

Town of Kent, New York

Financial Statements and
Supplementary Information

Year Ended December 31, 2021

Town of Kent, New York

Table of Contents

	Page
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements	
Balance Sheet - Governmental Funds	16
Reconciliation of Governmental Funds Balance Sheet to the Government -	
Wide Statement of Net Position	18
Statement of Revenues, Expenditures and Changes in Fund Balances -	
Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Revenues, Expenditures and Changes in Fund Balances -	
Budget and Actual - General, Highway and Special Districts Funds	22
Fiduciary Fund	
Statement of Fiduciary Net Position	24
Statement of Changes in Fiduciary Net Position	25
Notes to Financial Statements	26
Required Supplementary Information	
Other Postemployment Benefits	
Schedule of Changes in the Town's OPEB Liability and Related Ratios	53
New York State and Local Employees' Retirement System	
Schedule of the Town's Proportionate Share of the Net Pension Liability	54
Schedule of Contributions	54
New York State and Local Police and Fire Retirement System	
Schedule of the Town's Proportionate Share of the Net Pension Liability	55
Schedule of Contributions	55
Combining and Individual Fund Financial Statements and Schedules	
General Fund	
Comparative Balance Sheet	56
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual	57
Schedule of Revenues Compared to Budget	59
Schedule of Expenditures and Other Financing Uses Compared to Budget	61
Highway Fund	
Comparative Balance Sheet	65
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual	66
Special Districts Fund	
Combining Balance Sheet - Sub Funds	68
Combining Schedule of Revenues, Expenditures and Changes in Fund	
Balances - Sub Funds	70
Special Purpose Fund	
Comparative Balance Sheet	72
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	73
Capital Projects Fund	
Comparative Balance Sheet	74
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	75
Project-Length Schedule	76

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Independent Auditors' Report

**The Honorable Supervisor and Town Board of the
Town of Kent, New York**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information and the discretely presented component unit of the Town of Kent, New York ("Town"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

We did not audit the financial statements of Kent Public Library, a discretely presented component unit, which statements reflect total assets constituting 1.2 percent, of total assets at December 31, 2021, and total revenues constituting 3.4 percent of total revenues for the year then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Kent Public Library, is based solely on the report of the other auditors.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town and the discretely presented component unit, as of December 31, 2021, and the respective changes in financial position and the respective budgetary comparison for the General, Highway and Special Districts funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit for the year ended December 31, 2021 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules for the year ended December 31, 2021 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2021 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 for the year ended December 31, 2021 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2021.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America the basic financial statements of the Town as of and for the year ended December 31, 2020 (not presented herein), and have issued our report thereon dated October 28, 2021 which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended December 31, 2020 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2020 financial statements. The information was subjected to the audit procedures applied in the audit of the 2020 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2020.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

May 8, 2023

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Town of Kent, New York

Management's Discussion and Analysis December 31, 2021

The purpose of Management's Discussion and Analysis ("MD&A") is to provide the reader with a summary overview of the financial activities of the Town of Kent, New York ("Town") for the calendar year ending December 31, 2021. The MD&A is a summary and in no way is a substitute for the detailed information presented in the basic financial statements and other financial information and the accompanying notes to the financial statements that follow this section.

Financial Highlights for Calendar Year 2021

- The Town's governmental funds combined ending fund balances at December 31, 2021 were \$9,370,402. The total unassigned fund balances for governmental funds is \$3,873,979 at December 31, 2021, which is representative of the General Fund and also represents or 35% of the total General Fund expenditures and other financing uses. This is an increase of \$417,523 from fiscal year 2020 exclusive of the Capital Projects Fund.
- On the government-wide financial statements, the liabilities and deferred inflows of the Town exceeded its assets and deferred outflows of resources at the close of fiscal year 2021 by \$17,355,773, which represents a decrease of \$965,162. Unrestricted net position, which is available to meet the ongoing obligations of the Town totaled a negative \$51,391,230. This deficit results primarily from the accrual of certain operating liabilities pursuant to various Governmental Accounting Standards Board ("GASB") pronouncements discussed below. These obligations will be satisfied in future years.
- The government-wide financial statements must report certain items in accordance with the pronouncements of the GASB. The GASB is charged with developing the accounting rules that apply to governments, including school districts and BOCES. One of the most significant of these standards, GASB Statement No. 75 "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*", requires the Town to recognize the financial impact associated with OPEB liabilities. These liabilities include any benefits provided to retirees, other than a pension, including health insurance, life insurance, vision, dental, etc. This standard requires the Town to report the *total*, rather than *net*, OPEB liability related to its employees, since New York State has not authorized the establishment of an irrevocable trust to set aside assets for this purpose. The prior standard under the provisions of GASB Statement No. 45 allowed for the amortization of prior service costs over a thirty-year period. As a result of the provisions of GASB Statement No. 75, the Town's total OPEB liability as of December 31, 2021 is \$52,323,670. The OPEB liability is reflected on the government-wide Statement of Net Position and impacts the total net position calculation. More detailed information about the Town's OPEB obligations reported in accordance with the provisions of GASB Statement No. 75 is presented in Note 3E in the notes to financial statements. Also noteworthy is that this standard parallels the pension standard under the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*", presented in Note 3E as well.
- As mentioned, in addition to the impact of the Town's OPEB obligations, the government-wide financial statements for the year ended December 31, 2021 are also significantly impacted by the provisions of the GASB Statement No. 68. This pronouncement established accounting and financial reporting requirements associated with the Town's

participation in the cost sharing multiple employer pension plans administered by the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS"). Under the new standards, cost-sharing employers are required to report in their government-wide financial statements a net pension liability (asset), pension expense and pension-related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all of the municipalities and school districts in the plan. At December 31, 2021, the Town reported in its Statement of Net Position a liability of \$888,617 for its proportionate share of the ERS and PFRS net pension liabilities as compared to \$6,471,877 reported at December 31, 2020. The big drop is primarily attributed to the change in discount rate assumptions. More detailed information about the Town's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in the notes to financial statements.

Overview of the Financial Statements

The Town's financial statements are composed of this MD&A and the basic financial statements. The MD&A serves as an introduction to the basic financial statements. The MD&A is an analysis and overview of the Town's financial activities. The basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also includes other supplementary information as listed in the table of contents.

Government-wide Financial Statements

The government-wide financial statements are prepared using the accrual basis of accounting and are presented in a format similar to private sector financial statements.

The components of the government-wide financial statements are as follows:

- The statement of net position reports the Town's total assets, liabilities and deferred inflows/outflows of resources, and the difference, or net position. The intention is that, over time, the changes in net position will indicate whether the Town's financial position is improving or deteriorating.
- The statement of activities indicates how the Town's net position changed from the prior calendar year. Changes in net position are reported as soon as the underlying event occurs, without regard to the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods such as uncollected taxes.

The statement of activities indicates the functions of the Town that are principally supported by taxes and intergovernmental revenues for governmental services. The governmental activities of the Town include: general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and interest.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, as do other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the Town funds can be divided into two categories: governmental funds and fiduciary funds. Governmental funds use the modified accrual basis of accounting.

Governmental Funds - are used to account for the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the calendar year. This information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains the following governmental funds: General Fund, Special Revenue Funds (including Highway Fund, Special Districts Fund and the Special Purpose Fund) and Capital Projects Fund. Information is presented separately for each fund. Individual sub-fund data for the Special Districts Fund is provided in combining statements and schedules.

The Town adopts annual appropriated budgets for the General Fund, Highway Fund and the Special Districts Fund. Budgetary comparisons have been provided in the basic financial statements to demonstrate compliance with those budgets.

Fiduciary Funds - are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements, because the resources of these funds are not available to support the Town's own programs. The Town maintains a Custodial Fund which is used to account for real property taxes collected for other governments.

Notes to the Financial Statements - provide additional information that is essential to a full understanding of the data presented in the government-wide and fund financial statements. The notes can be found following the basic financial statements section of this report.

Government-wide Financial Analysis

As indicated previously, net position and changes to net position over time are expected to be a useful indicator of a government's financial position. In the case of the Town, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$17,355,773 for fiscal year 2021. The largest component of the Town's net position is invested in capital assets (net of related debt) of \$33,173,719. The Town uses these assets to provide services to citizens. Consequently, the assets cannot be used 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 capital assets cannot be used to liquidate these liabilities.

A summary of the Town's net position, at December 31, 2021 and 2020 is as follows:

Governmental Activities Net Position		
	December 31, 2021	December 31, 2020
Current Assets	\$ 11,988,130	\$ 7,816,207
Capital Assets, Net	<u>38,050,550</u>	<u>36,833,572</u>
Total Assets	<u>50,038,680</u>	<u>44,649,779</u>
Deferred Outflows of Resources	<u>13,592,410</u>	<u>13,806,868</u>
Current Liabilities	2,721,797	4,355,378
Long-Term Liabilities	<u>61,836,659</u>	<u>59,216,587</u>
Total Liabilities	<u>64,558,456</u>	<u>63,571,965</u>
Deferred Inflows of Resources	<u>16,428,407</u>	<u>806,927</u>
Net Position		
Net Investment in Capital Assets	33,173,719	33,101,896
Restricted	749,874	1,032,837
Unrestricted	<u>(51,279,366)</u>	<u>(50,525,344)</u>
Total Net Position	<u>\$ (17,355,773)</u>	<u>\$ (16,390,611)</u>

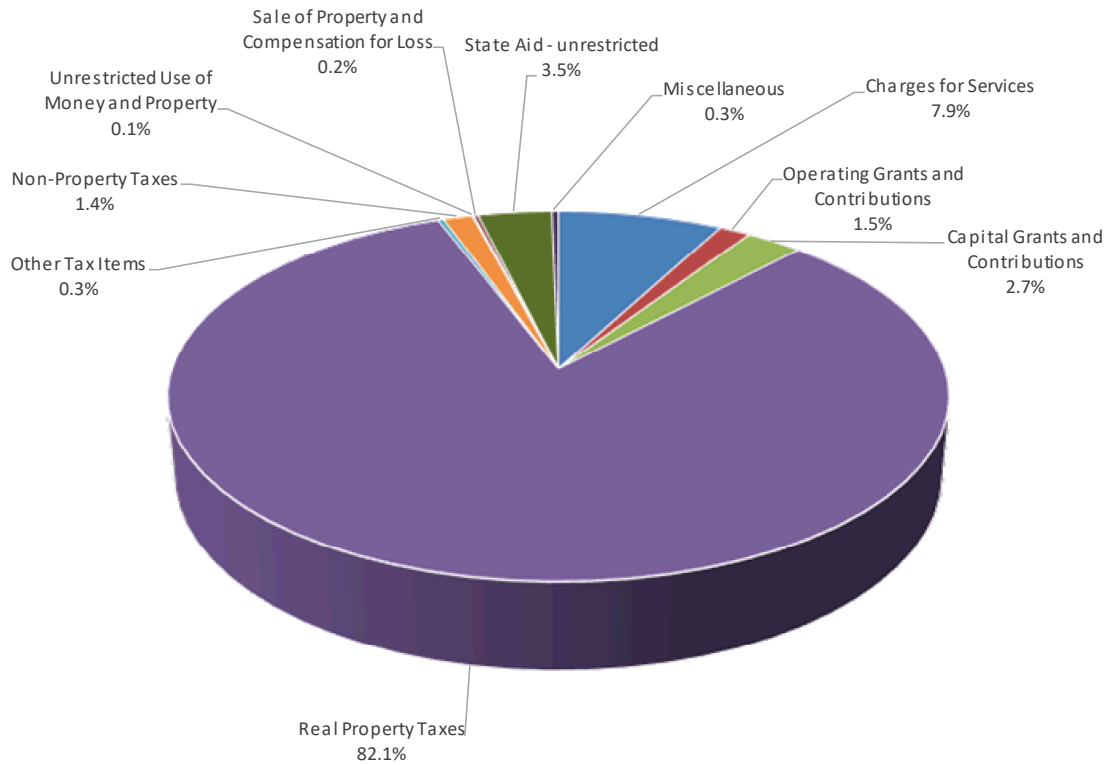
Restricted net position of \$749,874 represents resources that are subject to external constraints on how they may be used.

The remaining balance is an unrestricted deficit of (\$51,279,366), which must be financed from future operations. The deficit does not mean the Town does not have resources available to meet its obligations in the ensuing year. Rather, it is the result of having long-term commitments, including bonds payable (\$7,405,000), notes payable (\$218,464), compensated absences (\$108,878), net pension liability (\$888,617) and OPEB liability (\$52,323,670) that are greater than currently available resources. Payments for these liabilities will be budgeted in the year that actual payment will be made.

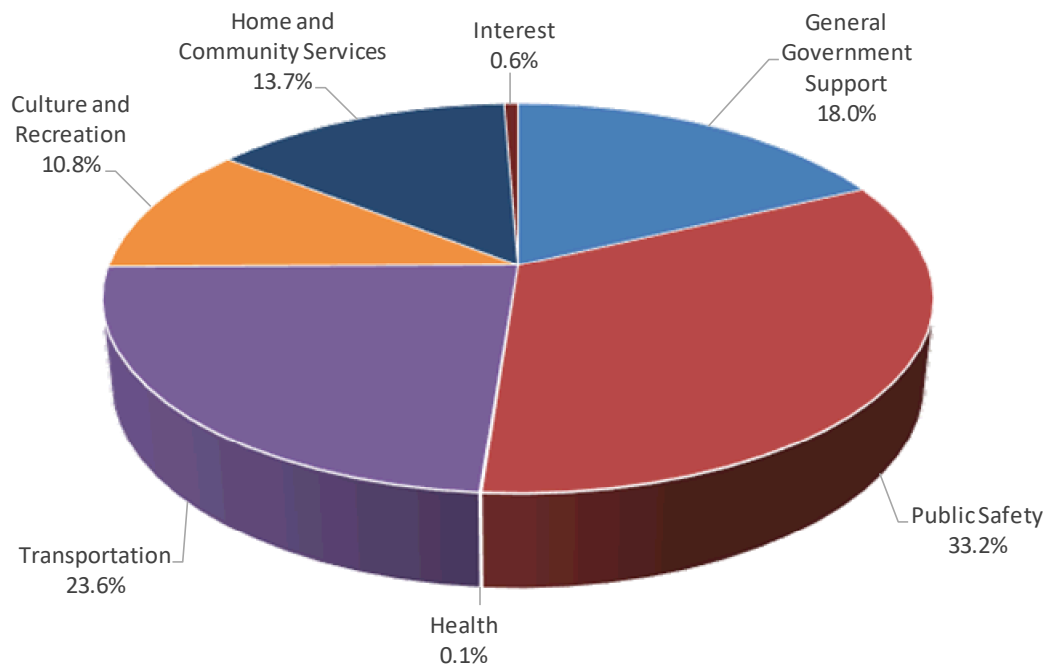
Changes in Net Position

	December 31, 2021	December 31, 2020
Revenues		
Program Revenues		
Charges for Services	\$ 1,468,623	\$ 1,116,366
Operating Grants and Contributions	279,481	236,924
Capital Grants and Contributions	506,851	315,601
General Revenues		
Real Property Taxes	15,323,563	15,289,720
Other Tax Items	49,361	54,397
Non-Property Taxes	261,309	265,597
Unrestricted Use of Money and Property	13,740	36,479
Sale of Property and Compensation for Loss	37,889	2,370
State Aid - unrestricted	657,715	367,758
Miscellaneous	58,361	114,976
Total Revenues	<u>18,656,893</u>	<u>17,800,188</u>
Program Expenses		
General Government Support	3,529,114	3,863,037
Public Safety	6,514,046	7,498,868
Health	11,266	15,167
Transportation	4,629,838	4,908,388
Economic Opportunity and Development	2,820	2,820
Culture and Recreation	2,115,173	2,299,621
Home and Community Services	2,695,081	2,608,843
Interest	124,717	79,087
Total Expenses	<u>19,622,055</u>	<u>21,275,831</u>
Decrease in Net Position	(965,162)	(3,475,643)
Net Position - beginning	<u>(16,390,611)</u>	<u>(12,914,968)</u>
Net Position - ending	<u><u>\$ (17,355,773)</u></u>	<u><u>\$ (16,390,611)</u></u>

Sources of Revenues for Fiscal Year 2021 Governmental Activities



Expenses for Fiscal Year 2021 Governmental Activities



Financial Analysis of the Town's Funds

As previously indicated, the Town uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds - are used to provide information on near-term inflows, outflows, and balances of spendable resources. Such information may be useful in assessing the Town's financing requirements. The unassigned portion of fund balance can provide a useful measure of a government's net resources available for spending at the end of the calendar year. The Town's governmental funds reported total fund balances of \$9,370,402 and \$3,481,463 at December 31, 2021 and 2020, respectively. Approximately \$3,873,979 or about 40% of the 2021 total constitutes unassigned fund balance. The reserved fund balances are not available for new spending, because they have been committed for 2021: non-spendable (\$901,607), restricted (\$3,677,699), committed (\$76,382) and assigned (\$840,765).

The General Fund is the Town's primary operating fund. At the end of the calendar year, the unassigned fund balance was \$3,873,979 and the total fund balance was \$4,897,519. As a measure of the General Fund's liquidity, it is useful to compare both the unassigned fund balance and the total fund balance to total General Fund expenditures and other financing uses. The unassigned fund balance represents approximately 79% of the total fund balance and approximately 35% of the General Fund expenditures and other financing uses.

The fund balance in the Town's General Fund increased by \$93,997 during the current calendar year. The adopted budget called for using \$273,105 of fund balance, which would result in approximately a \$582,000 savings as compared to the adopted budget.

The fund balance in the Town's Highway Fund decreased by \$138,930 during the current calendar year due to payment of a bond anticipation note principal of \$76,000.

The fund balance in the Town's Special Districts Fund decreased by \$334,230 during the current calendar year due to an increase in contractual obligations.

General Fund Budgetary Highlights

The difference between the original and final budgets for revenues and other financing sources is \$489,598 with the final amended budget more than the original budget. The increases relate to the increase in state aid, primarily mortgage tax revenue as well as increases in departmental income.

The difference between the original and final budgets for expenditures and other financing uses is \$704,265 with the final amended budget more than the original budget. The differences relate to: General Government Support (increase \$268,504) specifically in the Town Justice, Central Garage, and Building Department, Public safety (increase \$104,641), Transportation (increase \$43,795) and Home and community services (increase \$320,063).

Capital Assets and Debt Administration

Capital Assets - capital assets balance at December 31, 2021 for governmental activities was \$38,050,550 net of accumulated depreciation of \$16,109,628. The investment in capital assets includes: land, construction-in-progress, buildings and improvements, machinery and equipment and infrastructure.

Capital Assets (Net of Accumulated Depreciation) December 31,

	2021	2020	Difference
Land	\$ 16,345,620	\$ 16,345,620	\$ -
Construction in progress	109,175	7,662	101,513
Buildings and Improvements	7,009,909	7,076,331	(66,422)
Machinery and Equipment	2,326,583	2,417,658	(91,075)
Infrastructure	12,259,263	10,986,301	1,272,962
Total Capital Assets	<u>\$ 38,050,550</u>	<u>\$ 36,833,572</u>	<u>\$ 1,216,978</u>

Additional information on the Town's capital assets is available in Note 3B in the Notes to Financial Statements.

Outstanding Debt - at the end of calendar year 2021, the Town had a total of \$7,405,000 in general obligation bonds outstanding. The Town also had a total of \$218,464 in notes payable at December 31, 2021. All of the debt is backed by the full faith and credit of the Town.

New York State statutes place a limit on the maximum amount of total outstanding long-term debt that may be incurred by a local municipal entity at no more than seven percent of the five-year average full valuation of all real property. The Town's current constitutional debt limitation is \$100,349,523 and the Town has consumed 7.6% of the debt contracting capacity.

Additional information on the Town's debt is available in the Notes to Financial Statements.

Economic Factors and Next Year's Budget and Rates

The periodic economic downturns as well as the rising cost of living continue to affect residents of the Town. In consideration of this and in response to the Property Tax Cap, which established a tax levy limit, the Town kept property tax rate increases under 2% in 2014 and did not raise taxes in 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022.

In preparing the Town's 2022 budget, management considered all the factors and were committed to no tax increase. While expenditures for personnel services increased, all areas of expenditures were scrutinized for savings in order to balance the budget.

Requests for Information

This financial report is designed to provide a general overview of the finances of the Town of Kent, New York. Questions about this report should be addressed to Jaime McGlasson, Town Supervisor, Town of Kent, 25 Sybil's Crossing, Kent Lakes, New York 10512.

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Town of Kent, New YorkStatement of Net Position
December 31, 2021

	Governmental Activities	Component Unit Kent Public Library
ASSETS		
Cash and equivalents	\$ 10,696,788	\$ 226,193
Investments	143	405,562
Receivables		
Accounts	382,720	875
State and Federal aid	6,872	-
Inventories	282,266	-
Prepaid expenses	619,341	-
Capital assets		
Not being depreciated	16,454,795	-
Being depreciated, net	21,595,755	13,756
Total Assets	50,038,680	646,386
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding bonds	8,838	-
Pension related	5,852,782	-
OPEB related	7,730,790	-
Total Deferred Outflows of Resources	13,592,410	-
LIABILITIES		
Accounts payable	857,008	10,041
Accrued liabilities	300,223	23,891
Unearned revenues	715,140	-
Deposits	745,357	-
Accrued interest payable	104,069	-
Non-current liabilities		
Due within one year	532,942	-
Due in more than one year	61,303,717	8,188
Total Liabilities	64,558,456	42,120
DEFERRED INFLOWS OF RESOURCES		
Pension related	6,524,485	-
OPEB related	9,903,922	-
Total Deferred Inflows of Resources	16,428,407	-
NET POSITION		
Net investment in capital assets	33,173,719	-
Restricted for		
Capital projects	328,000	-
Repairs	111,738	-
Future capital projects	132	-
Debt service	191,434	-
Special purpose	118,570	-
Unrestricted	(51,279,366)	604,266
Total Net Position	\$ (17,355,773)	\$ 604,266

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

Town of Kent, New York

Statement of Activities
Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government support	\$ 3,529,114	\$ 79,810	\$ -	\$ -
Public safety	6,514,046	941,368	32,861	-
Health	11,266	5,075	-	-
Transportation	4,629,838	-	13,741	506,851
Economic opportunity and development	2,820	-	-	-
Culture and recreation	2,115,173	115,760	37,837	-
Home and community services	2,695,081	326,610	195,042	-
Interest	124,717	-	-	-
Total Governmental Activities	<u>\$ 19,622,055</u>	<u>\$ 1,468,623</u>	<u>\$ 279,481</u>	<u>\$ 506,851</u>
Component unit				
Town of Kent Library	<u>\$ 604,226</u>	<u>\$ 2,583</u>	<u>\$ 29,553</u>	<u>\$ -</u>
General revenues				
Real property taxes				
Other tax items				
Interest and penalties on real property taxes				
Non-property taxes				
Franchise fees				
Government appropriations				
Unrestricted use of money and property				
Sale of property and compensation for loss				
Unrestricted State aid				
Gifts & Donations				
Miscellaneous				
Total General Revenues				
Change in Net Position				
Net Position - Beginning				
Net Position - Ending				

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

<u>Net (Expense)</u>	
<u>Primary Government</u>	<u>Component Unit</u>
<u>Revenue and Changes in Net Position</u>	<u>Kent Public Library</u>
\$ (3,449,304)	\$ -
(5,539,817)	-
(6,191)	-
(4,109,246)	-
	-
(2,820)	-
(1,961,576)	-
	-
(2,173,429)	-
(124,717)	-
(17,367,100)	-
-	(572,090)
15,323,563	-
49,361	-
261,309	-
-	621,596
13,740	1,225
37,889	-
657,715	-
-	7,896
58,361	-
16,401,938	630,717
(965,162)	58,627
(16,390,611)	545,639
<u>\$ (17,355,773)</u>	<u>\$ 604,266</u>

Town of Kent, New York

Balance Sheet
Governmental Funds
December 31, 2021

	General	Highway	Special Districts	Special Purpose
ASSETS				
Cash and equivalents	\$ 5,479,469	\$ 1,026,851	\$ 511,309	\$ 118,570
Investment	143	-	-	-
Receivables				
Accounts	382,720	-	-	-
State and Federal aid	6,872	-	-	-
Due from other funds	421,449	-	397,909	-
	811,041	-	397,909	-
Inventories	282,266	-	-	-
Prepaid expenditures	388,262	134,057	97,022	-
Total Assets	<u>\$ 6,961,181</u>	<u>\$ 1,160,908</u>	<u>\$ 1,006,240</u>	<u>\$ 118,570</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 484,211	\$ 80,901	\$ 133,476	\$ -
Accrued liabilities	118,954	50,506	106,263	-
Due to other funds	-	612,741	84,743	-
Unearned revenues	715,140	-	-	-
Deposits payable	745,357	-	-	-
Total Liabilities	<u>2,063,662</u>	<u>744,148</u>	<u>324,482</u>	<u>-</u>
Fund balances				
Nonspendable	670,528	134,057	97,022	-
Restricted	191,434	-	111,870	118,570
Committed	76,382	-	-	-
Assigned	85,196	282,703	472,866	-
Unassigned	3,873,979	-	-	-
Total Fund Balances	<u>4,897,519</u>	<u>416,760</u>	<u>681,758</u>	<u>118,570</u>
Total Liabilities and Fund Balances	<u>\$ 6,961,181</u>	<u>\$ 1,160,908</u>	<u>\$ 1,006,240</u>	<u>\$ 118,570</u>

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

Capital Projects	Total Governmental Funds
\$ 3,560,589	\$ 10,696,788
-	143
-	382,720
-	6,872
-	819,358
-	1,208,950
-	282,266
-	619,341
\$ 3,560,589	\$ 12,807,488
\$ 158,420	\$ 857,008
24,500	300,223
121,874	819,358
-	715,140
-	745,357
304,794	3,437,086
-	901,607
3,255,795	3,677,669
-	76,382
-	840,765
-	3,873,979
3,255,795	9,370,402
\$ 3,560,589	\$ 12,807,488

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Town of Kent, New York

Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position December 31, 2021

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because

Total Fund Balances - Governmental Funds	\$ 9,370,402
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets - non-depreciable	16,454,795
Capital assets - depreciable	37,705,383
Accumulated depreciation	(16,109,628)
	<u>38,050,550</u>

Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contribution subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.

Deferred outflows - pension related	5,852,782
Deferred outflows - OPEB related	7,730,790
Deferred inflows - pension related	(6,524,485)
Deferred outflows - OPEB related	(9,903,922)
	<u>(2,844,835)</u>

Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued interest payable	(104,069)
Bonds payable	(7,405,000)
Capital lease payable	(218,464)
Compensated absences	(108,878)
Net pension liability	(888,617)
Total OPEB liability	(52,323,670)
	<u>(61,048,698)</u>

Governmental funds report the effects of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Deferred amount on refunding	8,838
Premium on general obligation bonds	(892,030)
	<u>(883,192)</u>

Net Position of Governmental Activities	\$ <u>(17,355,773)</u>
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The notes to the financial statements are an integral part of this statement.

Town of Kent, New York

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended December 31, 2021

	General	Highway	Special Districts	Special Purpose
REVENUES				
Real property taxes	\$ 7,921,797	\$ 3,570,420	\$ 3,831,346	\$ -
Other tax items	49,361	-	-	-
Non-property taxes	261,309	-	-	-
Departmental income	849,056	-	900	-
Use of money and property	81,333	-	46	49
Licenses and permits	1,970	-	-	-
Fines and forfeitures	865,808	-	-	-
Sale of property and compensation for loss	37,889	6,160	35,006	-
State aid	667,367	-	-	-
Federal aid	6,200	-	-	-
Miscellaneous	272,872	7,581	-	234
Total Revenues	11,014,962	3,584,161	3,867,298	283
EXPENDITURES				
Current				
General government support	3,459,499	-	-	-
Public safety	4,336,644	-	1,501,575	-
Health	9,926	-	-	-
Transportation	270,937	2,799,889	-	-
Economic opportunity and development	2,820	-	-	-
Culture and recreation	1,255,432	-	459,916	-
Home and community services	547,724	-	1,533,037	-
Employee benefits	632,847	914,880	601,858	-
Debt service				
Principal	265,000	85,321	17,735	-
Interest	15,750	46,387	2,407	-
Capital outlay	-	-	-	-
Total Expenditures	10,796,579	3,846,477	4,116,528	-
Excess (Deficiency) of Revenues Over Expenditures	218,383	(262,316)	(249,230)	283
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Transfers in	-	199,386	-	-
Transfers out	(124,386)	(76,000)	(85,000)	-
Total Other Financing Sources (Uses)	(124,386)	123,386	(85,000)	-
Net Change in Fund Balances	93,997	(138,930)	(334,230)	283
FUND BALANCES (DEFICITS)				
Beginning of Year	4,803,522	555,690	1,015,988	118,287
End of Year	<u>\$ 4,897,519</u>	<u>\$ 416,760</u>	<u>\$ 681,758</u>	<u>\$ 118,570</u>

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

Capital Projects	Governmental Funds
\$ -	\$ 15,323,563
-	49,361
-	261,309
-	849,956
-	81,428
-	1,970
-	865,808
-	79,055
506,851	1,174,218
-	6,200
-	280,687
506,851	18,973,555
-	3,459,499
-	5,838,219
-	9,926
-	3,070,826
-	2,820
-	1,715,348
-	2,080,761
-	2,149,585
-	368,056
-	64,544
2,394,946	2,394,946
2,394,946	21,154,530
(1,888,095)	(2,180,975)
7,145,000	7,145,000
924,914	924,914
86,000	285,386
-	(285,386)
8,155,914	8,069,914
6,267,819	5,888,939
(3,012,024)	3,481,463
\$ 3,255,795	\$ 9,370,402

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Town of Kent, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2021

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 5,888,939</u>
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and charged as depreciation expense.

Capital outlay expenditures	2,622,943
Depreciation expense	<u>(1,405,965)</u>
	<u>1,216,978</u>

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities on the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized on the statement of activities.

Principal paid on refunding bonds	265,000
Bonds issued	(7,145,000)
Premium on bonds issued	(924,914)
Principal paid on note payable	<u>103,056</u>
	<u>(7,701,858)</u>

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 governmental funds.

Accrued interest	(83,435)
Compensated absences	5,441
Changes in pension liabilities and related deferred outflows and inflows of resources	435,348
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(749,837)
Amortization of loss on refunding and issuance premium	<u>23,262</u>
	<u>(369,221)</u>

Change in Net Position of Governmental Activities	<u><u>\$ (965,162)</u></u>
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The notes to the financial statements are an integral part of this statement.

Town of Kent, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General, Highway and Special Districts Funds
Year Ended December 31, 2021

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 7,921,797	\$ 7,921,797	\$ 7,921,797	\$ -
Other tax items	45,000	45,000	49,361	4,361
Non-property taxes	276,000	276,000	261,309	(14,691)
Departmental income	683,300	686,450	849,056	162,606
Use of money and property	144,452	144,452	81,333	(63,119)
Licenses and permits	3,500	3,500	1,970	(1,530)
Fines and forfeitures	670,000	670,000	865,808	195,808
Sale of property and compensation for loss	-	-	37,889	37,889
State aid	322,849	594,297	667,367	73,070
Federal aid	-	-	6,200	6,200
Miscellaneous	58,361	273,361	272,872	(489)
Total Revenues	10,125,259	10,614,857	11,014,962	400,105
EXPENDITURES				
Current				
General government support	3,286,533	3,555,037	3,459,499	95,538
Public safety	4,261,634	4,366,275	4,336,644	29,631
Health	10,726	10,757	9,926	831
Transportation	227,146	270,941	270,937	4
Economic opportunity and development	26,900	2,900	2,820	80
Culture and recreation	1,273,432	1,295,899	1,255,432	40,467
Home and community services	235,957	556,020	547,724	8,296
Employee benefits	670,900	639,664	632,847	6,817
Debt service				
Principal	265,000	265,000	265,000	-
Interest	15,750	15,750	15,750	-
Total Expenditures	10,273,978	10,978,243	10,796,579	181,664
Excess (Deficiency) of Revenues Over Expenditures	(148,719)	(363,386)	218,383	581,769
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(124,386)	(124,386)	(124,386)	-
Total Other Financing Sources (Uses)	(124,386)	(124,386)	(124,386)	-
Net Change in Fund Balances	(273,105)	(487,772)	93,997	581,769
FUND BALANCES				
Beginning of Year	273,105	487,772	4,803,522	4,315,750
End of Year	\$ -	\$ -	\$ 4,897,519	\$ 4,897,519

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

Highway Fund				Special Districts Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 3,570,420	\$ 3,570,420	\$ 3,570,420	\$ -	\$ 3,831,347	\$ 3,831,347	\$ 3,831,346	\$ (1)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	7,000	7,000	900	(6,100)
8,000	8,000	-	(8,000)	6,967	6,967	46	(6,921)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
20,000	20,000	6,160	(13,840)	7,000	7,000	35,006	28,006
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	7,581	7,581	-	-	-	-	-
3,598,420	3,606,001	3,584,161	(21,840)	3,852,314	3,852,314	3,867,298	14,984
-	-	-	-	-	-	-	-
-	-	-	-	1,486,188	1,486,188	1,501,575	(15,387)
-	-	-	-	-	-	-	-
2,680,013	2,804,198	2,799,889	4,309	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	464,334	474,748	459,916	14,832
-	-	-	-	1,370,060	1,449,039	1,533,037	(83,998)
949,588	915,811	914,880	931	641,285	603,489	601,858	1,631
51,686	85,322	85,321	1	17,735	17,735	17,735	-
41,519	46,387	46,387	-	2,407	2,407	2,407	-
3,722,806	3,851,718	3,846,477	5,241	3,982,009	4,033,606	4,116,528	(82,922)
(124,386)	(245,717)	(262,316)	(16,599)	(129,695)	(181,292)	(249,230)	(67,938)
124,386	199,386	199,386	-	-	-	-	-
-	(76,000)	(76,000)	-	(10,000)	(85,000)	(85,000)	-
124,386	123,386	123,386	-	(10,000)	(85,000)	(85,000)	-
-	(122,331)	(138,930)	(16,599)	(139,695)	(266,292)	(334,230)	(67,938)
-	122,331	555,690	433,359	139,695	266,292	1,015,988	749,696
\$ -	\$ -	\$ 416,760	\$ 416,760	\$ -	\$ -	\$ 681,758	\$ 681,758

Town of Kent, New York

Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2021

	<u>Custodial</u>
ASSETS	
Cash and equivalents	<u>\$ 17,246</u>
LIABILITIES	
Due to other governments	<u>\$ 17,246</u>

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

Town of Kent, New York

Statement of Changes in Fiduciary Net position
Fiduciary Fund
December 31, 2021

	<u>Custodial</u>
ADDITIONS	
Real property taxes collected for other governments	\$ 36,675,964
DEDUCTIONS	
Payments of real property taxes to other governments	<u>36,675,964</u>
Change in Fiduciary Net Position	-
NET POSITION	
Beginning of Year	<u>-</u>
End of Year	<u><u>\$ -</u></u>

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

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Note 1 - Summary of Significant Accounting Policies

The Town of Kent, New York ("Town") was established in 1817 and operates in accordance with Town Law and the various other applicable laws of the State of New York. The Town Board is the legislative body responsible for overall operation. The Town Supervisor serves as both the chief executive and chief financial officer. The Town provides the following services to its residents: public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Town's significant accounting policies are described below:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government, which is the Town, b) organizations for which the Town is financially accountable and c) other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the Town, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Town's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, the following component unit is included in the Town's reporting entity because of the operational or financial relationship.

Kent Public Library ("Library") was created to benefit the residents of the community. The Library was incorporated in 1964 as the Kent Literary Association. In 1988, the Library became a town public library and was granted a permanent Charter by the Education Department of the State of New York. The Library serves the cultural, educational, recreational and informational needs of the Town residents. The Board of Trustees shall be approved by the Kent Town Board for a term limited to five years. Board members have complete responsibility for the management of the Library and accountability for fiscal matters. Financial support in the form of a contribution has been provided by the Town. Since the Library should does not provide services entirely or almost entirely to the Town, the financial statements of the Library have been reflected as a discretely presented component unit.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the primary government as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

The Statement of Net Position presents the financial position of the Town at the end of its fiscal year. The Statement of Activities demonstrates the degree to which 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 or services, or privileges provided by

Note 1 - Summary of Significant Accounting Policies (Continued)

a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Town does not allocate indirect expenses to functions in the Statement of Activities.

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

C. Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Town maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Town's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the Town's major governmental funds.

General Fund - The General Fund constitutes the primary operating fund of the Town and is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The major special revenue funds of the Town are as follows:

Highway Fund - The Highway Fund is used to account for road and bridge maintenance and improvements as defined in the Highway Law of the State of New York. The major revenue of this fund is real property taxes.

Note 1 - Summary of Significant Accounting Policies (Continued)

Special Districts Fund - The Special Districts Fund is provided to account for the operation and maintenance of the Town's fire protection, park, water, sewer and sanitation districts. The major revenue of this fund is real property taxes.

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the Town in accordance with terms of a trust agreement.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

- b. Fiduciary Funds (Not Included in Government-Wide Financial Statements) - Fiduciary funds are used to account for assets held by the Town on behalf of others. The Custodial Fund is used to account for real property taxes collected for other governments.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the Fiduciary funds. 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 when they are earned and 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. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made and the amounts are expected to be collected within one year of the fiscal year-end. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. 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, net pension liability and other post-employment benefit liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Note 1 - Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Cash and Equivalents, Investments

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

The Town's deposits and investment policies are governed by State statutes. The Town has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Town is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Town has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions, and accordingly, the Town's policy provides for no credit risk on investments.

The Town follows the provisions of GASB Statement No. 72, "*Fair Value Measurement and Application*", which defines fair value and established a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Town does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Town's name. The Town's aggregate bank balances that were not covered by

Note 1 - Summary of Significant Accounting Policies (Continued)

depository insurance were not exposed to custodial credit risk at December 31, 2021.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Town's investment policy limits the amount on deposit at each of its banking institutions.

The Town also participates in the New York Liquid Assets Fund ("NYLAF"), a cooperative investment pool, established pursuant to Articles 3A and 5G of General Municipal Law of the State of New York. The sponsoring agency of the pool is another governmental unit, which acting through the fiscal officer, is primarily responsible for executing the provisions of the cooperative agreement. NYLAF has designated RBC Global Asset Management, Inc. as its registered investment advisor.

The pool is authorized to invest in various securities issued by the United States and its agencies. The amounts represent the amortized cost of the cooperative shares and are considered to approximate fair value. The Town's position in the pool is equal to the value of the pool shares.

NYLAF is rated AAAM by Standard and Poor's Rating Service. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. The pools invest in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

Additional information concerning the NYLAF is presented in the annual report, which may be obtained from the Governing Board c/o PMA Financial Network, 2135 City Gate Lane, 7th Floor, Naperville, IL 60563.

Taxes Receivable - Real property taxes attach as an enforceable lien on real property and are levied on January 1st. The Town collects county, town, highway and special districts taxes which are levied and due January 1st and payable without penalty to January 31st. The Town retains the total amount of town, highway and special districts taxes from the total collections and returns the balance plus the uncollected items to the County which assumes collection responsibility. County and school district taxes collected prior to the satisfaction of the respective warrants are considered a fiduciary activity under the provisions of GASB 84, "*Fiduciary Activities*", and therefore have been accounted for within the Custodial Fund.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the Town. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred. Allowances are recorded when appropriate.

Note 1 - Summary of Significant Accounting Policies (Continued)

Due From/To Other Funds - During the course of its operations, the Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2021 balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventory - Inventories in the General Fund consists of materials at a stated value which approximates market. The cost is recorded as inventory at the time individual inventory items are purchased. The Town uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by a nonspendable fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption methods in both the government wide and the fund financial statements. Prepaid expenses/expenditures consist of costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and will benefit such periods. Reported amounts in the fund financial statements are equally offset by nonspendable fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and 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 acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities, the Town chose to include all such items regardless of their acquisition date or amount. The Town was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land and construction-in-progress are not depreciated. Property, plant and equipment of the Town are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Buildings and improvements	20-50
Machinery and equipment	5-20
Infrastructure	50

Note 1 - Summary of Significant Accounting Policies (Continued)

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental funds balance sheet.

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Town has reported unearned revenues of \$4,993 for the advance collection of cell tower rents, \$35,174 for the advance collection of recreation fees and \$674,973 for funds received and not spent under the American Rescue Plan Act of 2021 ("ARPA") in the General Fund.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Town reported deferred outflows of resources of \$8,838 for a deferred loss on refunding bonds in the government-wide Statement of Net Position. This amount results from the difference in carrying value of the refunded debt and its requisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The Town also reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities. These amounts are detailed in the discussion of the Town's pension and other postemployment benefit liabilities in Note 3E.

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the 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 Capital Projects Fund expenditures.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated sick leave upon separation from service. The liability for such accumulated leave is reflected in the government-wide statement of net position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the

Note 1 - Summary of Significant Accounting Policies (Continued)

liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Pension Liability - The net pension liability represents the Town's proportionate share of the net pension liability of the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, *"Accounting and Financial Reporting for Pensions"* and GASB Statement No. 71, *"Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68."*

Other Postemployment Benefit Liability ("OPEB") - In addition to providing pension benefits, the Town provides health care benefits for certain retired employees and their survivors. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other than Pensions"*.

Net Position - represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position for the Town includes restricted for capital projects, repairs, future capital projects, special districts, debt service and special purpose.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Fund Balances - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables, advances) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Note 1 - Summary of Significant Accounting Policies (Continued)

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in the General Municipal Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Town Board is the highest level of decision making authority for the Town that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the Town removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Town Board.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Town Board for amounts assigned for balancing the subsequent year's budget or the Town Supervisor for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive unassigned fund balance. For all governmental funds other than the General Fund, any deficit fund balance is reported as unassigned.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General, Town Outside Villages, Special Districts and Highway funds. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities. The Town has not yet implemented an encumbrance system.

Note 1 - Summary of Significant Accounting Policies (Continued)

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is May 8, 2023.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The Town generally follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

- a) On or before September 30th, the Supervisor shall submit a tentative budget to the Town Clerk.
- b) On or before October 5th, the Town Clerk shall present the tentative budget to the Town Board.
- c) Once the tentative budget is approved by the Town Board, it becomes the preliminary budget. The Town Board files the preliminary budget with the Town Clerk where it is available for inspection. In addition, the Board shall cause to be published a notice specifying a time and place for a public hearing.
- d) At the public hearing, taxpayers may comment on the preliminary budget.
- e) On or before November 20th, the Town Board shall adopt the preliminary budget as originally compiled or it may, by a majority vote, diminish or reject certain items contained therein as prescribed by law.
- f) Formal budgetary integration is employed during the year as a management control device for the General, Highway and Special Districts funds.
- g) Budgets for the General, Highway and Special District funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. An annual budget is not adopted for the Special Purpose Fund since other means control the use of these resources and sometimes span a period of more than one fiscal year.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- h) The Town Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Town Board. Any modifications to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- i) Appropriations in the General, Highway and Special District funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts as promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted or as amended by the Town Board.

B. Property Tax Limitation

Under New York State Law, the Town is not limited as to the maximum amount of real property taxes which may be raised. However, Chapter 97 of the New York State Laws of 2011, as amended ("Tax Levy Limitation Law") modified previous law by imposing a limit on the amount of real property taxes a local government may levy. The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States with the result expressed as a decimal to four places. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The Town Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Town Board first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

Town of Kent, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 2 - Stewardship, Compliance and Accountability (Continued)

C. Fund Deficits

Romanoff Water District sub-fund and Kent Sewer District sub-fund in the Special Districts Fund reflect assigned deficits of \$50,740 and 6,334 at December 31, 2021, respectively, as a result of emergency repairs and improvements. The Town is in the process of addressing the deficits.

D. Capital Projects Fund Deficit

The deficits in various capital projects arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

E. Excess of Actual Expenditures Over Budget

The following capital projects exceeded their budgetary provisions by the amounts indicated:

Road Construction Route 52 Sewer	\$	398,535
All-Inclusive Playground		6,848
2019 Bond – Paving		16,102
2020 Bond – Paving		5,416

Note 3 - Detailed Notes on All Funds

A. Interfund Receivables/Payables

The composition of due from/to other funds at December 31, 2021 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 421,449	\$ -
Highway Fund	-	612,741
Special Districts Fund	397,909	84,743
Capital Projects Fund	-	121,874
	<u>\$ 819,358</u>	<u>\$ 819,358</u>

The outstanding balances between funds results mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

Town of Kent, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

B. Capital Assets

Changes in the Town's capital assets are as follows:

Class	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
Capital Assets, not being depreciated				
Land	\$ 16,345,620	\$ -	\$ -	\$ 16,345,620
Construction-in-progress	7,662	109,175	7,662	109,175
Total Capital Assets, not being depreciated	<u>\$ 16,353,282</u>	<u>\$ 109,175</u>	<u>\$ 7,662</u>	<u>\$ 16,454,795</u>
Capital Assets, being depreciated				
Buildings and improvements	\$ 14,692,037	\$ 303,202	\$ -	\$ 14,995,239
Machinery and equipment	8,667,144	688,163	265,346	9,089,961
Infrastructure	12,090,118	1,530,065	-	13,620,183
Total Capital Assets, being depreciated	<u>35,449,299</u>	<u>2,521,430</u>	<u>265,346</u>	<u>37,705,383</u>
Less Accumulated Depreciation for				
Building and improvements	7,615,706	369,624	-	7,985,330
Machinery and equipment	6,249,486	779,238	265,346	6,763,378
Infrastructure	1,103,817	257,103	-	1,360,920
Total Accumulated Depreciation	<u>14,969,009</u>	<u>1,405,965</u>	<u>265,346</u>	<u>16,109,628</u>
Total Capital Assets, being depreciated, net	<u>\$ 20,480,290</u>	<u>\$ 1,115,465</u>	<u>\$ -</u>	<u>\$ 21,595,755</u>
Capital Assets, net	<u>\$ 36,833,572</u>	<u>\$ 1,224,640</u>	<u>\$ 7,662</u>	<u>\$ 38,050,550</u>

Depreciation expense was charged to the Town's functions and programs as follows:

General Government Support	\$ 176,593
Public Safety	151,348
Transportation	695,381
Culture and Recreation	149,674
Home and Community Support	<u>232,969</u>
Total Depreciation Expense	<u>\$ 1,405,965</u>

C. Accrued Liabilities

Accrued liabilities at December 31, 2021 were as follows:

	Fund				
	General	Highway	Special Districts	Capital	Total
Payroll and Employee Benefits	\$ 39,040	\$ 50,506	\$ 21,906	\$ -	\$ 111,452
Other	79,914	-	84,357	24,500	188,771
	<u>\$ 118,954</u>	<u>\$ 50,506</u>	<u>\$ 106,263</u>	<u>\$ 24,500</u>	<u>\$ 300,223</u>

Town of Kent, New York

Notes to Financial Statements (Continued)
 December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)**D. Short-Term Capital Borrowings - Bond Anticipation Notes**

The schedule below details the changes in the short-term capital borrowings.

Purpose	Year of Issue	Maturity Date	Interest Rate	Balance January 1, 2021	New Issues	Redemptions	Balance December 31, 2021
Capital Projects Fund - Various capital projects	2020	7/30/21	- %	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Funds. Bond anticipation notes issued for judgements or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipations notes issued for capital purposes or judgments be converted to long-term obligations within five years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures of \$37,500 was recorded in the Highway Fund. Interest expense of \$21,460 was recorded in the government-wide financial statements.

E. Long-Term Liabilities

The following table summarizes changes in the Town's long-term liabilities for the year ended December 31, 2021:

	Balance January 1, 2021	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2021	Due Within One Year
Bonds Payable	\$ 525,000	\$ 7,145,000	\$ 265,000	\$ 7,405,000	\$ 415,000
Plus - Issuance premium	8,072	924,914	40,956	892,030	-
	533,072	8,069,914	305,956	8,297,030	415,000
Notes Payable	321,520	-	103,056	218,464	106,942
Other Non-Current Liabilities					
Compensated Absences	114,319	5,959	11,400	108,878	11,000
Net Pension Liability	6,471,877	-	5,583,260	888,617	-
Other Post Employment Benefit Liability	51,775,799	1,732,220	1,184,349	52,323,670	-
Total Other Non-Current Liabilities	58,361,995	1,738,179	6,779,009	53,321,165	11,000
	\$ 59,216,587	\$ 9,808,093	\$ 7,188,021	\$ 61,836,659	\$ 532,942

Each governmental fund's liability for general obligation bonds, compensated absences, net pension liability and other post employment benefit liability is liquidated by the General, Highway and Special Districts funds.

Town of Kent, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

General Obligation Bonds Payable

General obligation bonds payable at December 31, 2021 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2021
Refunding Bonds	2011	\$ 2,875,000	September, 2022	3.00 %	\$ 260,000
Serial Bonds	2021	7,145,000	July, 2035	1.25	<u>7,145,000</u>
					<u>\$ 7,405,000</u>

Interest expenditures of \$15,750 were recorded in the General Fund. Interest expense of \$91,963 was recorded in the government-wide financial statements.

Notes Payable

During 2020, the Town entered into a lease agreement to finance the purchase of a CAT Wheel Loader for the Highway Fund. The terms of this agreement provided for the repayment of the principal amount of \$177,030, with annual installments of \$38,503, including interest, to maturity in 2025.

During 2018, the Town entered into a lease agreement to finance the purchase of two tractors for the Highway Fund. The terms of this agreement provided for the repayment of the principal amount of \$258,793, with annual installments of \$50,705, including interest, to maturity in 2022.

During 2018, the Town entered into a lease agreement to finance the purchase of a Backhoe for the Lake Carmel Park District. The terms of this agreement provided for the repayment of the principal amount of \$90,708, with annual installments of \$20,142, including interest, with maturity in 2023.

Interest expense/expenditures of \$11,294 were recorded in the fund financial statements in the following funds and in the government-wide financial statements.

Fund	Amount
Highway	\$ 8,887
Special Districts - Lake Carmel Park District	<u>2,407</u>
	<u>\$ 11,294</u>

Town of Kent, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all bonded debt and notes outstanding as of December 31, 2021, including interest payments of \$1,598,540 are as follows:

Year Ending December 31,	Bonds		Notes Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 415,000	\$ 241,927	\$ 106,942	\$ 7,409	\$ 521,942	\$ 249,336
2023	425,000	235,850	55,270	3,377	480,270	239,227
2024	445,000	214,600	37,186	1,317	482,186	215,917
2025	465,000	192,350	19,066	187	484,066	192,537
2026	490,000	169,100	-	-	490,000	169,100
2027-2031	2,850,000	457,250	-	-	2,850,000	457,250
2032-2035	2,315,000	75,173	-	-	2,315,000	75,173
	<u>\$ 7,405,000</u>	<u>\$ 1,586,250</u>	<u>\$ 218,464</u>	<u>\$ 12,290</u>	<u>\$ 7,623,464</u>	<u>\$ 1,598,540</u>

Legal Debt Margin

The Town is subject to legal limitations on the amount of debt that it may issue. The Town's legal debt margin is 7% of the five year average full valuation of taxable real property. At December 31, 2021, that amount was \$7,623,464, which is 7.6% of the total debt limit.

Compensated Absences

Police officers may accumulate 180 days of sick leave. Any employee may elect to be paid for unused sick time at the end of each calendar year. Such payment will be for the time accumulated during that year only and will be paid at the current rate of pay. Vacation time must be taken in the year earned. Certain employees may elect to add up to 125 days of sick time to their retirement time under Section 41j of the New York State Employee's Retirement System. The Town is liable to the System for such elections. The value of all compensated absences has been recorded in the government-wide financial statements.

Pension Plans

New York State and Local Retirement System

The Town participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") which are collectively referred to as the New York State and Local Retirement System ("System"). These are cost-sharing, multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides

Note 3 - Detailed Notes on All Funds (Continued)

that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2022 are as follows:

	<u>Tier/Plan/Option</u>	<u>Rate</u>
ERS	3 A14	18.2 %
	4 A15	18.2
	5 A15	15.2
	6 A15	10.6
	6 A15	10.7
PFRS	2 384D	30.4 %
	5 384D	25.5
	6 384D	19.8

At December 31, 2021, the Town reported the following for its proportionate share of the net pension liability for ERS and PFRS:

	<u>ERS</u>	<u>PFRS</u>
Measurement date	March 31, 2021	March 31, 2021
Net pension liability	\$ 12,638	\$ 875,979
Town's proportion of the net pension liability	0.0126917%	0.0504516%
Change in proportion since the prior measurement date	(0.0009781%)	(0.0029078%)

The net pension liability was measured as of March 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members.

Town of Kent, New York

Notes to Financial Statements (Continued) December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

For the year ended December 31, 2021, the Town recognized its proportionate share of pension expense in the government-wide financial statements of \$282,930 for ERS and \$441,206 for PFRS. Pension expenditures of \$650,136 for ERS and \$509,348 for PFRS were recorded in the fund financial statements and were charged to the following funds:

<u>Fund</u>	<u>ERS</u>	<u>PFRS</u>
General	\$ 278,732	\$ 509,348
Special Districts	134,432	-
Highway	236,972	-
	<u>\$ 650,136</u>	<u>\$ 509,348</u>

At December 31, 2021, the Town reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>ERS</u>		<u>PFRS</u>		<u>Total</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 154,340	\$ -	\$ 194,375	\$ -	\$ 348,715	\$ -
Changes of assumptions	2,323,653	43,825	2,152,187	-	4,475,840	43,825
Net difference between projected and actual earnings on pension plan investments	-	3,630,272	-	2,575,766	-	6,206,038
Changes in proportion and differences between Town contributions and proportionate share of contributions	110,453	122,301	29,008	152,321	139,461	274,622
Town contributions subsequent to the measurement date	490,004	-	398,762	-	888,766	-
	<u>\$ 3,078,450</u>	<u>\$ 3,796,398</u>	<u>\$ 2,774,332</u>	<u>\$ 2,728,087</u>	<u>\$ 5,852,782</u>	<u>\$ 6,524,485</u>

\$490,004 and \$398,762 reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting from the Town's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

<u>Year Ended March 31,</u>	<u>ERS</u>	<u>PFRS</u>
2022	\$ (216,951)	\$ (137,709)
2023	(82,168)	(38,176)
2024	(202,186)	(111,609)
2025	(706,647)	(476,402)
2026	-	411,379
	<u>\$ (1,207,952)</u>	<u>\$ (352,517)</u>

Note 3 - Detailed Notes on All Funds (Continued)

The total pension liability for the ERS and PFRS measurement date was determined by using an actuarial valuation date noted below, with update procedures used to roll forward the total pension liabilities to that measurement date. Significant actuarial assumptions used in the valuation were as follows:

	ERS	PFRS
Measurement date	March 31, 2021	March 31, 2021
Actuarial valuation date	April 1, 2020	April 1, 2020
Investment rate of return	5.9%	5.9%
Salary scale	4.2%	6.2%
Inflation rate	2.7%	2.7%
Cost of living adjustments	1.4%	1.4%

*Compounded annually, net of pension plan investment expenses, including inflation.

Annuitant mortality rates are based on the System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected return, net of investment expenses 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.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation is summarized in the following table.

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	4.05 %
International Equity	15	6.30
Private Equity	10	6.75
Real Estate	9	4.95
Opportunistic/ARS Portfolio	3	4.50
Credit	4	3.63
Real Assets	3	5.95
Fixed Income	23	0.00
Cash	1	0.50
	<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.7%.

Town of Kent, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the Town's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9%) or 1 percentage point higher (6.9%) than the current rate:

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
Town's proportionate share of the ERS net pension liability (asset)	<u>\$ 3,507,717</u>	<u>\$ 12,638</u>	<u>\$ (3,210,644)</u>
Town's proportionate share of the PFRS net pension liability (asset)	<u>\$ 3,725,158</u>	<u>\$ 875,979</u>	<u>\$ (1,482,404)</u>

The components of the collective net pension liability as of the March 31, 2021 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 220,680,157,000	\$ 41,236,775,000	\$ 261,916,932,000
Fiduciary net position	<u>220,580,583,000</u>	<u>39,500,500,000</u>	<u>260,081,083,000</u>
Employers' net pension liability	<u>\$ 99,574,000</u>	<u>\$ 1,736,275,000</u>	<u>\$ 1,835,849,000</u>
Fiduciary net position as a percentage of total pension liability	<u>99.95%</u>	<u>95.79%</u>	<u>99.30%</u>

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of December 31, 2021 represent the employer contribution for the period of April 1, 2021 through December 31, 2021 based on prior year ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS and PFRS for the nine months ended December 31, 2021 were \$490,004 and \$398,762, respectively.

Voluntary Defined Contribution Plan

The Town can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution

Note 3 - Detailed Notes on All Funds (Continued)

is between 3% and 6% depending on salary and the Town will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Other Post Employment Benefit Liability ("OPEB")

In addition to providing pension benefits, the Town provides certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Town may vary according to length of service. The cost of providing post employment health care benefits is shared between the Town and the retired employee as noted below. Substantially all of the Town's employees may become eligible for those benefits if they reach normal retirement age while working for the Town. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other than Pensions"*, so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At December 31, 2021, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	57
Active employees	<u>76</u>
	<u><u>133</u></u>

The Town's total OPEB liability of \$52,323,670 was measured as of December 31, 2021, and was determined by an actuarial valuation as of January 1, 2021.

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

Inflation	3.00%
Salary increases	3.00%
Discount rate	2.05%
Healthcare cost trend rates	7.0% for 2021, decreasing by up to .25% per year to an ultimate rate of 4.5% for 2033 and later years
Retirees' share of benefit-related costs	Varies from 0% to 100%, depending on applicable retirement year and bargaining unit

The discount rate was based on the Fidelity General Obligation 20-year AA Municipal Bond Index.

Mortality rates were based on the sex-distinct RP-2014 Mortality Tables for employees and healthy annuitants, adjusted backward to 2006 with scale MP-2014, and then adjusted for mortality improvements with scale MP-2019 mortality improvement scale on a fully generational basis.

The actuarial assumptions used in the January 1, 2021 valuation for turnover and retirement for ERS and PFRS were based on the April 1, 2011 to March 31, 2016 experience study released by the Retirement Systems Actuary and published in their August 2016 report.

Town of Kent, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

The Town's change in the total OPEB liability for the year ended December 31, 2021 is as follows:

Total OPEB Liability - Beginning of Year	\$ 51,775,799
Service cost	1,004,111
Interest	1,049,264
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(321,155)
Benefit payments	<u>(1,184,349)</u>
Total OPEB Liability - End of Year	<u>\$ 52,323,670</u>

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.05%) or 1 percentage point higher (3.05%) than the current discount rate:

	1% Decrease (1.05%)	Current Discount Rate (2.05%)	1% Increase (3.05%)
Total OPEB Liability	<u>\$ 64,553,761</u>	<u>\$ 52,323,670</u>	<u>\$ 43,227,505</u>

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.0% decreasing to 3.5%) or 1 percentage point higher (8.0% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (6.0% decreasing to 3.5%)	Healthcare Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Total OPEB Liability	<u>\$ 42,269,552</u>	<u>\$ 52,323,670</u>	<u>\$ 66,050,625</u>

For the year ended December 31, 2021, the Town recognized OPEB expense of \$1,934,186 in the government-wide financial statements. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 7,730,790	\$ 9,903,922
Differences between expected and actual experience	<u>-</u>	<u>-</u>
	<u>\$ 7,730,790</u>	<u>\$ 9,903,922</u>

Town of Kent, New York

Notes to Financial Statements (Continued)
December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	
2022	\$ (119,189)
2023	(119,189)
2024	(119,189)
2025	(119,189)
2026	(119,189)
Thereafter	<u>(1,577,187)</u>
	<u><u>\$ (2,173,132)</u></u>

F. Revenues and Expenditures

Interfund Transfers

Interfund transfers are defined as the flow of assets such as cash or goods and services, without the equivalent flow of assets in return. The interfund transfers below have been reflected as transfers:

Transfer Out	Transfers In		Total
	Highway Fund	Capital Projects Fund	
General Fund	\$ 124,386	\$ -	\$ 124,386
Highway Fund	-	76,000	76,000
Special Districts Fund	<u>75,000</u>	<u>10,000</u>	<u>85,000</u>
	<u><u>\$ 199,386</u></u>	<u><u>\$ 86,000</u></u>	<u><u>\$ 285,386</u></u>

Transfers are used to move amounts earmarked in the General Fund and Special Districts Fund to fulfill commitments for Capital Projects Fund expenditures and emergency snow removal and equipment purchases in the Highway Fund.

G. Net Position

The components of net position are detailed below:

Net Investment in capital assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Note 3 - Detailed Notes on All Funds (Continued)

Restricted for Capital Projects - the component of net position that reports the amounts restricted for capital projects, exclusive of unexpended bond proceeds and unrestricted interest earnings.

Restricted for Repairs - the component of net position that has been established in accordance with the General Municipal Law of the State of New York. The amount may only be used for repairs in the Town's Park and Water districts and only with approval of the Town Board.

Restricted for Future Capital Projects - the component of net position that has been established in accordance with General Municipal Law. The amount may only be used for capital projects and only with the approval of the Town Board.

Restricted for Special Districts Funds - the component of net position that represents funds restricted for specific purposes under New York State Law or by external parties and/or statutes.

Restricted for Debt Service - the component of net position that reports the difference between assets and liabilities with constraints placed on their use by Local Finance Law.

Restricted for Special Purpose - the component of net position that represents funds restricted for specific purposes under New York State law or by external parties and/or statutes.

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

Town of Kent, New York

Notes to Financial Statements (Continued) December 31, 2021

Note 3 - Detailed Notes on All Funds (Continued)

H. Fund Balances (Deficits)

	2021						2020					
	General Fund	Highway Fund	Special Districts Fund	Special Purpose Fund	Capital Projects Fund	Total	General Fund	Highway Fund	Special Districts Fund	Special Purpose Fund	Capital Projects Fund	Total
Nonspendable												
Inventories	\$ 282,266	\$ -	\$ -	\$ -	\$ -	\$ 282,266	\$ 264,876	\$ -	\$ -	\$ -	\$ -	\$ 264,876
Prepaid expenditures	388,262	134,057	97,022	-	-	619,341	323,924	95,857	84,997	-	-	504,778
Total Nonspendable	670,528	134,057	97,022	-	-	901,607	588,800	95,857	84,997	-	-	769,654
Restricted												
Repairs	-	-	111,738	-	-	111,738	-	-	111,691	-	-	111,691
Special purpose	-	-	-	118,570	-	118,570	-	-	-	118,287	-	118,287
Debt service	191,434	-	-	-	-	191,434	191,434	-	-	-	-	191,434
Capital projects	-	-	-	-	3,255,795	3,255,795	-	-	-	-	-	-
Future capital projects	-	-	132	-	-	132	-	-	132	-	-	132
Total Restricted	191,434	-	111,870	118,570	3,255,795	3,677,669	191,434	-	111,823	118,287	-	421,544
Committed												
Police purposes	76,382	-	-	-	-	76,382	153,500	-	-	-	-	153,500
Tree replanting	-	-	0	-	-	-	-	-	59,000	-	-	59,000
Total Committed	76,382	-	-	-	-	76,382	153,500	-	59,000	-	-	212,500
Assigned												
Future recycling projects	36,955	-	-	-	-	36,955	101,877	-	-	-	-	101,877
Police tuition	-	-	-	-	-	-	38,350	-	-	-	-	38,350
Subsequent year's expenditures	48,241	276,946	122,183	-	-	447,370	273,105	-	151,437	-	-	424,542
Major Funds	-	5,757	350,683	-	-	356,440	-	459,833	608,731	-	-	1,068,564
Total Assigned	85,196	282,703	472,866	-	-	840,765	413,332	459,833	760,168	-	-	1,633,333
Unassigned	3,873,979	-	-	-	-	3,873,979	3,456,456	-	-	-	(3,012,024)	444,432
Total Fund Balances	\$ 4,897,519	\$ 416,760	\$ 681,758	\$ 118,570	\$ 3,255,795	\$ 9,370,402	\$ 4,803,522	\$ 555,690	\$ 1,015,988	\$ 118,287	\$ (3,012,024)	\$ 3,481,463

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements, which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Inventories have been established to account for purchased goods which will be expended when consumed. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Prepaid Expenditures has been established to account for payments made in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

The Town has committed \$76,382 for police purposes in the General Fund.

The Town has committed \$59,000 for tree replanting in the Special District sub-fund – the Lake Carmel Park District.

Amounts assigned for future recycling projects represent the Town's intention to use these funds for recycling programs in the future. These amounts have been set aside by the Town Board.

Amounts assigned for police tuition represent the Town's intention to use these funds for tuition reimbursement for college credits earned in the Police Science Curriculum and for those courses related to the curriculum in which the police officer is assigned to special duties.

Subsequent years' expenditures represent that at December 31, 2021, the Town Board has assigned the above amounts to be appropriated for the ensuing year's budget.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned. Unassigned fund balances in the Special Districts represent deficit balances.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The Town, in common with other municipalities, receives numerous notices of claims for money damages occurring from false arrest, property damage or personal injury. All the claims currently pending have been referred to the insurance carrier and none are expected to have a material effect on the Town's financial position, if adversely settled.

There are also currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the Town if existing assessment rolls are modified based upon the outcome of the litigation proceedings. The amount of possible refunds cannot be determined at the present time and any refunds resulting from adverse settlements will be funded in the year in which the payments are made.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

B. Risk Management

The Town purchases conventional insurance coverages to reduce its exposure to loss. The Town maintains general liability and umbrella policies with coverage up to \$2 million and \$20 million, respectively. Workers' compensation coverage is secured at statutory levels. Settled claims resulting from these risks have not exceeded commercial coverage in 2021. The Town also purchases conventional health insurance coverage for employees from various providers.

C. Contingencies

The Town participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Uniform Guidance. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, to be immaterial.

Note 5 - Recently Issued GASB Pronouncements

GASB Statement No. 87, "Leases", as amended by GASB Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*", established a single model for lease accounting based on the concept that leases are a financing of a "right-to-use" underlying asset. As such, this Statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset. A lessor will be required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the Town believes will most impact its financial statements. The Town will evaluate the impact this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

Town of Kent, New York

Required Supplementary Information - Schedule of Changes in the Town of Kent's Total OPEB Liability and Related Ratios Last Ten Fiscal Years (1)(2)

	2021	2020	2019	2018
Total OPEB Liability:				
Service cost	\$ 1,004,111	\$ 984,445	\$ 569,820	\$ 453,460
Interest	1,049,264	1,263,793	1,781,112	1,847,277
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	-	-	-
Changes of assumptions or other inputs	(321,155) (6)	(12,423,393) (5)	11,688,534 (4)	-
Benefit payments	(1,184,349)	(1,226,065)	(1,183,141)	(1,185,189) (3)
Net Change in Total OPEB Liability	547,871	(11,401,220)	12,856,325	1,115,548
Total OPEB Liability – Beginning of Year	51,775,799	63,177,019	50,320,694	49,205,146
Total OPEB Liability – End of Year	<u>\$ 52,323,670</u>	<u>\$ 51,775,799</u>	<u>\$ 63,177,019</u>	<u>\$ 50,320,694</u>
Town of Kent's covered-employee payroll	<u>\$ 6,297,683</u>	<u>\$ 6,297,683</u>	<u>\$ 5,821,811</u>	<u>\$ 5,821,811</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>831%</u>	<u>822%</u>	<u>1085%</u>	<u>864%</u>

Notes to Schedule:

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related benefits.

(3) Restricted for the implementation of the provisions of GASB Statement No. 75.

(4) The discount rate used for 2019 was 2.9% as compared to 3.8% in the prior year.

(5) The discount rate used for 2020 was 2.02% as compared to 2.9% in the prior year.

(6) The discount rate used for 2020 was 2.05% as compared to 2.02% in the prior year.

See independent auditors' report.

Town of Kent, New York

Required Supplementary Information
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

	Schedule of the Town's Proportionate Share of Net Pension Liability (2)						
	2021	2020 (4)(5)	2019	2018	2017	2016 (3)	2015
Town's proportion of the net pension liability	0.0126917%	0.0136698%	0.0142571%	0.0147933%	0.0144683%	0.0150330%	0.0155033%
Town's proportionate share of the net pension liability	\$ 12,638	\$ 3,619,853	\$ 1,010,159	\$ 477,446	\$ 1,359,473	\$ 2,412,837	\$ 523,738
Town's covered payroll	\$ 4,238,047	\$ 4,187,054	\$ 4,193,693	\$ 4,134,636	\$ 3,951,104	\$ 3,698,482	\$ 3,811,981
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.30%	86.45%	24.09%	11.55%	34.41%	65.24%	13.74%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

	Schedule of Contributions						
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 668,349	\$ 595,667	\$ 589,210	\$ 581,355	\$ 581,661	\$ 542,271	\$ 778,912
Contributions in relation to the contractually required contribution	(668,349)	(595,667)	(589,210)	(581,355)	(581,661)	(542,271)	(778,912)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 4,435,154	\$ 4,344,831	\$ 4,359,884	\$ 4,259,917	\$ 4,192,977	\$ 3,844,214	\$ 3,787,875
Contributions as a percentage of covered-employee payroll	15.07%	13.71%	13.51%	13.65%	13.87%	14.11%	20.56%

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

(2) The amounts presented for each fiscal year were determined as of March 31 measurement date within the current year.

(3) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

(4) The discount rate used to calculate the total pension liability was decreased from 7.0% to 6.8% effective with the March 31, 2020 measurement date.

(5) Increase in the Town's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

(6) The discount rate used to calculate the total pension liability was decreased from 6.8% to 5.9% effective with the March 31, 2021 measurement date.

See independent auditors' report.

Town of Kent, New York

Required Supplementary Information
New York State and Local Police and Fire Retirement System
Last Ten Fiscal Years (1)

	Schedule of the Town's Proportionate Share of Net Pension Liability (2)						
	2021	2020(4)(5)	2019	2018	2017	2016 (3)	2015
Town's proportion of the net pension liability	0.0504516%	0.0533594%	0.0500606%	0.0525608%	0.0516052%	0.0509014%	0.0534296%
Town's proportionate share of the net pension liability	\$ 875,979	\$ 2,852,024	\$ 839,547	\$ 531,262	\$ 1,069,596	\$ 1,507,082	\$ 147,070
Town's covered payroll	\$ 2,095,428	\$ 2,068,816	\$ 1,945,769	\$ 1,947,748	\$ 1,921,032	\$ 1,841,551	\$ 1,800,008
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	41.80%	137.86%	43.15%	27.28%	55.68%	81.84%	8.17%
Plan fiduciary net position as a percentage of the total pension liability	95.79%	95.09%	95.09%	96.93%	93.50%	90.20%	99.00%

	Schedule of Contributions						
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 531,683	\$ 442,343	\$ 413,443	\$ 421,099	\$ 433,784	\$ 398,668	\$ 394,988
Contributions in relation to the contractually required contribution	(531,683)	(442,343)	(413,443)	(421,099)	(433,784)	(398,668)	(394,988)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 1,992,097	\$ 1,970,967	\$ 1,928,838	\$ 1,940,364	\$ 1,931,966	\$ 1,804,596	\$ 2,113,512
Contributions as a percentage of covered-employee payroll	26.69%	22.44%	21.43%	21.70%	22.45%	22.09%	18.69%

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

(2) The amounts presented for each fiscal year were determined as of March 31 measurement date within the current year.

(3) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

(4) The discount rate used to calculate the total pension liability was decreased from 7.0% to 6.8% effective with the March 31, 2020 measurement date.

(5) Increase in the Town's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

(6) The discount rate used to calculate the total pension liability was decreased from 6.8% to 5.9% effective with the March 31, 2021 measurement date.

See independent auditors' report.

Town of Kent, New YorkGeneral Fund
Comparative Balance Sheet
December 31,

	2021	2020
ASSETS		
Cash and equivalents	\$ 5,479,469	\$ 5,334,547
Investments	143	143
Receivables		
Accounts	382,720	179,312
State and Federal aid	6,872	6,871
Due from other funds	421,449	31,916
	811,041	218,099
Inventories	282,266	264,876
Prepaid expenditures	388,262	323,924
Total Assets	\$ 6,961,181	\$ 6,141,589
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 484,211	\$ 224,902
Accrued liabilities	118,954	80,853
Due to other funds	-	290,569
Unearned revenue	715,140	7,166
Deposits payable	745,357	734,577
Total Liabilities	2,063,662	1,338,067
Fund balance		
Nonspendable	670,528	588,800
Restricted	191,434	191,434
Committed	76,382	153,500
Assigned	85,196	413,332
Unassigned	3,873,979	3,456,456
Total Fund Balance	4,897,519	4,803,522
Total Liabilities and Fund Balance	\$ 6,961,181	\$ 6,141,589

See independent auditors' report.

Town of Kent, New York

General Fund

Comparative Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Years Ended December 31,

	2021			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 7,921,797	\$ 7,921,797	\$ 7,921,797	\$ -
Other tax items	45,000	45,000	49,361	4,361
Non-property taxes	276,000	276,000	261,309	(14,691)
Departmental income	683,300	686,450	849,056	162,606
Use of money and property	144,452	144,452	81,333	(63,119)
Licenses and permits	3,500	3,500	1,970	(1,530)
Fines and forfeitures	670,000	670,000	865,808	195,808
Sale of property and compensation for loss	-	-	37,889	37,889
State aid	322,849	594,297	667,367	73,070
Federal aid	-	-	6,200	6,200
Miscellaneous	58,361	273,361	272,872	(489)
Total Revenues	10,125,259	10,614,857	11,014,962	400,105
EXPENDITURES				
Current				
General government support	3,286,533	3,555,037	3,459,499	95,538
Public safety	4,261,634	4,366,275	4,336,644	29,631
Health	10,726	10,757	9,926	831
Transportation	227,146	270,941	270,937	4
Economic opportunity and development	26,900	2,900	2,820	80
Culture and recreation	1,273,432	1,295,899	1,255,432	40,467
Home and community services	235,957	556,020	547,724	8,296
Employee benefits				
Undistributed	670,900	639,664	632,847	6,817
Debt service				
Principal	265,000	265,000	265,000	-
Interest	15,750	15,750	15,750	-
Total Expenditures	10,273,978	10,978,243	10,796,579	181,664
Excess (Deficiency) of Revenues Over Expenditures	(148,719)	(363,386)	218,383	581,769
OTHER FINANCING USES				
Transfers out	(124,386)	(124,386)	(124,386)	-
Net Change in Fund Balance	(273,105)	(487,772)	93,997	581,769
FUND BALANCE				
Beginning of Year	273,105	487,772	4,803,522	4,315,750
End of Year	\$ -	\$ -	\$ 4,897,519	\$ 4,897,519

See independent auditors' report.

2020			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 7,921,797	\$ 7,921,797	\$ 7,897,516	\$ (24,281)
45,000	45,000	54,397	9,397
281,000	281,000	265,597	(15,403)
753,650	769,210	645,622	(123,588)
160,150	160,150	121,611	(38,539)
3,500	3,500	1,970	(1,530)
678,956	678,956	628,081	(50,875)
-	-	2,370	2,370
322,849	322,849	392,691	69,842
-	-	25,571	25,571
58,361	58,361	114,976	56,615
10,225,263	10,240,823	10,150,402	(90,421)
3,253,704	3,330,970	3,158,320	172,650
4,233,062	4,242,260	4,057,580	184,680
10,594	10,656	10,152	504
227,146	231,612	231,089	523
26,900	2,900	2,820	80
1,288,333	1,277,421	1,191,737	85,684
222,195	252,667	246,421	6,246
660,251	624,409	628,919	(4,510)
270,000	270,000	270,000	-
23,850	23,850	23,850	-
10,216,035	10,266,745	9,820,888	445,857
9,228	(25,922)	329,514	355,436
(537,933)	(537,933)	(537,933)	-
(528,705)	(563,855)	(208,419)	355,436
528,705	563,855	5,011,941	4,448,086
\$ -	\$ -	\$ 4,803,522	\$ 4,803,522

Town of Kent, New York

General Fund
Schedule of Revenues Compared to Budget
Year Ended December 31, 2021
(With Comparative Actuals for 2020)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020 Actual
REAL PROPERTY TAXES	<u>\$ 7,921,797</u>	<u>\$ 7,921,797</u>	<u>\$ 7,921,797</u>	<u>\$ -</u>	<u>\$ 7,897,516</u>
OTHER TAX ITEMS					
Interest and penalties on real property taxes	<u>45,000</u>	<u>45,000</u>	<u>49,361</u>	<u>4,361</u>	<u>54,397</u>
NON-PROPERTY TAXES					
Franchise fees	<u>276,000</u>	<u>276,000</u>	<u>261,309</u>	<u>(14,691)</u>	<u>265,597</u>
DEPARTMENTAL INCOME					
Town Clerk and other fees	9,200	9,200	8,914	(286)	1,607
Interdepartmental charges	300,000	300,000	316,662	16,662	245,933
Police and dog pound fees	3,200	3,200	1,215	(1,985)	1,170
Safety inspection fees	172,500	172,500	220,326	47,826	207,250
Abandoned property registration fees	-	-	67,224	67,224	-
Code violation charges	-	3,150	11,641	8,491	20,910
Vital statistics fees	4,500	4,500	5,075	575	7,993
Culture and recreation fees	91,650	91,650	114,860	23,210	67,990
Planning board and other fees	10,000	10,000	6,750	(3,250)	2,600
Recycling fees	90,000	90,000	87,893	(2,107)	87,249
E-waste revenue	-	-	1,375	1,375	527
Other service fees	<u>2,250</u>	<u>2,250</u>	<u>7,121</u>	<u>4,871</u>	<u>2,393</u>
	<u>683,300</u>	<u>686,450</u>	<u>849,056</u>	<u>162,606</u>	<u>645,622</u>
USE OF MONEY AND PROPERTY					
Earnings on investments	60,150	60,150	13,782	(46,368)	37,509
Rental of real property	<u>84,302</u>	<u>84,302</u>	<u>67,551</u>	<u>(16,751)</u>	<u>84,102</u>
	<u>144,452</u>	<u>144,452</u>	<u>81,333</u>	<u>(63,119)</u>	<u>121,611</u>

LICENSES AND PERMITS

Dog and other licenses	3,500	3,500	1,920	(1,580)	1,920
Permits	-	-	50	50	50

	<u>3,500</u>	<u>3,500</u>	<u>1,970</u>	<u>(1,530)</u>	<u>1,970</u>
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FINES AND FORFEITURES

Fines and forfeited bail	670,000	670,000	865,808	195,808	628,081
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SALE OF PROPERTY AND COMPENSATION FOR LOSS

Sales of equipment	-	-	1,595	1,595	2,370
Insurance recoveries	-	-	36,294	36,294	-

	<u>-</u>	<u>-</u>	<u>37,889</u>	<u>37,889</u>	<u>2,370</u>
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STATE AID

Mortgage tax	300,000	563,298	657,715	94,417	367,758
DARE program	20,000	20,000	-	(20,000)	20,000
Youth programs	2,849	2,849	1,502	(1,347)	1,502
Other	-	-	-	-	1,013
Public safety	-	8,150	8,150	-	2,418

	<u>322,849</u>	<u>594,297</u>	<u>667,367</u>	<u>73,070</u>	<u>392,691</u>
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FEDERAL AID

Department of Justice grant	-	-	6,200	6,200	25,571
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MISCELLANEOUS

Gifts and donations	-	215,000	237,000	22,000	-
AIM-related payments	58,361	58,361	58,361	-	58,361
Refund of prior year's expenditures	-	-	(22,491)	(22,491)	425
Other	-	-	2	2	56,190

	<u>58,361</u>	<u>273,361</u>	<u>272,872</u>	<u>(489)</u>	<u>114,976</u>
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TOTAL REVENUES

	<u>\$ 10,125,259</u>	<u>\$ 10,614,857</u>	<u>\$ 11,014,962</u>	<u>\$ 400,105</u>	<u>\$ 10,150,402</u>
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See independent auditors' report.

Town of Kent, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended December 31, 2021

(With Comparative Actuals for 2020)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	\$ 80,812	\$ 80,812	\$ 80,255	\$ 557	\$ 82,117
Town Justice	676,942	711,507	707,911	3,596	633,369
Supervisor	139,074	139,074	124,498	14,576	138,457
Finance	190,934	177,069	173,692	3,377	189,850
Audit	36,700	40,208	40,208	-	36,700
Tax collection	58,922	59,819	57,795	2,024	58,659
Budget Director	12,333	12,333	12,303	30	12,280
Assessor	123,063	166,239	165,781	458	122,465
Town Clerk	260,742	260,742	255,552	5,190	253,861
Town Attorney	150,000	151,711	151,711	-	105,116
Personnel	5,500	5,976	5,976	-	6,003
Records management	43,425	43,425	29,286	14,139	41,011
Buildings	281,868	350,315	340,363	9,952	344,844
Central garage	867,977	1,034,184	1,013,061	21,123	837,624
Central communications	3,500	3,953	3,952	1	3,526
Central printing and mailing	32,000	44,049	44,049	-	33,619
Central data processing	69,121	69,121	59,658	9,463	69,166
Unallocated insurance	180,000	180,000	175,965	4,035	170,944
Municipal association dues	1,500	1,500	1,500	-	1,650
Judgments and claims	5,000	5,000	-	5,000	-
Town code	3,000	3,000	1,193	1,807	2,051
Metropolitan commuter transportation mobility tax	15,000	15,000	14,790	210	15,008
Contingency	49,120	-	-	-	-
	<u>3,286,533</u>	<u>3,555,037</u>	<u>3,459,499</u>	<u>95,538</u>	<u>3,158,320</u>

PUBLIC SAFETY

Police	4,021,396	4,106,015	4,089,229	16,786	3,813,109
Traffic control	8,000	10,835	10,835	-	13,004
Fire prevention and control	15,973	16,000	15,794	206	16,936
Animal control	15,274	15,274	4,917	10,357	2,180
Safety inspection	200,991	215,001	212,719	2,282	196,791
Other	-	3,150	3,150	-	15,560
	<u>4,261,634</u>	<u>4,366,275</u>	<u>4,336,644</u>	<u>29,631</u>	<u>4,057,580</u>

HEALTH

Registrar of Vital Statistics	10,226	10,257	9,926	331	10,152
DARE program	500	500	-	500	-
	<u>10,726</u>	<u>10,757</u>	<u>9,926</u>	<u>831</u>	<u>10,152</u>

TRANSPORTATION

Highway Administration	140,146	145,894	145,891	3	139,625
Garage	72,500	106,332	106,331	1	75,670
Street lighting	14,500	18,715	18,715	-	15,794
	<u>227,146</u>	<u>270,941</u>	<u>270,937</u>	<u>4</u>	<u>231,089</u>

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Veterans' services	400	400	320	80	320
Programs for the aging	24,000	-	-	-	-
Outreach program	2,500	2,500	2,500	-	2,500
	<u>26,900</u>	<u>2,900</u>	<u>2,820</u>	<u>80</u>	<u>2,820</u>

CULTURE AND RECREATION

Parks	404,132	415,138	390,436	24,702	365,685
Recreation administration	193,536	208,496	203,223	5,273	185,172
Recreation buildings operations	1,128	1,287	1,287	-	1,314
Youth programs	48,325	41,687	38,267	3,420	38,565
Library	597,086	597,086	593,710	3,376	591,369
Historian	1,500	1,500	1,140	360	-
Celebrations	14,125	17,105	17,105	-	190
Adult recreation	13,600	13,600	10,264	3,336	9,442
	<u>1,273,432</u>	<u>1,295,899</u>	<u>1,255,432</u>	<u>40,467</u>	<u>1,191,737</u>

(Continued)

Town of Kent, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended December 31, 2021

(With Comparative Actuals for 2020)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020 Actual
HOME AND COMMUNITY SERVICES					
Zoning and appeals	\$ 13,000	\$ 13,000	\$ 11,794	\$ 1,206	\$ 11,332
Planning Board	37,130	54,198	53,692	506	36,658
Stormwater contractual	10,000	205,688	205,688	-	11,110
Lake consultant	9,000	9,000	9,000	-	9,000
Landfill	30,000	41,900	41,900	-	33,298
Recycling	71,300	159,165	158,762	403	80,968
E-waste contractual	-	6,500	6,500	-	-
Beautification	2,000	2,000	811	1,189	1,905
Code enforcement	31,027	31,126	26,134	4,992	28,550
Grant administration	27,000	27,250	27,250	-	28,500
Conservation advisory	-	75	75	-	-
Cemeteries	5,500	6,118	6,118	-	5,100
	<u>235,957</u>	<u>556,020</u>	<u>547,724</u>	<u>8,296</u>	<u>246,421</u>
EMPLOYEE BENEFITS - UNDISTRIBUTED					
Workers' compensation benefits	68,700	68,700	67,099	1,601	65,388
Unemployment benefits	5,000	5,000	-	5,000	12,280
Disability	2,200	2,200	1,985	215	1,960
Health insurance	595,000	563,764	563,763	1	549,291
	<u>670,900</u>	<u>639,664</u>	<u>632,847</u>	<u>6,817</u>	<u>628,919</u>
DEBT SERVICE					
Serial bonds					
Principal	265,000	265,000	265,000	-	270,000
Interest	15,750	15,750	15,750	-	23,850
	<u>280,750</u>	<u>280,750</u>	<u>280,750</u>	<u>-</u>	<u>293,850</u>
TOTAL EXPENDITURES	<u>10,273,978</u>	<u>10,978,243</u>	<u>10,796,579</u>	<u>181,664</u>	<u>9,820,888</u>

OTHER FINANCING USES

Transfers out

Highway Fund

Capital Projects Fund

124,386	124,386	124,386	-	127,933
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>410,000</u>

<u>124,386</u>	<u>124,386</u>	<u>124,386</u>	<u>-</u>	<u>537,933</u>
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**TOTAL EXPENDITURES AND
OTHER FINANCING USES**

<u><u>\$ 10,398,364</u></u>	<u><u>\$ 11,102,629</u></u>	<u><u>\$ 10,920,965</u></u>	<u><u>\$ 181,664</u></u>	<u><u>\$ 10,358,821</u></u>
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See independent auditors' report.

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Town of Kent, New York

Highway Fund
Comparative Balance Sheet
December 31,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	\$ 1,026,851	\$ 779,865
Prepaid expenditures	<u>134,057</u>	<u>95,857</u>
Total Assets	<u><u>\$ 1,160,908</u></u>	<u><u>\$ 875,722</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 80,901	\$ 55,174
Accrued liabilities	50,506	41,119
Due to other funds	<u>612,741</u>	<u>223,739</u>
Total Liabilities	<u>744,148</u>	<u>320,032</u>
Fund balance		
Nonspendable	134,057	95,857
Assigned	<u>282,703</u>	<u>459,833</u>
Total Fund Balance	<u>416,760</u>	<u>555,690</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,160,908</u></u>	<u><u>\$ 875,722</u></u>

See independent auditors' report.

Town of Kent, New York

Highway Fund Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Years Ended December 31,

	2021			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 3,570,420	\$ 3,570,420	\$ 3,570,420	\$ -
Use of money and property	8,000	8,000	-	(8,000)
Sale of property and compensation for loss	20,000	20,000	6,160	(13,840)
Miscellaneous	-	7,581	7,581	-
Total Revenues	3,598,420	3,606,001	3,584,161	(21,840)
EXPENDITURES				
Current				
Transportation				
Repairs and maintenance	1,552,497	1,670,358	1,669,747	611
Snow removal	1,119,516	1,128,343	1,124,645	3,698
Brush and weeds	8,000	5,497	5,497	-
	2,680,013	2,804,198	2,799,889	4,309
Employee benefits	949,588	915,811	914,880	931
Debt service				
Principal	51,686	85,322	85,321	1
Interest	41,519	46,387	46,387	-
	93,205	131,709	131,708	1
Total Expenditures	3,722,806	3,851,718	3,846,477	5,241
Excess (Deficiency) of Revenues Over Expenditures	(124,386)	(245,717)	(262,316)	(16,599)
OTHER FINANCING SOURCES (USES)				
Transfers in	124,386	199,386	199,386	-
Transfers out	-	(76,000)	(76,000)	-
Total Other Financing Sources	124,386	123,386	123,386	-
Net Change in Fund Balance	-	(122,331)	(138,930)	(16,599)
FUND BALANCE				
Beginning of Year	-	122,331	555,690	433,359
End of Year	\$ -	\$ -	\$ 416,760	\$ 416,760

See independent auditors' report.

2020			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 3,570,420	\$ 3,570,420	\$ 3,570,420	\$ -
8,000	8,000	18,660	10,660
10,000	10,000	124,766	114,766
-	-	24,029	24,029
3,588,420	3,588,420	3,737,875	149,455
1,541,680	1,658,291	1,585,529	72,762
1,103,772	967,910	846,358	121,552
8,000	8,000	6,954	1,046
2,653,452	2,634,201	2,438,841	195,360
977,280	977,280	857,400	119,880
49,786	66,186	66,186	-
35,835	38,686	38,686	-
85,621	104,872	104,872	-
3,716,353	3,716,353	3,401,113	315,240
(127,933)	(127,933)	336,762	464,695
127,933	127,933	127,933	-
-	-	-	-
127,933	127,933	127,933	-
-	-	464,695	464,695
-	-	90,995	90,995
\$ -	\$ -	\$ 555,690	\$ 555,690

Town of Kent, New York

Special Districts Fund
Combining Balance Sheet - Sub Funds
Year Ended December 31, 2021
(With Comparative Actuals for 2020)

	Fire Protection Districts		Park Districts	
	Lake Carmel	Kent	Lake Carmel	Lake Tibet
ASSETS				
Cash and equivalents	\$ 67,271	\$ 13,119	\$ 95,851	\$ 34,247
Accounts receivable	-	-	-	-
Due from other funds	-	-	300,051	34,053
Prepaid expenditures	-	-	42,965	-
Total Assets	<u>\$ 67,271</u>	<u>\$ 13,119</u>	<u>\$ 438,867</u>	<u>\$ 68,300</u>
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable	\$ 30,000	\$ -	\$ 18,562	\$ 2,620
Accrued liabilities	-	-	5,026	-
Due to other funds	24,509	744	-	-
Total Liabilities	<u>54,509</u>	<u>744</u>	<u>23,588</u>	<u>2,620</u>
Fund balances (deficits)				
Nonspendable	-	-	42,965	-
Restricted	-	-	77,378	34,231
Committed	-	-	-	-
Assigned	12,762	12,375	294,936	31,449
Total Fund Balances (Deficits)	<u>12,762</u>	<u>12,375</u>	<u>415,279</u>	<u>65,680</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 67,271</u>	<u>\$ 13,119</u>	<u>\$ 438,867</u>	<u>\$ 68,300</u>

See independent auditors' report.

Water Districts		Lake Carmel Sanitation District	Kent Sewer District	Totals	
Romanoff	Leeside			2021	2020
\$ 11,573	\$ 135	\$ 208,158	\$ 80,955	\$ 511,309	\$ 395,154
-	-	-	-	-	9,312
-	52,581	9,504	1,720	397,909	800,372
-	-	54,057	-	97,022	84,997
<u>\$ 11,573</u>	<u>\$ 52,716</u>	<u>\$ 271,719</u>	<u>\$ 82,675</u>	<u>\$ 1,006,240</u>	<u>\$ 1,289,835</u>
\$ 2,823	\$ 4,147	\$ 70,323	\$ 5,001	\$ 133,476	\$ 175,250
-	-	17,229	84,008	106,263	15,703
59,490	-	-	-	84,743	82,894
<u>62,313</u>	<u>4,147</u>	<u>87,552</u>	<u>89,009</u>	<u>324,482</u>	<u>273,847</u>
-	-	54,057	-	97,022	84,997
129	132	-	-	111,870	111,823
-	-	-	-	-	59,000
<u>(50,869)</u>	<u>48,437</u>	<u>130,110</u>	<u>(6,334)</u>	<u>472,866</u>	<u>760,168</u>
<u>(50,740)</u>	<u>48,569</u>	<u>184,167</u>	<u>(6,334)</u>	<u>681,758</u>	<u>1,015,988</u>
<u>\$ 11,573</u>	<u>\$ 52,716</u>	<u>\$ 271,719</u>	<u>\$ 82,675</u>	<u>\$ 1,006,240</u>	<u>\$ 1,289,835</u>

Town of Kent, New York

Special Districts Fund
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Sub Funds
Year Ended December 31, 2021
(With Comparative Totals for 2020)

	Fire Protection Districts		Park Districts	
	Lake Carmel	Kent	Lake Carmel	Lake Tibet
REVENUES				
Real property taxes	\$ 990,878	\$ 495,310	\$ 569,596	\$ 15,000
Departmental income	-	-	900	-
Use of money and property	-	-	32	14
Sale of property and compensation for loss	-	-	9,597	-
Total Revenues	990,878	495,310	580,125	15,014
EXPENDITURES				
Current				
Public safety	1,006,265	495,310	-	-
Culture and recreation	-	-	431,251	28,665
Home and community services	-	-	-	-
Employee benefits	-	-	177,106	-
Debt service				
Principal	-	-	17,735	-
Interest	-	-	2,407	-
Total Expenditures	1,006,265	495,310	628,499	28,665
Excess (Deficiency) of Revenues Over Expenditures	(15,387)	-	(48,374)	(13,651)
OTHER FINANCING USES				
Transfers out	-	-	(75,000)	-
Net Change in Fund Balances	(15,387)	-	(123,374)	(13,651)
FUND BALANCES (DEFICITS)				
Beginning of Year	28,149	12,375	538,653	79,331
End of Year	\$ 12,762	\$ 12,375	\$ 415,279	\$ 65,680

See independent auditors' report.

Water Districts		Lake Carmel Sanitation District	Kent Sewer District	Totals	
Romanoff	Leeside			2021	2020
\$ 53,372	\$ 26,413	\$ 1,570,777	\$ 110,000	\$ 3,831,346	\$ 3,821,784
-	-	-	-	900	2,524
-	-	-	-	46	97
-	-	25,409	-	35,006	17,891
<u>53,372</u>	<u>26,413</u>	<u>1,596,186</u>	<u>110,000</u>	<u>3,867,298</u>	<u>3,842,296</u>
-	-	-	-	1,501,575	1,470,278
-	-	-	-	459,916	471,043
75,490	54,436	1,277,920	125,191	1,533,037	1,571,081
-	-	424,752	-	601,858	568,375
-	-	-	-	17,735	16,998
-	-	-	-	2,407	3,144
<u>75,490</u>	<u>54,436</u>	<u>1,702,672</u>	<u>125,191</u>	<u>4,116,528</u>	<u>4,100,919</u>
(22,118)	(28,023)	(106,486)	(15,191)	(249,230)	(258,623)
-	-	-	(10,000)	(85,000)	(50,000)
(22,118)	(28,023)	(106,486)	(25,191)	(334,230)	(308,623)
<u>(28,622)</u>	<u>76,592</u>	<u>290,653</u>	<u>18,857</u>	<u>1,015,988</u>	<u>1,324,611</u>
<u>\$ (50,740)</u>	<u>\$ 48,569</u>	<u>\$ 184,167</u>	<u>\$ (6,334)</u>	<u>\$ 681,758</u>	<u>\$ 1,015,988</u>

Town of Kent, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	2021	2020
ASSETS		
Cash and equivalents	\$ 118,570	\$ 118,287
FUND BALANCE		
Restricted	\$ 118,570	\$ 118,287

Town of Kent, New York

Special Purpose Fund

Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance

Years Ended December 31,

	<u>2021</u>	<u>2020</u>
REVENUES		
Use of money and property	\$ 49	\$ 100
Miscellaneous	<u>234</u>	<u>799</u>
	283	899
EXPENDITURES	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	283	899
FUND BALANCE		
Beginning of Year	<u>118,287</u>	<u>117,388</u>
End of Year	<u><u>\$ 118,570</u></u>	<u><u>\$ 118,287</u></u>

See independent auditors' report.

Town of Kent, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	<u>\$ 3,560,589</u>	<u>\$ 223,062</u>
LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	\$ 158,420	\$ -
Accrued expenses	24,500	-
Due to other funds	121,874	235,086
Bond anticipation notes payable	<u>-</u>	<u>3,000,000</u>
Total Liabilities	<u>304,794</u>	<u>3,235,086</u>
Fund balance (deficit)		
Restricted	3,255,795	-
Unassigned	<u>-</u>	<u>(3,012,024)</u>
Total Fund Balance (Deficit)	<u>3,255,795</u>	<u>(3,012,024)</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 3,560,589</u>	<u>\$ 223,062</u>

See independent auditors' report.

Town of Kent, New York

Capital Projects Fund

Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance

Years Ended December 31,

	<u>2021</u>	<u>2020</u>
REVENUES		
State aid	\$ 506,851	\$ 314,649
EXPENDITURES		
Capital outlay	<u>2,394,946</u>	<u>2,125,327</u>
Deficiency of Revenues Over Expenditures	<u>(1,888,095)</u>	<u>(1,810,678)</u>
OTHER FINANCING SOURCES		
Bonds issued	7,145,000	-
Premium on bonds issued	924,914	-
Notes issued	-	177,030
Transfers in	<u>86,000</u>	<u>460,000</u>
Total Other Financing Sources	<u>8,155,914</u>	<u>637,030</u>
Net Change in Fund Balance	6,267,819	(1,173,648)
FUND BALANCE (DEFICIT)		
Beginning of Year	<u>(3,012,024)</u>	<u>(1,838,376)</u>
End of Year	<u>\$ 3,255,795</u>	<u>\$ (3,012,024)</u>

See independent auditors' report.

Town of Kent, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project Through December 31, 2021

PROJECT	Project Budget	Expenditures and Transfers	Unexpended Balance
Road Construction Route 52 Sewer Gateway	\$ 6,000,000	\$ 6,398,535	\$ (398,535)
Municipal Repairs Renovation	100,000	13,793	86,207
All-Inclusive Playground	82,323	82,323	-
Ryan's Field Retaining Wall	177,500	184,348	(6,848)
Ryan's Field Retaining Wall #2	140,000	112,000	28,000
Ryan's Field Paving	130,896	130,896	-
Kent Shore Bridge project	166,266	166,266	-
Lake Carmel Dam Remediation	46,276	46,276	-
Road Resurfacing - CHIPS	68,320	68,320	-
2019 Bond - Paving	441,860	441,860	-
2019 Bond - Facilities Upgrade	1,440,000	1,456,102	(16,102)
2020 Bond - Paving	60,000	56,348	3,652
2020 Bond - Equipment	1,000,000	1,005,416	(5,416)
2020 Huestis Park Improvements	500,000	481,503	18,497
2020 Abandoned Homes Project	150,000	-	150,000
2020 Ludingtonville Road Projects	35,000	-	35,000
2020 Kent Beautification	100,000	-	100,000
2021 Bond - Issuance Costs	15,000	-	15,000
2021 Bond - Equipment	120,984	120,984	-
2021 Bond - Highway building reconstruction	465,000	339,182	125,818
2021 Bond - Retaining wall reconstruction	3,234,930	109,175	3,125,755
2021 Bond - Paving	175,000	172,306	2,694
Totals	1,150,000	796,591	353,409
	<u>\$ 15,799,355</u>	<u>\$ 12,182,224</u>	<u>\$ 3,617,131</u>

See independent auditors' report.

Revenues and Other Financing Sources	Fund Balance (Deficit) at December 31, 2021
\$ 5,961,307	\$ (437,228)
13,793	-
79,325	(2,998)
177,500	(6,848)
140,000	28,000
110,000	(20,896)
-	(166,266)
-	(46,276)
68,320	-
441,860	-
1,440,000	(16,102)
60,000	3,652
1,000,000	(5,416)
500,000	18,497
150,000	150,000
35,000	35,000
100,000	100,000
15,000	15,000
120,984	-
465,000	125,818
3,234,930	3,125,755
175,000	2,694
1,150,000	353,409
<u>\$ 15,438,019</u>	<u>\$ 3,255,795</u>