The Connecticut State Teachers' OPEB is considered a part of the State of Connecticut financial reporting entity and is included in the State's financial reports. Those reports may be obtained at www.ct.gov.

Eligibility

Teachers and Administrators (Certified) – A Teacher or Administrator retiring under the Connecticut State Teachers Retirement System shall be eligible to receive health benefits for self and spouse.

Normal Retirement for Teachers and Administrators is the earliest of age 60 with 20 years of service, or completion of 35 years of service regardless of age. Early Retirement is the earliest of age 60 with 10 years of service, any age with 25 years of service, or age 55 with 20 years of service.

Not Certified – A retired employee shall be eligible to receive health benefits for self and spouse.

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2021 (continued)

Benefit Provisions

Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Connecticut State Teachers' OPEB. There are two types of the health care benefits offered. Subsidized Local School Town Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School Town Coverage.

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

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

Contributions

The Connecticut State Teachers' OPEB contributions made by the State are determined on an actuarial reserve basis.

Participants are required to contribute 1.25% of their annual salary rate to the Connecticut State Teachers' OPEB as required by CGS Section 10-183b (7). For the 2020/2021 school year, \$23,412 mandatory contributions were deducted from the salaries of teachers who were participants of the Connecticut State Teachers' OPEB during that school year. The covered payroll for the Town is \$1,872,940. The Town had 24 active participants in the Connecticut State Teachers' OPEB at June 30, 2021.

Employers are not required to contribute to the Connecticut State Teachers' OPEB. The Town does not contribute to the Connecticut State Teachers' OPEB.

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2021 (continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Reporting Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal, level percent of salary
Salary increases	3.00% to 6.50%
Inflation rate	2.75%
Discount rate	3.00% as of June 30, 2020, which is based on the 20-bond Municipal Index rate
Healthcare cost trend rates of	5.125% for 2020, decreasing to an ultimate 4.50% by 2023

Health care cost trend rates are set on an annual basis based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and the views of experts who are familiar with the Connecticut State Teachers' OPEB and/or similar plan offerings. Effective June 30, 2020, the health care cost trend rates for the Medicare Supplement and Medicare Advantage medical and prescription drug options were revised to reflect current expectations of future increases in health care claim costs for those options.

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. The PubT-2010 Disabled Retiree Table projected generationally with MP-2019 was used for the period after disability retirement. The PubT-2010 Contingent Survivor Table projected generationally with MP-2019 and set forward 1 year for both males and females was used for survivors and beneficiaries. The PubT-2010 Employee Table projected generationally with MP-2019 was used for active members.

The long-term expected rate of return on 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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. treasuries (cash equivalents)	100.0%	3.00%
Total	100.0%	

Discount Rate

The discount rate used to measure the total OPEB liability was 3.00 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on Connecticut State Teachers' OPEB investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

The State makes all contributions to the Connecticut State Teachers' OPEB on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 75 and the State is treated as a non-employer contributing entity in the Connecticut State Teachers' OPEB. Since the districts do not contribute directly to the Connecticut State Teachers' OPEB, there is no net OPEB liability or deferred inflows or outflows to report in the financial statements of the Town. The portion of the State's net OPEB liability that was associated with the Town was \$1,247,869 and 100 percent of the collective net OPEB liability is allocated to the State. The Town's proportionate share of the OPEB liability is zero.

The Town recognized the OPEB expense associated with the Town as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective OPEB expense associated with the Town. For the fiscal year ended June 30, 2021, the Town recognized \$57,642 as the amount expended by the State on behalf of the Town to meet the State's funding requirements.

Note 11 – Risks and Uncertainties

There are various suits and claims pending against the Town, none of which, individually or in the aggregate, is believed by Town management to result in a judgment or judgments that would have a material adverse effect on the Town's financial statements.

The Town has received state and federal 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 expenditure disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

The Town may be subject to rebate penalties to the federal government relating to various bond and note issues. The Town expects such amounts, if any, to be immaterial.

Note 12 – Jointly Governed Organizations

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

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, 2021.

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 \$2,066 for the operation of the Authority for the year ended June 30, 2021.

Note 13 – Operating Leases

The Town has entered into operating leases for office equipment that expire at various dates through September 2023. At June 30, 2021, the minimum annual future rental commitments under operating leases are as follows:

2022	\$ 25,452
2023	24,708
2024	8,628
2025	<u>3,888</u>
Total	<u>\$ 62,676</u>

Note 14 - New Accounting Pronouncement Adopted

In January 2017, the GASB issued Statement No. 84, Fiduciary Activities (GASB 84). The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2020.

The Town has implemented the provisions of GASB 84 in the accompanying financial statements under a retrospective basis. Accordingly, an adjustment has been recorded to increase the fund balance of the nonmajor governmental funds at June 30, 2020 in the amount of \$30,121 and closing the fiduciary fund.

Note 15 – Recently Issued Accounting Standards Not Yet Adopted

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations. The impact of the following accounting pronouncements are currently being assessed by the Town as to the impact to the financial statements.

GASB Statement No. 87, Leases. This Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset, which should result in the recognition and reporting of leased assets and the liability associated with subsequent lease payments, which have historically been classified as operating leases of the current reporting period only. The new Statement requires a Lessee to recognize a lease liability and an intangible right-to-use lease asset, with the lessor required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The Town is aware of this Statement and will assess its impact to ensure timely implementation.

GASB Statement No. 92, Omnibus 2020. Statement 92 includes guidance addressing various accounting and financial reporting issues identified during the implementation and application of certain GASB pronouncements. The issues covered by GASB Statement No. 92, Omnibus 2020, include:

- Modification of the effective date of Statement No. 87, Leases, as well as associated implementation guidance, to fiscal years beginning after December 15, 2019, to address concerns regarding interim financial reports;
- Reporting intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan;
- The applicability of Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for pensions and OPEB;
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to pension and OPEB arrangements; and
- Measurement of liabilities and assets, if any, related to asset retirement obligations in a government acquisition.

GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. This Statement postpones the effective dates of the following GASB Statements and Implementation Guides for one year from their original effective dates to provide relief to governments and other stakeholders in light of the COVID-19 pandemic. The GASB encourages and permits earlier application of these standards to the extent specified in each pronouncement as originally issued.

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2021 (continued)

GASB Statement No. 96, Subscription-Based Information Technology Arrangements. GASB Statement No. 96 provides accounting and financial reporting guidance for subscription-based information technology arrangements (SBITAs). It is based on the standards established in Statement 87, Leases. It:

- Defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction;
- Requires governments with SBITAs to recognize a right-to-use subscription asset — an intangible asset — and a corresponding subscription liability (with an exception for short-term SBITAs — those with a maximum possible term of 12 months); and
- Provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA.
- The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

Note 16 – Subsequent Events

Management has evaluated subsequent events from the financial statement date of June 30, 2021 through December 3, 2021, which is the date these financial statements were available to be issued. All subsequent events requiring recognition or disclosure have been incorporated into these financial statements.

**REQUIRED SUPPLEMENTARY
INFORMATION
(UNAUDITED)**

TOWN OF KENT, CONNECTICUT

**CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	8,366,533	8,202,076	6,324,277	6,478,683	6,835,035	5,280,686	4,880,935
Total	<u>\$ 8,366,533</u>	<u>\$ 8,202,076</u>	<u>\$ 6,324,277</u>	<u>\$ 6,478,683</u>	<u>\$ 6,835,035</u>	<u>\$ 5,280,686</u>	<u>\$ 4,880,935</u>
Town's covered-employee payroll	<u>\$ 1,872,940</u>	<u>\$ 1,896,558</u>	<u>\$ 1,807,495</u>	<u>\$ 1,950,362</u>	<u>\$ 1,970,441</u>	<u>\$ 1,935,841</u>	<u>\$ 1,971,669</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
System fiduciary net position as a percentage of the total pension liability	<u>49.24%</u>	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>

Notes to Connecticut State Teachers' Retirement System

Method and Assumptions used in Calculations of Actuarially Determined Contributions

The actuarially determined contributions in the schedule of employer contributions are calculated as of June 30 each biennium for the fiscal

Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Single equivalent amortization period	30 years
Asset valuation method	4-year smoothed market
Inflation	2.50 percent
Salary increase	3.25-6.50 percent, including inflation
Investment rate of return	6.90 percent, net of investment related expense

See accompanying Independent Auditors' Report.

TOWN OF KENT, CONNECTICUT

**CONNECTICUT STATE TEACHERS' OTHER POST EMPLOYMENT BENEFITS (OPEB)
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the net OPEB liability	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	<u>1,247,869</u>	<u>1,279,157</u>	<u>1,264,237</u>	<u>1,667,540</u>
Total	<u>\$ 1,247,869</u>	<u>\$ 1,279,157</u>	<u>\$ 1,264,237</u>	<u>\$ 1,667,540</u>
Town's covered-employee payroll	<u>\$ 1,872,940</u>	<u>#REF!</u>	<u>#REF!</u>	<u>\$ 1,950,362</u>
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
OPEB fiduciary net position as a percentage of the total OPEB liability	<u>2.50%</u>	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>

See accompanying Independent Auditors' Report.

**SUPPLEMENTAL
STATEMENTS AND SCHEDULES**

TOWN OF KENT, CONNECTICUT

**GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts				Variance with Final Budget Positive (Negative)
	Original	Transfers	Final	Actual	
Property Taxes					
Property taxes	\$ 10,916,134	\$ -	\$ 10,916,134	\$ 11,029,210	\$ 113,076
Interest and Lien Fees	40,500	-	40,500	47,963	7,463
Intergovernmental Revenues					
Education assistance	27,830	-	27,830	27,594	(236)
Mashantucket Pequot	1,298	-	1,298	1,298	-
Town aid roads	285,000	-	285,000	291,531	6,531
In lieu of taxes	28,889	-	28,889	28,889	-
Other	1,000	-	1,000	60,538	59,538
	344,017	-	344,017	409,850	65,833
Investment Income					
Interest and dividends	50,000	-	50,000	6,397	(43,603)
	50,000	-	50,000	6,397	(43,603)
Departmental					
Building fees	18,000	-	18,000	29,182	11,182
Planning and zoning	15,000	-	15,000	24,471	9,471
Parks and recreation	32,000	-	32,000	10,135	(21,865)
Town clerk recording fees and conveyance taxes	80,000	-	80,000	209,632	129,632
Transfer station	95,000	-	95,000	107,870	12,870
Other	7,500	-	7,500	4,840	(2,660)
	247,500	-	247,500	386,130	138,630
Other					
Rental income	97,952	-	97,952	90,736	(7,216)
Telecommunications property	13,000	-	13,000	13,673	673
Miscellaneous	81,000	-	81,000	123,375	42,375
Surplus	780,000	-	780,000	-	(780,000)
Transfer from other funds	20,000	-	20,000	20,000	-
	991,952	-	991,952	247,784	(744,168)
Total revenues	\$ 12,590,103	\$ -	\$ 12,590,103	\$ 12,127,334	\$ (462,769)

See accompanying Independent Auditors' Report.

TOWN OF KENT, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts				Variance with Final Budget Positive (Negative)
	Original	Transfers	Final	Actual	
General Government					
Board of Selectmen	\$ 212,899	\$ -	\$ 212,899	\$ 206,547	\$ 6,352
Probate Court	4,500	-	4,500	4,431	69
Elections	32,084	1,200	33,284	33,257	27
Board of Finance	25,266	500	25,766	25,631	135
Treasurer	56,017	-	56,017	54,691	1,326
Assessors	94,941	-	94,941	71,439	23,502
Tax Collector	76,493	-	76,493	66,370	10,123
Assessment Appeals	2,769	-	2,769	-	2,769
Conservation Commission	2,495	-	2,495	698	1,797
Town Clerk	141,815	-	141,815	128,017	13,798
Planning and Zoning	87,058	-	87,058	79,709	7,349
Zoning Board of Appeals	2,330	-	2,330	729	1,601
Inland Wetlands Commission	41,939	-	41,939	41,316	623
Building Inspector	14,138	2,100	16,238	16,213	25
Town Hall	117,700	-	117,700	110,555	7,145
Legal	29,000	46,000	75,000	74,674	326
Town library grant	110,000	-	110,000	110,000	-
Cemetery Association grant	37,000	-	37,000	37,000	-
Council of Governments	3,595	-	3,595	2,578	1,017
Insurance	103,717	-	103,717	94,494	9,223
Contingency	10,000	(7,240)	2,760	-	2,760
Historic District Commission	500	-	500	-	500
Other	5,401	-	5,401	5,024	377
	<u>1,211,657</u>	<u>42,560</u>	<u>1,254,217</u>	<u>1,163,373</u>	<u>90,844</u>
Public Safety					
Fire Marshal	34,776	-	34,776	26,992	7,784
Fire protection grant	86,500	55,000	141,500	125,707	15,793
Litchfield County dispatch	31,555	-	31,555	31,554	1
Resident trooper	190,000	-	190,000	175,146	14,854
Paramedic Association	41,516	-	41,516	40,892	624
Civil preparedness	4,950	-	4,950	4,808	142
	<u>389,297</u>	<u>55,000</u>	<u>444,297</u>	<u>405,099</u>	<u>39,198</u>
Public Works					
Highways	1,405,932	(67,500)	1,338,432	1,065,500	272,932
Town aid road	285,000	-	285,000	285,000	-
Town utilities	45,000	3,440	48,440	44,818	3,622
Town garage building	20,810	-	20,810	17,255	3,555
Tree upkeep	23,075	-	23,075	19,830	3,245
	<u>1,779,817</u>	<u>(64,060)</u>	<u>1,715,757</u>	<u>1,432,403</u>	<u>283,354</u>

(continued on next page)

See accompanying Independent Auditors' Report.

TOWN OF KENT, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
(CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts				Variance with Final Budget Positive (Negative)
	Original	Transfers	Final	Actual	
Health and Welfare					
General assistance	\$ 75,460	\$ -	\$ 75,460	\$ 73,934	\$ 1,526
Senior Center	19,075	-	19,075	14,236	4,839
Director of Health and health district	15,262	-	15,262	15,262	-
Welcome Center	7,500	12,500	20,000	19,976	24
Youth Service Bureau	7,000	-	7,000	-	7,000
Other grants	35,100	-	35,100	35,200	(100)
	159,397	12,500	171,897	158,608	13,289
Recreation					
Community house	24,855	-	24,855	23,044	1,811
Parks and recreation	161,135	-	161,135	111,872	49,263
Lake Waramaug Interlocal	2,000	-	2,000	1,953	47
Lake Waramaug Authority	2,400	-	2,400	2,066	334
Kent Center School ballfield maintenance	20,000	-	20,000	13,890	6,110
Swift house	11,300	2,200	13,500	13,469	31
	221,690	2,200	223,890	166,294	57,596
Sanitation					
Landfill monitoring	2,000	-	2,000	1,769	231
Transfer station	141,292	6,800	148,092	148,055	37
	143,292	6,800	150,092	149,824	268
Board of Education					
Local expenditures:					
Salaries	2,798,099	-	2,798,099	2,732,134	65,965
Employee benefits	922,724	-	922,724	857,032	65,692
Purchased professional services	43,375	-	43,375	42,070	1,305
Purchased property services	84,085	-	84,085	127,550	(43,465)
Pupil transportation	242,698	-	242,698	242,698	-
Supplies and utilities	403,853	-	403,853	377,438	26,415
Insurance	63,180	-	63,180	64,203	(1,023)
Dues and fees	13,750	-	13,750	7,457	6,293
Cafeteria subsidy	35,000	-	35,000	35,000	-
Contingency	40,000	-	40,000	-	40,000
Other	8,500	-	8,500	8,500	-
Regional Expenditures:					
Pupil services	970,991	-	970,991	907,229	63,762
HVRHS tuition	1,445,435	-	1,445,435	1,456,104	(10,669)
Administrative services	220,347	-	220,347	219,328	1,019
	7,292,037	-	7,292,037	7,076,743	215,294

(continued on next page)

See accompanying Independent Auditors' Report.

TOWN OF KENT, CONNECTICUT

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

(CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts				Variance with Final Budget Positive (Negative)
	Original	Transfers	Final	Actual	
Debt Service					
Principal	\$ 397,703	\$ -	\$ 397,703	\$ 397,703	\$ -
Interest	34,866	-	34,866	34,866	-
	<u>432,569</u>	<u>-</u>	<u>432,569</u>	<u>432,569</u>	<u>-</u>
Total expenditures	<u>11,629,756</u>	<u>55,000</u>	<u>11,684,756</u>	<u>10,984,913</u>	<u>699,843</u>
Other Financing Uses					
Transfers out:					
Capital projects fund	952,847	140,000	1,092,847	1,092,847	-
Dog fund	7,500	-	7,500	7,500	-
	<u>960,347</u>	<u>140,000</u>	<u>1,100,347</u>	<u>1,100,347</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 12,590,103</u>	<u>\$ 195,000</u>	<u>\$ 12,785,103</u>	<u>\$ 12,085,260</u>	<u>\$ 699,843</u>

See accompanying Independent Auditors' Report.

TOWN OF KENT, CONNECTICUT
GENERAL FUND
SPECIAL ACTIVITIES - BALANCE SHEET
JUNE 30, 2021

	Schaghticoke Litigation Fund	Maple Street Extension Fund
<u>Assets</u>		
Cash and cash equivalents	\$ -	\$ 46,778
Receivables	-	-
Due from other funds	-	-
Total assets	\$ -	\$ 46,778
<u>Liabilities</u>		
Accounts payable and accrued liabilities	\$ 153	\$ -
Total liabilities	153	-
<u>Fund Balances</u>		
Committed	(153)	46,778
Unassigned	-	-
Total fund balances	(153)	46,778
Total liabilities and fund balances	\$ -	\$ 46,778

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.

See accompanying Independent Auditors' Report.

TOWN OF KENT, CONNECTICUT

**GENERAL FUND
SPECIAL ACTIVITIES - STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021**

	Schaghticoke Litigation Fund	Maple Street Extension Fund
<u>Revenues</u>		
Investment income	\$ -	\$ 96
Donations and other	-	26,438
Total revenues	-	26,534
<u>Expenditures</u>		
Current:		
General government	12,586	-
Total expenditures	12,586	-
Excess of revenues over (under) expenditures	(12,586)	26,534
<u>Other Financing Sources (Uses)</u>		
Transfers in	-	-
Transfers out	-	(20,000)
Total other financing sources (uses)	-	(20,000)
Net change in fund balances	(12,586)	6,534
Fund balances, beginning of year	12,433	40,244
Fund balances, end of year	\$ (153)	\$ 46,778

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.

See accompanying Independent Auditors' Report.

TOWN OF KENT, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS AND PERMANENT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

	Special Revenue Funds								
	Dog Fund	School Cafeteria	Building Inspection Fund	Shunichi Kuga	Selectmen's Fund	Santa Fund	Ward Recreation	Hopson Swift House	Kenico Road Fund
<u>Assets</u>									
Cash	\$ 13,177	\$ 21,671	\$ 13,814	\$ 9,491	\$ 2,486	\$ 7,269	\$ 9,962	\$ 38,896	\$ 138
Investments	-	-	-	-	-	-	-	-	-
Receivables	-	10,399	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Inventory	-	399	-	-	-	-	-	-	-
Total assets	\$ 13,177	\$ 32,469	\$ 13,814	\$ 9,491	\$ 2,486	\$ 7,269	\$ 9,962	\$ 38,896	\$ 138
<u>Liabilities</u>									
Accounts and other payables	\$ 2,064	\$ 193	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	3,843	-	13,814	-	-	-	-	-	-
Total liabilities	5,907	193	13,814	-	-	-	-	-	-
<u>Fund Balances</u>									
Nonspendable	-	399	-	-	-	-	-	-	-
Restricted	-	31,877	-	-	-	-	-	-	-
Committed	7,270	-	-	9,491	2,486	7,269	9,962	38,896	138
Total fund balances	7,270	32,276	-	9,491	2,486	7,269	9,962	38,896	138
Total liabilities and fund balances	\$ 13,177	\$ 32,469	\$ 13,814	\$ 9,491	\$ 2,486	\$ 7,269	\$ 9,962	\$ 38,896	\$ 138

(continued on next page)

See accompanying Independent Auditors' Report.

TOWN OF KENT, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS AND PERMANENT FUNDS
COMBINING BALANCE SHEET
(CONTINUED)
JUNE 30, 2021

	Special Revenue Funds				Permanent Fund		Total Nonmajor Governmental Funds
	KCS Activity Fund	Recreation Programs	Food Bank	Records Preservation	Walter Skiff Fund	Eliminations	
<u>Assets</u>							
Cash	\$ 39,571	\$ 764	\$ 17,471	\$ 14,062	\$ 1,071	\$ -	\$ 189,843
Investments	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	10,399
Due from other funds	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	399
Total assets	\$ 39,571	\$ 764	\$ 17,471	\$ 14,062	\$ 1,071	\$ -	\$ 200,641
<u>Liabilities</u>							
Accounts and other payables	\$ 306	\$ 684	\$ -	\$ -	\$ -	\$ -	\$ 3,247
Due to other funds	-	80	65	5,898	-	-	23,700
Total liabilities	306	764	65	5,898	-	-	26,947
<u>Fund Balances</u>							
Nonspendable	-	-	-	-	1,071	-	1,470
Restricted	-	-	-	8,164	-	-	40,041
Committed	39,265	-	17,406	-	-	-	132,183
Total fund balances	39,265	-	17,406	8,164	1,071	-	173,694
Total liabilities and fund balances	\$ 39,571	\$ 764	\$ 17,471	\$ 14,062	\$ 1,071	\$ -	\$ 200,641

See accompanying Independent Auditors' Report.

TOWN OF KENT, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS AND PERMANENT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds								
	Dog Fund	School Cafeteria	Building Inspection Fund	Shunichi Kuga	Selectmen's Fund	Santa Fund	Ward Recreation	Hopson Swift House	Kenico Road Fund
Revenues									
Intergovernmental	\$ -	\$ 50,583	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	3,919	4,790	196,141	1,649	-	-	-	-	-
Investment Income	-	-	-	19	20	-	21	-	-
Donations and other	-	-	-	225	-	13,795	-	-	-
Total revenues	3,919	55,373	196,141	1,893	20	13,795	21	-	-
Expenditures									
Current:									
General government	-	-	166,963	1,980	-	-	-	-	-
Public safety	11,496	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	8,239	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Education	-	87,747	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	11,496	87,747	166,963	1,980	-	8,239	-	-	-
Excess of revenues over (under) expenditures	(7,577)	(32,374)	29,178	(87)	20	5,556	21	-	-
Other Financing Sources (Uses)									
Transfers in	7,500	35,000	-	-	-	-	-	-	-
Transfers out	-	-	(29,178)	-	-	-	-	-	-
Total other financing sources (uses)	7,500	35,000	(29,178)	-	-	-	-	-	-
Net change in fund balances	(77)	2,626	-	(87)	20	5,556	21	-	-
Fund balances, beginning of year	7,347	29,650	-	9,578	2,466	1,713	9,941	38,896	138
Fund balances, end of year	\$ 7,270	\$ 32,276	\$ -	\$ 9,491	\$ 2,486	\$ 7,269	\$ 9,962	\$ 38,896	\$ 138

(continued on next page)

See accompanying Independent Auditors' Report.

TOWN OF KENT, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS AND PERMANENT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds				Permanent Fund		Total Nonmajor Governmental Funds
	KCS Activity Fund	Recreation Programs	Food Bank	Records Preservation	Walter Skiff Fund	Eliminations	
Revenues							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,583
Charges for services	-	2,730	-	2,632	-	-	211,861
Investment Income	80	-	-	16	2	-	158
Donations and other	13,012	-	25,214	-	-	-	52,246
Total revenues	13,092	2,730	25,214	2,648	2	-	314,848
Expenditures							
Current:							
General government	-	-	-	1,529	-	-	170,472
Public safety	-	-	-	-	-	-	11,496
Health and welfare	-	-	21,735	-	-	-	29,974
Recreation	-	2,457	-	-	-	-	2,457
Education	3,948	-	-	-	-	-	91,695
Capital outlay	-	-	-	-	-	-	-
Total expenditures	3,948	2,457	21,735	1,529	-	-	306,094
Excess of revenues over (under) expenditures	9,144	273	3,479	1,119	2	-	8,754
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	-	-	42,500
Transfers out	-	(273)	-	-	-	-	(29,451)
Total other financing sources (uses)	-	(273)	-	-	-	-	13,049
Net change in fund balances	9,144	-	3,479	1,119	2	-	21,803
Fund balances, beginning of year	30,121	-	13,927	7,045	1,069	-	151,891
Fund balances, end of year	\$ 39,265	\$ -	\$ 17,406	\$ 8,164	\$ 1,071	\$ -	\$ 173,694

See accompanying Independent Auditors' Report.

TOWN OF KENT, CONNECTICUT

STATEMENT OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES SECTION 7.374(b)
FOR THE YEAR ENDED JUNE 30, 2021

Total tax collection including interest and lien fees for the year ended June 30, 2020	\$ 11,009,729
Reimbursement for revenue loss on: Tax relief for the elderly (CGS 12-129d)	<u>-</u>
Base	<u><u>\$ 11,009,729</u></u>

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation:					
2 1/4 times base	\$ 24,771,890	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	49,543,781	-	-	-
3 3/4 times base	-	-	41,286,484	-	-
3 1/4 times base	-	-	-	35,781,619	-
3 times base	-	-	-	-	33,029,187
Total debt limitation	<u>24,771,890</u>	<u>49,543,781</u>	<u>41,286,484</u>	<u>35,781,619</u>	<u>33,029,187</u>
Indebtedness:					
Regional School District #1 (Town Share 14.1%)	-	727,980	-	-	-
USDA Loan	-	-	1,309,291	-	-
Bonds authorized but unissued	<u>2,925,000</u>	<u>-</u>	<u>450,000</u>	<u>-</u>	<u>-</u>
Total indebtedness	<u>2,925,000</u>	<u>727,980</u>	<u>1,759,291</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u><u>\$ 21,846,890</u></u>	<u><u>\$ 48,815,801</u></u>	<u><u>\$ 39,527,193</u></u>	<u><u>\$ 35,781,619</u></u>	<u><u>\$ 33,029,187</u></u>

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation.

See accompanying Independent Auditors' Report.

TOWN OF KENT, CONNECTICUT
REPORT OF THE TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2021

Grand List October 1,	Restated Uncollected Taxes June 30, 2020	Lawful Corrections		Suspense Transfers	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2021
		Additions	Deductions			Taxes	Interest and Lien Fees	Total	
2019	\$ 11,059,580	\$ 5,371	\$ 17,764	\$ 1,439	\$ 11,045,748	\$ 10,952,329	\$ 19,079	\$ 10,971,408	\$ 93,419
2018	150,775	5	4,441	1,222	145,117	127,774	19,236	147,010	17,343
2017	77,159	95	-	532	76,722	72,143	20,749	92,892	4,579
2016	3,827	-	-	300	3,527	758	386	1,144	2,769
2015	1,825	-	-	206	1,619	-	-	-	1,619
2014	2,697	-	-	6	2,691	101	93	194	2,590
2013	1,690	-	-	-	1,690	-	55	55	1,690
2012	1,120	-	-	-	1,120	35	9	44	1,085
2011	758	-	-	-	758	-	-	-	758
2010	580	-	-	-	580	-	-	-	580
2009	552	-	-	-	552	-	-	-	552
2008	281	-	-	-	281	-	-	-	281
2007	768	-	-	-	768	-	-	-	768
2006	53	-	-	-	53	-	-	-	53
Total	\$ 11,301,665	\$ 5,471	\$ 22,205	\$ 3,705	\$ 11,281,226	\$ 11,153,140	\$ 59,607	\$ 11,212,747	\$ 128,086

See accompanying Independent Auditors' Report.

TOWN OF KENT, CONNECTICUT
SCHEDULE OF ASSESSED VALUE OF TAXABLE PROPERTY
PAST FOUR FISCAL YEARS
JUNE 30, 2021

Year End	Grand List Year	Real Estate Gross Assessment	Personal Property Gross Assessment	Motor Vehicle Gross Assessment	Exemptions	Net Taxable Grand List
2021	2019	\$ 675,944,155	\$ 18,988,189	\$ 27,605,900	\$ (127,739,420)	\$ 594,798,824
2020	2018	673,127,300	18,125,579	26,872,070	(126,279,430)	591,845,519
2019	2017	690,493,135	17,641,361	26,773,660	(130,743,330)	604,164,826
2018	2016	685,542,935	17,617,621	26,347,235	(128,637,574)	600,870,217

See accompanying Independent Auditors' Report.

TOWN OF KENT, CONNECTICUT
SCHEDULE OF PRINCIPAL TAXPAYERS
2019 GRAND LIST
JUNE 30, 2021

Taxpayer	(1) Assessment	Percent of Net Taxable Grand List
Connecticut Light & Power	\$ 8,699,710	1.46%
Rock Cobble Farm, LLC	6,266,640	1.05%
Kent School Corporation	5,848,500	0.98%
Blitzer, David S. Trustee	5,316,300	0.89%
Rachel Fitch LLC	4,644,700	0.78%
Cohn Mitchell D Trustee	3,896,300	0.66%
Iron Mountain Property LLC	3,701,400	0.62%
Keswin, Jeffrey A. & Erica	3,632,500	0.61%
JLAA LLC	3,544,700	0.60%
Willow Brook Farms LLC	3,494,910	0.59%
	<u>\$ 49,045,660</u>	<u>8.25%</u>

(1) The net taxable grand list as of October 1, 2019 totaled: \$ 594,798,824

Source: Town Assessor Department

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

See accompanying Independent Auditors' Report.