

**TOWN OF COVENTRY
CONNECTICUT**



**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE
TOWN OF COVENTRY, CONNECTICUT
FISCAL YEAR ENDED JUNE 30, 2023

Department of Finance
Julie Chapman, MPA
Finance Director

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INTRODUCTORY SECTION



Town of Coventry

1712 Main Street • Coventry, CT 06238 • Fax (860) 742-8911

March 25, 2024

To the Members of the Town Council, Board of Education, Superintendent of Schools and Citizens of the Town of Coventry:

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to the requirement, we hereby issue the Annual Comprehensive Financial Report of the Town of Coventry for the fiscal year ended June 30, 2023.

This report consists of management's representations concerning the finances of the Town of Coventry. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Coventry has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town of Coventry's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits, the Town of Coventry's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Coventry's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Coventry for the fiscal year ended June 30, 2023 are free of material misstatement. The independent audit involved examining, on a test basis, evidence to support the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Coventry's financial statements for the fiscal year ended June 30, 2023 are fairly presented in conformity with GAAP. The independent auditors report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the forms of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town of Coventry's MD&A can be found immediately following the report of the independent auditors.

Profile of the Town of Coventry

Incorporated in 1712 and named after the City of Coventry in Warwickshire, England, the Town encompasses approximately 37.3 square miles, with an estimated population of 12,500. The Town is located within Tolland County, and is known as the “gateway to the quiet corner”. Bounded by the Towns of Vernon and Bolton on the west, Mansfield on the east, Tolland on the north and Andover and Columbia on the south, the Town is located 19 miles east of Hartford and 6 miles northwest of Willimantic.

Coventry traditionally has been both an agricultural and industrial community, as there are several mills along the rivers of the Town which were active in the 19th and early 20th centuries. Little industry remains in Town. During the early part of this century, the Town became a tourist destination when many vacation homes were developed along the shores of Coventry Lake (Lake Wangamabaug). The Town currently enjoys two public beaches and a public boat launch on this 375-acre lake. Also in town are two 18-hole golf courses. The Town has seen a great deal of residential growth in recent years but still possesses a strong rural and historic character, honoring our status as the birthplace of revolutionary war hero Nathan Hale.

The Town adopted its first charter on October 2, 1967, effective November 4, 1969. A seven-member Town Council with a Chief Administrative Officer replaced a three-person Board of Selectmen, Board of Finance form of government. Revisions to the Charter were adopted on November 6, 1973, at which time the title of Chief Administrative Officer was changed to Town Manager. Policy-making and legislative authority are vested in the governing Town Council. The Council elects a Council Chair, and appoints a Town Manager to administer the non-educational functions of the Town. An elected Board of Education appoints a Superintendent of Schools to administer the Town’s school system. An organizational chart outlining the town government, as well as a listing of principal town officials can be found later in this section.

The Town of Coventry provides its residents with a complete level of municipal services in the functional areas of police, fire/ambulance, public works, social services, recreations and parks, planning and zoning and a K-12 public education system. In addition, the Town is the primary support for the Booth and Dimock Library. Sewers are provided to approximately 1400 homeowners and businesses primarily in the area around Coventry Lake. The Town contracts for refuse and recyclable collection, as well as health and sanitation services available from membership in the Eastern Highland Health district.

The annual budget serves as the foundation for the Town’s financial planning and control. Budgetary controls are maintained with the objective to ensure compliance with legal provisions embodied in the annual appropriated budget, approved by budget referendum. The Town maintains an encumbrance accounting system as one technique of accomplishing budgetary controls. As seen in the schedules in the financial section of this report, the Town continues to meet its responsibility for sound financial management. In addition to budgetary schedules, Note 2 in the Notes to Basic Financial Statements describes the budget process used by the Town.

Local Economy

Coventry offers a comfortable mix of residential rural living while providing easy access to the full spectrum of conveniences and opportunities available in the diverse marketplace found east of the Connecticut River. The Town has a diversity of land and property to support future growth and development, while at the same time taking care to maintain the character of the community.

The Town has several focus areas for development. One is the Route 44 corridor with convenient access to routes 1-84 and 1-384, and a traffic count of 20,000 per day. The other area is the historic Coventry Village with its multiple mill sites, shops and restaurants, and access to water and sewer. Currently, the economic base is primarily dominated by small and home-based businesses.

The Town offers affordable land and housing, and maintains a stronger housing market than other area communities. The Grand List trend continues to show growth each year. The Building Department reports steady permit activity, reflecting the continued prosperity of the tax base.

A profile generated by the Connecticut Economic Resource Center in 2023 shows the Town of Coventry has a median household income (2023) of \$90,058 much higher than the state level of \$83,572. The Town is served by two banks, several bed and breakfast facilities, one grocery store and two chain pharmacies. Cumberland Farms and Dollar General opened to the public in the fall of 2020.

Long-Term Financial Planning

The Fiscal Management Policy adopted by the Town Council sets an unassigned fund balance goal equal to 15% of General Fund expenditures. The Town of Coventry prepares a five-year capital improvement plan to assist management and policy decision makers in the capital budget setting process. The capital budget is funded through a combination of current operating appropriation, long-term bonding, short-term borrowing, and grants and contributions. Management has been very successful in acquiring grants to reduce the burden on the local property tax base. In FY 22/23, the Town of Coventry used grant funding to complete bridge repair, road repair and maintenance, provide transportation for the elderly and housing rehab, streaming network equipment for public access, partially fund school construction projects such as roof replacement, educational food services, preschool assistance and special education funding assistance. Opportunities for grant funding are pursued whenever they are presented and are aligned with Town goals.

Financial Planning and Policies

The Town of Coventry invests its available cash in short-term certificates of deposit, in municipal money markets and the Connecticut State Treasury Short Term Investment Fund (STIF). STIF is an investment pool managed by the State of Connecticut, Office of the State Treasurer. These options were chosen because they offer liquidity of investments, competitive yields, and offer the combination with low risk. This is compliant with the guidelines set forth in the Investment Policy adopted by the Town Council.

Major Initiatives

FY 22/23 was another busy year for the Town of Coventry. Work continued on the School Energy bonded project, including design for the CHS HVAC upgrades. We completed the repairs to the High School walls. The Town is actively working on three Local Transportation Capital Improvement Program grant projects: Swamp Road Intersection Realignment (\$1,353,000), South St Roadway and Pedestrian Improvements (\$1,580,400), and Roadway Reconstruction at South Street and Swamp Road (\$2,936,295). The Town is also working on a Community Connectivity grant to expand the

current sidewalks in Town (\$399,840). The Library expansion project and the proposed Softball Field addition came to completion as the fiscal year ended. The Town received additional State grant funds that allowed for developing a second softball field at Miller Richardson Park, which was under construction as the fiscal year ended. It was completed in October of 2023. FY22/23 marked year three in our road bond, with significant improvements to roads and infrastructure being completed. The Town allocated and spent most of the American Rescue Plan Act (ARPA) funding (\$3,668,206). Major initiatives completed with these funds thus far include relocating the Town's transfer station, funding EMS services, funding Library roof replacement, purchasing an ambulance and contributing to the Softball Field addition. The Town also launched an engineering study that would evaluate options for the need to upgrade wastewater treatment to meet State minimum requirements. The study will focus on the alternatives of running a wastewater force main to the Town of Windham wastewater treatment plant (WWTP) or to upgrade the current Coventry WWTP for secondary level treatment.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Coventry for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This is the fourteenth year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Programs requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the dedicated services of the entire staff of the Finance Department, in particular Town Accountant, Stephanie Fox, and Assistant to the Town Accountant, Christine Small. Recognition is also due to the School Business Manager for the Board of Education Robert Carroll, and his staff, Celeste Bedard, Tina Moriarty, and Kate Arey. A special note of thanks goes to the audit team of CliftonLarsonAllen, LLP for their guidance and assistance. Due credit should also be given to the Superintendent of Schools, the Town Council and the Board of Education for their interest and support in planning and conducting the operations of the government in a responsible and progressive manner.

Respectfully submitted,

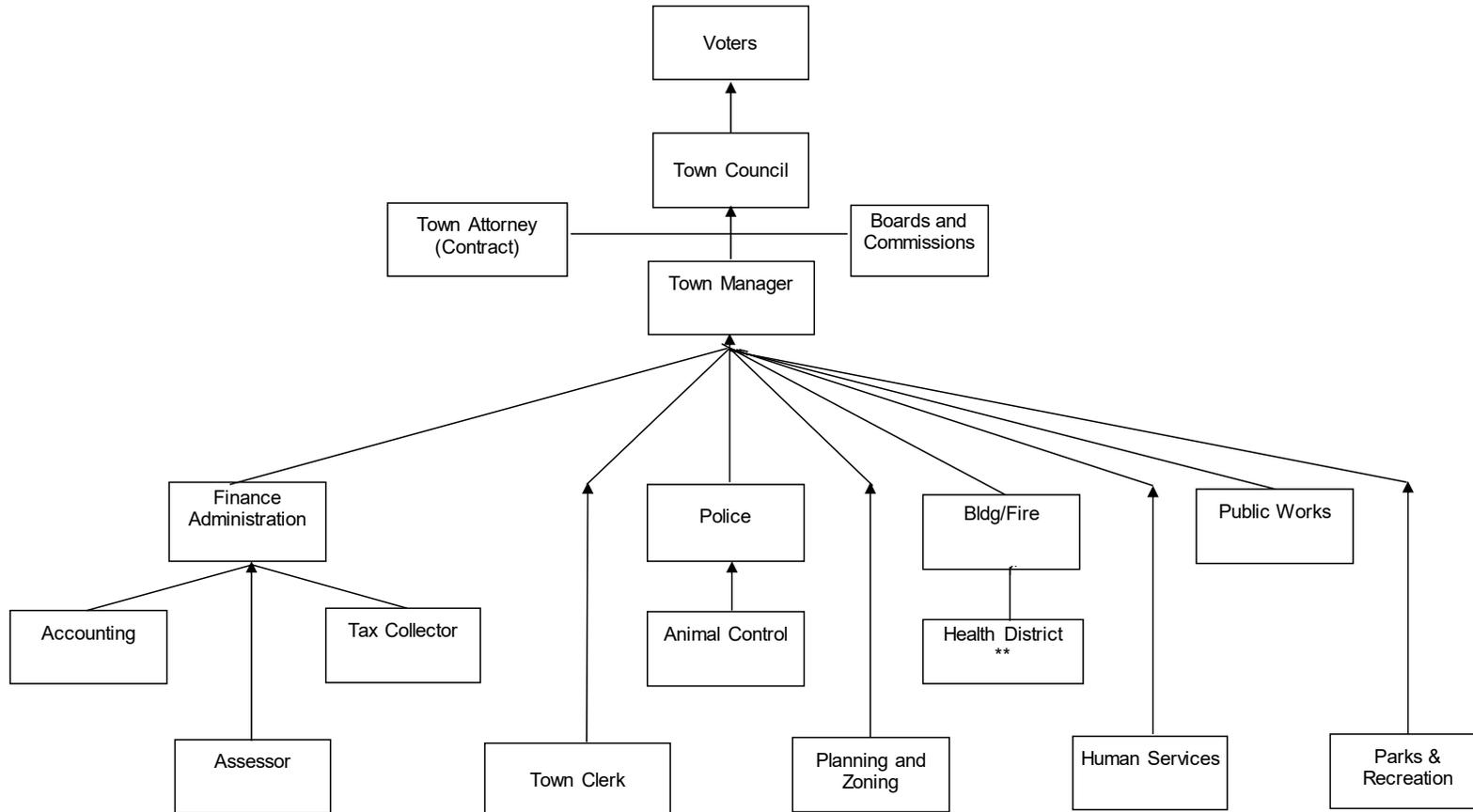


Julie E. Chapman, MPA
Finance Director

Organizational Chart

Town of Coventry, Connecticut

FY 2022/23



**Employee of Eastern Highlands Health District

TOWN OF COVENTRY, CONNECTICUT

LISTING OF PRINCIPAL OFFICIALS

Town Council

Lisa Thomas, Chair
Marty Milkovic, Vice Chair
Jonathan Hand, Secretary
Julie Blanchard

John French
Robyn Gallagher
Matthew Kyer

Registrar of Voters

Scott Francis
Marge Roach
John Elsesser
Amanda Backhaus
Stephanie Beauchamp
John Preisner
Carrie Zahner
Timothy Brennan
Bud Meyers
Annemarie Sundgren
Melissa Bordonaro
Eric Peterson
William Watkins
Todd Penney
Lesley Munshower
Eric Trott
Manuel Medina
Lori Tollmann

Town Manager
Finance Director
Town Accountant
Tax Assessor
Collector of Revenue
Building Official
Fire Marshal
Human Services Director
Youth Services Coordinator
Police Chief
Public Works Director
Town Engineer
Parks and Recreation Director
Director of Planning and Development
Zoning Enforcement Officer
Town Clerk

Board of Education

Jennifer Beausoleil, Chairman
Eugene Marchand, Vice-Chairman
Mary Kortmann, Secretary
Peter DePaola

Emma Eaton
Courtney Rossignol
Christina Williams

Superintendent of Schools

Dr. David Petrone



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Coventry
Connecticut**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Town Council
Town of Coventry, Connecticut
Coventry, Connecticut

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Coventry, Connecticut, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Coventry, Connecticut's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Coventry, Connecticut, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension and OPEB schedules 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 GAAS, 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 June 30, 2023 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Coventry, Connecticut's basic financial statements. The combining and individual fund financial statements and other schedules for the year ended June 30, 2023 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 June 30, 2023 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2023.

We also previously audited, in accordance with GAAS, the basic financial statements of the Town of Coventry, Connecticut as of and for the year ended June 30, 2022 (not presented herein), and have issued our report thereon dated December 26, 2022, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The General Fund Balance Sheet for the year ended June 30, 2022, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2022 basic financial statements. The information was subjected to the audit procedures applied in the audit of the 2022 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 GAAS. In our opinion, the General Fund Balance Sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2022.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024, on our consideration of the Town of Coventry, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Coventry, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Coventry, Connecticut's internal control over financial reporting and compliance.

**CliftonLarsonAllen LLP**

West Hartford, Connecticut
March 25, 2024

**TOWN OF COVENTRY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

This discussion and analysis of the Town of Coventry, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2022. Please read this MD&A in conjunction with the Town's financial statements, Exhibits I to IX.

Financial Highlights

- Net position of the Town of Coventry's governmental activities decreased by \$792,077.
- During the year, the Town had \$66.6 million in revenues for governmental programs. Of this, 51.3% was generated from property tax revenues (Table 2).
- Total cost of all of the Town's programs was \$67.4 million with no new programs added this year. This is an increase of approximately \$20.7 million from the prior year.
- The General Fund reports a GAAP fund balance this year of \$6,715,129 less an assigned balance for encumbrances of \$160,199, an assigned balance for the fiscal year 2024 budget of \$175,000, a committed balance of \$49,275, a non-spendable balance of \$194,172, and a restricted balance of \$11,407, leaving an unassigned fund balance of \$6,125,076. The Fiscal Management policy of the Town Council sets a target of fund balance at 15%. At the close of the current fiscal year, unassigned fund balance for the General Fund when expressed as a percentage of General Fund governmental expenditures is 12.93%.
- The State of Connecticut contributed \$4,341,910 and \$61,412 on behalf of Coventry certified staff to the teachers' retirement fund pension and OPEB, respectively.

Overview of the Financial Statements

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (Exhibits I and II, respectively) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements are presented in Exhibits III to IX. For governmental activities, these statements tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The analysis of the Town as a whole begins on Exhibits I and II. The statement of net position and the statement of activities report information about the Town and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the Town's net position and changes in them. The Town's net position, defined as the difference between assets and liabilities, is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall health of the Town.

**TOWN OF COVENTRY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

Government-Wide Financial Statements (Continued)

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, public works, human services, culture and recreation, insurance and sundry, and education. The Town has no business-type activities.

Fund Financial Statements

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by Charter. However, the Town establishes many other funds to help control and manage financial activities for particular purposes (such as the Educational Facility Use fund) or to show that it is meeting legal responsibilities for using grants and other money (like grants received from the State of Connecticut). The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

- *Governmental Funds (Exhibits III and IV)* - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.
- *Proprietary Funds (Exhibits V to VII)* - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. The Town's proprietary funds consist of the Town's internal service fund used to report activities to pay for the dental and medical self-insurance costs.
- *Fiduciary Funds (Exhibits VIII and IX)* - The Town is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**TOWN OF COVENTRY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

Government-Wide Financial Analysis

The Town's combined net position increased from a year ago. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental activities.

**TABLE 1
NET POSITION**

	Governmental Activities	
	2023	2022
Assets:		
Current Assets	\$ 24,584,769	\$ 28,499,081
Capital Assets, Net of Accumulated Depreciation	<u>127,783,165</u>	<u>120,147,332</u>
Total Assets	<u>152,367,934</u>	<u>148,646,413</u>
Deferred Outflows of Resources	2,859,564	6,675,308
Liabilities:		
Long-Term Liabilities Outstanding	31,916,887	36,034,960
Other Liabilities	<u>5,079,972</u>	<u>4,582,814</u>
Total Liabilities	<u>36,996,859</u>	<u>40,617,774</u>
Deferred Inflows of Resources	5,851,619	1,532,850
Net Position:		
Net Investment in Capital Assets	106,703,184	97,999,198
Restricted	7,893,370	6,467,582
Unrestricted	<u>(2,217,534)</u>	<u>8,704,317</u>
Total Net Position	<u>\$ 112,379,020</u>	<u>\$ 113,171,097</u>

Overall, net position decreased by \$792,077 over the prior year net position (\$112.4 million compared to \$113.2 million). Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - changed from (\$8.7) million at June 30, 2022 to (\$2.2) million at June 30, 2023. This increase was driven by the decrease in net position as well as the restrictions on funds designated for capital projects. The largest portion of the Town of Coventry's net position (\$106.7 million) reflects its investment in capital assets (e.g., land, buildings, vehicles, furniture and equipment, water systems and infrastructure) less related debt used to acquire those assets that is still outstanding. These capital assets are a fundamental part of our service delivery to our citizens but are not available for future spending since the capital assets themselves cannot be used to liquidate these liabilities.

**TOWN OF COVENTRY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

Government-Wide Financial Analysis (Continued)

Changes in governmental net position can be explained as follows:

- Decrease in current net position of \$792,077 as outlined in Table II.
- Total assets increased during the fiscal year by \$3.7 million. The main driver behind this increase was an increase in capital assets of \$8.5 million, a decrease in cash and a decrease in the advance to plan administer of \$606 thousand. This advance is related to the Town's self-funded health insurance account.
- Decrease in deferred outflows of resources in the amount of \$3.8 million, and an increase to deferred inflows of resources in the amount of \$4.3 million, both due to actual versus projected variables relating to the Town's pension and OPEB plans.
- Decrease in total liabilities of \$3.6 million or 9% caused by decrease in unearned revenue, and a decrease to total liabilities due in more than one year.

**TABLE 2
CHANGE IN NET POSITION**

	Governmental Activities	
	2023	2022
Revenues:		
Program Revenues:		
Charges for Services	\$ 5,046,334	\$ 4,576,380
Operating Grants and Contributions	20,464,064	14,716,526
Capital Grants and Contributions	6,108,852	1,847,250
General Revenues:		
Property Taxes	34,155,027	32,907,015
Grants and Contributions Not Restricted to Specific Purposes	570,309	228,691
Unrestricted Investment Earnings	264,473	30,988
Total Revenues	66,609,059	54,306,850
 Expenses:		
General Government	3,602,397	825,329
Public Safety	5,193,629	5,194,900
Public Works	8,831,514	8,836,063
Human Services	2,179,784	577,032
Culture and Recreation	1,376,448	1,200,829
Education	45,569,392	29,507,473
Debt Service	647,972	545,328
Total Expenses	67,401,136	46,686,954
 Change in Net Position	(792,077)	7,619,896
Beginning Net Position	113,171,097	105,551,201
 Ending Net Position	\$ 112,379,020	\$ 113,171,097

**TOWN OF COVENTRY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

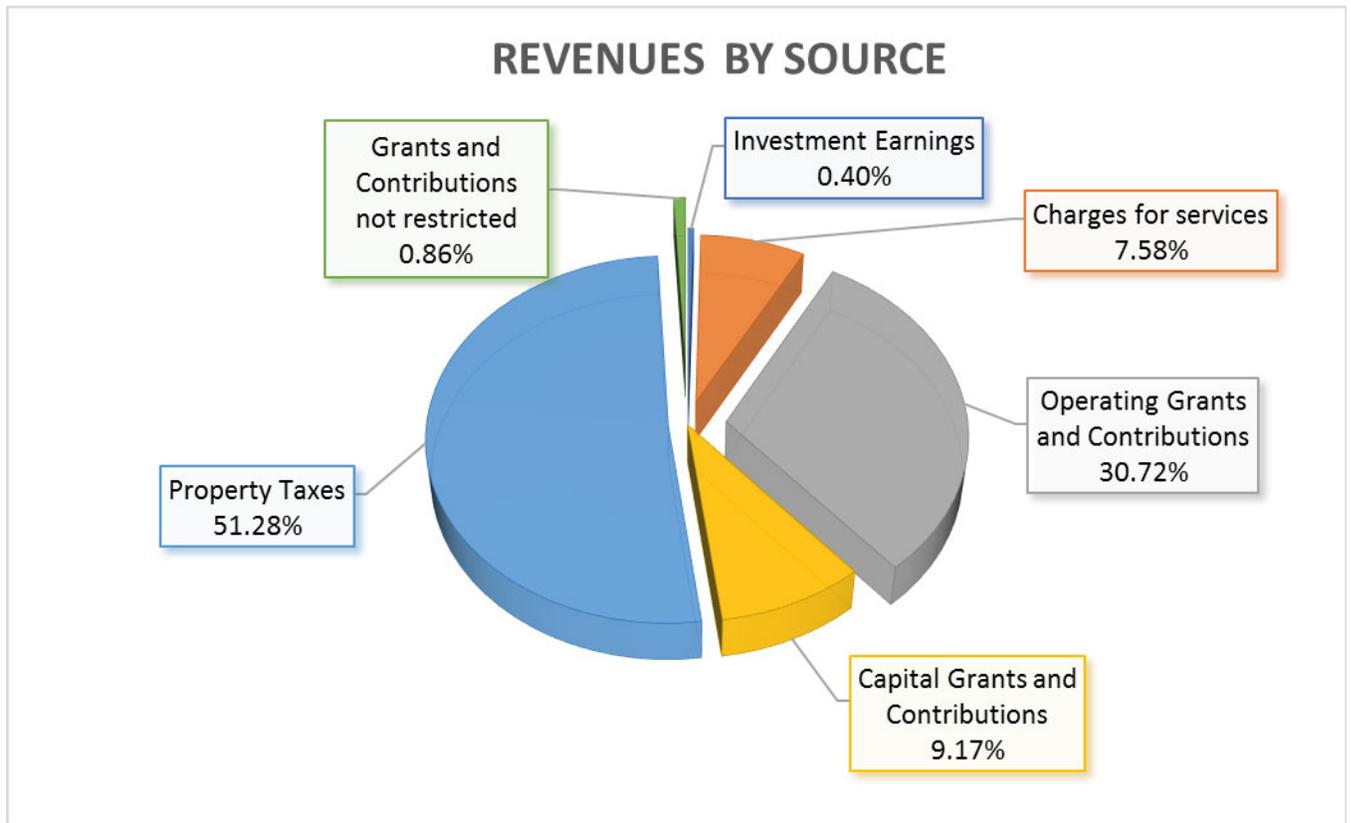
Government-Wide Financial Analysis (Continued)

Revenues

The Town's total revenues were \$66.6 million. Major revenue changes include the following:

- Program revenues: Charges for services increased by \$469,954. Recreation charges increased \$206,481 thousand due to increased activity. Public Works revenues were \$41 thousand higher than the prior year, and Education charges for services were up \$251,518.
- Operating grants and contributions increased by \$5.7 million.
- Capital grants and contributions increased by \$4.3 million which included Library renovation grant and LOTCIP projects for Swamp Road.
- General revenues: Property taxes increased over the previous year by 3.8% due to grand list growth. Investment earnings totaled \$264 thousand, an increase of \$233,485 from the prior year due to market conditions.

The following chart shows the breakdown of revenues by source:



**TOWN OF COVENTRY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

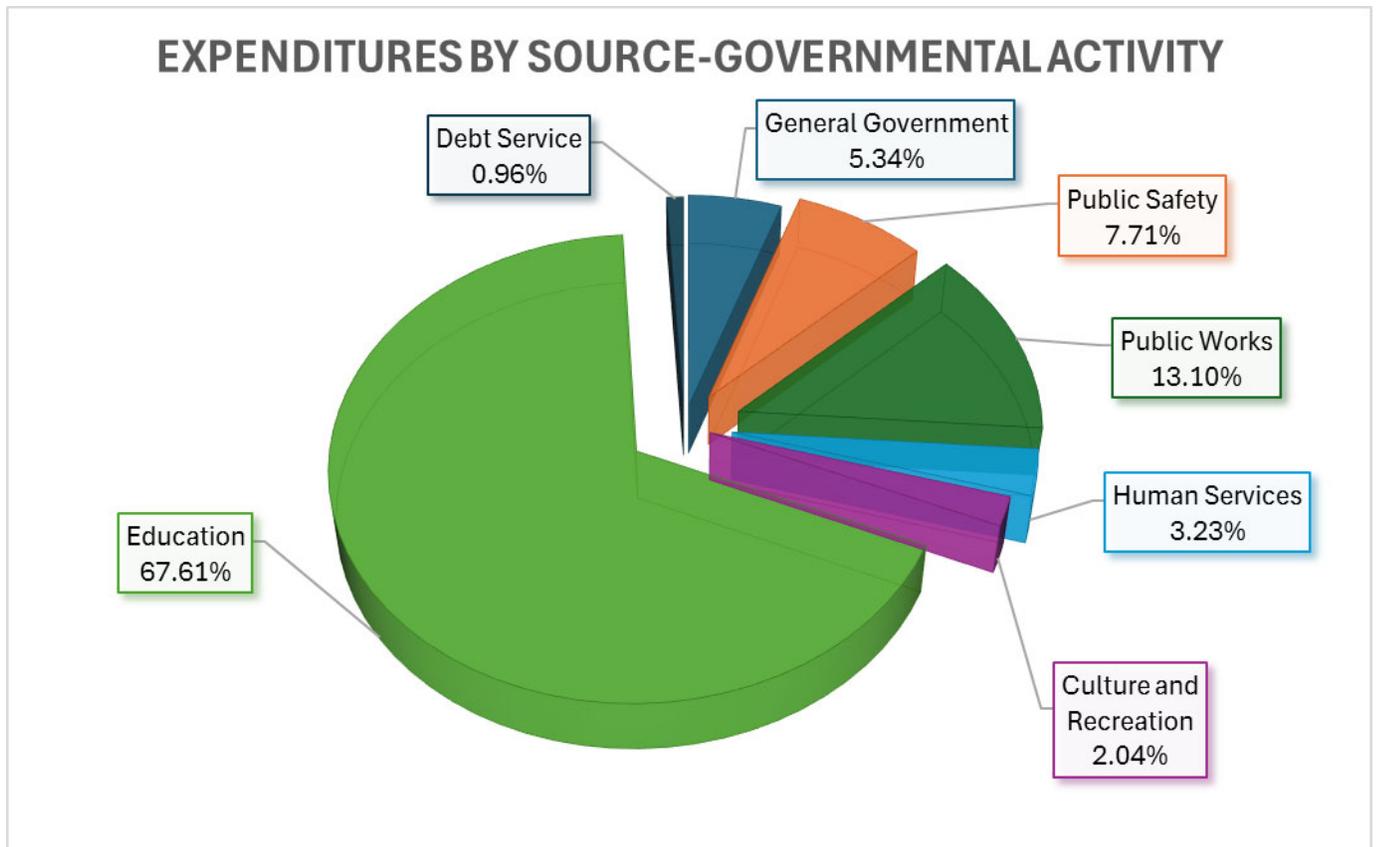
Government-Wide Financial Analysis (Continued)

Expenses

The total cost of all programs and services was \$67.4 million, an increase of \$20.7 million from the prior year. The following is an explanation of the major changes:

- Increase to the Town's capital outlay of \$8.5 million due to the start of school building roof and HVAC and infrastructure improvement projects.
- Increase to the to the State Teacher's Retirement Pension expense.
- Increase to the Town's net pension liability of \$200 thousand based on the most recent actuarial valuation.

The following chart shows expenses by function:



**TOWN OF COVENTRY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

Government-Wide Financial Analysis (Continued)

Expenses (Continued)

Table 3 presents the cost of each of the Town's programs - general government, public safety, public works, human services, culture and recreation, education and debt service - as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

The General Government function includes costs related to overall governmental administration, and includes recording of legally required documents, computer system management, finance system management, assessment and collection of taxes, elections, land use planning and economic development.

Public Safety encompasses a full service police department, volunteer fire services and an ambulance service with contracted paramedic services.

Public Works includes the maintenance of Town roadways, repairs of the town fleet, maintenance at town parks and athletic facilities, management of the Town's cemeteries, code enforcement and engineering services. The solid waste and sewer operating programs are supported by user fees. This program is self-supporting and reduces the overall burden on the property tax.

Human Services include general family services, youth services and elderly services. In addition, this function incorporates the Community Development Block Grant program, which provides grants and no-interest loans for home improvement and community construction projects.

Culture and Recreation funds a grant to the Booth-Dimock Memorial Library and provides support for the full parks and recreation program. The balance is supported by the fees charged for a variety of programs offered to Town residents, summer camps for youth, full waterfront services at Coventry Lake and miscellaneous programs offered at the Town parks.

**TABLE 3
GOVERNMENTAL ACTIVITIES**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
General Government	\$ 3,602,397	\$ 825,329	\$ (1,134,222)	\$ 366,613
Public Safety	5,193,629	5,194,900	(4,308,803)	(4,629,597)
Public Works	8,831,514	8,836,063	(3,789,171)	(5,163,874)
Human Services	2,179,784	577,032	(511,127)	(374,016)
Culture and Recreation	1,376,448	1,200,829	(249,561)	(635,951)
Education	45,569,392	29,507,473	(25,141,030)	(14,564,645)
Debt Service	647,972	545,328	(647,972)	(545,328)
Total	<u>\$ 67,401,136</u>	<u>\$ 46,686,954</u>	<u>\$ (35,781,886)</u>	<u>\$ (25,546,798)</u>

**TOWN OF COVENTRY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

Town Funds Financial Analysis - Governmental Funds

At the close of the fiscal year the Town of Coventry reported (as presented in the balance sheet - Exhibit III) a combined fund balance of \$11.6 million, which is an decrease from last year's total of \$17.6 million. The changes are explained as follows:

- General Fund balance increased by \$234,632, a 3.62% increase. This is due to revenues in excess of current year expenditures. Delinquent Tax Revenues collected exceeded budgetary expectation by \$106 thousand. There was also a \$166 thousand positive variance in interest and penalties collected.
- Sewer Assessment fund balance decreased \$37,089 or 17.5% due to charges for services not covering the amount needed for debt service payments. Increased debt service requirements will cause this fund to shrink until all assessments have been collected and all debt has been paid.
- CDBG fund balance decreased \$33,733. This fund uses grant monies to support its projects and only spends funds on hand for new loan projects. Several outstanding loans were repaid during the year. In addition, DOH approved a senior center upgrade project which occurred during the year.
- Capital Projects fund balance decreased by \$6.4 million or 83.6%. The Town began capital projects for school roof replacement, library renovation and creation of a softball field. Significant expenditures related to those projects were incurred during the year.
- Miscellaneous Grant fund balance increased by \$86,089. This is due to the timing of grant payments. The Town anticipates to receive full reimbursement from the State of Connecticut in the next fiscal year.
- Non-major Governmental Funds fund balance increased \$268,844 or 8.5%. The major changes were as follows: Recreation increased by \$77 thousand due to increased programming; COVRA decreased by \$323 thousand due to increases in the cost of trash, the Sewer Use Fund decreased \$75 thousand due to an increase in the transfer out to assist with Clean Water Loan payments, the EMS fund increased by \$333 thousand due to increase to transfer indue to high operating costs associated with EMS and the Preschool Fund increased \$277 thousand.

General Fund Budget Highlights

The final adopted budgeted for fiscal year 2023 included the use of fund balance of \$583,774. Final results were an increase to fund balance of \$425,045. Overall, revenues were over final budget appropriations by \$190,104. Of this, \$61,714 was a result of the cancellation of prior year encumbrances. Taxes were over budgeted projections by \$227 thousand due conservative collection rates used in the budget process. Investment earnings were over budget by \$184,019 due to market conditions building permits were over budget by \$124,548, due to increased activity town-wide.

Expenditures were within final budget authorization, with an ending positive variance of \$234,941. Public works was under budget by \$69,154 due to vacancy savings and a light winter. Public Safety was under budget by \$36,384 primarily due to vacancy savings.

**TOWN OF COVENTRY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

Throughout the fiscal year, the Town Council approved appropriation increases of \$408,774 which were used to fund tree removal, transition consulting, the Town Manager's intern, engineering for a LOTCIP grant, sick and severance payments and to fund an additional transfer to CNREF.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2023, the Town had \$127.8 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads and bridges as shown in Table 4. This amount represents a net increase (including additions and deductions) of \$7.6 million.

**TABLE 4
CAPITAL ASSETS (Net of Depreciation)**

	Governmental Activities	
	2023	2022
Land	\$ 3,759,669	\$ 3,759,669
Buildings	33,384,695	33,543,874
Improvements Other Than Buildings	2,938,981	3,498,266
Equipment	6,190,136	5,743,786
Infrastructure	70,930,091	71,495,177
Construction in Progress	10,579,593	2,106,560
Total	<u>\$ 127,783,165</u>	<u>\$ 120,147,332</u>

This year's major additions included:

- Engine Tanker Apparatus
- Police Cruiser
- Servers
- Public Works large mower
- Ambulance
- School HVAC and energy upgrades
- Transfer Station fencing
- Police Station HVAC
- Transfer Station Renovations
- Transfer Station scale foundation

More detailed information about the Town's capital assets is presented in Note 1 and Note 5 to the financial statements.

**TOWN OF COVENTRY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023**

Long-Term Debt

At June 30, 2023, the Town had \$15,405,000 in general obligation bonds outstanding versus \$16,815,000 last year – an decrease of \$1,410,000 due to scheduled repayments and no new bond issuance. Clean Water Fund Loans of \$2,117,858 are a reduction of \$503,537 from the last fiscal year balance of \$2,621,395. The Town's rating was increased to AA+ by Standard and Poors in September 2019.

The State limits the amount of general obligation debt that cities can issue based on a formula determined under State Statutes based on type of debt and tax base. The Town's outstanding general obligation debt is significantly below the state-imposed limit.

Other obligations include landfill post closure liability, and lease liability. More detailed information about the Town's long-term liabilities is presented in Note 9 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The Town's elected and appointed officials considered many factors when setting the fiscal year 2023 budget tax rates. The relatively low ratio of commercial to residential property places a high burden on the residential taxpayer. Opportunities to relieve this burden through the implementation of fees or the application for grant monies are always pursued.

During the budget process the Town Council considered the uncertainty of State aid to municipalities, an improving real estate market, the low interest rate environment, and general taxpayer sentiment when adopting the General Fund budget for 2023-2024. Additional consideration was given due to continuing economic circumstances relating to the COVID 19 pandemic and reduction of ARPA funding. The final proposed budget had a 4.72% increase for General Government, a 3.07% increase for Education, a 0% in Capital expenditures and a -.76% decrease for Debt Service. It also added a transfer to fund ambulance operations of \$362,500. The adopted budget General Fund budget is \$45,081,990, a total increase of 3.02% from the original fiscal year 2023 budget.

The property tax revenue increase needed was 3.62% from the previous year to fund this budget. The mil rate for the Town increased by .59 mils to 31.74, with grand list growth causing an increase in expected tax revenue. The budget was approved by the voters at the Town Meeting on May 2, 2023.

The Town will use budget revenues to finance programs currently offered. No new programs are proposed. The adopted budget for 2023-2024 includes the use of \$175,000 of unassigned fund balance to offset expenditures. Council policy has established a goal for an unassigned general fund balance of 15% of expenditures. General Fund unassigned fund balance as of June 30, 2023 is 12.93% when expressed as a percentage of General Fund governmental expenditures.

Contacting the Town's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director, Town of Coventry, 1712 Main Street, Coventry, Connecticut, 06238.

BASIC FINANCIAL STATEMENTS

TOWN OF COVENTRY, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 10,639,078
Investments	4,161,964
Receivables, Net	7,672,573
Inventory	36,750
Prepaid Items	197,462
Advance to Plan Administrator	1,876,942
Capital Assets Not Being Depreciated	14,339,262
Capital Assets Being Depreciated, Net of Accumulated Depreciation	113,443,903
Total Assets	152,367,934
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pensions	1,512,838
Deferred Outflows Related to OPEB	1,286,965
Deferred Charge on Refunding	59,761
Total Deferred Outflows of Resources	2,859,564
LIABILITIES	
Accounts Payable and Accrued Liabilities	3,530,305
Unearned Revenue	1,549,667
Noncurrent Liabilities:	
Due Within One Year	2,536,344
Due in More Than One Year	29,380,543
Total Liabilities	36,996,859
DEFERRED INFLOWS OF RESOURCES	
Lease Receivables	8,421
Deferred Inflows Related to Pensions	32,029
Deferred Inflows Related to OPEB	5,811,169
Total Deferred Inflows of Resources	5,851,619
NET POSITION	
Net Investment in Capital Assets	106,703,184
Restricted for:	
Trust Purposes - Nonexpendable	13,595
Trust Purposes - Expendable	13,603
Capital Projects	994,475
Debt Service	954,046
Grants	5,198,705
Other Purposes	718,946
Unrestricted	(2,217,534)
Total Net Position	\$ 112,379,020

See accompanying Notes to Financial Statements.

**TOWN OF COVENTRY, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES					
General Government	\$ 3,602,397	\$ 719,283	\$ 1,748,892	\$ -	\$ (1,134,222)
Public Safety	5,193,629	564,149	320,677	-	(4,308,803)
Public Works	8,831,514	1,968,702	1,709,533	1,364,108	(3,789,171)
Human Services	2,179,784	65,357	103,300	1,500,000	(511,127)
Culture and Recreation	1,376,448	533,790	31,092	562,005	(249,561)
Education	45,569,392	1,195,053	16,550,570	2,682,739	(25,141,030)
Interest on Long-Term Debt	647,972	-	-	-	(647,972)
Total Governmental Activities	<u>\$ 67,401,136</u>	<u>\$ 5,046,334</u>	<u>\$ 20,464,064</u>	<u>\$ 6,108,852</u>	(35,781,886)
GENERAL REVENUES					
Property Taxes					34,155,027
Grants and Contributions Not Restricted to Specific Programs					570,309
Unrestricted Investment Earnings					264,473
Total General Revenues					<u>34,989,809</u>
CHANGE IN NET POSITION					
					(792,077)
Net Position - Beginning of Year					<u>113,171,097</u>
NET POSITION - END OF YEAR					<u>\$ 112,379,020</u>

See accompanying Notes to Financial Statements.

**TOWN OF COVENTRY, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General	Sewer Assessment	CDBG Grant	Capital Projects	Miscellaneous Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 2,660,085	\$ 157,905	\$ 115,198	\$ 2,621,089	\$ 1,161,106	\$ 3,743,145	\$ 10,458,528
Investments	4,157,000	-	-	-	-	4,964	4,161,964
Receivables, Net	803,027	796,141	2,093,112	3,026,081	89,844	864,368	7,672,573
Due from Other Funds	394,000	-	-	-	-	-	394,000
Other	194,172	-	-	-	-	3,290	197,462
Inventories	-	-	-	-	-	36,750	36,750
Total Assets	\$ 8,208,284	\$ 954,046	\$ 2,208,310	\$ 5,647,170	\$ 1,250,950	\$ 4,652,517	\$ 22,921,277
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts and Other Payables	\$ 615,448	\$ -	\$ 4,243	\$ 1,601,586	\$ 38,455	\$ 442,920	\$ 2,702,652
Accrued Payroll	190,187	-	-	504	423	78,198	269,312
Unearned Revenue	106,112	-	-	35,362	1,196,680	211,513	1,549,667
Total Liabilities	911,747	-	4,243	1,637,452	1,235,558	732,631	4,521,631
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue:							
Property Taxes	581,408	-	-	-	-	-	581,408
Special Assessments	-	779,401	-	-	-	-	779,401
Sewer Receivable	-	-	-	-	-	40,762	40,762
COVRRRA Receivable	-	-	-	-	-	100,783	100,783
Loans Receivable	-	-	2,093,112	-	-	-	2,093,112
Grants Receivable	-	-	-	2,744,313	89,844	-	2,834,157
Lease Receivable	-	-	-	-	-	8,421	8,421
Other Receivables	-	-	-	-	-	338,353	338,353
Total Deferred Inflows of Resources	581,408	779,401	2,093,112	2,744,313	89,844	488,319	6,776,397
FUND BALANCES							
Nonspendable	194,172	-	-	-	-	50,345	244,517
Restricted	11,407	174,645	110,955	994,475	-	881,623	2,173,105
Committed	49,275	-	-	1,180,112	-	2,764,472	3,993,859
Assigned	335,199	-	-	-	-	-	335,199
Unassigned	6,125,076	-	-	(909,182)	(74,452)	(264,873)	4,876,569
Total Fund Balances	6,715,129	174,645	110,955	1,265,405	(74,452)	3,431,567	11,623,249
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 8,208,284	\$ 954,046	\$ 2,208,310	\$ 5,647,170	\$ 1,250,950	\$ 4,652,517	\$ 22,921,277

See accompanying Notes to Financial Statements.

TOWN OF COVENTRY, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2023

RECONCILIATION TO THE STATEMENT OF NET POSITION

Fund Balances - Total Governmental Funds (Exhibit III) \$ 11,623,249

Amounts reported for governmental activities in the statement of net position (Exhibit I) are different because of the following:

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

Governmental Capital Assets	192,626,362
Less: Accumulated Depreciation, and Amortization	<u>(64,843,197)</u>
Net Capital Assets	127,783,165

Other long-term assets are not available to pay for current-period expenditures and, therefore, are recorded as deferred inflows of resources in the funds:

Property Tax Receivables Greater Than 60 Days	445,118
Interest Receivable on Property Taxes	136,290
Assessments Receivable	779,401
Sewer Use Receivable	40,762
Mortgage Loans	2,093,112
COVRRRA and Other Receivables	439,136
Grants Receivable	2,834,157
Deferred Outflows Related to Pensions	1,512,838
Deferred Outflows Related to OPEB	1,286,965

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.

1,210,706

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Net Pension Liability	(6,594,535)
Bonds and Notes Payable	(17,522,858)
Interest Payable on Bonds and Notes	(105,555)
Compensated Absences	(1,016,534)
Notes payable	(1,175,849)
Lease payable	(121,430)
Bond Premium	(718,019)
Net OPEB Liability	(4,738,162)
Deferred Charge on Refunding	59,761
Landfill Postclosure Liability	(29,500)
Deferred Inflows Related to Pensions	(32,029)
Deferred Inflows Related to OPEB	<u>(5,811,169)</u>

Net Position of Governmental Activities as Reported on the Statement of Net Position (Exhibit I)
See accompanying Notes to Financial Statements.

\$ 112,379,020

TOWN OF COVENTRY, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General	Sewer Assessment	CDBG Grant	Capital Projects	Miscellaneous Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Property Taxes	\$ 34,267,117	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,267,117
Intergovernmental	13,362,511	-	1,500,000	797,996	4,127,183	3,345,413	23,133,103
Charges for Services	739,174	259,539	64,457	-	-	4,126,009	5,189,179
Investment Earnings	204,019	3,372	-	11,219	-	33,767	252,377
Miscellaneous	-	-	-	238,022	-	75,408	313,430
Total Revenues	<u>48,572,821</u>	<u>262,911</u>	<u>1,564,457</u>	<u>1,047,237</u>	<u>4,127,183</u>	<u>7,580,597</u>	<u>63,155,206</u>
EXPENDITURES							
Current:							
General Government	1,926,713	-	-	-	24,864	2,190	1,953,767
Public Safety	2,648,732	-	-	-	60,287	852,420	3,561,439
Public Works	2,627,061	-	-	-	-	2,563,524	5,190,585
Human Services	317,689	-	1,598,230	-	27,052	8,025	1,950,996
Culture and Recreation	630,742	-	-	-	4,601	603,796	1,239,139
Insurance and Sundry	2,682,041	-	-	-	-	-	2,682,041
Education	33,482,245	-	-	-	-	3,567,016	37,049,261
Debt Service	3,052,166	-	-	-	-	-	3,052,166
Capital Outlay	-	-	-	8,419,120	3,924,290	74,082	12,417,492
Total Expenditures	<u>47,367,389</u>	<u>-</u>	<u>1,598,230</u>	<u>8,419,120</u>	<u>4,041,094</u>	<u>7,671,053</u>	<u>69,096,886</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,205,432	262,911	(33,773)	(7,371,883)	86,089	(90,456)	(5,941,680)
OTHER FINANCING SOURCES (USES)							
Transfers In	505,000	-	-	1,174,500	-	444,300	2,123,800
Transfers Out	(1,475,800)	(300,000)	-	(263,000)	-	(85,000)	(2,123,800)
Total Other Financing Sources (Uses)	<u>(970,800)</u>	<u>(300,000)</u>	<u>-</u>	<u>911,500</u>	<u>-</u>	<u>359,300</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	234,632	(37,089)	(33,773)	(6,460,383)	86,089	268,844	(5,941,680)
Fund Balances - Beginning of Year	6,480,497	211,734	144,728	7,725,788	(160,541)	3,162,723	17,564,929
FUND BALANCES - END OF YEAR	<u>\$ 6,715,129</u>	<u>\$ 174,645</u>	<u>\$ 110,955</u>	<u>\$ 1,265,405</u>	<u>\$ (74,452)</u>	<u>\$ 3,431,567</u>	<u>\$ 11,623,249</u>

See accompanying Notes to Financial Statements.

**TOWN OF COVENTRY, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net change in Fund Balances - Total Governmental Funds (Exhibit IV)	\$ (5,941,680)
Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because:	
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital Outlay	10,916,003
Depreciation and Amortization Expense	(2,840,139)
The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets.	
	(440,031)
Change in Deferred Outflows Related to Pensions	(463,050)
Change in Deferred Outflows Related to OPEB	(3,335,345)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:	
Property Tax Receivable, Interest and Lien Revenue - Accrual Basis Change	(112,090)
Sewer Use and Assessment Receivable - Accrual Basis Change	(206,676)
Loans and Other Receivables - Accrual Basis Change	(46,657)
Amortization of Bond Premiums	85,411
COVRRRA and Other Receivables	67,374
Grants Receivable	2,529,792
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:	
Bond Principal Payments	1,410,000
Clean Water Fund Principal Payments	503,537
Notes Payable Payments	401,196
Lease Payable Payments	218,079
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:	
Compensated Absences	(17,233)
Accrued Interest	21,399
Amortization of Deferred Charge on Refunding	(17,349)
Net Other Postemployment Benefit Expense	1,698,971
Net Pension Expense	(200,813)
Change in Deferred Inflows Related to Pensions	2,839
Change in Deferred Inflows Related to OPEB	(4,325,819)
Landfill Postclosure Care	18,925
Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.	(718,721)
Change in Net Position of Governmental Activities as Reported on the Statement of Activities (Exhibit II)	<u>\$ (792,077)</u>

See accompanying Notes to Financial Statements.

**TOWN OF COVENTRY, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023**

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 180,550
Advance to Plan Administrator	<u>1,876,942</u>
Total Assets	<u>2,057,492</u>
LIABILITIES	
Current Liabilities:	
Claims Payable	452,786
Due to Other Funds	<u>394,000</u>
Total Liabilities	<u>846,786</u>
NET POSITION	
Unrestricted	<u>\$ 1,210,706</u>

TOWN OF COVENTRY, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023

	Governmental Activities
	Internal Service Funds
OPERATING REVENUES	
Employer Contributions	\$ 5,096,526
Employee Contributions	1,243,185
Total Operating Revenues	6,339,711
OPERATING EXPENSES	
Administrative Expense	802,229
Employee Benefits	6,268,299
Total Operating Expenses	7,070,528
OPERATING LOSS	(730,817)
NONOPERATING REVENUE	
Investment Income	12,096
CHANGE IN NET POSITION	(718,721)
Net Position - Beginning of Year	1,929,427
NET POSITION - END OF YEAR	\$ 1,210,706

See accompanying Notes to Financial Statements.

**TOWN OF COVENTRY, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023**

	Governmental Activities
	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Users	\$ 6,371,920
Cash Payments to Providers of Benefits	(6,343,412)
Net Cash Provided by Operating Activities	28,508
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	12,096
NET INCREASE IN CASH AND CASH EQUIVALENTS	40,604
Cash and Cash Equivalents - Beginning of Year	139,946
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 180,550
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	\$ (730,817)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities	
(Increase) Decrease in Accounts Receivable	32,209
(Increase) Decrease in Advance to Plan Administrator	606,375
Increase (Decrease) in Claims Payable	120,741
Net Cash Provided by Operating Activities	\$ 28,508

See accompanying Notes to Financial Statements.

**TOWN OF COVENTRY, CONNECTICUT
STATEMENT OF NET POSITION
FIDUCIARY FUND
JUNE 30, 2023**

	Pension Trust Fund
ASSETS	
Cash and Cash Equivalents	\$ 83,206
Mutual Funds	10,777,673
Contributions Receivable	1,323
Guaranteed Investment Contracts	6,544,456
Total Assets	17,406,658
 LIABILITIES	
Accounts Payable	154,821
Total Liabilities	154,821
 NET POSITION	
Restricted for Pensions	\$ 17,251,837

See accompanying Notes to Financial Statements.

**TOWN OF COVENTRY, CONNECTICUT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2023**

	<u>Pension Trust Fund</u>
ADDITIONS:	
Contributions:	
Employer	\$ 935,296
Plan Members	<u>276,159</u>
Total Contributions	1,211,455
Investment Income:	
Change in Fair Value of Investments	1,543,709
Total Additions	2,755,164
DEDUCTIONS:	
Benefits	1,547,330
Administration	<u>82,847</u>
Total Deductions	<u>1,630,177</u>
CHANGE IN NET POSITION	1,124,987
Net Position - Beginning of Year	<u>16,126,850</u>
NET POSITION - END OF YEAR	<u><u>\$ 17,251,837</u></u>

See accompanying Notes to Financial Statements.

TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Town was incorporated in 1712 and operates under a Council/Manager form of government adopted by Charter in 1967. The seven-member Town Council is the legislative body responsible for enacting ordinances, budget preparation and establishing a property tax mill rate. The Town Manager serves as the Chief Executive Officer in charge of the daily operation of the Town organization in accordance with Council policy and regulation. A seven-member Board of Education, a separately elected body, is responsible for the educational policy of the Coventry Public School system.

The Town provides the following services: general government, public safety, public works, human services, culture and recreation, and education.

The Town has the power to incur indebtedness by issuing bonds or notes as provided by the Connecticut General Statutes.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues.

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

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Separate financial statements are provided for governmental, proprietary 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. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers tax revenues to be available if they are collected within 60 days of the end of the current fiscal period, and other revenues to be available if they are collected within 90 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, lease liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

The Town reports the following major governmental funds:

General Fund

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

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

Sewer Assessment Fund

The Sewer Assessment Fund accounts for the extension and maintenance of sewer lines. The major source of revenue for this fund is sewer assessment charges.

CDBG Grant Fund

The CDBG Grant Fund accounts for the Community Development Block Grant program grants and loans. The major sources of revenue for this fund are capital grants and repayments on loans.

Capital Projects Fund

The Capital Projects Fund accounts for financial resources to be used for capital expenditures or for the acquisition or construction of capital facilities, improvements, and/or equipment. The major sources of financing for this fund are the issuance of general obligation bonds and capital grants.

Miscellaneous Grants Fund

The Miscellaneous Grants Fund accounts for the various grant funded projects and programs. The major sources of revenue for this fund are state and federal grants.

Additionally, the Town reports the following fund types:

Internal Service Fund

The Internal Service Fund accounts for the self-insured activities of the Town.

Pension Trust Fund

The Pension Trust Fund accounts for resources held in trust for the members and beneficiaries of the Town of Coventry Retirement System.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned, then unassigned.

D. Deposits and Investments

Cash and cash equivalents include short-term, highly liquid investments with original maturities of three months or less when purchased.

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and certain other investments as described in Note 3.

Investments for the Town are reported at fair value.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." All property tax receivables are shown net of an allowance for uncollectibles. An amount of \$262,929 has been established as an allowance for uncollectible taxes. At June 30, 2023, this represents 14.99% of all property taxes receivable.

Property taxes become an enforceable lien and are assessed on property as of October 1; however, the legal right to attach property does not exist until July 1. Property assessments are made at 70% of the market value. Real estate taxes are billed on July 1 and are payable in semiannual installments on July 1 and January 1. Personal property and motor vehicle taxes are billed and due July 1, and motor vehicle supplement taxes are billed and due January 1. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date.

Upon completion of projects, sewer assessments are levied and assessed to the users each October. Usage charges are billed in May and November. Assessments and user charges are due and payable within 30 days, and delinquent amounts are subject to interest at prevailing rates. Liens are filed on all properties until the assessment is paid in full.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Inventories and Prepaid Items

Inventories are reported at cost using the first-in first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

G. Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$10,000 for land, \$5,000 for furniture and equipment, and \$100,000 for infrastructure. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

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

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	10 to 50 Years
System Infrastructure	40 to 75 Years
Furniture and Equipment	3 to 20 Years

H. Leases

Lessee

The Town is a lessee for noncancellable leases of equipment. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in governmental activities in the government-wide financial statements.

At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Leases (Continued)

Lessee (Continued)

Key estimates and judgments related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor

The Town is a lessor for a noncancellable lease of a building. The Town recognizes a lease receivable and a deferred inflow of resources in the governmental activities in the government-wide and in the governmental fund financial statements.

At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Leases (Continued)

Lessor (Continued)

Key estimates and judgments include how the Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Town uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions, or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees), with the exception of deferred amounts resulted from the difference between projected and actual earnings on pension plan investments, which are amortized over five years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. In the government-wide statement of net position, the Town reports deferred inflows of resources related to pension and OPEB and lease receivables.

TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Deferred Outflows/Inflows of Resources (Continued)

A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees) , with the exception of deferred amounts resulted from the difference between projected and actual earnings on pension plan investments, which are amortized over 5 years. In addition, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, special assessments, sewer receivables, COVRRRA receivables, grant receivables, lease receivables, other receivables, and long-term loans. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

J. Compensated Absences

Town and Board of Education employees earn vacation and sick time based upon years of service and the terms of various union contracts.

All compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year or the vested amount is expected to be paid with available resources.

K. Net Pension Liability

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Total Other Postemployment Benefits Other than Pensions (OPEB) Liability

The total OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service. The total OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year and no later than the end of the current fiscal year, consistently applied from period to period.

M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

N. Equity

Equity in the government-wide financial statements is defined as "net position" and is classified in the following categories:

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

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

Unrestricted Net Position – This component consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Equity (Continued)

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

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

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

Committed Fund Balance – This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town of Coventry Town Council). The Town Council may commit resources, when a member puts forth a resolution and this resolution is passed by the Council, prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Assigned Fund Balance – This represents amounts constrained for the intent to be used for a specific purpose by the Town Manager who has been delegated authority to assign amounts by ordinance within the Town Charter.

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

The Town has a minimum fund balance policy that establishes a goal for unassigned fund balance in the General Fund at 15% of the General Fund expenditures.

O. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Accordingly, actual results could differ from those estimates.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements:

- The Town Manager prepares an operating, capital, and debt service budget from information provided by various Town departments. The Board of Education also prepares an operating budget. The budget includes the proposed expenditures and the means to finance them.
- These budgets are presented at a public hearing before being amended and adopted by the Town Council. The Council's operating or General Fund budget is submitted to a Town meeting that approves, rejects, or reduces the budget, which is subsequently adjourned to a referendum for ratification.
- Expenditures are budgeted by function, department and object. The legal level of budgetary control, the level at which expenditures may not exceed appropriations, is established by function and department. Upon request, the Town Council may, by resolution, transfer any unencumbered appropriation, balance or portion thereof from one department, commission, board, or office to another. No transfer shall be made from any appropriations for debt service and other statutory charges. Transfers between line items within a department may be made with the approval of the Town Manager.
- The Town Council can make additional appropriations, subject to fund balance availability and other restrictions, up to 1.5% of the current year's property tax levy. Additional appropriations can be made when unanticipated revenue is made available for specific purposes. Additional appropriations during the year were \$408,774 from fund balance. All additional appropriations were made in accordance with Charter provisions.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

- Appropriations not encumbered at the end of the fiscal year lapse. Encumbrances for capital additions lapse at the end of three years (if there is no activity), and all other encumbrances lapse at the end of one year.
- Formal budgetary integration is employed as a management control device during the year for the General Fund.
- The General Fund budget is prepared on a modified accrual basis of accounting except for encumbrances, which are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued. Encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year. Additionally, the Town does not budget for revenues or expenditures associated with pension contributions made by the state of Connecticut on behalf of Town of Coventry teachers or for expenditures reimbursed by the state of Connecticut for excess costs related to certain special education students.
- The Town does not legally adopt a budget for the Sewer Assessment, CDBG Grant or Miscellaneous Grants Funds.

B. Deficit Fund Equity

The Miscellaneous grants fund, a major governmental fund, had a deficit of \$74,452 as of June 30, 2023, which will be eliminated in future years by the receipt of federal and state grant funds. The COVRRRA fund, a nonmajor governmental fund, had a fund deficit of \$264,873 as of June 30, 2023. This deficit will be eliminated in future years by the receipt of charges for services revenues.

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

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

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

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

A. Deposits

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposit will not be returned. The Town does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the state of Connecticut.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$7,960,879 of the Town’s bank balance of \$12,989,479 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 7,063,360
Uninsured and Collateral Held by the Pledging Bank’s Trust Department, Not in the Town’s Name	897,519
Total Amount Subject to Custodial Credit Risk	\$ 7,960,879

Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk-based capital ratio.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2023, the Town's cash equivalents amounted to \$1,334,225. STIF is an investment pool of high-quality, short-term money market instruments with an average maturity of less than 60 days. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	Standard & Poor's
State Short-Term Investment Fund (STIF)	AAAm

B. Investments

Investments as of June 30, 2023, in all funds are as follows:

	Fair Value	Less Than 1	1 - 10	More Than 10
Interest-Bearing Investments				
Certificate of Deposit	\$ 3,907,000	\$ 495,000	\$ 3,412,000	\$ -
Municipal Securities	250,000	-	250,000	-
Total	\$ 4,157,000	\$ 495,000	\$ 3,662,000	\$ -
Other Investments:				
Mutual Funds	\$ 10,777,673 *			
Common Stock	4,964			
Guaranteed Investment Contracts	6,544,456			
Total Investments	\$ 21,484,093			

* Not Rated

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

The Town categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2023:

	June 30, 2023	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Municipal Securities	\$ 250,000	\$ 250,000	\$ -	\$ -
Common Stock	4,964	4,964	-	-
Mutual Funds	10,777,673	10,777,673	-	-
Total Investments by Fair Value Level	11,032,637	<u>\$ 11,032,637</u>	<u>\$ -</u>	<u>\$ -</u>
 Total Investments Measured at Fair Value	 11,032,637			
 Investments Measured at Contract Value:				
Guaranteed Investment Contracts	6,544,456			
Investments Measured at Amortized Cost:				
Certificates of Deposit	3,907,000			
Total Investments	<u>\$ 21,484,093</u>			

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Commercial and residential mortgage-backed securities classified in Level 3 are valued using discounted cash flow techniques. Collateralized debt obligations classified in Level 3 are valued using consensus pricing.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Guaranteed Investment Contracts

The Town has entered into a guaranteed investment contract with Brighthouse Life Insurance Company (Brighthouse). Brighthouse maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. Brighthouse is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Town. Because the guaranteed investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for the guaranteed investment contract. The guaranteed investment contract is presented on the face of the statements of net position at contract value. Contract value, as reported to the Town by Brighthouse, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. There are no reserves against contract value for credit risk of the contract issuer or otherwise. The contract is a traditional investment contract. The crediting interest rate is based on a formula agreed upon with the issuer. Such interest rates are reviewed on an annual basis for resetting. The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date. There are no unfunded commitments under the contract. The contract allows redemption at any time with no notice.

Interest Rate Risk

The Town's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Investments

As indicated above, state statutes limit the investment options of cities and towns. The Town's investment policy provides investment guidelines and lists prohibited investments.

Concentration of Credit Risk

The Town's investment policy does not allow for an investment in any one issuer that is in excess of 5% of the Town's total investments.

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2023, the Town had \$4,964 in uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the Town's name.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 RECEIVABLES

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

	General	Sewer Assessment	CDBG Grant	Capital Projects	Miscellaneous Grants	Nonmajor and Other Funds	Total
Receivables:							
Interest	\$ 296,067	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 296,067
Taxes	688,222	-	-	-	-	-	688,222
Accounts	68,640	-	-	63	-	608,272	676,975
Intergovernmental	13,027	-	-	3,026,018	89,844	247,675	3,376,564
Special Assessments	-	796,141	-	-	-	-	796,141
Loans	-	-	2,093,112	-	-	-	2,093,112
Leases	-	-	-	-	-	8,421	8,421
Gross Receivables	<u>1,065,956</u>	<u>796,141</u>	<u>2,093,112</u>	<u>3,026,081</u>	<u>89,844</u>	<u>864,368</u>	<u>7,935,502</u>
Less Allowance for Uncollectibles:							
Taxes	(103,152)	-	-	-	-	-	(103,152)
Delinquent Interest	<u>(159,777)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(159,777)</u>
Net Total Receivables	<u>\$ 803,027</u>	<u>\$ 796,141</u>	<u>\$ 2,093,112</u>	<u>\$3,026,081</u>	<u>\$ 89,844</u>	<u>\$ 864,368</u>	<u>\$ 7,672,573</u>

NOTE 5 LEASE RECEIVABLES

The Town, acting as lessor, leases facilities under long-term noncancelable lease agreements. The leases expire at various dates through 2026. During the year ended June 30, 2023, the Town recognized \$4,211 and \$456 in lease revenue and interest revenue respectively, pursuant to these contracts.

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

Year Ending June 30,	Principal	Interest	Total
2024	\$ 2,686	\$ 314	\$ 3,000
2025	2,805	195	3,000
2026	2,930	70	3,000
Total	<u>\$ 8,421</u>	<u>\$ 579</u>	<u>\$ 9,000</u>

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, consisted of the following:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated or Amortized:				
Land	\$ 3,759,669	\$ -	\$ -	\$ 3,759,669
Construction in Progress	2,106,560	8,473,033	-	10,579,593
Total Capital Assets Not Being Depreciated or Amortized	5,866,229	8,473,033	-	14,339,262
Capital Assets Being Depreciated and Amortized:				
Buildings	53,450,151	667,170	-	54,117,321
Improvements Other Than Buildings	3,857,065	-	-	3,857,065
Right to use Equipment	712,453	-	(414,907)	297,546
Furniture and Equipment	11,004,579	1,128,838	(80,089)	12,053,328
Infrastructure	107,314,878	646,962	-	107,961,840
Total Capital Assets Being Depreciated and Amortized	176,339,126	2,442,970	(494,996)	178,287,100
Less Accumulated Depreciation and Amortization for:				
Buildings	(19,906,277)	(826,349)	-	(20,732,626)
Improvements Other Than Buildings	(917,754)	(122,773)	-	(1,040,527)
Right to use Equipment	(153,498)	(73,095)	51,490	(175,103)
Furniture and Equipment	(5,260,793)	(605,874)	3,475	(5,863,192)
Infrastructure	(35,819,701)	(1,212,048)	-	(37,031,749)
Total Accumulated Depreciation and Amortization	(62,058,023)	(2,840,139)	54,965	(64,843,197)
Total Capital Assets Being Depreciated or Amortized, Net	114,281,103	(397,169)	(440,031)	113,443,903
Governmental Activities Capital Assets, Net	<u>\$ 120,147,332</u>	<u>\$ 8,075,864</u>	<u>\$ (440,031)</u>	<u>\$ 127,783,165</u>

Depreciation and amortization expense was charged to functions of the Town as follows:

Governmental Activities:	
General Government	\$ 60,370
Public Safety	316,766
Public Works	1,663,820
Human Services	248
Culture and Recreation	81,902
Education	717,033
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 2,840,139</u>

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7 FUND BALANCES

The components of fund balances for the governmental funds at June 30, 2023, are as follows:

	Major Funds					Nonmajor Governmental Funds	Total
	General Fund	Sewer Assessment	CDBG Grant	Capital Projects	Miscellaneous Grants Fund		
Fund Balances:							
Nonspendable:							
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,750	\$ 36,750
Prepaid Items	194,172	-	-	-	-	-	194,172
Permanent Fund Principal	-	-	-	-	-	13,595	13,595
Restricted for:							
Capital Projects	-	-	-	994,475	-	-	994,475
Unspent Grant Balances	-	-	110,955	-	-	160,481	271,436
Debt Repayments	-	174,645	-	-	-	-	174,645
Other	11,407	-	-	-	-	475,803	487,210
Student Activities	-	-	-	-	-	245,339	245,339
Committed to:							
Capital Projects	6,192	-	-	1,180,112	-	16,737	1,203,041
Sick and Severance	43,083	-	-	-	-	-	43,083
Public Safety	-	-	-	-	-	66,424	66,424
Public Works	-	-	-	-	-	824,325	824,325
Recreation	-	-	-	-	-	194,253	194,253
Farmer's Market	-	-	-	-	-	78,122	78,122
Education	-	-	-	-	-	1,584,611	1,584,611
Assigned to:							
Subsequent Year's Budget	175,000	-	-	-	-	-	175,000
General Government	21,523	-	-	-	-	-	21,523
Public Safety	5,424	-	-	-	-	-	5,424
Public Works	22,566	-	-	-	-	-	22,566
Insurance and Sundry	19,495	-	-	-	-	-	19,495
Education	91,191	-	-	-	-	-	91,191
Unassigned	6,125,076	-	-	(909,182)	(74,452)	(264,873)	4,876,569
Total Fund Balances	<u>#####</u>	<u>\$ 174,645</u>	<u>\$ 110,955</u>	<u>\$ 1,265,405</u>	<u>\$(74,452)</u>	<u>\$ 3,431,567</u>	<u>#####</u>

Encumbrances of \$163,790, \$3,674,009, and \$484,530 at June 30, 2023, are contained in the above table in the assigned category of the General Fund, the restricted and committed categories of the Capital Projects Fund, and the restricted and committed categories of the Nonmajor Governmental Funds, respectively.

NOTE 8 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At June 30, 2023, the Internal Service Fund owed the General Fund \$394,000, which resulted from regularly recurring transactions and represented a temporary balance.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Interfund transfers for the year ended June 30, 2023, consisted of the following:

	Transfers In				Total
	General	Capital	Miscellaneous	Nonmajor	
Transfers Out:					
General Fund	\$ -	\$ 1,174,500	\$ -	\$ 301,300	\$ 1,475,800
Sewer Assessment	300,000	-	-	-	300,000
Capital Projects Fund	120,000	-	-	143,000	263,000
Nonmajor Governmental Funds	85,000	-	-	-	85,000
Total	<u>\$ 505,000</u>	<u>\$ 1,174,500</u>	<u>\$ -</u>	<u>\$ 444,300</u>	<u>\$ 2,123,800</u>

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

For the year ended June 30, 2023 the Town recorded the following significant transfers. The Town transferred \$1,174,500 from the General Fund to the Capital Projects Fund, and \$301,300 to the Nonmajor Governmental Funds to fund annual budgeted operating transfers. Additionally, the Town transferred \$300,000, \$120,000 and \$85,000 from the Sewer Assessment Fund, the Capital Projects Fund, and the Nonmajor Governmental Funds to fund annual budgeted contributions to the general fund.

NOTE 9 LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds and Loans Payable:					
General Obligation Bonds	\$ 16,815,000	\$ -	\$ 1,410,000	\$ 15,405,000	\$ 1,405,000
Premium on Issuance	803,430	-	85,411	718,019	-
Loans Payable - Clean Water Fund	2,621,395	-	503,537	2,117,858	513,701
Total	<u>20,239,825</u>	<u>-</u>	<u>1,998,948</u>	<u>18,240,877</u>	<u>1,918,701</u>
Other Liabilities:					
Notes payable	1,577,045	-	401,196	1,175,849	279,043
Lease payable	339,509	-	218,079	121,430	68,149
Landfill Postclosure	48,425	-	18,925	29,500	18,925
Total OPEB Liability	6,437,133	-	1,698,971	4,738,162	164,987
Net Pension Liability	6,393,722	200,813	-	6,594,535	-
Compensated Absences	999,301	116,397	99,164	1,016,534	86,539
Total Governmental Activities Long-Term Liabilities	<u>\$ 36,034,960</u>	<u>\$ 317,210</u>	<u>\$ 4,435,283</u>	<u>\$ 31,916,887</u>	<u>\$ 2,536,344</u>

General obligation bonds allocable to sewer projects are secured by the full faith and credit of the Town but are substantially liquidated by sewer assessments. The remaining liabilities above have typically been liquidated by the General Fund.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

General Obligation Bonds

A summary of general obligation bonds outstanding at June 30, 2023, is as follows:

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Balance Outstanding June 30, 2022
2015 Refunding School Asbestos GO	3/24/2015	2025	0.0 %	\$ 465,000	\$ 76,000
2015 Refunding Water System GO	3/24/2015	2025	2.00%	455,000	76,000
2015 Refunding Parker Bridge GO	3/24/2015	2025	2.34%	215,000	35,000
2015 Refunding General Obligation	3/24/2015	2025	2.00%	100,000	18,000
2010 Refunding Bonds Series B	2/9/2010	2025	2-4%	2,605,000	165,000
2010 Refunding Bonds Series B	2/9/2010	2025	2-4%	1,200,000	225,000
2015 Refunding PW garage GO	3/24/2015	2031	2.34%	3,350,000	1,224,000
2015 Refunding School Roof GO	3/24/2015	2031	3.55%	1,600,000	616,000
2015 Refunding NCFD GO	3/24/2015	2032	2.88%	1,675,000	775,000
2016 Road Bonds	3/1/2016	2036	2.41%	3,000,000	2,150,000
2016 Pucker Street Bridge	3/1/2016	2036	2.41%	400,000	275,000
2020 Road Bond	9/16/2019	2038	2.00-5.00%	4,000,000	3,200,000
2020 School Building Energy Efficiency Bond	9/16/2019	2038	2.00-5.00%	2,570,000	2,050,000
2020 Jones Crossing Bond	9/16/2019	2038	2.00-5.00%	700,000	560,000
2022 School Roofs	6/1/2022	2042	4.00-5.00%	3,105,000	2,945,000
2022 Library Renovation	6/1/2022	2042	4.00-5.00%	750,000	710,000
2022 Softball Complex	6/1/2022	2042	4.00-5.00%	325,000	305,000
Total					<u>\$ 15,405,000</u>

Bonds and Notes Payable

Annual debt service requirements to maturity on general obligation bonds are as follows as of June 30, 2023:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,405,000	\$ 510,896	\$ 1,915,896
2025	1,235,000	458,496	1,693,496
2026	1,225,000	408,096	1,633,096
2027	1,080,000	360,746	1,440,746
2028	1,075,000	319,946	1,394,946
2029-2033	4,825,000	1,098,583	5,923,583
2034-2038	3,380,000	494,450	3,874,450
2039-2042	1,180,000	91,000	1,271,000
Total	<u>\$ 15,405,000</u>	<u>\$ 3,742,213</u>	<u>\$ 19,147,213</u>

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Clean Water Fund Loan Payable

The Town is currently participating in the State of Connecticut Clean Water Fund Loan program. The loan matures on June 30, 2027, has an outstanding balance as of June 30, 2023 of \$2,117,858, and is payable monthly with interest at 2%.

Annual debt service requirements to maturity on Clean Water Fund loans are as follows as of June 30, 2023:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 513,701	\$ 37,665	\$ 551,366
2025	524,070	27,297	551,367
2026	534,648	16,719	551,367
2027	545,439	5,927	551,366
Total	<u>\$ 2,117,858</u>	<u>\$ 87,608</u>	<u>\$ 2,205,466</u>

The Town's indebtedness does not exceed the legal debt limitations as required by the Connecticut General Statutes as reflected in the following schedule:

<u>Category</u>	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
General Purpose	\$ 73,966,361	\$ 14,342,000	\$ 59,624,361
Schools	147,932,721	18,552,000	129,380,721
Sewers	123,277,268	1,413,316	121,863,952
Urban Renewal	106,840,299	-	106,840,299
Pension Deficit	98,621,814	-	98,621,814

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$230,117,566. Amounts above do not include \$76,000 of Water System Improvement bonds issued, which are excluded from the Town's statutory debt limit pursuant to Connecticut General Statutes.

Bond Authorizations

At June 30, 2023, debt authorized but unissued is as follows:

<u>Project</u>	<u>Appropriation/ Authorization</u>	<u>Prior Bonds Issued</u>	<u>Paydown Grants Expected/ Received</u>	<u>Authorized But Unissued Debt</u>
Sewers:				
Wangumbaug Lake Sewer Extension	\$ 17,800,000	\$ 9,815,810	\$ 7,892,591	\$ 91,599
Schools:				
Energy Efficiency and Code Work	3,000,000	2,570,000	-	430,000
School Roof Replacement	6,500,000	-	2,600,000	3,900,000
Fire Alarm System Replacement	180,000	-	180,000	-
CHS HVAC Replacement	11,070,000	2,700,000	-	8,370,000
General Purpose:				
Library Renovation	750,000	-	750,000	-
Town Roads, Bridges, Culverts, Payloader	4,865,000	-	-	4,865,000

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Notes Payable

Future minimum note obligations and the net present value of these minimum note payments as of June 30, 2023, are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>
2024	\$ 305,022
2025	260,047
2026	208,293
2027	151,688
2028	56,816
Thereafter	<u>284,079</u>
Total Minimum Note Payments	1,265,945
Less: Amount Representing Interest	<u>(90,096)</u>
Present Value of Minimum Note Payments	<u>\$ 1,175,849</u>

Landfill Postclosure

State and federal laws and regulations require the Town to place a final cover on its landfill site and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The Town's landfill has stopped accepting waste, closure has been completed, and monitoring is continuing. The remaining postclosure costs are estimated to be \$29,500 over the next four years. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The Town pays for the costs of monitoring on an ongoing basis through the COVRRRA Fund.

Lease Liability

The Town leases equipment under long-term, noncancelable lease agreements. The leases expire at various dates through 2030.

Total minimum lease payments under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 68,149	\$ 2,773	\$ 70,922
2025	46,872	989	47,861
2026	4,850	111	4,961
2027	1,559	37	1,596
Total	<u>\$ 121,430</u>	<u>\$ 9,218</u>	<u>\$ 130,648</u>

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 PENSION PLANS

Defined Benefit Plan

A. Plan Description

The Town of Coventry Employee Retirement System (CERS or the Plan) is a single-employer retirement system established and administered by the Town to provide pension benefits to substantially all Town and Board of Education employees, except for professional employees of the Board of Education who are covered under the State of Connecticut Teachers Retirement System. The CERS is a defined benefit plan. The CERS is considered to be a part of the Town's financial reporting entity and is included in the Town's basic financial statements as a pension trust fund. Contribution provisions and benefit provisions of the CERS are established by and can be amended by the Town Council subject to ratification of various bargaining units. A separate stand-alone financial report for the CERS is not issued by the Town.

Management of the Plan rests with the Pension Committee, which consists of no fewer than three, nor more than five, members all appointed by the Town Council.

All employees except for sworn officers of the police department are included as participants in the Plan on the first July 1 following the attainment of age 21 and the completion of two years of service. Sworn officers of the police department are included on their dates of hire. No employees are included before the effective date. Police and nonunion employees are vested 100% after five years, and all other employees are vested after 10 years.

Benefits are calculated on a percentage of earnings times years of service. The percentage varies by group. The Plan also provides for early retirement, deferred retirement and disability retirement. Participants have a nonforfeitable right to accrued benefits at the date of termination of employment, provided that they have completed the years required for 100% vesting. Normal retirement age varies from 45 to 65 based on the bargaining unit.

The accrued benefit is paid in the form of a monthly life annuity. Benefits will be actuarially adjusted to reflect any other form of annuity payable. Administrative costs for the Plan are paid from the Plan investment earnings.

The membership of the Plan consisted of the following at July 1, 2022:

Retired Members	67
Terminated Plan Members Entitled to but Not Yet Receiving Benefits	41
Active Plan Members	128
Total	<u>236</u>

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 PENSION PLANS (CONTINUED)

Defined Benefit Plan (Continued)

B. Summary of Significant Accounting Policies

Plan financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized in the period in which employee services are performed. Employer contributions are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

All investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

C. Investments

Investment Policy

The Pension Committee recommended the adoption of an investment policy to the Town Council. The current policy was adopted in August 2007. The goals of the policy are to create a framework for a well-diversified asset mix that can be expected to generate acceptable long-term returns at a level of risk suitable to the Town. The following was the adopted asset allocation as of July 1, 2023:

<u>Asset Class</u>	<u>Target Allocation</u>
U.S. Large Cap	11.03 %
U.S. Large Cap Value	10.09
U.S. Mid-Cap	6.04
U.S. Small Value	2.85
U.S. Micro Cap	2.95
International Large	11.93
International Small	5.94
Emerging Large	4.36
Emerging Small	1.51
U.S. REITS	1.64
International REITS	1.54
Fixed Income (MetLife)	40.00
Cash	0.12
Total	<u>100.00 %</u>

Concentrations

The pension plan held fixed income investments of \$6,544,456 with MetLife representing 5% or more of the pension trust fund's fiduciary net position as of June 30, 2023.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 PENSION PLANS (CONTINUED)

Defined Benefit Plan (Continued)

C. Investments (Continued)

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.53%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Net Pension Liability of the Town

The components of the net pension liability of the Town at June 30, 2023, were as follows:

Total Pension Liability	\$ 23,846,372
Plan Fiduciary Net Position	17,251,837
Net Pension Liability	<u>\$ 6,594,535</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.35%
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Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2022, rolled forward to June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.0%, Average, Including Inflation
Investment Rate of Return	7.10%, Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety, and Teachers), projected to the valuation date with Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on standard tables adjusted for certain Plan features.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 PENSION PLANS (CONTINUED)

Defined Benefit Plan (Continued)

D. Net Pension Liability of the Town (Continued)

Actuarial Assumptions (Continued)

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 returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of the July 1, 2022 valuation (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Large Cap	4.75 %
U.S. Large Cap Value	5.00
U.S. Mid-Cap	5.00
U.S. Small Value	5.50
U.S. Micro Cap	6.25
International Large	6.25
International Small	6.75
Emerging Large	7.00
Emerging Small	7.50
U.S. REITS	4.00
International REITS	4.00
Fixed Income (MetLife)	1.20
Cash	(2.15)

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 PENSION PLANS (CONTINUED)

Defined Benefit Plan (Continued)

D. Net Pension Liability of the Town (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances - June 30, 2022	\$ 22,520,572	\$ 16,126,850	\$ 6,393,722
Changes for the Year:			
Service Cost	614,567	-	614,567
Interest on Total Pension Liability	1,588,607	-	1,588,607
Differences Between Expected and Actual Experience	669,956	-	669,956
Employer Contributions	-	935,296	(935,296)
Member Contributions	-	276,159	(276,159)
Net Investment Income (Loss)	-	1,543,709	(1,543,709)
Benefit Payments, Including Refund to Employee Contributions	(1,547,330)	(1,547,330)	-
Administrative Expenses	-	(82,847)	82,847
Net Changes	<u>1,325,800</u>	<u>1,124,987</u>	<u>200,813</u>
Balances - June 30, 2023	<u>\$ 23,846,372</u>	<u>\$ 17,251,837</u>	<u>\$ 6,594,535</u>

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

The following presents the net pension liability of the Town, calculated using the discount rate of 7.10%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.10%) or one percentage point higher (8.10%) than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
Net Pension Liability	\$ 9,092,744	\$ 6,594,535	\$ 4,513,264

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 PENSION PLANS (CONTINUED)

Defined Benefit Plan (Continued)

E. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2023, the Town recognized pension expense of \$1,596,320. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 1,037,723	\$ 6,662
Changes of Assumptions	475,115	11,408
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	13,959
Total	<u>\$ 1,512,838</u>	<u>\$ 32,029</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 411,635
2025	535
2026	737,320
2027	241,652
2028	89,667
Total	<u>\$ 1,480,809</u>

F. Funding Policy

The Town's funding policy provides for periodic contributions at rates that, when expressed as a percentage of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The contribution rate for normal costs of the Plan was determined using the projected unit credit method. Town employees contribute a percentage of payroll equal to one half of the normal cost, adjusted annually, not to exceed 4%, except for police employees who are required to contribute a rate equal to 7.0% for police of covered payroll. For the year ended June 30, 2023, the Town contributed \$935,296 to the Plan.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension

A. Plan Description

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

B. Benefit Provisions

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

Normal Retirement

Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the three years of highest salary).

Early Retirement

Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

Disability Retirement

Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 PENSION PLANS (CONTINUED)

Connecticut Teachers' Retirement System – Pension (Continued)

C. Contributions

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

Employer (School Districts)

School District employers are not required to make contributions to the plan.

The statutes require the state of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

For the year ended June 30, 2023, the amount of "on-behalf" contributions made by the state was \$4,341,910 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees

Effective July 1, 1992, each teacher is required to contribute 6% of salary for the pension benefit.

Effective January 1, 2018, the required contribution increased to 7% of pensionable salary.

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the state pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's Proportionate Share of the Net Pension Liability	\$	-
State's Proportionate Share of the Net Pension Liability Associated with the Town		55,070,471
Total		\$ 55,070,471

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 PENSION PLANS (CONTINUED)

Connecticut Teachers' Retirement System – Pension (Continued)

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

For the year ended June 30, 2023, the Town recognized pension expense and revenue of \$5,322,623 in Exhibit II.

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	3.0% to 6.5%, Including Inflation
Investment Rate of Return	6.9%, Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2019.

Assumption changes since the prior year are as follows:

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

Benefit changes since the prior year are as follows:

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

Cost-of-Living Allowance

For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 PENSION PLANS (CONTINUED)

Connecticut Teachers' Retirement System – Pension (Continued)

E. Actuarial Assumptions (Continued)

Cost-of-Living Allowance (Continued)

For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retired on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%.

For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

Long-Term Rate of Return

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

<u>Asset Class</u>	<u>Expected Return</u>	<u>Target Allocation</u>
Domestic Equity Fund	5.40 %	20.00 %
Developed Market Intl. Stock Fund	6.40	11.00
Emerging Market Intl. Stock Fund	8.60	9.00
Core Fixed Income Fund	0.80	13.00
Private Credit	6.50	5.00
Emerging Market Debt Fund	3.80	5.00
High Yield Bond Fund	3.40	3.00
Real Estate Fund	5.20	19.00
Private Equity	9.40	10.00
Alternative Investments	3.10	3.00
Liquidity Fund	(0.40)	2.00
Total		<u>100.00 %</u>

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 PENSION PLANS (CONTINUED)

Connecticut Teachers' Retirement System – Pension (Continued)

F. Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that state contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The Town's proportionate share of the net pension liability is \$-0- and, therefore, the change in the discount rate would only impact the amount recorded by the state of Connecticut.

H. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at www.ct.gov.

I. Other Information

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

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS

Other Postemployment Benefits – Town of Coventry

A. Plan Description

The Town, in accordance with various collective bargaining agreements, is committed to providing medical benefits to certain eligible retirees and their spouses, under a single employer plan. The Post-Retirement Medical Program (RMP) covers Town and Board of Education employees. All Town of Coventry employees are eligible to purchase medical insurance. The benefits include individual, two-person, or family coverage under the Blue Cross Health Plan (or equivalent), including hospitalization, surgical, prescriptions, dental, and major medical. Employees who choose to participate must pay the full premium cost. Board of Education employees may also purchase life insurance at the full premium cost. Spouses can continue coverage after the retiree's death.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefits – Town of Coventry (Continued)

A. Plan Description (Continued)

The Town OPEB plan is administered by the Town. The Town does not issue a separate stand-alone financial statement for this program.

Membership in the plan consisted of the following at July 1, 2022:

Inactive Employees Currently Receiving	
Benefit Payments	34
Active Employees	373
Total	407

B. Funding Policy

The Town funding and payment of postemployment benefits are accounted for in the General Fund on a pay-as-you-go basis. The Town has not established a trust fund to irrevocably segregate assets to fund the liability associated with postemployment benefits in accordance with GASB guidelines. The Town is currently developing a funding strategy to provide for normal cost and the amortization of the accrued liability. Although a trust fund may not be established in the future to exclusively control the funding and reporting of postemployment benefits, the Town anticipates a commitment to fund normal cost and a long-term approach to the amortization of the actuarial accrued liability. The goal is to absorb, within the budgetary process, the actual cost of benefits in the determination of the costs of providing services to taxpayers.

The Town’s funding strategy for postemployment obligations are based upon characteristics of benefits on four distinct groups of employees established within their respective collective bargaining units and/or contracts and include the following:

Teachers

- Eligible for Medical, Dental, and Life Coverage if age 50 with 25 years of service or age 55 with 20 years of service or age 60 with 10 years of service.
- Retirees pay full cost of insurance and spouse can continue coverage after retiree’s death.

Police

- Eligible for Medical and Dental Coverage if age 45 and 20 years for sworn Police, and rule of 85 for nonsworn employees.
- Retirees pay full cost of insurance and spouse can continue coverage after retiree’s death.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefits – Town of Coventry (Continued)

B. Funding Policy (Continued)

Town Employees (Non-Police)

- Eligible for Medical and Dental Coverage if age 62 with 10 years of service.
- Retirees pay full cost of insurance and spouse can continue coverage after retiree's death.

Board of Education (Other Than Teachers)

- Eligible for Dental and Life Coverage if age 62 with 10 years of service.
- Retirees pay full cost of insurance and spouse can continue coverage after retiree's death.

C. Total OPEB Liability

The Town's total OPEB liability of \$4,738,162 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022.

D. Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Salary Increases	Graded by service for Teachers and Administrators, 3.00% for all others
Discount Rate	3.65%
Healthcare Cost Trend Rates	6.20% for 2023, decreasing to an ultimate rate of 3.90% in 2074 and beyond Prior - 10.00% for 2020, decreasing to an ultimate rate of 4.10% after 53 years
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees for all except Town Manager, whose benefits will be discounted 2.25% per year of service not to exceed 75% discount

The discount rate was based on the 20-year tax-exempt municipal bond yield.

Mortality rates for Teachers and Administrators were based on Pub-2010 Mortality Table for Employees and Healthy Annuityants with generational projection of future improvements with Scale MP-2021, prior Pub-2010 Mortality Table for Employees and Healthy Annuityants with generational projection of future improvements with Scale MP-2019.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefits – Town of Coventry (Continued)

D. Actuarial Assumptions and Other Inputs

The actuarial assumptions used in the July 1, 2022 valuation were based on the standard tables modified for certain plan features such as eligibility, where applicable and input from the plan sponsor.

E. Changes in the Total OPEB Liability

	Total OPEB Liability
Balance - July 1, 2022	\$ 6,437,133
Changes for the Year:	
Service Cost	256,281
Interest on Total OPEB Liability	233,737
Changes of Benefit Terms	
Difference Between Expected and Actual Experience	(1,539,187)
Changes in Assumptions or Other Inputs	(466,838)
Benefit Payments	(182,964)
Net Changes	(1,698,971)
Balance - June 30, 2023	\$ 4,738,162

As of June 30, 2023, the Town increased the discount rate from 3.54% to 3.65%.

F. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 5,246,668	\$ 4,738,162	\$ 4,293,575

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefits – Town of Coventry (Continued)

G. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 4,172,608	\$ 4,738,162	\$ 5,410,326

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the Town recognized OPEB expense (revenue) of \$(128,763). At June 30, 2023, 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
Differences Between Expected and Actual Experience	\$ 886,326	\$ 2,619,282
Changes of Assumptions or Other Inputs	400,639	3,191,887
Total	\$ 1,286,965	\$ 5,811,169

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

Year Ending June 30,	Amount
2024	\$ (618,781)
2025	(618,781)
2026	(618,781)
2027	(595,805)
2028	(563,739)
Thereafter	(1,508,317)
Total	\$ (4,524,204)

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefit – Connecticut State Teachers Retirement Plan

A. Plan Description

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

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

B. Benefit Provisions

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

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute. A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$440 per month towards coverage under a local school district plan.

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

If a member participating in Medicare Parts A and B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplement Plans. Effective July 1, 2018, the System added a Medicare Advantage Plan option. Active members, retirees, and the state pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018, retired members who cancel their healthcare coverage or elect to not enroll in a CTRB sponsored healthcare coverage option must wait two years to re-enroll.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Other Post Employment Benefit – Connecticut State Teachers’ Retirement Plan
(Continued)**

B. Benefit Provisions (Continued)

Survivor Healthcare Coverage

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

C. Eligibility

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

Credited Service

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

Normal Retirement

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

Early Retirement

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

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Other Post Employment Benefit – Connecticut State Teachers’ Retirement Plan
(Continued)**

D. Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the state of Connecticut are approved, amended, and certified by the State Teachers’ Retirement Board and appropriated by the General Assembly. The state contributions are not currently actuarially funded. The state appropriates from the General Fund one-third of the annual costs of the plan. Administrative costs of the plan are financed by the state. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the state will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (School Districts)

School District employers are not required to make contributions to the plan.

For the year ended June 30, 2023, the amount of “on-behalf” contributions made by the state was \$61,412 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows:

- Active teachers’ pay for one-third of the plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one-third of the plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

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

At June 30, 2023, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the state pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related state support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's Proportionate Share of the Net OPEB Liability	\$	-
State's Proportionate Share of the Net OPEB Liability Associated with the Town		4,822,910
Total		\$ 4,822,910

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Other Post Employment Benefit – Connecticut State Teachers’ Retirement Plan
(Continued)**

**E. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to OPEB (Continued)**

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

For the year ended June 30, 2023, the Town recognized OPEB expense and revenue of \$290,713 in Exhibit II.

F. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Healthcare Costs Trend Rate	Known increases until calendar year 2024 then general trend decreasing to an ultimate rate of 4.50% by 2031
Salary Increases	3.00% to 6.50%, Including Inflation
Investment Rate Of Return	3.53%, Net of OPEB Plan Investment Expense, Including Inflation
Year Fund Net Position Will be Depleted	2027

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019.

The changes in the assumptions since the prior year are as follows:

- Discount rate changed from 2.17% to 3.53%;
- Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;
- The assumed age-related annual percentage increases in expected annual per capita health care claim costs were updated;
- Long-term health care cost trend rates were updated; and

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Other Post Employment Benefit – Connecticut State Teachers’ Retirement Plan
(Continued)**

F. Actuarial Assumptions (Continued)

- The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated to better reflect anticipated plan experience.

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

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

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan’s current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.98%).

G. Discount Rate

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

In addition to the actuarial methods and assumptions of the June 30, 2022 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Annual state contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Other Post Employment Benefit – Connecticut State Teachers’ Retirement Plan
(Continued)**

G. Discount Rate (Continued)

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

H. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate and the Discount Rate

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

I. OPEB Plan Fiduciary Net Position

Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report at www.ct.gov.

J. Other Information

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

NOTE 12 RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. The Town purchases commercial insurance for all risks of loss. There are no significant reductions in insurance coverage from the prior year. The amount of claim settlements has not exceeded insurance coverage for each of the past three years.

A. Dental Insurance Internal Service Fund

The Town’s dental self-insurance fund is used to account for dental insurance coverage for Town employees. The Town examines the coverage on a yearly basis to determine adequate coverage and minimize risk. A schedule of changes in the claims liability for the years ended June 30, 2023 and 2022, is presented below:

	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2021-2022	\$ -	\$ 170,696	\$ 170,696	\$ -
2022-2023	-	174,129	174,129	-

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 RISK MANAGEMENT (CONTINUED)

B. Health Insurance Internal Service Fund

The Coventry Health Insurance Fund (the Fund), which has been recorded as an Internal Service Fund, was established to provide medical and dental health coverage for all eligible Town and Board of Education employees. The Fund is substantially funded by the Town's General Fund based upon estimates for the number of employees and type of coverage (single or family) as well as trends in the costs of coverage and costs of administration. The program's general objectives are to provide the members of the health insurance program with lower costs for coverage and to develop a systematic method to control health costs through wellness initiatives.

The Town and Board of Education participate in the Eastern Connecticut Health Insurance Program. This group consists of five entities, the Towns and Boards of Education of Coventry, Tolland, Plainfield and Putnam and also including EASTCONN, a regional educational service center. This partnership is the first in the state of Connecticut and was formed with a goal to reduce costs through collaboration. A third party administers the plan for which the Fund pays a fee. The Fund has purchased individual stop loss coverage of \$175,000 per claim.

The Town's health self-insurance fund is used to account for medical insurance coverage for Town and Board of Education employees. The Town examines the coverage on a yearly basis to determine adequate coverage and minimize risk. A schedule of changes in the claims liability for the years ended June 30, 2023 and 2022, is presented below.

	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2021-2022	\$ 394,891	\$ 4,442,512	\$ 4,505,358	\$ 332,045
2022-2023	332,045	6,094,170	5,973,429	452,786

NOTE 13 COMMITMENTS AND CONTINGENCIES

The Town is currently a defendant in a number of lawsuits. The outcome and eventual liability to the Town, if any, in these matters is not known at this time. The Town's management, based upon consultation with legal counsel, estimates that potential claims against the Town, not covered by insurance, resulting from such litigation would not materially affect the financial position of the Town.

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditures disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 14 SUBSEQUENT EVENTS

The Town issued \$4,865,000 of General Obligation Bonds, dated August 16, 2023 due through August 15, 2043, with interest rates between 4.00% and 5.00%, for various Town Roads, Bridges, Culverts and Payloader. Additionally, the Town issued \$2,070,000 of General Obligation Bond Anticipation Notes, dated August 16, 2023 and due on August 15, 2024, with interest charged at 4.50%, for the Coventry High School HVAC Replacement project.

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF COVENTRY, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL – BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023
(NON-GAAP BUDGETARY BASIS)**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Property Taxes:				
Current Taxes	\$ 33,139,280	\$ 33,139,280	\$ 33,082,633	\$ (56,647)
Delinquent Taxes	300,000	300,000	406,394	106,394
Interest and Penalties	180,000	180,000	346,132	166,132
Supplemental Motor Vehicles	420,000	420,000	431,958	11,958
Total Property Taxes	<u>34,039,280</u>	<u>34,039,280</u>	<u>34,267,117</u>	<u>227,837</u>
Intergovernmental:				
General Government:				
Disability Exemption	1,600	1,600	1,905	305
Grant in Lieu of Taxes	25,134	25,134	25,134	-
Pequot State Property	13,336	13,336	13,336	-
Veterans Additional Tax Relief	7,200	7,200	5,986	(1,214)
Emergency Management Performance Grant	6,225	6,225	-	(6,225)
Telephone Access Grant	18,400	18,400	17,998	(402)
Youth Services Grant	14,000	14,000	15,092	1,092
Municipal Revenue Sharing	10,533	10,533	255,950	245,417
Lake Management Grant	25,000	25,000	-	(25,000)
Municipal Assistance Grant	113,156	113,156	113,156	-
American Rescue Plan Funding	250,000	250,000	250,000	-
Total General Government	<u>484,584</u>	<u>484,584</u>	<u>698,557</u>	<u>213,973</u>
Education:				
Education Cost Sharing Grant	7,952,911	7,952,911	7,935,627	(17,284)
Adult Education	11,370	11,370	11,615	245
Total Education	<u>7,964,281</u>	<u>7,964,281</u>	<u>7,947,242</u>	<u>(17,039)</u>
Investment Earnings	20,000	20,000	204,019	184,019
Local Revenues:				
Housing Authority PILOT	40,000	40,000	32,961	(7,039)
Finance:				
Insurance Reimbursement and Claims	20,000	20,000	36,695	16,695
Conveyance Tax	170,000	170,000	169,440	(560)
Preschool Administration	1,000	1,000	1,439	439
Town Clerk:				
Office Receipts	120,000	120,000	80,212	(39,788)
Assessor:				
Copy Charges	300	300	287	(13)

**TOWN OF COVENTRY, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL – BUDGETARY BASIS (CONTINUED)
YEAR ENDED JUNE 30, 2023
(NON-GAAP BUDGETARY BASIS)**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Local Revenues (Continued):				
Development/Planning:				
Zoning Permits	\$ 9,000	\$ 9,000	\$ 14,200	\$ 5,200
Planning and Zoning	-	-	(4,346)	(4,346)
Zoning Board of Appeals	-	-	(340)	(340)
Inland Wetlands	-	-	2,170	2,170
Regulations and Maps	500	500	223	(277)
Permits	100	100	(1,882)	(1,982)
Building Department:				
Building Permits	220,000	220,000	344,548	124,548
Fire Inspection	1,500	1,500	1,050	(450)
Police Services:				
Warden Receipts	300	300	291	(9)
Dog License	8,500	8,500	10,359	1,859
Fingerprinting	2,000	2,000	2,563	563
Local Parking Fines	300	300	124	(176)
Permits	7,500	7,500	8,075	575
Other	1,000	1,000	813	(187)
Municipal Surcharge	1,800	1,800	1,100	(700)
Miscellaneous:				
Miscellaneous Unanticipated	-	-	6,682	6,682
Rents	32,000	32,000	32,510	510
Total Local Revenues	635,800	635,800	739,174	103,374
Total Revenues	43,143,945	43,143,945	43,856,109	712,164
OTHER FINANCING SOURCES				
Transfers In:				
Use of Fund Balance	175,000	583,774	-	(583,774)
Cancellation of Prior Year Encumbrances	-	-	61,714	61,714
Sewer Assessment Fund	375,000	375,000	375,000	-
Police Special Services	10,000	10,000	10,000	-
Total Other Financing Sources	560,000	968,774	446,714	(522,060)
Total Revenues and Other Financing Sources	\$ 43,703,945	\$ 44,112,719	44,302,823	\$ 190,104

Budgetary revenues are different from GAAP revenues because:

Cancellation of prior year encumbrances are recognized as budgetary revenue	(61,714)
The town budgets certain grants directly against expenditure accounts	313,390
The town budgets for certain transfers net	120,000
State OPEB On-Behalf Payments	61,412
State Pension On-Behalf Payments	4,341,910
	4,874,000

Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Exhibit IV

\$ 49,077,821

**TOWN OF COVENTRY, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL – BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023
(NON-GAAP BUDGETARY BASIS)**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
General Government:				
Town Council	\$ 39,217	\$ 43,372	\$ 43,371	\$ 1
Town Manager	245,884	263,884	261,619	2,265
Finance Administration	143,620	150,245	145,178	5,067
Accounting	142,400	145,100	140,408	4,692
Tax Collector	121,500	118,226	118,225	1
Assessor	160,726	158,826	157,425	1,401
Assessment Appeals	800	800	168	632
Treasurer	27,950	27,825	26,574	1,251
Information Technology	248,710	253,210	252,410	800
Planning	162,850	171,310	171,307	3
Zoning Board of Appeals	23,030	14,020	13,539	481
Conservation	1,835	1,845	1,845	-
Economic Development	20,046	21,776	21,372	404
Inland Wetlands	112,630	111,880	111,872	8
Planning and Zoning Commission	1,075	1,075	363	712
Legal Counsel	90,000	76,039	68,907	7,132
Probate Court	8,810	8,810	8,809	1
Recording/Licensing	178,660	178,660	173,645	5,015
Elections	74,270	74,270	70,410	3,860
Town Office Building	94,900	88,640	81,339	7,301
Central Services	45,050	45,050	43,770	1,280
Total General Government	<u>1,943,963</u>	<u>1,954,863</u>	<u>1,912,556</u>	<u>42,307</u>
Public Safety:				
Police Administration	321,760	332,460	325,093	7,367
Police Operations	1,333,200	1,320,085	1,319,012	1,073
Police Supportive Services	368,180	370,090	370,080	10
Police Marine Patrol	5,500	5,500	3,460	2,040
Police Station	73,220	71,060	71,051	9
Fire Marshal	20,500	16,575	16,021	554
Coventry Volunteer Fire Association	38,335	38,695	34,815	3,880
North Coventry Volunteer Fire Department	37,020	41,470	39,886	1,584
N. Coventry Substation	6,540	5,890	4,020	1,870
Joint Fire Budget	354,760	357,680	344,143	13,537
CVFA South Street Substation	15,280	12,580	10,453	2,127
Civil Emergency Preparedness	31,200	30,745	28,414	2,331
Animal Control	78,575	78,940	78,938	2
Total Public Safety	<u>2,684,070</u>	<u>2,681,770</u>	<u>2,645,386</u>	<u>36,384</u>
Public Works:				
Roads and Drainage	660,915	608,315	598,821	9,494
Public Works Building	80,760	89,770	89,770	-
Snow Removal	298,350	265,870	247,099	18,771
Facilities Maintenance	380,855	441,825	441,415	410
Public Works Administration	254,685	254,685	249,506	5,179
Fleet Maintenance	501,946	508,146	497,137	11,009
Street Lights	47,000	47,000	45,560	1,440
Cemetery Commission	25,082	32,932	32,914	18
Tree Warden	78,250	123,950	123,920	30
Facilities - Other	4,300	4,300	2,792	1,508
Engineering	94,665	107,665	92,729	14,936
Building Inspection	159,525	157,775	153,438	4,337
Building Code	45	45	45	-
Health Department	71,595	71,595	69,573	2,022
Total Public Works	<u>2,657,973</u>	<u>2,713,873</u>	<u>2,644,719</u>	<u>69,154</u>

**TOWN OF COVENTRY, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL – BUDGETARY BASIS (CONTINUED)
YEAR ENDED JUNE 30, 2023
(NON-GAAP BUDGETARY BASIS)**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Human Services:				
Visiting Nurses	\$ 500	\$ 500	\$ -	\$ 500
Human Services/General Administration	195,386	198,886	198,134	752
Elderly Services	136,300	123,800	119,156	4,644
Total Human Services	<u>332,186</u>	<u>323,186</u>	<u>317,290</u>	<u>5,896</u>
Culture and Recreation:				
Booth/Dimock Library	544,125	544,125	544,125	-
Parks and Recreation, Supervision	78,900	83,900	83,293	607
Memorial Day	3,675	3,675	2,323	1,352
Total Culture and Recreation	<u>626,700</u>	<u>631,700</u>	<u>629,741</u>	<u>1,959</u>
Insurance and Sundry:				
Municipal Insurance	359,220	356,720	355,389	1,331
Pension/Social Security	1,095,180	1,095,180	1,069,783	25,397
Health Insurance	1,165,200	1,185,090	1,132,996	52,094
Contingency	15,000	24,880	24,873	7
Claims and Losses	25,000	101,004	100,997	7
Total Insurance and Sundry	<u>2,659,600</u>	<u>2,762,874</u>	<u>2,684,038</u>	<u>78,836</u>
Education	28,712,461	28,712,461	28,712,084	377
Capital Outlay	708,500	858,500	858,500	-
Debt Service	2,932,192	2,932,192	2,932,164	28
Total Budgetary Expenditures	<u>43,257,645</u>	<u>43,571,419</u>	<u>43,336,478</u>	<u>234,941</u>
OTHER FINANCING USES				
Transfers Out:				
Matching Funds	2,500	2,500	2,500	-
Parks and Recreation Fund	66,300	66,300	66,300	-
Land Acquisition Fund	15,000	15,000	15,000	-
Capital and Nonrecurring Fund	-	95,000	95,000	-
Ambulance Fund Transfer	362,500	362,500	362,500	-
Total Other Financing Uses	<u>446,300</u>	<u>541,300</u>	<u>541,300</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 43,703,945</u>	<u>\$ 44,112,719</u>	<u>43,877,778</u>	<u>\$ 234,941</u>

Budgetary expenditures are different from GAAP expenditures because:

Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes	132,586
Reserve for matching fund expenditures and transfers, net	(804)
Sick and severance fund expenditures and transfers, net	(3,083)
Excess cost grants are netted for budgetary reporting	313,390
The town budgets for certain transfers net	120,000
State OPEB On-Behalf Payments	61,412
State Pension On-Behalf Payments	<u>4,341,910</u>

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV

\$ 48,843,189

TOWN OF COVENTRY, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:										
Service Cost	\$ 614,567	\$ 605,291	\$ 574,628	\$ 558,327	\$ 588,285	\$ 565,374	\$ 553,015	\$ 509,257	\$ 494,424	\$ 472,429
Interest	1,588,607	1,546,108	1,528,934	1,472,095	1,384,667	1,279,723	1,232,383	1,112,799	1,073,988	1,035,694
Differences Between Expected and Actual Experience	669,956	584,612	83,691	(18,778)	322,672	252,167	(98,117)	453,936	(144,868)	-
Changes of Assumptions	-	85,354	571,770	203,314	(68,458)	275,569	(45,764)	129,540	-	-
Benefit Payments, Including Refunds of Member Contributions	(1,547,330)	(2,007,134)	(1,697,017)	(1,257,720)	(813,323)	(1,173,150)	(877,530)	(440,070)	(1,409,674)	(618,211)
Net Change in Total Pension Liability	1,325,800	814,231	1,062,006	957,238	1,413,843	1,199,683	763,987	1,765,462	13,870	889,912
Total Pension Liability - Beginning	22,520,572	21,706,341	20,644,335	19,687,097	18,273,254	17,073,571	16,309,584	14,544,122	14,530,252	13,640,340
Total Pension Liability - Ending	23,846,372	22,520,572	21,706,341	20,644,335	19,687,097	18,273,254	17,073,571	16,309,584	14,544,122	14,530,252
Plan Fiduciary Net Position:										
Contributions - Employer	935,296	892,800	724,037	678,722	631,502	568,278	617,847	565,362	673,765	1,097,988
Contributions - Member	276,159	276,045	262,001	259,747	261,267	249,086	270,830	245,912	239,053	221,335
Net Investment Income (Loss)	1,543,709	(1,161,070)	4,836,891	(712,930)	(29,739)	1,008,061	1,712,604	(47,620)	159,678	1,768,049
Benefit Payments, Including Refunds of Member Contributions	(1,547,330)	(2,007,134)	(1,697,017)	(1,257,720)	(813,323)	(1,173,150)	(877,530)	(440,070)	(1,409,674)	(618,211)
Administrative Expense	(82,847)	(87,368)	(92,107)	(41,282)	(26,410)	(16,843)	(23,173)	(36,641)	(28,694)	(34,485)
Net Change in Plan Fiduciary Net Position	1,124,987	(2,086,727)	4,033,805	(1,073,463)	23,297	635,432	1,700,578	286,943	(365,872)	2,434,676
Plan Fiduciary Net Position - Beginning	16,126,850	18,213,577	14,179,772	15,253,235	15,229,938	14,594,506	12,893,928	12,606,985	12,972,857	10,538,181
Plan Fiduciary Net Position - Ending	17,251,837	16,126,850	18,213,577	14,179,772	15,253,235	15,229,938	14,594,506	12,893,928	12,606,985	12,972,857
Net Pension Liability - Ending	\$ 6,594,535	\$ 6,393,722	\$ 3,492,764	\$ 6,464,563	\$ 4,433,862	\$ 3,043,316	\$ 2,479,065	\$ 3,415,656	\$ 1,937,137	\$ 1,557,395
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.35%	71.61%	83.91%	68.69%	77.48%	83.35%	85.48%	79.06%	86.68%	89.28%
Covered Payroll	\$ 7,243,714	\$ 7,343,619	\$ 7,296,574	\$ 7,426,436	\$ 6,878,308	\$ 6,819,574	\$ 6,536,271	\$ 6,317,675	\$ 5,828,844	\$ 5,849,479
Net Pension Liability as a Percentage of Covered Payroll	91.04%	87.07%	47.87%	87.05%	64.46%	44.63%	37.93%	54.07%	33.23%	26.62%

*Note: This schedule is intended to show information for 10 years. Additional year's information will be displayed as it becomes available.

**TOWN OF COVENTRY, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 935,296	\$ 724,037	\$ 724,037	\$ 678,722	\$ 631,502	\$ 568,278	\$ 617,847	\$ 566,352	\$ 673,765	\$ 728,299
Contributions in Relation to the Actuarially Determined Contribution	935,296	892,800	724,037	678,722	631,502	568,278	617,847	566,352	673,765	1,097,988
Contribution Deficiency (Excess)	\$ -	\$ 168,763	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 369,689
Covered Payroll	\$ 7,243,714	\$ 7,343,619	\$ 7,296,574	\$ 7,426,436	\$ 6,878,308	\$ 6,819,574	\$ 6,536,271	\$ 6,317,675	\$ 5,828,844	\$ 5,849,479
Contributions as a Percentage of Covered Payroll	12.91%	12.16%	9.92%	9.14%	9.18%	8.33%	9.45%	8.96%	11.56%	18.77%

Notes to Schedule:

Valuation Date: July 1, 2022

Measurement Date: June 30, 2023

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine

Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Salary - Open
Remaining Amortization Period	15 Years
Asset Valuation Method	Asset Gains and Losses are Recognized Over a Four-year Period at 25% Per Year.
Inflation	2.40%
Salary Increases	3.00%
Investment Rate of Return	Pre-Retirement 7.10% Per Year, Post-Retirement 6.90%, Prior Pre-Retirement 7.25% Per Year, Post-Retirement 6.90%
Retirement Age	Police Sworn: 45/20 Non-Uniformed Police: Rule of 85 Non-Police Bargaining Unit Employees: 10% at 60, increasing to 100% at 65 Nonbargaining Unit Employees: 62/5

Mortality Current: Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), Projected to the valuation date with Scale MP-2021
Prior: Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), Projected to the valuation date with Scale MP-2020

**TOWN OF COVENTRY, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
LAST TEN FISCAL YEARS***

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expense	9.53%	-6.39%	35.31%	-4.67%	-0.19%	6.81%	13.15%	-0.37%	1.25%	15.71%

*Note: This schedule is intended to show information for 10 years. Additional year's information will be displayed as it becomes available.

**TOWN OF COVENTRY, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' RETIREMENT PLAN
LAST NINE FISCAL YEARS***

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated With the Town	55,070,471	46,168,424	58,292,841	54,264,077	41,840,756	41,168,926	43,433,532	34,183,863	31,555,211
Total	\$ 55,070,471	\$ 46,168,424	\$ 58,292,841	\$ 54,264,077	\$ 41,840,756	\$ 41,168,926	\$ 43,433,532	\$ 34,183,863	\$ 31,555,211
Town's Covered Payroll	\$ 14,621,064	\$ 14,388,599	\$ 13,922,583	\$ 13,445,593	\$ 13,396,480	\$ 13,040,396	\$ 12,962,869	\$ 12,733,792	\$ 12,100,327
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

Notes to Schedule:

Changes in Benefit Terms	Legislation was passed restoring the 25% wear down of Plan N benefits to vested members as of June 30, 2019.
Changes of Assumptions	None
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Pay, Closed, Grading to a Level Dollar Amortization Method for the June 30, 2024 Valuation
Single Equivalent Amortization Period	27.8 years
Asset Valuation Method	4-Year Smoothed Market
Inflation	2.50%
Salary Increase	3.00%-6.50%, including inflation
Investment Rate of Return	6.90%, Net of Investment-Related Expense

Notes:

- This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.
- The measurement date is one year earlier than the employer's reporting date.

TOWN OF COVENTRY, CONNECTICUT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST SIX FISCAL YEARS*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability:						
Service Cost	\$ 256,281	\$ 281,855	\$ 569,867	\$ 353,250	\$ 315,871	\$ 421,300
Interest	233,737	161,248	186,042	257,475	346,872	317,034
Changes of Benefit Terms						
Differences Between Expected and Actual Experience	(1,539,187)	-	1,236,192	-	(2,467,530)	-
Changes of Assumptions and Other Inputs	(466,838)	(1,088,649)	(2,473,533)	418,937	343,445	(360,004)
Benefit Payments	(182,964)	(200,288)	(166,900)	(201,345)	(164,264)	(166,825)
Net Change in Total OPEB Liability	<u>(1,698,971)</u>	<u>(845,834)</u>	<u>(648,332)</u>	<u>828,317</u>	<u>(1,625,606)</u>	<u>211,505</u>
Total OPEB Liability - Beginning	<u>6,437,133</u>	<u>7,282,967</u>	<u>7,931,299</u>	<u>7,102,982</u>	<u>8,728,588</u>	<u>8,517,083</u>
Total OPEB Liability - Ending	<u>\$ 4,738,162</u>	<u>\$ 6,437,133</u>	<u>\$ 7,282,967</u>	<u>\$ 7,931,299</u>	<u>\$ 7,102,982</u>	<u>\$ 8,728,588</u>
Covered Employee Payroll	\$ 25,363,848	\$ 21,073,024	\$ 21,073,024	\$ 21,659,935	\$ 21,659,935	\$ 20,377,472
Total OPEB Liability as a Percentage of Covered-Employee Payroll	18.68%	30.55%	34.56%	36.62%	32.79%	42.83%

* This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

**TOWN OF COVENTRY, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHERS' RETIREMENT PLAN
LAST SIX FISCAL YEARS***

	2023	2022	2021	2020	2019	2018
Town's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Town	4,822,910	5,029,965	8,694,379	8,462,788	8,364,261	10,596,428
Total	<u>\$ 4,822,910</u>	<u>\$ 5,029,965</u>	<u>\$ 8,694,379</u>	<u>\$ 8,462,788</u>	<u>\$ 8,364,261</u>	<u>\$ 10,596,428</u>
Town's Covered Payroll	\$ 14,621,064	\$ 14,388,599	\$ 13,922,583	\$ 13,445,593	\$ 13,396,480	\$ 13,040,396
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	9.46%	6.11%	2.50%	2.08%	1.49%	2.50%

Notes to Schedule:

Changes in Benefit Terms
Changes of Assumptions

There was a change in the maximum monthly subsidy amounts offered to retirees and their dependents from \$110/\$220 to \$220/\$440. Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of Jur Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience; The assumed age-related annual percentage increases in expected annual per capita health care claims costs were updated; Long-term health care cost trend rates were updated; and The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan option

Actuarial Cost Method
Amortization Method
Remaining Amortization Period
Asset Valuation Method
Investment Rate of Return
Price Inflation

Entry Age
Level Percent of Payroll Over an Open Period
30 Years
Market Value of Assets
3.00%, Net of Investment Related Expense, Including Price Inflation
2.50%

Notes:

- This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.
- The measurement date is one year earlier than the employer's reporting date.

SUPPLEMENTAL, COMBINING, AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund budget is legally adopted at the Annual Town Meeting. The General Fund utilizes the modified accrual basis of accounting.

**TOWN OF COVENTRY, CONNECTICUT
COMPARATIVE BALANCE SHEETS
GENERAL FUND
JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Cash Equivalents	\$ 2,660,085	\$ 1,996,561
Investments	4,157,000	4,125,361
Property Taxes Receivable (Net of Allowance of \$262,929 in 2023 and \$268,907 in 2022)	721,360	780,506
Grants Receivable	13,027	20,175
Accounts Receivable	68,640	75,539
Due from Other Funds	394,000	839,233
Prepaid Items	<u>194,172</u>	<u>192,457</u>
Total Assets	<u>\$ 8,208,284</u>	<u>\$ 8,029,832</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 805,635	\$ 820,629
Unearned Revenue	<u>106,112</u>	<u>35,208</u>
Total Liabilities	911,747	855,837
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Property Taxes	<u>581,408</u>	<u>693,498</u>
FUND BALANCE		
Nonspendable	194,172	192,457
Restricted	11,407	11,407
Committed	49,275	46,192
Assigned	335,199	531,953
Unassigned	<u>6,125,076</u>	<u>5,698,488</u>
Total Fund Balance	<u>6,715,129</u>	<u>6,480,497</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 8,208,284</u>	<u>\$ 8,029,832</u>

**TOWN OF COVENTRY, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED, AND OUTSTANDING
GENERAL FUND
YEAR ENDED JUNE 30, 2023**

Grand List	Uncollected Taxes	Lawful Corrections		Transfers to	Adjusted Taxes	Collections				Uncollected Taxes
	July 1, 2022	Additions	Deductions	Suspense	Collectible	Taxes	Interest	Liens	Total	June 30, 2023
2021	\$ 33,922,631	\$ 145,860	\$ 121,056	\$ -	\$ 33,947,435	\$ 33,509,357	\$ 112,544	\$ 994	\$ 33,622,895	\$ 438,078
2020	382,376	14,036	5,134	-	391,278	253,297	54,763	1,290	309,350	137,981
2019	141,567	184	303	42,869	98,579	82,806	30,597	860	114,263	15,773
2018	29,765	-	97	-	29,668	14,527	8,505	222	23,254	15,141
2017	17,045	-	97	-	16,948	4,530	3,888	72	8,490	12,418
2016	14,988	-	96	-	14,892	4,502	4,692	48	9,242	10,390
2015	16,349	-	-	-	16,349	4,390	5,269	48	9,707	11,959
2014	10,609	-	-	-	10,609	4,233	5,844	48	10,125	6,376
2013	10,634	-	-	-	10,634	4,220	6,584	48	10,852	6,414
2012	10,386	-	-	-	10,386	4,141	7,207	48	11,396	6,245
2011	8,296	-	-	-	8,296	3,989	7,660	48	11,697	4,307
2010	12,699	-	-	-	12,699	3,989	8,379	48	12,416	8,710
2009	9,793	-	-	-	9,793	4,003	9,128	48	13,179	5,790
2008	8,803	-	-	-	8,803	4,428	10,895	48	15,371	4,375
2007	8,623	-	-	-	8,623	4,358	11,508	48	15,914	4,265
Total	\$ 34,604,564	\$ 160,080	\$ 126,783	\$ 42,869	\$ 34,594,992	\$ 33,906,770	\$ 287,463	\$ 3,918	\$ 34,198,151	\$ 688,222

Property Taxes Receivable Considered Available:

June 30, 2022	\$ (87,030)
June 30, 2023	136,544

Total Property Tax Revenue

\$ 34,247,665

Note: Beginning with the Grand list of 2005, the Town has begun recording overcollections as a liability.

NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes. The Special Revenue Funds utilize the modified accrual basis of accounting. The nature and purpose of each Special Revenue Fund is as follows:

Fund	Funding Source	Function
Town Aid Road	State Grant	Construction/Maintenance of Public Roads
Cemetery Commission	Sale of Lots	Maintenance and Improvements
School Lunch	Charges for Services/Facility Rental	School Food Service Program
Special Education Grants	State and Federal Grants	Educational Purposes
Food Bank	Donations	Assistance to those in Need
Tri-Centennial	Donations	Community Tri-Centennial Celebration
Highway Funds	Various Sources	Miscellaneous Public Works Improvements
Youth Services	State and Federal Grants	Drug and Alcohol Abuse Prevention
Police Special Services	Charges for Services	Police Traffic Control
Narcotics Forfeiture	Drug Enforcement Activity	Drug Enforcement and Education
LOCIP	State Grant	Capital Project Expenditures
COVRRRA	Charges for Services	Solid Waste Collection/Disposal
Recreation	Charges for Services	Recreational Leisure Programs
Sewer Operating	Charges for Services	Sewer System Operations
Special Police	Donations	Coventry Police and/or Survivors
Historic Preservation	State Grant	Document Preservation
Education User Fees	Charges for Services	Fees for Use of Buildings
EMS Services	Charges for Services	Ambulance / EMS / Fire Service
Preschool	Charges for Services	Preschool Program
Education Tuition	Charges for Services	Tuition and Fee Payments from Nonresident Students
Coventry Farmers Market	Charges for Services / Donations	Weekend Farmers Market June – October
Senior Center Donations	Donations	Senior Citizens Activities and Assistance
Student Activities	Charges for Services/Donations	Promote Educational and Student Activities
CT Countryside	Various Sources (grants/local revenues)	Economic Initiative/Development

Capital Projects Fund

The Capital Projects fund is used to account for the financial resources for the acquisition or construction of major capital facilities.

Fund	Funding Source	Function
Land Acquisition	Donations	Purchase of Land for Open Space

Permanent Fund

The permanent fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Fund	Funding Source	Function
Loyzim Memorial and Scholarship	Trust and Investment Income	Scholarships to Coventry High School Seniors
Cemetery Trust	Trust and Investment Income	Perpetual Care

**TOWN OF COVENTRY, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023**

	Special Revenue Funds						
	Town Aid Road	Cemetery Commission	School Lunch	Special Education Grants	Food Bank	Tri- Centennial	Highway Funds
ASSETS							
Cash and Cash Equivalents	\$ 178,321	\$ 51,401	\$ 588,681	\$ 60,387	\$ 194,867	\$ 30,508	\$ 106,964
Investments	-	-	-	-	-	-	-
Receivables:							
Grants and Contracts Receivable	-	-	173,112	66,563	-	-	-
Lease Receivable	-	-	-	-	-	-	-
Accounts Receivable	-	-	3,689	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-
Inventories	-	-	36,750	-	-	-	-
Total Assets	\$ 178,321	\$ 51,401	\$ 802,232	\$ 126,950	\$ 194,867	\$ 30,508	\$ 106,964
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 20,372	\$ 1,435	\$ 122,340	\$ 24,958	\$ 581	\$ -	\$ 10,195
Accrued Payroll	-	-	-	24,426	-	-	-
Due to Other Funds	-	-	-	-	-	-	-
Unearned Revenue	-	-	27,815	75,034	-	-	866
Total Liabilities	20,372	1,435	150,155	124,418	581	-	11,061
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Sewer Receivable	-	-	-	-	-	-	-
Unavailable Revenue - COVRRRA Receivable	-	-	-	-	-	-	-
Lease Receivable	-	-	-	-	-	-	-
Unavailable Revenue - Other Receivables	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
FUND BALANCES							
Nonspendable	-	-	36,750	-	-	-	-
Restricted	157,949	49,966	-	2,532	194,286	30,508	-
Committed	-	-	615,327	-	-	-	95,903
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	157,949	49,966	652,077	2,532	194,286	30,508	95,903
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 178,321	\$ 51,401	\$ 802,232	\$ 126,950	\$ 194,867	\$ 30,508	\$ 106,964

**TOWN OF COVENTRY, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2023**

	Special Revenue Funds						
	Youth Services	Police Special Services	Narcotics Forfeiture	LOCIP	COVRRRA	Recreation	Sewer Operating
ASSETS							
Cash and Cash Equivalents	\$ 2,725	\$ 12,443	\$ 6,870	\$ -	\$ -	\$ 189,749	\$ 767,641
Investments	-	-	-	-	-	-	-
Receivables:							
Grants and Contracts Receivable	-	-	-	-	-	-	-
Lease Receivable	-	-	-	-	-	8,421	-
Accounts Receivable	-	7,169	-	53,130	84,469	16,051	40,962
Due from Other Funds	-	-	-	-	-	148,427	-
Other Assets	-	-	-	-	-	690	2,600
Inventories	-	-	-	-	-	-	-
Total Assets	\$ 2,725	\$ 19,612	\$ 6,870	\$ 53,130	\$ 84,469	\$ 363,338	\$ 811,203
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ -	\$ 20,000	\$ 139,228	\$ 29,073	\$ 37,810
Accrued Payroll	-	-	-	-	2,012	40,615	4,209
Due to Other Funds	-	-	-	33,130	107,319	-	-
Unearned Revenue	-	-	-	-	-	90,998	-
Total Liabilities	-	-	-	53,130	248,559	160,686	42,019
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Sewer Receivable	-	-	-	-	-	-	40,762
Unavailable Revenue - COVRRRA Receivable	-	-	-	-	100,783	-	-
Lease Receivable	-	-	-	-	-	8,421	-
Unavailable Revenue - Other Receivables	-	7,169	-	-	-	-	-
Total Deferred Inflows of Resources	-	7,169	-	-	100,783	8,421	40,762
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	2,725	-	6,870	-	-	-	-
Committed	-	12,443	-	-	-	194,231	728,422
Unassigned	-	-	-	-	(264,873)	-	-
Total Fund Balances	2,725	12,443	6,870	-	(264,873)	194,231	728,422
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,725	\$ 19,612	\$ 6,870	\$ 53,130	\$ 84,469	\$ 363,338	\$ 811,203

**TOWN OF COVENTRY, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2023**

	Special Revenue Funds						
	Historic Preservation	Education User Fees	EMS Services	Preschool	Education Tuition	Coventry Farmers Market	Senior Center Donations
ASSETS							
Cash and Cash Equivalents	\$ 39,786	\$ 41,133	\$ 22,137	\$ 831,071	\$ 154,700	\$ 86,635	\$ 92,816
Investments	-	-	-	-	-	-	-
Receivables:							
Grants and Contracts Receivable	-	-	-	-	-	-	-
Lease Receivable	-	-	-	-	-	-	-
Accounts Receivable	93	4,369	391,840	6,500	-	-	-
Due from Other Funds	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total Assets	\$ 39,879	\$ 45,502	\$ 413,977	\$ 837,571	\$ 154,700	\$ 86,635	\$ 92,816
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ -	\$ 2,257	\$ 23,395	\$ 2,209	\$ -	\$ 6,447	\$ 2,620
Accrued Payroll	-	-	892	3,978	-	2,066	-
Due to Other Funds	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	16,800	-	-	-
Total Liabilities	-	2,257	24,287	22,987	-	8,513	2,620
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Sewer Receivable	-	-	-	-	-	-	-
Unavailable Revenue - COVRRRA Receivable	-	-	-	-	-	-	-
Lease Receivable	-	-	-	-	-	-	-
Unavailable Revenue - Other Receivables	-	-	331,184	-	-	-	-
Total Deferred Inflows of Resources	-	-	331,184	-	-	-	-
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	39,879	43,245	4,525	-	-	-	90,196
Committed	-	-	53,981	814,584	154,700	78,122	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	39,879	43,245	58,506	814,584	154,700	78,122	90,196
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 39,879	\$ 45,502	\$ 413,977	\$ 837,571	\$ 154,700	\$ 86,635	\$ 92,816

**TOWN OF COVENTRY, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2023**

	Special Revenue		Capital Projects	Permanent Funds		Interfund Elimination	Total Nonmajor Governmental Funds
	Student Activities	CT Countryside	Land Acquisition	Loyzım Memorial and Scholarship	Cemetery Trust		
ASSETS							
Cash and Cash Equivalents	\$ 245,339	\$ -	\$ 16,737	\$ 1,053	\$ 21,181	\$ -	\$ 3,743,145
Investments	-	-	-	4,964	-	-	4,964
Receivables:							
Grants and Contracts Receivable	-	8,000	-	-	-	-	247,675
Lease Receivable	-	-	-	-	-	-	8,421
Accounts Receivable	-	-	-	-	-	-	608,272
Due from Other Funds	-	-	-	-	-	(148,427)	-
Other Assets	-	-	-	-	-	-	3,290
Inventories	-	-	-	-	-	-	36,750
Total Assets	\$ 245,339	\$ 8,000	\$ 16,737	\$ 6,017	\$ 21,181	\$ (148,427)	\$ 4,652,517
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 442,920
Accrued Payroll	-	-	-	-	-	-	78,198
Due to Other Funds	-	7,978	-	-	-	(148,427)	-
Unearned Revenue	-	-	-	-	-	-	211,513
Total Liabilities	-	7,978	-	-	-	(148,427)	732,631
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Sewer Receivable	-	-	-	-	-	-	40,762
Unavailable Revenue - COVRRRA Receivable	-	-	-	-	-	-	100,783
Lease Receivable	-	-	-	-	-	-	8,421
Unavailable Revenue - Other Receivables	-	-	-	-	-	-	338,353
Total Deferred Inflows of Resources	-	-	-	-	-	-	488,319
FUND BALANCES							
Nonspendable	-	-	-	1,524	12,071	-	50,345
Restricted	245,339	-	-	4,493	9,110	-	881,623
Committed	-	22	16,737	-	-	-	2,764,472
Unassigned	-	-	-	-	-	-	(264,873)
Total Fund Balances	245,339	22	16,737	6,017	21,181	-	3,431,567
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 245,339	\$ 8,000	\$ 16,737	\$ 6,017	\$ 21,181	\$ (148,427)	\$ 4,652,517

**TOWN OF COVENTRY, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds						
	Town Aid Road	Cemetery Commission	School Lunch	Special Education Grants	Food Bank	Tri- Centennial	Highway Funds
REVENUES							
Intergovernmental	\$ 284,715	\$ -	\$ 989,430	\$ 1,232,053	\$ -	\$ -	\$ -
Charges for Services	-	5,300	222,649	-	-	-	49,105
Investments Earnings	-	630	6,129	-	2,002	347	4,479
Miscellaneous	-	-	-	-	61,668	-	-
Total Revenues	<u>284,715</u>	<u>5,930</u>	<u>1,218,208</u>	<u>1,232,053</u>	<u>63,670</u>	<u>347</u>	<u>53,584</u>
EXPENDITURES							
Current:							
General Government	-	1,435	-	-	-	-	-
Public Safety	-	-	-	-	-	-	2,960
Public Works	400,385	5,500	-	-	-	-	79,268
Human Services	-	-	-	-	5,405	-	-
Culture and Recreation	-	-	-	-	-	-	-
Education	-	-	1,153,388	1,232,055	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	<u>400,385</u>	<u>6,935</u>	<u>1,153,388</u>	<u>1,232,055</u>	<u>5,405</u>	<u>-</u>	<u>82,228</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(115,670)	(1,005)	64,820	(2)	58,265	347	(28,644)
OTHER FINANCING SOURCES (USES)							
Transfer In	-	-	-	-	-	500	-
Transfer Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	(115,670)	(1,005)	64,820	(2)	58,265	847	(28,644)
Fund Balances - Beginning of Year	<u>273,619</u>	<u>50,971</u>	<u>587,257</u>	<u>2,534</u>	<u>136,021</u>	<u>29,661</u>	<u>124,547</u>
FUND BALANCES - END OF YEAR	<u>\$ 157,949</u>	<u>\$ 49,966</u>	<u>\$ 652,077</u>	<u>\$ 2,532</u>	<u>\$ 194,286</u>	<u>\$ 30,508</u>	<u>\$ 95,903</u>

**TOWN OF COVENTRY, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds						
	Youth Services	Police Special Services	Narcotics Forfeiture	LOCIP	COVRRRA	Recreation	
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ 94,598	\$ -	\$ -	\$ -
Charges for Services	-	54,479	-	-	1,268,229	463,240	529,271
Investments Earnings	-	209	-	-	3,203	3,317	10,485
Miscellaneous	-	-	-	-	-	1,215	-
Total Revenues	<u>-</u>	<u>54,688</u>	<u>-</u>	<u>94,598</u>	<u>1,271,432</u>	<u>467,772</u>	<u>539,756</u>
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	-	39,756	-	10,000	-	-	-
Public Works	-	-	-	17,858	1,594,100	-	466,413
Human Services	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	66,740	-	456,466	-
Education	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	73,697
Total Expenditures	<u>-</u>	<u>39,756</u>	<u>-</u>	<u>94,598</u>	<u>1,594,100</u>	<u>456,466</u>	<u>540,110</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	14,932	-	-	(322,668)	11,306	(354)
OTHER FINANCING SOURCES (USES)							
Transfer In	-	-	-	-	-	66,300	-
Transfer Out	-	(10,000)	-	-	-	-	(75,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,300</u>	<u>(75,000)</u>
NET CHANGES IN FUND BALANCES	-	4,932	-	-	(322,668)	77,606	(75,354)
Fund Balances - Beginning of Year	2,725	7,511	6,870	-	57,795	116,625	803,776
FUND BALANCES - END OF YEAR	<u>\$ 2,725</u>	<u>\$ 12,443</u>	<u>\$ 6,870</u>	<u>\$ -</u>	<u>\$ (264,873)</u>	<u>\$ 194,231</u>	<u>\$ 728,422</u>

**TOWN OF COVENTRY, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds						
	Historic Preservation	Education User Fees	EMS Services	Preschool	Education Tuition	Coventry Farmers Market	Senior Center Donations
REVENUES							
Intergovernmental	\$ -	\$ -	\$ 280,000	\$ 456,617	\$ -	\$ -	\$ -
Charges for Services	5,923	17,952	485,295	473,955	31,176	71,553	-
Investments Earnings	-	432	1,024	-	-	700	1,067
Miscellaneous	-	-	4,525	-	-	-	-
Total Revenues	<u>5,923</u>	<u>18,384</u>	<u>770,844</u>	<u>930,572</u>	<u>31,176</u>	<u>72,253</u>	<u>1,067</u>
EXPENDITURES							
Current:							
General Government	755	-	-	-	-	-	-
Public Safety	-	-	799,704	-	-	-	-
Public Works	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	2,620
Culture and Recreation	-	-	-	-	-	58,591	-
Education	-	4,766	-	653,651	73,562	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	<u>755</u>	<u>4,766</u>	<u>799,704</u>	<u>653,651</u>	<u>73,562</u>	<u>58,591</u>	<u>2,620</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,168	13,618	(28,860)	276,921	(42,386)	13,662	(1,553)
OTHER FINANCING SOURCES (USES)							
Transfer In	-	-	362,500	-	-	-	-
Transfer Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>362,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	5,168	13,618	333,640	276,921	(42,386)	13,662	(1,553)
Fund Balances - Beginning of Year	<u>34,711</u>	<u>29,627</u>	<u>(275,134)</u>	<u>537,663</u>	<u>197,086</u>	<u>64,460</u>	<u>91,749</u>
FUND BALANCES - END OF YEAR	<u>\$ 39,879</u>	<u>\$ 43,245</u>	<u>\$ 58,506</u>	<u>\$ 814,584</u>	<u>\$ 154,700</u>	<u>\$ 78,122</u>	<u>\$ 90,196</u>

**TOWN OF COVENTRY, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds		Capital Projects	Permanent Funds		Interfund Elimination	Total Nonmajor Governmental Funds
	Student Activities	CT Countryside	Land Acquisition	Loyzim Memorial and Scholarship	Cemetery Trust		
REVENUES							
Intergovernmental	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ 3,345,413
Charges for Services	447,882	-	-	-	-	-	4,126,009
Investments Earnings	-	22	194	(763)	290	-	33,767
Miscellaneous	-	8,000	-	-	-	-	75,408
Total Revenues	447,882	16,022	194	(763)	290	-	7,580,597
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	2,190
Public Safety	-	-	-	-	-	-	852,420
Public Works	-	-	-	-	-	-	2,563,524
Human Services	-	-	-	-	-	-	8,025
Culture and Recreation	-	16,000	-	-	5,999	-	603,796
Education	449,594	-	-	-	-	-	3,567,016
Capital Outlay	-	-	385	-	-	-	74,082
Total Expenditures	449,594	16,000	385	-	5,999	-	7,671,053
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,712)	22	(191)	(763)	(5,709)	-	(90,456)
OTHER FINANCING SOURCES (USES)							
Transfer In	-	-	15,000	-	-	-	444,300
Transfer Out	-	-	-	-	-	-	(85,000)
Total Other Financing Sources (Uses)	-	-	15,000	-	-	-	359,300
NET CHANGES IN FUND BALANCES	(1,712)	22	14,809	(763)	(5,709)	-	268,844
Fund Balances - Beginning of Year	247,051	-	1,928	6,780	26,890	-	3,162,723
FUND BALANCES - END OF YEAR	\$ 245,339	\$ 22	\$ 16,737	\$ 6,017	\$ 21,181	\$ -	\$ 3,431,567

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for all of the activity associated with providing Medical and Dental insurance to all eligible Town and Board of Education employees.

- Dental Insurance fund was established to account for the self-insured dental activities of the Town and Board of Education.
- Health Insurance fund was established to account for the self-insured medical activities of the Town and Board of Education.

**TOWN OF COVENTRY, CONNECTICUT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2023**

	<u>Dental Insurance</u>	<u>Health Insurance</u>	<u>Total Internal Service Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 180,550	\$ -	\$ 180,550
Advance to Plan Administrator	-	1,876,942	1,876,942
Total Assets	<u>180,550</u>	<u>1,876,942</u>	<u>2,057,492</u>
LIABILITIES			
Claims Payable	-	452,786	452,786
Due to Other Funds	-	394,000	394,000
Total Liabilities	<u>-</u>	<u>846,786</u>	<u>846,786</u>
NET POSITION			
Unrestricted	<u>\$ 180,550</u>	<u>\$ 1,030,156</u>	<u>\$ 1,210,706</u>

TOWN OF COVENTRY, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2023

	Dental Insurance	Health Insurance	Total Internal Service Funds
OPERATING REVENUES			
Employer Contributions	\$ 228,471	\$ 4,868,055	\$ 5,096,526
Employee Contributions	-	1,243,185	1,243,185
Total Operating Revenues	<u>228,471</u>	<u>6,111,240</u>	<u>6,339,711</u>
OPERATING EXPENSES			
Administrative Expense	13,738	788,491	802,229
Employee Benefits	174,129	6,094,170	6,268,299
Total Operating Expenses	<u>187,867</u>	<u>6,882,661</u>	<u>7,070,528</u>
OPERATING INCOME	40,604	(771,421)	(730,817)
NONOPERATING REVENUE			
Investment Income	-	12,096	12,096
CHANGE IN NET POSITION	40,604	(759,325)	(718,721)
Net Position - Beginning of Year	<u>139,946</u>	<u>1,789,481</u>	<u>1,929,427</u>
NET POSITION - END OF YEAR	<u>\$ 180,550</u>	<u>\$ 1,030,156</u>	<u>\$ 1,210,706</u>

**TOWN OF COVENTRY, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2023**

	Dental Insurance	Health Insurance	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Users	\$ 228,471	\$ 6,143,449	\$ 6,371,920
Cash Payments to Providers of Benefits	(187,867)	(6,155,545)	(6,343,412)
Net Cash Provided by (Used in) Operating Activities	40,604	(12,096)	28,508
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Income	-	12,096	12,096
NET INCREASE IN CASH AND CASH EQUIVALENTS	40,604	-	40,604
Cash and Cash Equivalents - Beginning of Year	139,946	-	139,946
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 180,550	\$ -	\$ 180,550
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 40,604	\$ (771,421)	\$ (730,817)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities			
(Increase) Decrease in Accounts Receivable	-	32,209	32,209
(Increase) Decrease in Advance to Plan Administrator	-	606,375	606,375
Increase (Decrease) in Claims Payable	-	120,741	120,741
Net Cash Provided by (Used in) Operating Activities	\$ 40,604	\$ (12,096)	\$ 28,508

STATISTICAL SECTION

STATISTICAL SECTION INFORMATION

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment, and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

**TOWN OF COVENTRY, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
Net Investment in Capital Assets	\$ 106,703,184	\$ 97,999,198	\$ 101,222,555	\$ 101,222,555	\$ 102,037,384	\$ 101,359,144	\$ 99,892,573	\$ 98,581,273	\$ 99,037,215	\$ 97,824,048
Restricted	7,893,370	6,467,582	7,682,783	7,682,783	31,910	30,174	30,356	5,128	3,994	4,010
Unrestricted	(2,217,534)	8,704,317	(3,354,137)	(3,354,137)	3,978,531	5,807,170	6,237,529	12,354,787	10,946,914	10,945,191
Total Governmental Activities										
Net Position	\$ 112,379,020	\$ 113,171,097	\$ 105,551,201	\$ 105,551,201	\$ 106,047,825	\$ 107,196,488	\$ 106,160,458	\$ 110,941,188	\$ 109,988,123	\$ 108,773,249

**TOWN OF COVENTRY, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
PROGRAM EXPENSES										
General Government	\$ 3,602,397	\$ 825,329	\$ 3,021,286	\$ 3,105,940	\$ 3,120,076	\$ 2,114,592	\$ 2,325,920	\$ 2,156,537	\$ 2,484,135	\$ 1,858,886
Public Safety	5,193,629	5,194,900	4,510,971	4,640,962	4,157,498	3,941,988	3,891,121	3,690,030	3,365,991	3,397,462
Public Works	8,831,514	8,836,063	6,875,339	7,434,460	7,581,344	7,126,262	8,110,969	9,587,885	7,097,616	6,728,326
Human Services	2,179,784	577,032	454,257	626,509	986,564	981,549	577,274	944,061	586,088	660,061
Culture and Recreation	1,376,448	1,200,829	995,922	1,235,934	1,380,027	1,176,161	1,126,796	1,035,628	941,684	860,523
Education	45,569,392	29,469,409	40,763,701	37,365,051	33,299,881	35,584,039	35,409,114	32,494,869	31,327,868	31,847,323
Debt Service	647,972	545,328	598,254	648,600	388,476	439,219	396,525	530,530	629,053	481,934
Total Governmental Activities										
Program Expenses	67,401,136	46,648,890	57,219,730	55,057,456	50,913,866	51,363,810	51,837,719	50,439,540	46,432,435	45,834,515
PROGRAM REVENUES										
Charges for Services:										
General Government	719,283	789,047	786,094	577,709	561,654	627,677	609,277	537,762	478,610	508,461
Public Safety	564,149	511,809	516,319	475,691	505,652	618,328	772,029	107,486	60,840	96,080
Public Works	1,968,702	1,927,417	1,793,901	1,656,790	1,677,942	1,785,453	1,685,558	1,643,266	1,557,051	1,660,966
Human Services	65,357	57,445	3,532	105,072	52,647	37,540	113,671	259,858	135,636	164,721
Culture and Recreation	533,790	347,309	172,811	314,776	455,260	392,974	382,192	433,114	263,029	258,129
Education	1,195,053	943,353	670,593	748,988	923,670	795,436	606,458	574,150	456,562	474,659
Operating Grants and Contributions:										
General Government	1,748,892	402,895	185,640	42,868	10,499	8,623	68,920	14,200	5,000	55,249
Public Safety	320,677	25,744	103,836	19,644	27,405	9,518	11,160	28,795	6,209	6,227
Public Works	1,709,533	-	-	1,601	19,327	1,331	-	-	91,252	1,298
Human Services	103,300	145,571	55,211	120,051	207,793	97,437	38,345	489,502	83,299	276,209
Culture and Recreation	31,092	142,841	81,972	14,492	206,101	29,303	11,926	27,864	18,520	18,520
Education	16,550,570	13,961,411	19,030,925	15,784,503	12,086,433	14,506,185	15,478,113	13,778,325	13,112,454	13,985,376
Interest on Long-Term Debt	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions:										
General Government	-	27,750	302	4,615	-	-	-	-	-	-
Public Safety	-	1,744,772	-	-	-	-	-	-	-	-
Public Works	1,364,108	-	1,690,102	1,536,034	702,209	1,885,836	1,310,041	3,650,469	1,674,190	2,825,304
Human Services	1,500,000	74,728	47,159	-	276,104	523,896	-	-	-	4,695
Culture and Recreation	562,005	-	129,069	-	-	-	-	-	-	-
Education	2,682,739	-	95,446	96,384	240,956	-	-	13,500	-	-
Total Governmental Activities										
Program Revenues	31,619,250	21,102,092	25,362,912	21,499,218	17,953,652	21,319,537	21,087,690	21,558,291	17,942,652	20,335,894
NET GOVERNMENTAL EXPENSE	(35,781,886)	(25,546,798)	(31,856,818)	(33,558,238)	(32,960,214)	(30,044,273)	(30,750,029)	(28,881,249)	(28,489,783)	(25,498,621)

**TABLE 2
(CONTINUED)**

**TOWN OF COVENTRY, CONNECTICUT
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GENERAL REVENUES										
Property Taxes	\$ 34,155,027	\$ 32,907,015	\$ 32,278,687	\$ 31,921,565	\$ 31,566,050	\$ 30,867,144	\$ 29,960,426	\$ 29,571,806	\$ 28,749,185	\$ 27,936,255
Grants and Contributions Not										
Restricted to Specific Purposes	570,309	228,691	73,462	72,194	74,801	83,578	422,541	160,039	783,828	198,048
Unrestricted Investment Earnings	264,473	30,998	40,669	231,437	170,700	129,581	82,884	74,375	60,069	64,597
Miscellaneous	-	-	-	-	-	-	80,151	28,094	111,575	40,087
Total General Revenues	<u>34,989,809</u>	<u>33,166,704</u>	<u>32,392,818</u>	<u>32,225,196</u>	<u>31,811,551</u>	<u>31,080,303</u>	<u>30,546,002</u>	<u>29,834,314</u>	<u>29,704,657</u>	<u>28,238,987</u>
CHANGE IN NET POSITION	<u>\$ (792,077)</u>	<u>\$ 7,619,906</u>	<u>\$ 536,000</u>	<u>\$ (1,333,042)</u>	<u>\$ (1,148,663)</u>	<u>\$ 1,036,030</u>	<u>\$ (204,027)</u>	<u>\$ 953,065</u>	<u>\$ 1,214,874</u>	<u>\$ 2,740,366</u>

**TOWN OF COVENTRY, CONNECTICUT
FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable	\$ 194,172	\$ 192,457	\$ 62,071	\$ 52,589	\$ 26,489	\$ 23,329	\$ 21,354	\$ 417,956	\$ 417,456	\$ 413,375
Restricted	11,407	11,407	11,597	14,607	18,297	34,048	34,048	37,845	37,845	37,845
Committed	49,275	46,192	5,697	104,248	2,699	-	-	-	-	-
Assigned	335,199	531,953	658,425	372,664	417,131	422,829	121,180	728,280	683,244	864,374
Unassigned	6,125,076	5,698,488	5,715,230	5,685,780	5,611,479	5,303,759	5,343,224	4,814,513	4,257,666	4,199,209
Total General Fund	<u>\$ 6,715,129</u>	<u>\$ 6,480,497</u>	<u>\$ 6,453,020</u>	<u>\$ 6,229,888</u>	<u>\$ 6,076,095</u>	<u>\$ 5,783,965</u>	<u>\$ 5,519,806</u>	<u>\$ 5,998,594</u>	<u>\$ 5,396,211</u>	<u>\$ 5,514,803</u>
All Other Governmental Funds										
Nonspendable	\$ 50,345	\$ 56,469	\$ 51,020	\$ 59,632	\$ 41,297	\$ 30,546	\$ 41,612	\$ 30,242	\$ 12,307	\$ 30,646
Restricted	2,161,698	3,014,498	3,896,687	6,325,633	1,122,978	1,120,230	850,938	2,602,084	6,355,175	3,210,632
Committed	3,944,584	8,477,449	3,740,733	3,639,718	2,877,447	3,627,641	3,288,207	1,749,311	1,561,288	1,566,985
Unassigned	(1,248,507)	(463,984)	(678,722)	(235,634)	-	-	-	(1,809)	(4,982,069)	(1,944,932)
Total All Other Governmental Funds	<u>\$ 4,908,120</u>	<u>\$ 11,084,432</u>	<u>\$ 7,009,718</u>	<u>\$ 9,789,349</u>	<u>\$ 4,041,722</u>	<u>\$ 4,778,417</u>	<u>\$ 4,180,757</u>	<u>\$ 4,379,828</u>	<u>\$ 2,946,701</u>	<u>\$ 2,863,331</u>

**TOWN OF COVENTRY, CONNECTICUT
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
REVENUES										
Property Taxes	\$ 34,267,117	\$ 32,863,240	\$ 32,290,548	\$ 31,831,641	\$ 31,520,482	\$ 30,835,771	\$ 30,001,160	\$ 29,733,732	\$ 28,619,356	\$ 28,197,177
Intergovernmental	23,133,103	17,714,688	16,245,140	15,226,069	11,618,656	16,998,922	17,324,623	16,745,287	15,377,095	15,281,084
Charges for Services	5,189,179	4,770,589	4,293,057	4,123,929	4,433,270	4,629,250	4,734,304	3,713,905	3,317,004	3,370,878
Investment Earnings	252,377	29,467	33,438	210,072	143,973	96,849	72,198	58,957	57,177	61,952
Miscellaneous	313,430	294,710	240,053	422,860	165,272	233,634	95,736	75,347	136,099	67,521
Total Revenues	63,155,206	55,672,694	53,102,236	51,814,571	47,881,653	52,794,426	52,228,021	50,327,228	47,506,731	46,978,612
EXPENDITURES										
General Government	1,953,767	2,143,699	1,914,239	1,783,228	1,630,311	1,507,917	1,618,070	1,594,621	1,562,298	1,685,343
Public Safety	3,561,439	3,419,119	3,345,769	3,091,836	2,991,702	2,819,953	2,797,031	2,376,012	2,185,364	2,223,770
Public Works	5,190,585	4,995,715	4,401,387	4,518,575	4,363,156	3,958,916	5,200,802	4,623,734	4,121,711	3,905,379
Human Services	1,950,996	432,698	348,674	511,605	881,088	894,869	494,963	856,685	503,113	577,211
Culture and Recreation	1,239,139	1,064,264	884,617	1,112,122	1,207,440	1,071,035	1,036,299	947,815	906,098	833,251
Insurance and Sundry	2,682,041	2,437,002	2,336,134	2,220,460	2,170,684	2,161,875	2,317,379	2,336,362	2,289,975	2,441,774
Education	37,049,261	35,761,455	34,411,230	33,653,372	29,418,682	34,148,147	34,549,770	31,711,416	31,011,899	31,075,590
Debt Service:										
Principal	1,913,537	1,713,575	1,991,176	1,991,176	1,991,176	1,991,176	1,991,176	1,991,176	1,991,176	1,991,176
Interest	1,138,629	1,076,081	919,184	866,552	911,841	783,605	751,382	646,159	789,327	631,226
Capital Outlay	12,417,492	3,938,423	5,750,243	4,048,885	2,914,138	3,143,614	3,015,063	4,857,259	2,519,458	2,189,356
Total Expenditures	69,096,886	56,982,031	56,302,653	53,797,811	48,480,218	52,481,107	53,771,935	51,941,239	47,880,419	47,554,076
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,941,680)	(1,309,337)	(3,200,417)	(1,983,240)	(598,565)	313,319	(1,543,914)	(1,614,011)	(373,688)	(575,464)

**TABLE 4
(CONTINUED)**

**TOWN OF COVENTRY, CONNECTICUT
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
OTHER FINANCING SOURCES (USES)										
Proceeds from Bonds Issued	\$ -	\$ 4,180,000	\$ -	\$ 7,270,000	\$ -	\$ -	\$ -	\$ 3,400,000	\$ 4,275,000	\$ -
Premium on Bond Issuance	-	295,308	-	244,660	-	-	-	64,521	-	-
Premium on Bond Refunding	-	-	-	-	-	-	-	-	378,124	-
Payments to Escrow Agents	-	-	-	-	-	-	-	-	(4,553,626)	-
Proceeds from Notes Payable	-	159,720	-	-	-	-	-	-	-	-
Proceeds from Leases	-	776,500	343,500	370,000	154,000	548,500	866,055	185,000	238,968	869,534
Transfers In	2,123,800	1,725,648	1,693,326	2,102,058	1,509,226	1,501,057	1,441,054	1,011,887	1,259,248	1,011,887
Transfers Out	(2,123,800)	(1,725,648)	(1,693,326)	(2,102,058)	(1,509,226)	(1,501,057)	(1,441,054)	(1,011,887)	(1,259,248)	(1,011,887)
Total Other Financing Sources	-	5,411,528	343,500	7,884,660	154,000	548,500	866,055	3,649,521	338,466	869,534
NET CHANGES IN FUND BALANCES	(5,941,680)	4,102,191	(2,856,917)	5,901,420	(444,565)	861,819	(677,859)	2,035,510	(35,222)	294,070
Fund Balances - Beginning of Year	17,564,929	13,462,738	16,319,655 *	10,117,817	10,562,382	9,700,563	10,378,422	8,342,912	8,378,134	8,084,064
FUND BALANCES - END OF YEAR	\$ 11,623,249	\$ 17,564,929	\$ 13,462,738	\$ 16,019,237	\$ 10,117,817	\$ 10,562,382	\$ 9,700,563	\$ 10,378,422	\$ 8,342,912	\$ 8,378,134
Debt Service as a Percentage of Noncapital Expenditures	5.2%	5.2%	5.7%	5.7%	6.0%	5.6%	5.4%	5.7%	5.7%	5.7%

* Fund balance was restated as a result of GASB 84.

**TOWN OF COVENTRY, CONNECTICUT
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

Fiscal Year Ended June 30,	Real Estate	Personal Property	Motor Vehicle	Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Value
2023	\$ 895,237,200	\$ 48,496,700	\$ 133,118,745	\$ 62,292,800	\$ 1,076,852,645	31.15 %	\$ 1,449,371,207	70.00
2022	886,831,100	45,049,697	107,131,280	62,228,900	1,039,012,077	31.15	1,395,404,539	70.00
2021	879,842,800	43,177,230	99,666,280	61,802,500	1,022,686,310	31.17	1,372,691,157	70.00
2020	839,596,750	40,658,100	97,637,790	61,101,400	977,892,640	32.20	1,309,701,771	70.00
2019	832,566,850	38,363,265	95,031,720	60,914,900	965,961,835	32.00	1,292,924,193	70.00
2018	826,763,250	32,368,638	92,835,480	61,236,400	951,967,368	32.00	1,272,472,811	70.00
2017	820,782,150	29,316,513	99,675,478	60,318,000	949,774,141	31.20	1,270,651,630	70.00
2016	815,032,050	26,399,488	89,541,693	60,618,000	930,973,231	31.20	1,329,961,759	70.00
2015	888,619,570	23,512,510	87,582,470	63,066,000	999,714,550	28.47	1,428,163,643	70.00
2014	882,011,200	21,353,685	91,608,910	64,279,200	994,973,795	27.97	1,421,391,136	70.00

Source: Assessor and Revenue Collector

**TOWN OF COVENTRY, CONNECTICUT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Taxpayer	FY 2023			FY 2014		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Connecticut Light & Power	\$ 28,546,980	1	2.65 %	\$ 9,847,410	1	1.00 %
Connecticut Water Company	6,424,600	2	0.60			
White Mountain-Coventry LLC	3,742,640	3	0.35	2,702,200	3	0.27
Chester Investment Trust LLC	3,194,920	4	0.30			
Coventry Meadowbrook Center LLC (Highland Plaza)	2,350,300	5	0.22			
Coventry Self Storage	1,982,600	6	0.18	1,515,000	7	0.15
Algonquin Gas Transmission	1,852,160	7	0.17	2,100,380	4	0.22
Cumberland Farms Inc	1,684,400	8	0.16			
Earth Dynamics LLC	1,415,190	9	0.13			
DCEG LLC "Dollar General"	1,332,200	10	0.12			
Coventry Funding LLC	-	-	-	2,994,100	2	0.30
McDermott George & Violet	-	-	-	1,638,100	5	0.17
Meadow Brook of Coventry LLC	-	-	-	1,616,100	6	0.18
CIL Development of Coventry, Inc	-	-	-	1,502,000	8	0.15
Pelletier Richard C	-	-	-	1,369,700	9	0.14
Nadeau, Norman and Ronald	-	-	-	1,293,900	10	0.13
Total Taxable Grand List	\$ 52,525,990		4.88 %	\$ 26,578,890		2.71 %

Source: Grand List

**TOWN OF COVENTRY, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended June 30,	Grand List Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2023	2021	\$ 33,947,436	\$ 33,509,358	98.71	\$ -	\$ 33,509,358	98.71 %
2022	2020	32,799,361	32,374,823	98.71	288,768	32,663,591	99.59
2021	2019	32,117,205	31,763,223	98.90	338,207	32,101,430	99.95
2020	2018	31,735,560	31,327,645	98.71	392,775	31,720,420	99.95
2019	2017	31,394,762	30,992,182	98.72	390,163	31,382,345	99.96
2018	2016	30,712,305	30,360,593	98.85	341,323	30,701,916	99.97
2017	2015	29,817,602	29,467,102	98.82	338,541	29,805,643	99.96
2016	2014	29,303,009	28,975,106	98.88	321,529	29,296,635	99.98
2015	2013	28,655,700	28,167,400	98.30	481,887	28,649,287	99.98
2014	2012	27,821,385	27,346,108	98.29	469,031	27,815,139	99.98

**TOWN OF COVENTRY, CONNECTICUT
RATIOS OF TOTAL DIRECT DEBT
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	General Bonded Debt		Other Governmental Activities Debt			Total Primary Government	Total Direct Debt Per Capita (a)	Ratio of Total Direct Debt to Net Taxable Grand List (b)	Ratio of Total Direct Debt to Full Value Grand List (b)
	General Obligation Bonds	Bond Premium	Notes Payable	Lease Payable (C)	Clean Water Fund Loans				
2023	\$ 15,405,000	\$ 718,019	\$ 1,175,849	\$ 274,415	\$ 2,117,858	\$ 19,691,141	\$ 1,616	1.83	1.90 %
2022	16,815,000	803,430	1,577,045	339,509	2,621,395	22,156,379	1,818	2.13	2.01
2021	13,855,000	578,767	1,270,673	-	3,114,970	18,819,410	1,514	1.84	1.74
2020	15,235,000	649,412	1,305,179	-	3,598,778	20,788,369	1,679	2.13	2.00
2019	9,345,000	472,798	1,293,057	-	4,073,016	15,183,871	1,219	1.57	1.48
2018	10,995,000	531,669	1,475,681	-	4,537,870	17,540,220	1,408	1.84	1.73
2017	12,460,000	590,540	1,281,159	-	4,993,527	19,325,226	1,553	2.03	1.91
2016	13,905,000	649,411	741,145	-	5,440,169	20,735,725	1,666	2.23	2.09
2015	11,960,000	643,761	784,040	-	5,877,974	19,265,775	1,547	1.93	1.81
2014	13,570,000	321,436	735,528	-	6,307,117	20,934,081	1,681	2.10	1.98

Notes: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

(a) See Table 12 "Demographic and Economic Statistics" for personal income and population data. These ratios are calculated using person income and population for the prior calendar year.

(b) See Table 5 "Assessed Value and Estimated Actual Value of Taxable Property" for taxable property value data.

(c) The Town implemented GASB 87 during fiscal year 2022.

**TOWN OF COVENTRY, CONNECTICUT
RATIOS OF NET DIRECT AND TOTAL OVERALL NET DEBT
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Total Direct Debt	Less: Sewer Assessment Receivable	Net Direct Debt	Overlapping/ Underlying Debt	Total Overall Net Debt	Total Overall Net Debt Per Capita (a)	Ratio of Total Overall Net Debt to Net Taxable Grand List (b)	Ratio of Total Overall Net Debt to Full Value Grand List (b)
2023	\$ 19,691,141	\$ 796,141	\$ 18,895,000	\$ -	\$ 18,895,000	\$ 1,551	1.86 %	1.75 %
2022	22,156,379	995,184	21,161,195	-	21,161,195	1,737	2.17	2.04
2021	18,819,410	1,235,090	17,584,320	-	17,584,320	1,414	1.72	1.62
2020	20,788,369	1,508,378	19,279,991	-	19,279,991	1,574	1.97	1.86
2019	15,183,871	1,839,989	13,343,882	-	13,343,882	1,071	1.38	1.30
2018	17,540,220	2,175,341	15,364,879	-	15,364,879	1,235	1.61	1.52
2017	19,325,226	2,530,238	16,794,988	-	16,794,988	1,349	1.77	1.66
2016	20,735,725	2,937,328	17,798,397	-	17,798,397	1,431	1.91	1.79
2015	19,265,775	3,265,924	15,999,851	-	15,999,851	1,286	1.60	1.51
2014	20,934,081	3,702,410	17,231,671	-	17,231,671	1,389	1.73	1.63

Note1: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

Note 2: As the net direct debt of the Town and the total overall net debt of the Town are the same, the Town has only presented ratios on overall net debt.

(a) See Table 12 "Demographic and Economic Statistics" for personal income and population data. These ratios are calculated using person income and population for the prior calendar year.

(b) See Table 5 "Assessed Value and Estimated Actual Value of Taxable Property" for taxable property value data.

**TOWN OF COVENTRY, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
YEAR ENDED JUNE 30, 2023**

Total Tax Collections (Including Interest and Lien Fees) Received by Treasurer for the Year Ended June 30, 2022					<u>\$ 32,873,938</u>
Total Base					<u><u>\$ 32,873,938</u></u>
	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation:					
2 1/4 Times Base	\$ 73,966,361	\$ -	\$ -	\$ -	\$ -
4 1/2 Times Base	-	147,932,721	-	-	-
3 3/4 Times Base	-	-	123,277,268	-	-
3 1/4 Times Base	-	-	-	106,840,299	-
3 Times Base	-	-	-	-	98,621,814
Total Debt Limitation	<u>73,966,361</u>	<u>147,932,721</u>	<u>123,277,268</u>	<u>106,840,299</u>	<u>98,621,814</u>
Indebtedness:					
Bonds and Notes Payable	9,477,000	5,852,000	2,117,858	-	-
Authorized, Unissued Bonds	4,865,000	12,700,000	91,599	-	-
Total Indebtedness	<u>14,342,000</u>	<u>18,552,000</u>	<u>2,209,457</u>	<u>-</u>	<u>-</u>
Less: Amounts to be Provided by the State and Other	-	-	(796,141)	-	-
Net Indebtedness	<u>14,342,000</u>	<u>18,552,000</u>	<u>1,413,316</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 59,624,361</u>	<u>\$ 129,380,721</u>	<u>\$ 121,863,952</u>	<u>\$ 106,840,299</u>	<u>\$ 98,621,814</u>

Note 1: In no case shall total indebtedness exceed seven times annual receipts from taxation (\$230,117,566).

Note 2: Amounts above do not include \$76,000 of Water System Improvement bonds issued.

Note 3: Sewer assessment receivable of \$796,141 billed on an annual basis to benefiting property owners will be used to offset the cost of the debt service for sewer projects.

**TOWN OF COVENTRY, CONNECTICUT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

Legal Debt Margin Calculation
for Fiscal Year 2022:

Revenue Base	\$ 32,874
Debt Limit (Revenue Base Times 7)	\$ 230,118
Debt Applicable to Limit:	
General Obligation Bonds	17,447
Plus: Bonds Authorized, Unissued	17,657
Less: Grant Commitments	(796)
Total Debt Applicable to Limit	34,307
Legal Debt Margin	\$ 195,810

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt Limit	\$ 230,118	\$ 225,889	\$ 222,734	\$ 220,097	\$ 216,004	\$ 209,635	\$ 209,635	\$ 208,328	\$ 200,234	\$ 198,881
Total Net Debt Applicable to Limit	34,307	22,904	16,128	17,847	11,670	16,940	14,777	16,233	18,064	16,897
Legal Debt Margin	\$ 195,810	\$ 202,985	\$ 206,606	\$ 202,250	\$ 204,334	\$ 192,695	\$ 194,858	\$ 192,095	\$ 182,170	\$ 181,984
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	14.91%	10.14%	7.24%	8.11%	5.40%	8.08%	7.05%	7.79%	9.02%	8.50%

**TOWN OF COVENTRY, CONNECTICUT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Year	Population (1)	Personal Income (1) (thousands of dollars)	Per Capita Personal Income (1)	School Enrollment	Unemployment Rate (2)
2023	12,186	\$ 449,597	\$ 36,895	1,657	3.70 %
2022	12,433	446,873	35,942	1,606	4.00
2021	12,433	446,873	35,942	1,606	7.70
2020	12,249	417,127	34,054	1,674	3.80
2019	12,458	417,127	33,483	1,649	3.90
2018	12,446	418,768	33,647	1,690	4.50
2017	12,450	413,615	33,222	1,625	4.00
2016	12,434	444,068	35,714	1,624	5.30
2015	12,445	430,249	34,572	1,643	7.10
2014	12,402	425,902	34,341	1,685	7.90

**TOWN OF COVENTRY, CONNECTICUT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2023			2014		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Coventry	387	1	16.39 %	351	1	25.94 %
Highland Park Market	77	2	3.26	70	2	5.17
Teleflex Medical (formerly Genzyme Surgical)	63	3	2.67	33	4	2.44
Bidwell Tavern	39	4	1.65	32	5	2.37
Dunkin Donuts	30	5	1.27	31	7	2.29
CVS Pharmacy	23	6	0.97	22	9	1.63
Dimitri's	20	7	0.85	25	8	1.85
Walgreens	20	8	0.85	19	10	1.40
Sadlak Industries	17	9	0.72	31	6	2.29
Cumberland Farms	13	10	0.55			
Pelletier Builders				46	3	3.40
Total	689		29.18 %	660		48.78 %

Source: Finance Office

TOWN OF COVENTRY, CONNECTICUT
FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Town Government:										
General Administration	16	15	15	15	16	16	16	16	16	18
Public Safety	21	21	21	21	22	21	22	21	21	21
Public Works	27	25	25	24	24	23	24	24	24	19
Human Services	4	4	4	4	4	4	4	4	4	3
Civic and Cultural	2	2	2	2	2	2	2	2	2	2
Total Town	70	67	67	66	68	66	68	67	67	63
Board of Education:										
Noncertified Staff *	130	139	138	144	149	154	154	146	129	130
Certified Staff	192	186	186	186	184	186	187	182	178	175
Total Board of Education	322	325	324	330	333	340	341	328	307	305
Total All Employees	392	392	391	396	401	406	409	395	374	368

* Preschool Employees Included as of 2013

Source: Town Finance Department and BOE Business Office

**TOWN OF COVENTRY, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)**

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Building Department:										
Construction Permits	1,018	1,012	1,161	937	899	917	810	938	821	847
Zoning Permits	358	378	378	278	282	225	229	252	187	200
C/O's and C/C's	987	838	937	719	813	709	685	735	695	637
Planning:										
Special Permit	1	4	4	5	12	5	2	6	3	9
Subdivision	5	1	2	1	2	3	3	1	4	3
Scenic Road	1	-	-	-	-	-	-	-	-	-
Zoning Changes	2	3	2	-	1	-	1	-	3	1
Police:										
Medical Calls	618	516	478	531	616	615	656	581	572	491
Motor Vehicle Stops	628	599	474	1,032	1,888	1,813	1,339	1,909	1,547	1,168
Animal Complaints	285	290	214	269	304	314	363	345	303	360
Total Calls for Service***	6,021	5,488	4,137	6,713	7,950	7,968	7,282	-	-	-
Total Arrests***	322	289	204	223	223	212	156	-	-	-
Animal Control (Town Clerk):										
Dog Licenses	1,623	1,569	1,300	1,249	1,381	1,408	1,430	1,442	1,468	1,533
Kennel Licenses	14	15	13	12	13	14	16	13	13	13
Library:										
Total Circulation	59,661	61,083	41,426	64,467	79,650	77,278	86,376	89,484	121,211	106,599
Annual Attendance	16,405	16,171	10,215	26,173	45,391	46,497	54,140	67,056	57,357	51,165
Interlibrary Loans	10,894	8,626	5,287	1,468	2,243	2,034	1,104	2,605	3,947	3,508
Internet Users	21,112	26,589	44,236 *	88,285 *	121,420 *	19,510	24,692	20,742	20,789	20,608
Refuse Collection:										
Tons Received at Transfer Station:										
Construction/Stumps/Brush	360	379	362	243	263	263	235	249	209	178
Metal	42	53	77	61	54	23	21	22	15	23
Leaves	29	23	46	33	39	42	33	59	65	77
Electronics (Units)	1,521	1,521	2,692	2,634	2,424	3,011	2,831	2,287	1,889	1,801
Freon (Units)	378	415	408	373	347	307	287	297	241	227
Propane Tanks (Units)	162	108	166	156	189	148	159	137	133	117
Tires (Units)	379	355	358	248	260	152	178	190	164	50
Curbside Bulk (Tons)	167	192	208	226	249	224	210	226	189	183

**TOWN OF COVENTRY, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)**

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Registrar of Voters:										
Total Registered Voters	6,740	8,955	8,954	8,632	8,575	8,375	8,044	7,511	7,304	7,508
Revenue Services:										
Total Taxes Collected	\$ 33,950,779	\$ 32,728,188	\$ 32,258,020	\$ 31,831,641	\$ 31,520,482	\$ 30,916,058	\$ 29,882,074	\$ 29,585,427	\$ 28,676,314	\$ 27,914,503
Education:										
Total Student Enrollment**	1,653	1,655	1,606	1,674	1,641	1,682	1,616	1,624	1,643	1,685

* Change in calculation

** Enrollment data is reported as of October in each fiscal year, per the State Department of Education enrollment data collection guidelines.

*** Total calls for service and total arrests statistics added in fiscal year 2017.

Source: Departmental Annual Reports; PSIS Racial Survey by District October report

**TOWN OF COVENTRY, CONNECTICUT
CAPITAL ASSETS AND INFRASTRUCTURE STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)**

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Municipal Buildings	10	10	10	10	10	10	10	10	10	9
Fire Stations/Substations	4	4	4	4	4	4	4	4	4	4
Water:										
Fire Ponds	7	7	7	7	7	7	7	7	7	7
Dry Hydrants	21	21	21	21	21	21	21	21	21	21
Schools	5 *	5 *	5 *	5 *	5 *	4	4	4	4	4
Parks and Recreation:										
Buildings	10	10	10	10	10	9	9	9	9	8
Parks	8	8	8	8	8	7	7	7	7	7
Highway:										
Paved Miles	111	111	111	111	111	111	111	111	110	109
Unimproved Miles	6	6	6	6	6	6	6	6	6	6

*Includes addition of Coventry Academy

Source: Departmental Annual Reports