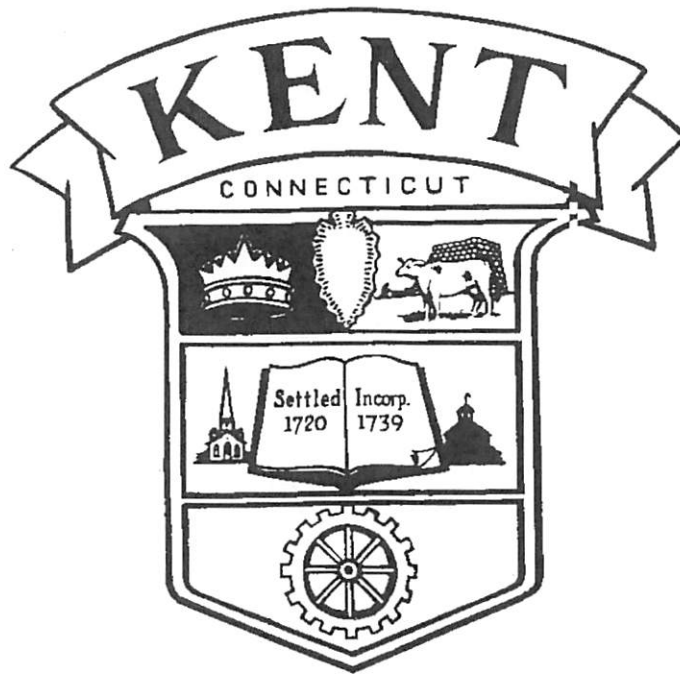


TOWN OF KENT, CONNECTICUT

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019



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, 2019, 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, 2019, 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 48, and the schedule of the Town's proportionate share of the net OPEB liability – Connecticut State Teachers' OPEB on page 49 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 October 10, 2019, 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
October 10, 2019

TOWN OF KENT, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2019

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, 2019. 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 \$26,684,789 exceeded its liabilities and deferred inflows of \$3,006,925 at June 30, 2019, resulting in total net position of \$23,677,864. Of that, \$16,733,760 was invested in capital assets while \$6,885,832 represented unrestricted net position, available to meet ongoing government obligations. The Town's net position increased \$927,903 or 4.1% during the fiscal year.

The Town's governmental funds reported, on a current financial resources basis, a combined ending fund balance of \$6,157,935, an increase of \$449,533 or 7.9%, during the fiscal year. The General Fund operating surplus for this fiscal year was \$172,616. The General Fund balance at June 30, 2019, was \$3,212,630 of which \$515,000 is committed for expenditures in the 2019-2020 fiscal year, \$29,656 is committed for Schaghticoke Litigation expenses, and \$48,218 is committed for Maple Street Debt Service.

The unassigned fund balance of \$2,563,377 of the General Fund represents 21% of the General Fund budgeted appropriations for the fiscal year ending June 30, 2019.

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.

Town of Kent, Connecticut
Management's Discussion and Analysis (Unaudited)
June 30, 2019 (continued)

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 and the Capital Projects Fund, each of which is considered to be a major fund. The remaining 15 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 basic fiduciary fund financial statements can be found on pages 21 and 22 of this report.

Town of Kent, Connecticut
Management's Discussion and Analysis (Unaudited)
June 30, 2019 (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 23 to 47 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 \$23,677,864 at June 30, 2019.

	<u>Net Position</u>					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Assets</u>						
Current assets	\$ 6,867,678	\$ 6,446,815	\$ 691,429	\$ 857,974	\$ 7,559,107	\$ 7,304,789
Capital assets	15,487,298	15,564,543	3,391,555	3,357,563	18,878,853	18,922,106
Noncurrent assets	-	-	<u>220,558</u>	<u>219,789</u>	<u>220,558</u>	<u>219,789</u>
	<u>22,354,976</u>	<u>22,011,358</u>	<u>4,303,542</u>	<u>4,435,326</u>	<u>26,658,518</u>	<u>26,446,684</u>
<u>Deferred outflows of resources</u>	<u>26,271</u>	<u>40,599</u>	<u>-</u>	<u>-</u>	<u>26,271</u>	<u>40,599</u>
<u>Liabilities</u>						
Current liabilities	946,956	1,240,580	28,581	35,576	975,537	1,276,156
Noncurrent liabilities	<u>479,033</u>	<u>888,188</u>	<u>1,552,355</u>	<u>1,572,978</u>	<u>2,031,388</u>	<u>2,461,166</u>
	<u>1,425,989</u>	<u>2,128,768</u>	<u>1,580,936</u>	<u>1,608,554</u>	<u>3,006,925</u>	<u>3,737,322</u>
<u>Deferred inflows of resources</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Net position</u>						
Net investment in capital assets	14,696,492	14,207,841	2,037,268	1,981,868	16,733,760	16,189,709
Restricted	58,272	58,042	-	-	58,272	58,042
Unrestricted	<u>6,200,494</u>	<u>5,657,306</u>	<u>685,338</u>	<u>844,904</u>	<u>6,885,832</u>	<u>6,502,210</u>
	<u>\$ 20,955,258</u>	<u>\$ 19,923,189</u>	<u>\$ 2,722,606</u>	<u>\$ 2,826,772</u>	<u>\$ 23,677,864</u>	<u>\$ 22,749,961</u>

The largest portion of the Town's net position (71%) 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 \$383,622 or 5.9%, during the fiscal year.

Town of Kent, Connecticut
Management's Discussion and Analysis (Unaudited)
June 30, 2019 (continued)

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Program revenues						
Charges for services	\$ 385,848	\$ 450,087	\$ 354,668	\$ 366,451	\$ 740,516	\$ 816,538
Operating grants and contributions	717,384	1,146,236	-	-	717,384	1,146,236
Capital grants and contributions	31,472	373,429	-	-	31,472	373,429
General revenues						
Property taxes	11,257,338	11,202,466	-	-	11,257,338	11,202,466
Grants and contributions not restricted to specific programs	217,988	173,032	-	-	217,988	173,032
Investment income	134,812	78,957	427	525	135,239	79,482
Miscellaneous	48,036	153,130	-	-	48,036	153,130
Total revenues	<u>12,792,878</u>	<u>13,577,337</u>	<u>355,095</u>	<u>366,976</u>	<u>13,147,973</u>	<u>13,944,313</u>
Expenses						
General government	1,163,578	1,284,391	-	-	1,163,578	1,284,391
Public safety	377,278	353,624	-	-	377,278	353,624
Public works	1,916,622	1,819,013	-	-	1,916,622	1,819,013
Health and welfare	159,537	152,796	-	-	159,537	152,796
Recreation	239,504	261,696	-	-	239,504	261,696
Sanitation	115,597	107,132	480,493	546,376	596,090	653,508
Education	7,760,765	8,272,460	-	-	7,760,765	8,272,460
Interest on long-term debt	6,696	49,592	-	-	6,696	49,592
Transfers	21,232	27,543	(21,232)	(27,543)	-	-
Total expenses	<u>11,760,809</u>	<u>12,328,247</u>	<u>459,261</u>	<u>518,833</u>	<u>12,220,070</u>	<u>12,847,080</u>
Change in net position	1,032,069	1,249,090	(104,166)	(151,857)	927,903	1,097,233
Net position, July 1	<u>19,923,189</u>	<u>18,674,099</u>	<u>2,826,772</u>	<u>2,978,629</u>	<u>22,749,961</u>	<u>21,652,728</u>
Net position, June 30	<u>\$ 20,955,258</u>	<u>\$ 19,923,189</u>	<u>\$ 2,722,606</u>	<u>\$ 2,826,772</u>	<u>\$ 23,677,864</u>	<u>\$ 22,749,961</u>

Governmental Activities

Governmental activities increased the Town's net position by \$1,032,069. The largest portion of the Town's governmental activities revenues, 88%, was derived from property taxes, 5.6% from operating grants and contributions, 3.1% from charges for services, 1.7% from grants and contributions, and 1.6% from all other sources.

Revenues of governmental activities decreased \$784,459, or 5.8% from the previous year. The most significant factor affecting this decrease was diminished grant funds received for Carter Road bridge work and LoCIP funding. However, collection of a 490 tax penalty, an increase in the interest on investments and positive variances in property tax collection, interest and lien fees and fees collected by the Town Clerk helped to offset the decrease.

Expenses decreased \$567,438 or 4.6% from the previous year. Significant factors affecting this decrease are principally related to retiring debt service and decreases in education spending. Modest decreases in Recreation and General Government also contributed.

Town of Kent, Connecticut
Management's Discussion and Analysis (Unaudited)
June 30, 2019 (continued)

Business-Type Activities

Business-type activities decreased the Town's net position by \$104,166 principally related to the reduced collection of septage fees as well as costs associated with replacing equipment.

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, 2019, the Town's governmental funds reported combined ending fund balances of \$6,157,935. Of this amount, \$58,272 was nonspendable and held in permanent funds; \$2,837,030 was restricted for capital projects; \$25,389 was restricted by permanent funds; \$80,993 was committed through special revenue funds; and \$592,874 was committed for specific purposes. The remaining \$2,563,377 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 \$2,563,377 represented 22.6% of total general fund budgetary basis expenditures. The General Fund's total fund balance of \$3,212,630 represented 28.1% of total General Fund budgetary basis expenditures. For the fiscal year, the General Fund's fund balance increased \$172,616. See "General Fund Budgetary Highlights" for further discussion.

The fund balance of the capital projects fund was \$2,837,030 at June 30, 2019, an increase of \$267,562 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 \$2,722,606 at June 30, 2019. 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 \$176,186 or 5.8% during the fiscal year. The original budget proposed and adopted in May 2018 included an appropriation of \$388,500 from the available fund balance. Actual revenues did not meet budgetary estimates by \$132,856 and actual expenditures were \$305,472 less than appropriations. As a result, \$0 of the General Fund balance was used to balance the budget.

Town of Kent, Connecticut
Management's Discussion and Analysis (Unaudited)
June 30, 2019 (continued)

The primary factors affecting the budget results were; tax collection, interest and lien fees resulting in a positive variance of \$56,849; intergovernmental revenues resulting in a positive variance of \$62,126; departmental revenues resulting in a positive variance of \$7,217, Investment income resulting in a positive variance of \$70,298 and other revenues resulting in a negative variance of \$329,346. Expenditures were principally aligned with budgeted amounts. Public works had a variance of 73,754 due to the timing of spring road projects that were impeded by weather. The Board of Education variance was the largest at \$169,540 and that was AFTER an appropriation of \$72,943 to the KCS Entryway Security project- pursuant to CT Statute 10-248a.

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, 2019, amounted to \$18,878,853 (net of accumulated depreciation). The investment in capital assets included land, buildings and improvements, machinery and equipment, vehicles, and infrastructure. The decrease in the Town's investment in capital assets for the fiscal year was \$43,253.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 1,378,530	\$ 1,378,530	\$ -	\$ -	\$ 1,378,530	\$ 1,378,530
Construction in progress	554,187	200,327	-	-	554,187	200,327
Buildings and improvements	7,311,950	7,717,751	1,082,522	1,141,731	8,394,472	8,859,482
Land improvements	68,055	76,584	-	-	68,055	76,584
Machinery and equipment	142,660	176,867	258,833	126,042	401,493	302,909
Vehicles	569,038	386,926	-	-	569,038	386,926
Infrastructure	<u>5,462,878</u>	<u>5,627,558</u>	<u>2,050,200</u>	<u>2,089,790</u>	<u>7,513,078</u>	<u>7,717,348</u>
	<u>\$ 15,487,298</u>	<u>\$ 15,564,543</u>	<u>\$ 3,391,555</u>	<u>\$ 3,357,563</u>	<u>\$ 18,878,853</u>	<u>\$ 18,922,106</u>

Major capital asset additions during FY 2018-2019 include a map copier for use in the Land Use department, a new plow truck and a new pick-up truck, both to be used by the Highway department. The Board of Education purchased a bus that carries 14 passengers.

Debt Administration

At June 30, 2019, the Town's long-term debt included general obligation bond debt outstanding totaling \$780,000. The Town's general obligation debt is backed by the full faith and credit of the Town. General obligation bonds totaling \$560,000 were repaid during the fiscal year.

Including \$965,063 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 \$78,425,473 (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

The following factors were considered in preparing the Town's budget for the 2020 fiscal year:

- Substantial increases to the funding requests from the Kent Library and Kent Volunteer Fire Department.
- Change in provider for Health Insurance Coverage.
- Staffing costs that included an additional position at the DPW, a new PT position in the Social Services Department, increased hours for workers at the Transfer Station and wage modifications for existing employees.
- Estimated future capital costs for projects at the Kent Center School.

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, 2019

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 6,328,363	\$ 686,756	\$ 7,015,119
Investments	273,483	-	273,483
Receivables	263,958	3,023	266,981
Other assets	1,874	-	1,874
Prepaid expenses	-	1,650	1,650
Restricted cash and investments	-	220,558	220,558
Noncurrent assets:			
Capital assets not being depreciated	1,932,717	-	1,932,717
Capital assets, net of accumulated depreciation	13,554,581	3,391,555	16,946,136
Total assets	22,354,976	4,303,542	26,658,518
<u>Deferred Outflows of Resources</u>			
Deferred charge on refunding	26,271	-	26,271
<u>Liabilities</u>			
Accounts payable	497,496	6,091	503,587
Accrued liabilities	1,323	-	1,323
Accrued interest payable	5,521	-	5,521
Unearned revenue	41,720	-	41,720
Noncurrent liabilities:			
Due within one year	400,896	22,490	423,386
Due in more than one year	479,033	1,552,355	2,031,388
Total liabilities	1,425,989	1,580,936	3,006,925
<u>Net Position</u>			
Net investments in capital assets	14,696,492	2,037,268	16,733,760
Permanent endowments:			
Endowments - nonexpendable	58,272	-	58,272
Unrestricted	6,200,494	685,338	6,885,832
Total net position	\$ 20,955,258	\$ 2,722,606	\$ 23,677,864

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, 2019

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	\$ 1,163,578	\$ 214,655	\$ 85,443	\$ -	\$ (863,480)	\$ -	\$ (863,480)
Public safety	377,278	3,024	-	-	(374,254)	-	(374,254)
Public works	1,916,622	-	290,877	31,472	(1,594,273)	-	(1,594,273)
Parks and recreation	239,504	37,503	-	-	(202,001)	-	(202,001)
Health and welfare	159,537	-	-	-	(159,537)	-	(159,537)
Sanitation	115,597	92,880	-	-	(22,717)	-	(22,717)
Education	7,760,765	37,786	341,064	-	(7,381,915)	-	(7,381,915)
Interest on long-term debt	6,696	-	-	-	(6,696)	-	(6,696)
	<u>11,739,577</u>	<u>385,848</u>	<u>717,384</u>	<u>31,472</u>	<u>(10,604,873)</u>	<u>-</u>	<u>(10,604,873)</u>
Business-Type Activities:							
Sewer Fund	480,493	354,668	-	-	-	(125,825)	(125,825)
Total	<u>\$ 12,220,070</u>	<u>\$ 740,516</u>	<u>\$ 717,384</u>	<u>\$ 31,472</u>	<u>(10,604,873)</u>	<u>(125,825)</u>	<u>(10,730,698)</u>
General revenues:							
Property taxes, interest, and lien fees					11,257,338	-	11,257,338
Grants and contributions not restricted to specific programs					217,988	-	217,988
Unrestricted investment earnings					134,812	427	135,239
Miscellaneous					48,036	-	48,036
Transfers					(21,232)	21,232	-
Total general revenues and transfers					<u>11,636,942</u>	<u>21,659</u>	<u>11,658,601</u>
Change in net position					<u>1,032,069</u>	<u>(104,166)</u>	<u>927,903</u>
Net position, beginning of year					<u>19,923,189</u>	<u>2,826,772</u>	<u>22,749,961</u>
Net position, end of year					<u>\$ 20,955,258</u>	<u>\$ 2,722,606</u>	<u>\$ 23,677,864</u>

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

TOWN OF KENT, CONNECTICUT

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
<u>Assets</u>				
Cash and cash equivalents	\$ 3,445,964	\$ 2,771,631	\$ 110,768	\$ 6,328,363
Investments	273,483	-	-	273,483
Receivables	249,589	10,000	4,369	263,958
Due from other funds	4,217	66,914	-	71,131
Other	1,050	-	824	1,874
Total assets	\$ 3,974,303	\$ 2,848,545	\$ 115,961	\$ 6,938,809
<u>Liabilities</u>				
Accounts and other payables	\$ 482,512	\$ 11,515	\$ 3,469	\$ 497,496
Due to other funds	66,914	-	4,217	71,131
Unearned revenue	41,720	-	-	41,720
Other liabilities	1,323	-	-	1,323
Total liabilities	592,469	11,515	7,686	611,670
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	169,204	-	-	169,204
Total deferred inflows of resources	169,204	-	-	169,204
<u>Fund Balances</u>				
Nonspendable	56,379	-	1,893	58,272
Restricted	-	2,837,030	25,389	2,862,419
Committed	592,874	-	80,993	673,867
Unassigned	2,563,377	-	-	2,563,377
Total fund balances	3,212,630	2,837,030	108,275	6,157,935
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,974,303	\$ 2,848,545	\$ 115,961	\$ 6,938,809

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

TOWN OF KENT, CONNECTICUT

GOVERNMENTAL FUNDS
BALANCE SHEET
(CONTINUED)
JUNE 30, 2019

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

Fund balances - total governmental funds	\$	6,157,935
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$	28,463,997
Less accumulated depreciation		<u>(12,976,699)</u>
Net capital assets		15,487,298
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		169,204
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds payable		(780,000)
Bond premium		(10,806)
Deferred charge on refunding		26,271
Compensated absences		(48,727)
Accrued interest payable		(5,521)
Teacher severance		<u>(40,396)</u>
Net position of governmental activities	\$	<u>20,955,258</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, 2019

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<u>Revenues</u>				
Property taxes	\$ 11,128,094	\$ -	\$ -	\$ 11,128,094
Interest and lien fees	51,710	-	-	51,710
Intergovernmental	638,273	31,472	25,235	694,980
Charges for services	254,638	1,182	142,193	398,013
Investment income	86,365	47,505	942	134,812
Other	203,073	85,443	14,219	302,735
Total revenues	12,362,153	165,602	182,589	12,710,344
<u>Expenditures</u>				
Current:				
General government	1,024,565	14,982	77,051	1,116,598
Public safety	360,741	-	10,823	371,564
Public works	1,582,733	-	-	1,582,733
Health and welfare	146,846	-	12,691	159,537
Recreation	180,575	-	10,645	191,220
Sanitation	115,597	-	-	115,597
Board of Education	7,369,577	-	104,415	7,473,992
Debt service	586,580	-	-	586,580
Capital outlay	-	646,758	-	646,758
Total expenditures	11,367,214	661,740	215,625	12,244,579
Excess (deficiency) of revenues over (under) expenditures	994,939	(496,138)	(33,036)	465,765
<u>Other Financings Sources (Uses)</u>				
Proceeds from sale of equipment	-	5,000	-	5,000
Transfers in	13,679	758,700	52,500	824,879
Transfers out	(832,432)	-	(13,679)	(846,111)
Total other financing sources (uses)	(818,753)	763,700	38,821	(16,232)
Net change in fund balances	176,186	267,562	5,785	449,533
Fund balances, beginning of year	3,036,444	2,569,468	102,490	5,708,402
Fund balances, end of year	\$ 3,212,630	\$ 2,837,030	\$ 108,275	\$ 6,157,935

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, 2019

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	\$	449,533
<p>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:</p>		
Capital outlay		650,178
Depreciation expense		(727,423)
<p>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:</p>		
Increase in property tax receivable - accrual basis change		77,534
<p>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:</p>		
Bond payments		560,000
Amortization of premium and deferred charges on refunding		(8,432)
Change in accrued interest		28,316
<p>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:</p>		
Compensated absences		2,656
Teacher severance		(293)
Change in net position of governmental activities	\$	<u>1,032,069</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, 2019**

	Budgeted Amounts			Actual	Variance with Final Budget Positive (Negative)
	Original	Transfers	Final		
Revenues					
Property taxes	\$ 11,082,455	\$ -	\$ 11,082,455	\$ 11,128,094	45,639
Interest and lien fees	40,500	-	40,500	51,710	11,210
Intergovernmental	286,338	-	286,338	348,464	62,126
Investment income	15,000	-	15,000	85,298	70,298
Departmental	261,100	-	261,100	268,317	7,217
Other	1,183,919	-	1,183,919	854,573	(329,346)
Total revenues	12,869,312	-	12,869,312	12,736,456	(132,856)
Expenditures					
Current:					
General government	1,070,661	(10,060)	1,060,601	1,024,394	36,207
Public safety	375,811	-	375,811	360,741	15,070
Public works	1,650,827	5,660	1,656,487	1,582,733	73,754
Health and welfare	141,251	5,100	146,351	146,846	(495)
Recreation	192,333	(700)	191,633	180,575	11,058
Sanitation	115,935	-	115,935	115,597	338
Education	7,294,308	-	7,294,308	7,124,768	169,540
Debt service	625,486	-	625,486	625,486	-
Total expenditures	11,466,612	-	11,466,612	11,161,140	305,472
Excess of revenues over expenditures	1,402,700	-	1,402,700	1,575,316	172,616
Other Financing Uses					
Transfers out	(1,402,700)	-	(1,402,700)	(1,402,700)	-
Excess of revenues over expenditures and other financing uses	\$ -	\$ -	\$ -	172,616	\$ 172,616
Fund balance, beginning of year				2,962,140	
Fund balance, end of year				\$ 3,134,756	

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, 2019**

	Business-Type Activities Enterprise Funds Sewer Operating Fund
<u>Assets</u>	
Current assets:	
Cash and cash equivalents	\$ 686,756
Accounts receivable	3,023
Prepaid expenses	1,650
Total current assets	691,429
Noncurrent assets:	
Restricted cash and investments	220,558
Capital assets, net of accumulated depreciation:	
Plant and pumping station	3,391,555
Total assets	4,303,542
<u>Liabilities</u>	
Current liabilities:	
Accounts payable	6,091
Current portion of notes payable	22,490
Total current liabilities	28,581
Noncurrent liabilities:	
Permanent maintenance agreements	220,558
Notes payable, less current portion	1,331,797
Total liabilities	1,580,936
<u>Net Position</u>	
Net investment in capital assets	2,037,268
Unrestricted	685,338
Total net position	\$ 2,722,606

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, 2019**

	Business-Type Activities Enterprise Funds Sewer Operating Fund
Operating revenues:	
Charges for services	\$ 354,668
Operating expenses:	
Payroll and payroll taxes	129,810
Materials and supplies	4,753
Operating expenses	100,265
Administration	12,762
Outside services	32,081
Insurance	33,326
Other expenses	7,798
Depreciation	117,275
Total operating expenses	438,070
Operating loss	(83,402)
Nonoperating revenue (expenses):	
Investment income	427
Interest expense	(42,423)
Total nonoperating revenue (expenses)	(41,996)
Income before transfers	(125,398)
Transfer in	21,232
Total transfers in (out)	21,232
Change in net position	(104,166)
Net position, beginning of year	2,826,772
Net position, end of year	\$ 2,722,606

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, 2019

	<u>Business-Type Activities Enterprise Funds Sewer Operating Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$ 353,086
Payments to suppliers and personnel	(329,425)
Net cash provided by operating activities	<u>23,661</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	(151,267)
Receipts from other funds	21,232
Principal payments of clean water fund loans	(21,408)
Interest paid on capital debt	(42,423)
Net cash used by capital and related financing activities	<u>(193,866)</u>
Cash flows from investing activities:	
Investment income	427
Net cash provided by investing activities	<u>427</u>
Net decrease in cash and cash equivalents	(169,778)
Cash and cash equivalents, beginning of year	<u>856,534</u>
Cash and cash equivalents, end of year	<u>\$ 686,756</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (83,402)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	117,275
(Increase) decrease in accounts receivable	(1,583)
(Increase) decrease in prepaid expenses	(1,650)
Increase (decrease) in accounts payable	(6,979)
Net cash provided by operating activities	<u>\$ 23,661</u>

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

TOWN OF KENT, CONNECTICUT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2019

	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
<u>Assets</u>		
Cash and cash equivalents	\$ -	\$ 29,250
Total assets	<u>-</u>	<u>\$ 29,250</u>
<u>Liabilities</u>		
Accounts and other payables	-	\$ -
Due to beneficiaries	<u>-</u>	<u>29,250</u>
Total liabilities	<u>-</u>	<u>\$ 29,250</u>
<u>Net Position</u>		
Held in trust for other purposes	<u>\$ -</u>	

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

TOWN OF KENT, CONNECTICUT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	Private Purpose Trust Funds
Additions:	
Interest and dividends	\$ -
Deductions:	
Scholarships awarded	2,058
Change in net position	(2,058)
Net position held in trust, beginning of year	2,058
Net position held in trust, end of year	\$ -

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

TOWN OF KENT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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.

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

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 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.

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

Additionally, the Town reports the following fund types:

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

The *Agency Funds* account for monies from various self-funding school activity programs.

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 items 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, 2019 (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 reports a deferred charge on refunding in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

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".

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

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.

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2019 (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</u> <u>beginning</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Other financing</u> <u>sources (uses)</u>	<u>Fund balance</u> <u>ending</u>
Balance, GAAP basis	\$ 3,036,444	\$ 12,362,153	\$ (11,367,214)	\$ (818,753)	\$ 3,212,630
Reclassifications	-	665,179	(83,906)	(581,273)	-
State Teachers' retirement and OPEB on behalf payments	-	(289,809)	289,809	-	-
GASB 54 reclassification and adjustment	<u>(74,304)</u>	<u>(1,067)</u>	<u>171</u>	<u>(2,674)</u>	<u>(77,874)</u>
Balance, budgetary basis	<u>\$ 2,962,140</u>	<u>\$ 12,736,456</u>	<u>\$ (11,161,140)</u>	<u>\$ (1,402,700)</u>	<u>\$ 3,134,756</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, 2019 (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, \$1,028,582 of the Town's bank balance of \$1,557,832 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 874,177
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>154,405</u>
Total amount subject to custodial credit risk	<u>\$ 1,028,582</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, 2019, the Town's cash equivalents amounted to \$5,712,136. 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>\$ 387,591</u>	<u>\$ -</u>	<u>\$ 387,591</u>
Total investments		<u>\$ 387,591</u>	<u>\$ -</u>	<u>\$ 387,591</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, 2019 (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, 2019.

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:

	<u>General Fund</u>	<u>Capital Projects Funds</u>	<u>Nonmajor Governmental Fund</u>	<u>Total</u>
Receivables:				
Taxes	\$ 199,338	\$ -	\$ -	\$ 199,337
Interest and liens	50,849	-	-	50,850
Other	<u>23,389</u>	<u>10,000</u>	<u>4,369</u>	<u>37,758</u>
Gross receivables	273,576	10,000	4,369	287,945
Less allowance for collection losses	<u>(23,987)</u>	<u>-</u>	<u>-</u>	<u>(23,987)</u>
	<u>\$ 249,589</u>	<u>\$ 10,000</u>	<u>\$ 4,369</u>	<u>\$ 263,958</u>

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

To reflect that a portion of property taxes, interest, and lien fees receivable at June 30, 2019, 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 \$169,204, as a deferred inflow of resources.

Note 5 – Governmental Fund Balances

The components of fund balance for the governmental funds at June 30, 2019, are as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<u>Nonspendable:</u>				
Inventory	\$ -	\$ -	\$ 824	\$ 824
Trusts	<u>56,379</u>	<u>-</u>	<u>1,069</u>	<u>57,448</u>
	<u>56,379</u>	<u>-</u>	<u>1,893</u>	<u>58,272</u>
<u>Restricted:</u>				
Capital projects	-	2,837,030	-	2,837,030
General government	-	-	5,487	5,487
Education	<u>-</u>	<u>-</u>	<u>19,902</u>	<u>19,902</u>
	<u>-</u>	<u>2,837,030</u>	<u>25,389</u>	<u>2,862,419</u>
<u>Committed:</u>				
Subsequent year's budget	515,000	-	-	515,000
General government	-	-	51,577	51,577
Public safety	-	-	7,260	7,260
Recreation	-	-	9,822	9,822
Health and welfare	-	-	12,334	12,334
Schaghticoke litigation	29,656	-	-	29,656
Maple Street extension	<u>48,218</u>	<u>-</u>	<u>-</u>	<u>48,218</u>
	<u>592,874</u>	<u>-</u>	<u>80,993</u>	<u>673,867</u>
<u>Unassigned</u>	<u>2,563,377</u>	<u>-</u>	<u>-</u>	<u>2,563,377</u>
	<u>\$ 3,212,630</u>	<u>\$ 2,837,030</u>	<u>\$ 108,275</u>	<u>\$ 6,157,935</u>

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

Note 6 – Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows:

	<u>Balance at July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at June 30, 2019</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 1,378,530	\$ -	\$ -	\$ 1,378,530
Construction in progress	<u>200,327</u>	<u>353,860</u>	<u>-</u>	<u>554,187</u>
Total capital assets not being depreciated	<u>1,578,857</u>	<u>353,860</u>	<u>-</u>	<u>1,932,717</u>
Capital assets being depreciated:				
Buildings and improvements	13,496,042	-	-	13,496,042
Land improvements	127,939	-	-	127,939
Machinery and equipment	1,010,932	8,805	-	1,019,737
Vehicles	1,057,756	287,513	104,000	1,241,269
Infrastructure	<u>10,646,293</u>	<u>-</u>	<u>-</u>	<u>10,646,293</u>
Total capital assets being depreciated	<u>26,338,962</u>	<u>296,318</u>	<u>104,000</u>	<u>26,531,280</u>
Less accumulated depreciation for:				
Buildings and improvements	5,778,291	405,801	-	6,184,092
Land improvements	51,355	8,529	-	59,884
Machinery and equipment	834,065	43,012	-	877,077
Vehicles	670,830	105,401	104,000	672,231
Infrastructure	<u>5,018,735</u>	<u>164,680</u>	<u>-</u>	<u>5,183,415</u>
Total accumulated depreciation	<u>12,353,276</u>	<u>727,423</u>	<u>104,000</u>	<u>12,976,699</u>
Total capital assets being depreciated, net	<u>13,985,686</u>	<u>(431,105)</u>	<u>-</u>	<u>13,554,581</u>
Governmental activities capital assets, net	<u>\$ 15,564,543</u>	<u>\$ (77,245)</u>	<u>\$ -</u>	<u>\$ 15,487,298</u>
Business-Type Activities				
Capital assets being depreciated:				
Buildings and improvements	\$ 2,137,927	\$ -	\$ -	\$ 2,137,927
Machinery and equipment	232,918	151,267	-	384,185
System infrastructure	<u>2,442,787</u>	<u>-</u>	<u>-</u>	<u>2,442,787</u>
Total capital assets being depreciated	<u>4,813,632</u>	<u>151,267</u>	<u>-</u>	<u>4,964,899</u>
Less accumulated depreciation for:				
Buildings and improvements	996,196	59,209	-	1,055,405
Machinery and equipment	106,876	18,476	-	125,352
System infrastructure	<u>352,997</u>	<u>39,590</u>	<u>-</u>	<u>392,587</u>
Total accumulated depreciation	<u>1,456,069</u>	<u>117,275</u>	<u>-</u>	<u>1,573,344</u>
Total capital assets being depreciated, net	<u>3,357,563</u>	<u>33,992</u>	<u>-</u>	<u>3,391,555</u>
Business-type activities capital assets, net	<u>\$ 3,357,563</u>	<u>\$ 33,992</u>	<u>\$ -</u>	<u>\$ 3,391,555</u>

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:		
General government		\$ 50,400
Public works		333,889
Recreation		48,284
Public safety		5,714
Education		<u>289,136</u>
Total depreciation expense – governmental activities		<u>\$ 727,423</u>
Business-type activities:		
Sewer operating		<u>\$ 117,725</u>
Total depreciation expense – business-type activities		<u>\$ 117,725</u>

Note 7 – Interfund Receivables, Payables, and Transfers

Interfund receivables and payables that resulted from various interfund transactions as of June 30, 2019, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Projects Funds	General Fund	\$ 66,914
General Fund	Nonmajor Funds	<u>4,217</u>
Total		<u>\$ 71,131</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>Total Transfers Out</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Sewer Operating Fund</u>	
Transfers out:					
General Fund	\$ -	\$ 758,700	\$ 52,500	\$ 21,232	\$ 832,432
Nonmajor Governmental Funds	<u>13,679</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,679</u>
Total transfers in	<u>\$ 13,679</u>	<u>\$ 758,700</u>	<u>\$ 52,500</u>	<u>\$ 21,232</u>	<u>\$ 846,111</u>

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

Note 8 – Long -Term Obligations

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2019, 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	\$ 1,340,000	\$ -	\$ 560,000	\$ 780,000	\$ 395,000
Premium on general obligation bonds	16,702	-	5,896	10,806	5,896
Compensated absences	51,383	-	2,656	48,727	-
Teachers' severance	<u>40,103</u>	<u>293</u>	<u>-</u>	<u>40,396</u>	<u>-</u>
Total governmental activities long-term liabilities	<u>\$ 1,448,188</u>	<u>\$ 293</u>	<u>\$ 568,552</u>	<u>\$ 879,929</u>	<u>\$ 400,896</u>
Business-type activities:					
Clean water loan	<u>\$ 1,375,695</u>	<u>\$ -</u>	<u>\$ 21,408</u>	<u>\$ 1,354,287</u>	<u>\$ 22,490</u>

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

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds are direct obligations of the Town for which full faith and credit are pledged and are payable from taxes levied on all taxable properties located within the Town.

General obligation bonds currently outstanding are as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Balance Outstanding June 30, 2019</u>
General obligation bonds:					
Kent Center School Refunding	04/12	02/21	1-2.25%	<u>\$ 4,055,000</u>	<u>\$ 780,000</u>
Total general obligation bonds				<u>\$ 4,055,000</u>	<u>\$ 780,000</u>

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 395,000	\$ 16,563
2021	<u>385,000</u>	<u>8,663</u>
Total	<u>\$ 780,000</u>	<u>\$ 25,226</u>

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, 2019, the outstanding bonded indebtedness of the District was \$6,628,000. The Town's share will be 14.6% of the remaining balance. These are general obligations of Regional School District No. 1 and its member towns.

At June 30, 2019, the Town is contingently liable for Regional School District No. 1 debt in the amount of \$965,063.

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, 2019.

Unissued Bond Authorization

Authorizations of general obligation bonds that remained unissued as of June 30, 2019, are summarized below:

	<u>Date Authorized</u>	<u>Authorized and Unissued</u>
Streetscape Improvements	01/20/2019	<u>\$ 2,925,000</u>
Total bond authorizations, unissued		<u>\$ 2,925,000</u>

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

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>
2020	\$ 22,490	\$ 41,341
2021	23,170	40,661
2022	23,871	39,960
2023	24,593	39,238
2024	25,338	38,493
2025-2029	138,664	180,491
2030-2034	160,976	158,179
2035-2039	186,904	132,251
2040-2044	217,041	102,114
2045-2049	252,074	67,081
2050-2054	241,809	27,061
2055	<u>37,357</u>	<u>1,218</u>
Total	<u>\$ 1,354,287</u>	<u>\$ 868,088</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, 2019, liabilities totaling \$40,396 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 5% of each eligible employee's base compensation. During the year, the Town's contributions totaled \$14,598 and the Board of Education's contributions totaled \$26,248.

Connecticut State Teachers' Retirement System

Description of System

Teachers 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 Benefit: A member 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 is eligible for vested benefits of 2% of average annual salary times years of credited service (maximum benefit is 75% of average annual salary.)

Early Retirement: A member with 25 years of Credited Service, including at least 20 years of Connecticut public school service, or age 55 with 20 years of Credited Service including 15 years of Connecticut service. The early retirement factors currently in effect are 6% per year for the first five years by which early retirement precedes the minimum normal retirement age and 4% per year for the next five years by which early retirement precedes the minimum normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% for each year by which early retirement precedes the minimum retirement age.

Prorated Benefit: A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60. The benefit is 2% less 0.1% for each year less than 20 years of average annual salary times years of credited service.

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

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

Contribution Requirements

The pension contributions made by the State to the System are determined on an actuarial reserve basis as described in CGS Sections 10-1831 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 2018/2019 school year, \$126,525 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 \$1,807,495. The Town had 25 active participants in the System at June 30, 2019.

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

Actuarial Assumptions

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

Actuarial cost method	Entry Age
Amortization method	Level percent of pay, closed
Asset valuation method	4-year smoothed market
Inflation	2.75 Percent
Salary increases, including inflation	3.25-6.50 Percent
Long-term investment rate of return, net of pension investment expense, including inflation	8.00 Percent

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80 for the period after service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 with Scale BB is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 – June 30, 2016.

The long-term expected rate of return on pension 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 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:

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large cap U.S. equities	21.0%	5.8%
Developed non-U.S. equities	18.0%	6.6%
Emerging markets (non-U.S.)	9.0%	8.3%
Real estate	7.0%	5.1%
Private equity	11.0%	7.6%
Alternative investments	8.0%	4.1%
Core fixed income	7.0%	1.3%
High yield bonds	5.0%	3.9%
Emerging market bond	5.0%	3.7%
Inflation linked bond fund	3.0%	1.0%
Cash	6.0%	0.4%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 8.00 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 pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the 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 8.00 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 (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate.

	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
Sensitivity of the system's proportionate share of the net pension liability related to the Town	\$ 7,992,736	\$ 6,324,277	\$ 4,913,312

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 \$6,324,277 and 100% of the collective net pension liability is allocated to the State.

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

June 30, 2018, is the actuarial valuation date upon which the total pension liability is based. The total pension liability is determined as of June 30, 2018, using standard roll forward techniques. 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 procedure was used to determine the System's total pension liability as of June 30, 2018, which is the measurement date.

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, 2019, the Town recognized \$709,788 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 Plan

Teachers within the Town's school system participate in a retirement system administered by the Connecticut State Teachers' Retirement Board, which includes the Retiree Health Insurance Plan (Connecticut State Teachers' OPEB). This Connecticut State Teachers' OPEB is a cost sharing multiple employer defined benefit OPEB plan with a special funding situation. As such, the Town does not have a liability related to participants in the Connecticut State Teachers' OPEB.

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 as a trust fund. Those reports may be obtained at www.ct.gov.

The Connecticut State Teachers' OPEB is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). Participation 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 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.

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, 2019 (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 for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

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

Contributions

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 2018/2019 school year, \$22,594 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 \$1,807,495. The Town had 25 active participants in the Connecticut State Teachers' OPEB at June 30, 2019.

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

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, 2018
Measurement Date	June 30, 2018
Reporting Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal, level percent of salary

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

Salary increases	3.25% to 6.50%
Inflation rate	2.75%
Discount rate	3.87% as of June 30, 2018, which is based on the 20-bond Municipal Index rate
Healthcare cost trend rates	7.25% for 2018 decreasing to an ultimate rate of 5.00% by 2022
Mortality rates	Based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 – June 30, 2016.

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)	<u>100.0%</u>	3.00%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total OPEB liability was 3.87 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 plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

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

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

	<u>1% Decrease</u> <u>(2.87%)</u>	<u>Discount rate</u> <u>(3.87%)</u>	<u>1% Increase</u> <u>(4.87%)</u>
Sensitivity of the plan's proportionate share of the net OPEB liability related to the Town	\$ 1,501,188	\$ 1,264,237	\$ 1,075,130

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare</u> <u>Cost Trend</u> <u>Rates</u>	<u>1% Increase</u>
Sensitivity of the plan's proportionate share of the net OPEB liability related to the Town	\$ 1,059,469	\$ 1,264,237	\$ 1,536,051

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 \$1,264,237 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, 2019, the Town recognized a negative \$419,979 as the amount expended by the State on behalf of the Town to meet the State's funding requirements.

Note 11 – Contingent Liabilities

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.

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

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 \$855 for the operation of the Commission for the year ended June 30, 2019.

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 \$2,274 for the operation of the Authority for the year ended June 30, 2019.

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, 2019, the minimum annual future rental commitments under operating leases are as follows:

2020	\$ 25,452
2021	24,294
2022	20,820
2023	20,820
2024	<u>4,740</u>
Total	<u>\$ 96,126</u>

Note 14 – Adoption of New Accounting Standards

Effective July 1, 2018, the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 83, Certain Asset Retirement Obligations. The statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in the statement. The adoption of this statement did not have an effect on the Town's financial statements.

Town of Kent, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

Effective July 1, 2018, the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 88, *Certain Disclosures Related to Debt*, including Direct Borrowings and Direct Placements. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The adoption of this statement did not have an effect on the Town's financial statements.

Note 15 – Recently Issued Accounting Standards Not Yet Adopted

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. 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, 2019. The Town has not yet determined the impact that this statement might have on its financial statements.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2020. The Town has not yet determined the impact that this statement might have on its financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of the capital asset. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2020. The Town does not expect the impact of this statement will be material to its 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>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%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<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>
Total	<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>\$ 1,807,495</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	0.00%	0.00%	0.00%	0.00%	0.00%
System fiduciary net position as a percentage of the total pension liability	57.69%	55.93%	52.26%	59.50%	61.51%

Notes to Connecticut State Teacher's 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 years ending two and three years after the valuation date. The following actuarial methods and assumptions were used to determine the most recent contributions reported in that schedule.

Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Single equivalent amortization period	20.4 years
Asset valuation method	4-year smoothed market
Inflation	2.75 percent
Salary increase	3.25-6.50 percent, including inflation
Investment rate of return	8.00 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**

	2019	2018
Town's proportion of the net OPEB liability	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	1,264,237	1,667,540
Total	\$ 1,264,237	\$ 1,667,540
Town's covered-employee payroll	\$ 1,807,495	\$ 1,950,362
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%
OPEB fiduciary net position as a percentage of the total OPEB liability	1.49%	1.79%

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, 2019

	Budgeted Amounts			Actual	Variance with Final Budget Positive (Negative)
	Original	Transfers	Final		
Property Taxes					
Property taxes	\$ 11,082,455	\$ -	\$ 11,082,455	\$ 11,128,094	\$ 45,639
Interest and Lien Fees	40,500	-	40,500	51,710	11,210
Intergovernmental Revenues					
Education assistance	-	-	-	26,020	26,020
Property tax relief	-	-	-	790	790
Mashantucket Pequot	-	-	-	1,298	1,298
Town aid roads	285,338	-	285,338	290,877	5,539
In lieu of taxes	-	-	-	28,889	28,889
Other	1,000	-	1,000	590	(410)
	286,338	-	286,338	348,464	62,126
Investment Income					
Interest and dividends	15,000	-	15,000	85,298	70,298
	15,000	-	15,000	85,298	70,298
Departmental					
Building fees	35,000	-	35,000	12,362	(22,638)
Planning and zoning	12,000	-	12,000	13,560	1,560
Parks and recreation	31,250	-	31,250	37,503	6,253
Town clerk recording fees and conveyance taxes	80,000	-	80,000	96,047	16,047
Transfer station	94,000	-	94,000	92,880	(1,120)
Other	8,850	-	8,850	15,965	7,115
	261,100	-	261,100	268,317	7,217
Other					
Rental income	52,419	-	52,419	91,960	39,541
Telecommunications property	13,000	-	13,000	13,264	264
Miscellaneous	78,500	-	78,500	97,849	19,349
Capital Projects	636,500	-	636,500	636,500	-
Surplus	388,500	-	388,500	-	(388,500)
Transfer from other funds	15,000	-	15,000	15,000	-
	1,183,919	-	1,183,919	854,573	(329,346)
Total revenues	\$ 12,869,312	\$ -	\$ 12,869,312	\$ 12,736,456	\$ (132,856)

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, 2019

	Budgeted Amounts			Actual	Variance with Final Budget Positive (Negative)
	Original	Transfers	Final		
General Government					
Board of Selectmen	\$ 180,743	\$ (1,560)	\$ 179,183	\$ 176,429	\$ 2,754
Probate Court	4,500	-	4,500	4,495	5
Elections	29,939	2,200	32,139	32,138	1
Board of Finance	25,231	(700)	24,531	20,950	3,581
Treasurer	47,279	2,000	49,279	49,217	62
Assessors	86,387	-	86,387	78,316	8,071
Tax Collector	74,690	-	74,690	71,754	2,936
Assessment Appeals	2,761	-	2,761	115	2,646
Conservation Commission	2,775	-	2,775	2,758	17
Town Clerk	125,094	-	125,094	123,428	1,666
Planning and Zoning	76,673	-	76,673	73,249	3,424
Zoning Board of Appeals	2,322	-	2,322	1,922	400
Inland Wetlands Commission	34,849	-	34,849	34,121	728
Building Inspector	13,949	-	13,949	12,994	955
Town Hall	78,500	2,050	80,550	80,491	59
Legal	26,000	(4,100)	21,900	17,714	4,186
Town library grant	100,500	-	100,500	100,500	-
Cemetery Association grant	36,000	-	36,000	36,000	-
Council of Governments	2,256	-	2,256	2,255	1
Insurance	103,810	-	103,810	99,671	4,139
Contingency	10,000	(9,950)	50	-	50
Historic District Commission	500	-	500	-	500
Other	5,903	-	5,903	5,877	26
	<u>1,070,661</u>	<u>(10,060)</u>	<u>1,060,601</u>	<u>1,024,394</u>	<u>36,207</u>
Public Safety					
Fire Marshal	34,430	-	34,430	30,601	3,829
Fire protection grant	84,000	-	84,000	84,000	-
Litchfield County dispatch	32,626	-	32,626	32,165	461
Resident trooper	180,550	-	180,550	169,867	10,683
Paramedic Association	40,995	-	40,995	40,955	40
Civil preparedness	3,210	-	3,210	3,153	57
	<u>375,811</u>	<u>-</u>	<u>375,811</u>	<u>360,741</u>	<u>15,070</u>
Public Works					
Highways	1,275,439	-	1,275,439	1,208,912	66,527
Town aid road	285,338	-	285,338	285,338	-
Town utilities	47,000	1,560	48,560	43,964	4,596
Town garage building	20,410	-	20,410	17,751	2,659
Tree upkeep	22,640	4,100	26,740	26,768	(28)
	<u>1,650,827</u>	<u>5,660</u>	<u>1,656,487</u>	<u>1,582,733</u>	<u>73,754</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, 2019

	Budgeted Amounts			Actual	Variance with Final Budget Positive (Negative)
	Original	Transfers	Final		
Health and Welfare					
General assistance	\$ 57,871	\$ -	\$ 57,871	\$ 57,408	\$ 463
Senior Center	17,650	1,500	19,150	19,119	31
Director of Health and health district	18,910	-	18,910	18,910	-
Kent Children's Center grant	15,000	-	15,000	15,000	-
Welcome Center	7,000	3,600	10,600	10,599	1
Youth Service Bureau	7,000	-	7,000	7,000	-
Other grants	17,820	-	17,820	18,810	(990)
	<u>141,251</u>	<u>5,100</u>	<u>146,351</u>	<u>146,846</u>	<u>(495)</u>
Recreation					
Community house	22,749	800	23,549	23,416	133
Parks and recreation	155,284	(1,500)	153,784	146,825	6,959
Lake Waramaug Interlocal	1,600	-	1,600	855	745
Lake Waramaug Authority	2,400	-	2,400	2,274	126
Kent Center School ballfield maintenance	4,000	-	4,000	3,050	950
Swift house	6,300	-	6,300	4,155	2,145
	<u>192,333</u>	<u>(700)</u>	<u>191,633</u>	<u>180,575</u>	<u>11,058</u>
Sanitation					
Landfill monitoring	2,000	-	2,000	1,758	242
Transfer station	113,935	-	113,935	113,839	96
	<u>115,935</u>	<u>-</u>	<u>115,935</u>	<u>115,597</u>	<u>338</u>
Board of Education					
Local expenditures:					
Salaries	2,724,182	-	2,724,182	2,794,235	(70,053)
Employee benefits	981,617	-	981,617	771,270	210,347
Purchased professional services	32,375	-	32,375	22,644	9,731
Purchased property services	81,980	-	81,980	86,522	(4,542)
Pupil transportation	319,415	-	319,415	258,976	60,439
Supplies and utilities	418,115	-	418,115	405,924	12,191
Insurance	58,105	-	58,105	57,563	542
Dues and fees	8,750	-	8,750	6,625	2,125
Cafeteria subsidy	25,000	-	25,000	45,000	(20,000)
Contingency	15,000	-	15,000	-	15,000
Other	(25,000)	-	(25,000)	-	(25,000)
Regional Expenditures:					
Pupil services	1,031,792	-	1,031,792	972,354	59,438
HVRHS tuition	1,432,807	-	1,432,807	1,440,332	(7,525)
Administrative services	190,170	-	190,170	190,380	(210)
Capital outlay	-	-	-	72,943	(72,943)
	<u>7,294,308</u>	<u>-</u>	<u>7,294,308</u>	<u>7,124,768</u>	<u>169,540</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, 2019

	Budgeted Amounts			Actual	Variance with Final Budget Positive (Negative)
	Original	Transfers	Final		
Debt Service					
Principal	\$ 571,916	\$ -	\$ 571,916	\$ 571,916	\$ -
Interest	53,570	-	53,570	53,570	-
	<u>625,486</u>	<u>-</u>	<u>625,486</u>	<u>625,486</u>	<u>-</u>
Total expenditures	<u>11,466,612</u>	<u>-</u>	<u>11,466,612</u>	<u>11,161,140</u>	<u>305,472</u>
Other Financing Uses					
Transfers out:					
Capital projects fund	1,395,200	-	1,395,200	1,395,200	-
Dog fund	7,500	-	7,500	7,500	-
	<u>1,402,700</u>	<u>-</u>	<u>1,402,700</u>	<u>1,402,700</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 12,869,312</u>	<u>\$ -</u>	<u>\$ 12,869,312</u>	<u>\$ 12,563,840</u>	<u>\$ 305,472</u>

See accompanying Independent Auditors' Report.

TOWN OF KENT, CONNECTICUT
GENERAL FUND
SPECIAL ACTIVITIES - BALANCE SHEET
JUNE 30, 2019

	Schaghticoke Litigation Fund	Maple Street Extension Fund
<u>Assets</u>		
Cash and cash equivalents	\$ 29,656	\$ 48,218
Receivables	-	-
Due from other funds	-	-
Total assets	\$ 29,656	\$ 48,218
<u>Liabilities</u>		
Accounts payable and accrued liabilities	\$ -	\$ -
Total liabilities	-	-
<u>Fund Balances</u>		
Committed	29,656	48,218
Unassigned	-	-
Total fund balances	29,656	48,218
Total liabilities and fund balances	\$ 29,656	\$ 48,218

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, 2019

	<u>Schaghticoke Litigation Fund</u>	<u>Maple Street Extension Fund</u>
<u>Revenues</u>		
Investment income	\$ 411	\$ 656
Donations and other	-	-
Total revenues	<u>411</u>	<u>656</u>
<u>Expenditures</u>		
Current:		
General government	<u>171</u>	<u>-</u>
Total expenditures	<u>171</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>240</u>	<u>656</u>
<u>Other Financing Sources (Uses)</u>		
Transfers in	-	17,674
Transfers out	-	(15,000)
Total other financing sources (uses)	<u>-</u>	<u>2,674</u>
Net change in fund balances	<u>240</u>	<u>3,330</u>
Fund balances, beginning of year	<u>29,416</u>	<u>44,888</u>
Fund balances, end of year	<u>\$ 29,656</u>	<u>\$ 48,218</u>

Note to Schedule

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

See accompanying Independent Auditors' Report.

TOWN OF KENT, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS AND PERMANENT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019

	Special Revenue Funds								
	Dog Fund	School Cafeteria	KCS Technology	Shunichi Kuga	Selectmen's Fund	Santa Fund	Ward Recreation	Hopson Swift House	Kenico Road Fund
Assets									
Cash	\$ 10,937	\$ 9,661	\$ 5,872	\$ 8,770	\$ 2,442	\$ 1,799	\$ 9,822	\$ 38,429	\$ 137
Investments	-	-	-	-	-	-	-	-	-
Receivables	-	4,369	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Other	-	824	-	-	-	-	-	-	-
Total assets	\$ 10,937	\$ 14,854	\$ 5,872	\$ 8,770	\$ 2,442	\$ 1,799	\$ 9,822	\$ 38,429	\$ 137
Liabilities									
Accounts and other payables	\$ 2,398	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	1,279	-	-	-	-	-	-	-	-
Total liabilities	3,677	-	-	-	-	-	-	-	-
Fund Balances									
Nonspendable	-	824	-	-	-	-	-	-	-
Restricted	-	14,030	5,872	-	-	-	-	-	-
Committed	7,260	-	-	8,770	2,442	1,799	9,822	38,429	137
Total fund balances	7,260	14,854	5,872	8,770	2,442	1,799	9,822	38,429	137
Total liabilities and fund balances	\$ 10,937	\$ 14,854	\$ 5,872	\$ 8,770	\$ 2,442	\$ 1,799	\$ 9,822	\$ 38,429	\$ 137

(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, 2019

	Special Revenue Funds				Permanent Fund		
	Building Inspection Fund	Recreation Programs	Food Bank	Records Preservation	Walter Skiff Fund		
Assets							
Cash	\$ 2,074	\$ 1,185	\$ 12,334	\$ 6,237	\$ 1,069	\$ -	\$ 110,768
Investments	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	4,369
Due from other funds	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	824
Total assets	\$ 2,074	\$ 1,185	\$ 12,334	\$ 6,237	\$ 1,069	\$ -	\$ 115,961
Liabilities							
Accounts and other payables	\$ -	\$ 1,071	\$ -	\$ -	\$ -	\$ -	\$ 3,469
Due to other funds	2,074	114	-	750	-	-	4,217
Total liabilities	2,074	1,185	-	750	-	-	7,686
Fund Balances							
Nonspendable	-	-	-	-	1,069	-	1,893
Restricted	-	-	-	5,487	-	-	25,389
Committed	-	-	12,334	-	-	-	80,993
Total fund balances	-	-	12,334	5,487	1,069	-	108,275
Total liabilities and fund balances	\$ 2,074	\$ 1,185	\$ 12,334	\$ 6,237	\$ 1,069	\$ -	\$ 115,961

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, 2019

	Special Revenue Funds								
	Dog Fund	School Cafeteria	KCS Technology	Shunichi Kuga	Selectmen's Fund	Santa Fund	Ward Recreation	Hopson Swift House	Kenico Road Fund
Revenues									
Intergovernmental	\$ -	\$ 25,235	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	3,024	37,786	-	798	-	-	-	-	-
Investment Income	-	-	4	121	33	25	136	532	-
Donations and other	-	-	-	-	-	1,490	-	-	-
Total revenues	3,024	63,021	4	919	33	1,515	136	532	-
Expenditures									
Current:									
General government	-	-	-	278	250	-	-	-	-
Public safety	10,823	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	1,492	-	-	-
Recreation	-	-	-	-	750	-	-	-	-
Education	-	104,415	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	10,823	104,415	-	278	1,000	1,492	-	-	-
Excess of revenues over (under) expenditures	(7,799)	(41,394)	4	641	(967)	23	136	532	-
Other Financing Sources (Uses)									
Transfers in	7,500	45,000	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	7,500	45,000	-	-	-	-	-	-	-
Net change in fund balances	(299)	3,606	4	641	(967)	23	136	532	-
Fund balances, beginning of year	7,559	11,248	5,868	8,129	3,409	1,776	9,686	37,897	137
Fund balances, end of year	\$ 7,260	\$ 14,854	\$ 5,872	\$ 8,770	\$ 2,442	\$ 1,799	\$ 9,822	\$ 38,429	\$ 137

(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, 2019

	Special Revenue Funds				Permanent Fund	Eliminations	Total Nonmajor Governmental Funds
	Building Inspection Fund	Recreation Programs	Food Bank	Records Preservation	Walter Skiff Fund		
Revenues							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,235
Charges for services	87,901	11,212	-	1,472	-	-	142,193
Investment Income	-	-	-	76	15	-	942
Donations and other	-	-	12,729	-	-	-	14,219
Total revenues	87,901	11,212	12,729	1,548	15	-	182,589
Expenditures							
Current:							
General government	75,539	-	-	984	-	-	77,051
Public safety	-	-	-	-	-	-	10,823
Health and welfare	-	-	11,199	-	-	-	12,691
Recreation	-	9,895	-	-	-	-	10,645
Education	-	-	-	-	-	-	104,415
Capital outlay	-	-	-	-	-	-	-
Total expenditures	75,539	9,895	11,199	984	-	-	215,625
Excess of revenues over (under) expenditures	12,362	1,317	1,530	564	15	-	(33,036)
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	-	-	52,500
Transfers out	(12,362)	(1,317)	-	-	-	-	(13,679)
Total other financing sources (uses)	(12,362)	(1,317)	-	-	-	-	38,821
Net change in fund balances	-	-	1,530	564	15	-	5,785
Fund balances, beginning of year	-	-	10,804	4,923	1,054	-	102,490
Fund balances, end of year	\$ -	\$ -	\$ 12,334	\$ 5,487	\$ 1,069	\$ -	\$ 108,275

-59- See accompanying Independent Auditors' Report.

TOWN OF KENT, CONNECTICUT
 FIDUCIARY FUNDS
 PRIVATE PURPOSE TRUST FUNDS
 COMBINING STATEMENT OF NET POSITION
 JUNE 30, 2019

	Private Purpose Trust Funds		
	Ward Scholarship	Ramesh Mali Scholarship	Total
<u>Assets</u>			
Cash	\$ -	\$ -	\$ -
Total assets	-	-	-
<u>Liabilities</u>			
Accounts and other payables	-	-	-
Total liabilities	-	-	-
<u>Net Position</u>			
Net position held in trust	-	-	-
Total Net Position	\$ -	\$ -	\$ -

See accompanying Independent Auditors' Report.

TOWN OF KENT, CONNECTICUT
FIDUCIARY FUNDS
PRIVATE PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	Private Purpose Trust Funds		
	Ward Scholarship	Ramesh Mali Scholarship	Total
Additions:			
Interest and dividends	\$ -	\$ -	\$ -
Deductions:			
Education	1,939	119	2,058
Change in net position	(1,939)	(119)	(2,058)
Net position held in trust, beginning of year	1,939	119	2,058
Net position held in trust, end of year	\$ -	\$ -	\$ -

See accompanying Independent Auditors' Report.

TOWN OF KENT, CONNECTICUT

FIDUCIARY FUNDS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2019

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
<u>Student Activities</u>				
Assets:				
Cash and cash equivalents	<u>\$ 30,301</u>	<u>\$ 21,417</u>	<u>\$ 22,468</u>	<u>\$ 29,250</u>
Liabilities:				
Due to beneficiaries	<u>\$ 30,301</u>	<u>\$ 21,417</u>	<u>\$ 22,468</u>	<u>\$ 29,250</u>

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, 2019

Total tax collection including interest and lien fees for the year ended June 30, 2018	\$ 11,203,639
Reimbursement for revenue loss on: Tax relief for the elderly (CGS 12-129d)	<u> -</u>
Base	<u><u>\$ 11,203,639</u></u>

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation:					
2 1/4 times base	\$ 25,208,188	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	50,416,376	-	-	-
3 3/4 times base	-	-	42,013,646	-	-
3 1/4 times base	-	-	-	36,411,827	-
3 times base	-	-	-	-	33,610,917
Total debt limitation	<u>25,208,188</u>	<u>50,416,376</u>	<u>42,013,646</u>	<u>36,411,827</u>	<u>33,610,917</u>
Indebtedness:					
Regional School District #1 (Town Share 14.6%)	-	965,063	-	-	-
Town bonds payable	-	780,000	-	-	-
USDA Loan	-	-	1,354,287	-	-
Bonds authorized but unissued	2,925,000	-	-	-	-
Total indebtedness	<u>2,925,000</u>	<u>1,745,063</u>	<u>1,354,287</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u><u>\$ 22,283,188</u></u>	<u><u>\$ 48,671,313</u></u>	<u><u>\$ 40,659,359</u></u>	<u><u>\$ 36,411,827</u></u>	<u><u>\$ 33,610,917</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, 2019

Grand List October 1,	Restated Uncollected Taxes July 1, 2018	Lawful Corrections		Suspense Transfers	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2019
		Additions	Deductions			Taxes	Interest and Lien Fees	Total	
2017	\$ 11,249,590	\$ 1,223	\$ 13,220	\$ 1,871	\$ 11,235,722	\$ 11,096,813	\$ 32,149	\$ 11,128,962	\$ 138,909
2016	71,109	255	1,330	1,954	68,080	41,247	9,661	50,908	26,833
2015	20,848	-	-	2,408	18,440	6,042	14,227	20,269	12,398
2014	9,372	-	-	265	9,107	137	137	274	8,970
2013	7,784	-	-	57	7,727	255	215	470	7,472
2012	5,041	-	-	3,571	1,470	270	289	559	1,200
2011	7,603	-	-	6,831	772	14	16	30	758
2010	842	-	-	-	842	-	-	-	842
2009	811	-	-	-	811	-	-	-	811
2008	281	-	-	-	281	-	-	-	281
2007	768	-	-	-	768	-	-	-	768
2006	53	-	-	-	53	-	-	-	53
2005	43	-	-	-	43	-	-	-	43
Total	\$ 11,374,145	\$ 1,478	\$ 14,550	\$ 16,957	\$ 11,344,116	\$ 11,144,778	\$ 56,694	\$ 11,201,472	\$ 199,338

See accompanying Independent Auditors' Report.

TOWN OF KENT, CONNECTICUT
SCHEDULE OF ASSESSED VALUE OF TAXABLE PROPERTY
PAST FOUR FISCAL YEARS
JUNE 30, 2019

Year End	Grand List Year	Real Estate Gross Assessment	Personal Property Gross Assessment	Motor Vehicle Gross Assessment	Exemptions	Net Taxable Grand List
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
2017	2015	682,092,735	15,376,396	25,735,430	(127,221,382)	595,983,179
2016	2014	681,010,035	14,972,119	25,306,710	(126,872,263)	594,416,601

See accompanying Independent Auditors' Report.

TOWN OF KENT, CONNECTICUT
SCHEDULE OF PRINCIPAL TAXPAYERS
2017 GRAND LIST
JUNE 30, 2019

Taxpayer	(1) Assessment	Percent of Net Taxable Grand List
Connecticut Light & Power	\$ 8,307,000	1.37%
Rock Cobble Farm, LLC	6,074,320	1.01%
Blitzer, David S. Trustee	4,558,700	0.75%
Iron Mountain Property LLC	4,086,400	0.68%
Keswin, Jeffrey A. & Erica	3,804,400	0.63%
JLAA LLC	3,696,800	0.61%
Cohn Mitchell D Trustee	3,633,500	0.60%
Rachel Fitch LLC	3,605,700	0.60%
Lenz Robert Trustee	3,570,600	0.59%
Willow Brook Farms LLC	<u>3,546,130</u>	<u>0.59%</u>
	<u>\$ 34,161,120</u>	<u>7.43%</u>

(1) The net taxable grand list as of October 1, 2017 totaled: \$ 604,164,826

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.