

Town of Hebron, Connecticut

Comprehensive Annual Financial Report



June 30, 2013

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Introductory Section



Town of Hebron

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STREET
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December 31, 2013

To the Board of Finance, Town Manager and Honorable
Members of the Hebron Board of Selectmen
Town of Hebron, Connecticut

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of audited financials. This report is published to fulfill that requirement for the fiscal year ended June 30, 2013.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Mahoney Sabol & Company, LLP, Certified Public Accountants, have issued an unqualified opinion on the Town of Hebron, Connecticut's financial statements for the year ended June 30, 2013. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A is intended to complement this letter of transmittal and should be read in conjunction with it.

Profile of Government

Hebron covers an area of 36.9 miles and is 20 miles southeast of Hartford. Its location is within the suburban fringe of the Hartford metropolitan area. Hebron is bounded on the east by Columbia, the southeast by Lebanon, the south by Colchester, the west by Marlborough and Glastonbury, the north by Bolton, and the northeast by Andover. The Town is traversed by Connecticut Routes 66 and 85. Included in Hebron town limits are Amston (formerly Turnerville), once a thriving mill area, and Gilead, which grew up around the Congregational Church founded there in 1748.

Hebron is considered to be a semi-rural community. The Town's business community is located primarily along Route 66 near the intersection with Route 85. There is also a neighborhood business center located in the southern part of Town near Amston Lake.

The Town of Hebron adopted a charter in 1988, effective as of November 21, 1989. The Charter was amended on November 5, 1996, November 4, 2003 and again on November 3, 2009. The Charter retains a Town meeting form of government, with an elected five-member Board of Selectmen serving overlapping four-year terms and a six-member Board of Finance serving overlapping four-year terms. A Town Manager, appointed by the Board of Selectmen, acts as the chief executive and chief administrative officer of the Town, and is responsible to the Board of Selectmen for the administration of all departments and agencies with elected heads or members. The Town Manager has the authority to appoint various officers, including a Finance Director who, among other duties, acts as the Town Treasurer and the agent of all Town funds.

The Board of Education is the policy-making body for grades kindergarten through six. Grades seven through twelve are governed by Regional School District Number 8, composed of the Towns of Hebron, Andover and Marlborough. A member town may withdraw from the District, but such withdrawal does not affect the obligation of the member town to District bondholders.

The Town provides a full range of services including public safety, street maintenance, sanitation, health and human services, public parks and recreation, library, education, culture, public improvement, planning, zoning, sewer and general administrative services.

Regional School District Number 8

Regional School District No. 8 was organized in 1957 under provisions of the Connecticut General Statutes, Section 10-45, after approval by the member towns of Hebron, Andover and Marlborough. Regional Hebron Andover Marlborough (RHAM) Middle School in Hebron accommodates grades 7 and 8, and Regional Hebron Andover Marlborough (RHAM) High School in Hebron serves grades 9-12. Each member town maintains and funds its own school district, which provides elementary education grades K- 6.

Local Economy

The Town aggressively pursues economic and physical stabilization and revitalization. After many years of steady population growth, Hebron has recently seen an additional 10% increase in population from 2000 to 2010 (Source: Federal Census). Consequently the Town is involved with several projects which will improve both the tax base and quality of life in Hebron.

The net taxable grand list for October 1, 2011 was \$768,127,730, a decrease of 13.04% from the October 1, 2010 grand list amount of \$868,272,830. A significant decrease due to the slowing economy and a result of the 2011 property revaluation. Hebron's unemployment rate increased slightly from 5.2% at June 30, 2012 to 5.4% at June 30, 2013. This .02% increase is indicative of a continued fluctuating local re-employment process and economy. Hebron still ranked better than the Federal rate of 7.3% and the State rate of 8.0% at June 30, 2013.

Major Initiatives:

Hebron Shops Local. The Economic Development Commission in association with Town staff visited Hebron businesses to inquire about what local businesses needed to stay viable in the Town. A "Shops Local" initiative was developed in 2011 to assist with increasing the viability of Hebron's businesses, and keeping citizen dollars circulating within the Town. There was also a review and reworking of the local tax abatement policy to attract new businesses to the Town. These initiatives will aid in increasing the commercial tax base as well as helping keep current businesses strong with a continuous and expanding employment base being kept in Town.

Economic Development. In 2011 the Town initiated a Charette Process with assistance from the University of Connecticut Architectural and Landscaping students to increase and improve the look of our Main Street business district. Several future infrastructure improvement objectives for this area along Route 66 were identified by bringing in all points of view from residents, Town representatives and experts, who were invited to three interactive charette sessions. Objectives that were identified at that time continue to be implemented through continuing STEAP grant applications for business owners and in conjunction with the Plan of Development for Hebron through the Planning and Zoning Commission, Economic Development Commission and the Historic Properties Committee as noted below:

- Installation of a traffic light to the community business district.
- Increase economic viability through the addition of commercial opportunities with the recent ongoing construction of a new large CVS Pharmacy.
- Preserve and enhance the historic district.
- Sidewalk installation has improved walk-ability of the downtown corridor.
- Improve the overall aesthetic appeal of the downtown area with additional parking.

Relevant Financial Policies:

Budgetary Control

The Town maintains extensive budgetary controls including a very strong purchasing policy. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Selectmen and Board of Finance. Activities of the general fund are included in the annual appropriated budget. Project-length budgets are prepared for the capital projects funds. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the departmental level within each fund. The Town also maintains an encumbrance accounting system as one method of maintaining budgetary control. Unencumbered amounts lapse at year end. Encumbered amounts at year end are reported as reservations of fund balance.

As demonstrated by the statements and schedules included in the financial section of this report, the Town continues to meet its responsibility for sound financial management.

Other Policies

The Town Management and Boards of Selectmen and Finance are in the process of reviewing, revising and adopting several financial policies. Most recently reviewed and revised is the Long Term Capital Improvement Policy and the Purchasing Policy. In process is a separate Capital Equipment Replacement Policy and in the upcoming year the Fund Balance, Debt Policy and other Operating Budget and Financial Policies will be reviewed and updated.

Long Term Financial Planning:

A significant measure of the Town's financial strength is the level of its fund balances (i.e., the accumulation of the revenues in excess of expenditures). The Town's General Fund Balance has demonstrated positive trends over the past several years and the current fiscal year. In years where there has been a substantial buildup in the General Fund Balance funds were transferred to a debt service fund in order to set aside funds for future years debt requirements. The Boards of Selectmen and Finance along with Town Management, takes the responsibility of being stewards of public funds very seriously and have had a policy in place to maintain a General Fund Balance between 7% and 10%.

Capital Improvements. Hebron has a Capital Improvement Program through which its goal is to maintain the Town's infrastructure, provide for capital equipment and vehicle replacement and to make improvements to and/or add community facilities to enhance the Town's overall image and services it provides to Town residents.

The Town's annual Capital Improvement Program (CIP) results in a five-year plan of acquisition, new construction, and repair and replacement of municipal facilities and equipment. The program consists of a planning and a budgetary process. Requests are prepared by Town Departments, Boards and Commissions and are submitted to the Citizen appointed Capital Improvement Committee. The Committee reviews the requests and prioritizes them by 1) Core Projects: Safety and health concerns, mandates, continuation of a current project; 2) Essential projects: conformance with plans and initiatives, grant matches, positive fiscal impact etc.; and 3) Discretionary projects: optional remodeling and construction. The Committee forwards their recommendation for the five year plan and funding to the Town Manager and Board of Selectmen in a five year planning document. The Board of Selectmen and then the Board of Finance complete their reviews and recommends the CIP budget as part of the overall budget process. The budget for the Capital Improvement Program is then voted on by the voters during the yearly budget referendum.

Long Term Financial Analysis & Planning. There also is a Long Term Financial Report that is updated each year to try to project future operating budget revenues and expenditures over several years which are utilized to plan appropriately for major events and funding requirements. The Town recognizes that because of population growth variation, residential and commercial development, changes in assessed values and increased cost of operations, a clearer vision is important to the proper allocation of financial resources based on both legal debt capacity and reasonable amount of future funds the Town can afford to fund capital projects.

2012/2013 Revenues

A continuing challenge when considering the Town's budget is the appropriate balance between operational requirements, level of service the community needs and expectations and ongoing taxes. As revenues are highly dependent on the economy and market conditions, naturally the Town, region and nation began to experience a downturn in the early part of 2008. The Town evaluated the impact of the possible reduction in revenues and during the budget development for 2012-2013 again set conservative numbers.

2012/2013 Expenditures

The Town continued to face many of the same challenges in the development of expenditures for the 2012/2013 fiscal year. The combined overall Town, Debt, Capital, RHAM Assessment and Education budget decreased by \$311,888 or .91%. Some of the challenges include:

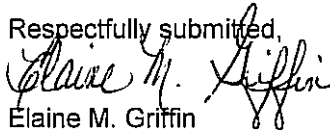
First and foremost, managing negotiated increases in wages and health insurance costs for all staff. The RHAM District for combined health insurance coverage, which the Town and Board of Education are a part of, continue to manage health insurance costs by implementing new initiatives that include plan design changes, health improvement initiatives and programs, consolidation with other communities for pooled savings and possibly evaluating the feasibility of self-insurance. This is an ongoing process.

Managing the needs for capital equipment and infrastructure improvements with limited resources. The Capital Improvement Policy (CIP) was reviewed by the policy makers during fiscal year 2012 with changes to the method and threshold of the CIP being made. With the fiscal year 2012/2013 drastic reductions were made to some major projects after a third referendum. The policy makers are working together to develop the best funding alternatives for future capital needs. The Town Management, Boards of Selectmen and Finance are proactive in addressing the budgetary needs and the various internal and external factors that affect the Town's budget and finances.

Awards and Acknowledgments:

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 Hebron for its comprehensive annual financial report for the fiscal year ended June 30, 2012. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. Certificate of Achievement is valid for a period of one year only. The Town of Hebron received the Certificate of Achievement for the ninth time last fiscal year. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

The preparation of this report could not have been accomplished without the efficient and dedicated services of all Town staff specifically within the Finance Department in the absence of an official Finance Director. I must also extend my sincerest appreciation to all members of the Town Departments who assisted with their daily cooperation in its compilation and preparation. While this CAFR is the result of the diligent efforts of Town staff, it would not be possible without the ongoing support of the Board of Selectmen, Board of Finance and the Town Manager.

Respectfully submitted,

Elaine M. Griffin
Interim Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Hebron
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

TOWN OF HEBRON, CONNECTICUT

Principal Town Officials

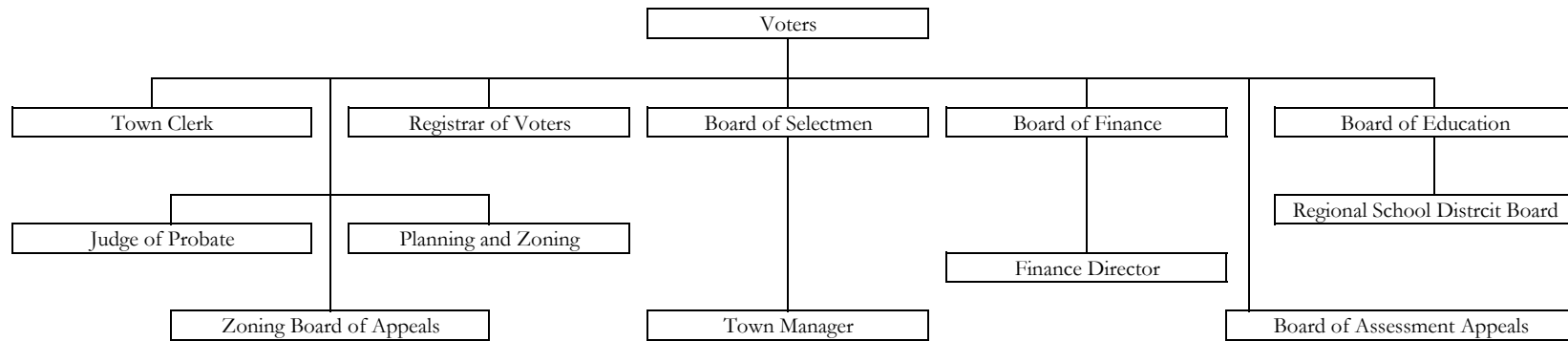
June 30, 2013

Chairman of the Board of Selectman.....	Jeffery Watt
Chairman of the Board of Finance.....	Michael Hazel
Town Manager.....	Andrew J. Tierney
Assessor.....	Debra Gernhardt
Building Inspector.....	Joseph Summers
Resident Trooper.....	Daniel Greenwood
Town Clerk.....	Carla Pomprowicz
Town Planner.....	Michael O'Leary
Interim Finance Director.....	Elaine M. Griffin
Legal Counsel.....	Don Holtman, Esq.
Emergency Management.....	Randy Blais
Engineer.....	Nathan Jacobson & Assoc. Fire
Fire Chief.....	Fred Speno
Fire Marshal.....	Randy Blais
Health Director.....	Thad King
Public Works Director.....	Andrew J. Tierney
Recreation Director.....	Richard Calarco
Senior Services Director.....	Sharon Garrard
Superintendent of Schools.....	Jeffrey Newton
Tax Collector.....	Adrian MacClean
AHM Youth and Family Services.....	Joel Rosenberg
Zoning Enforcement Officer.....	Joseph Summers

TOWN OF HEBRON, CONNECTICUT

Organizational Chart and Town Agencies

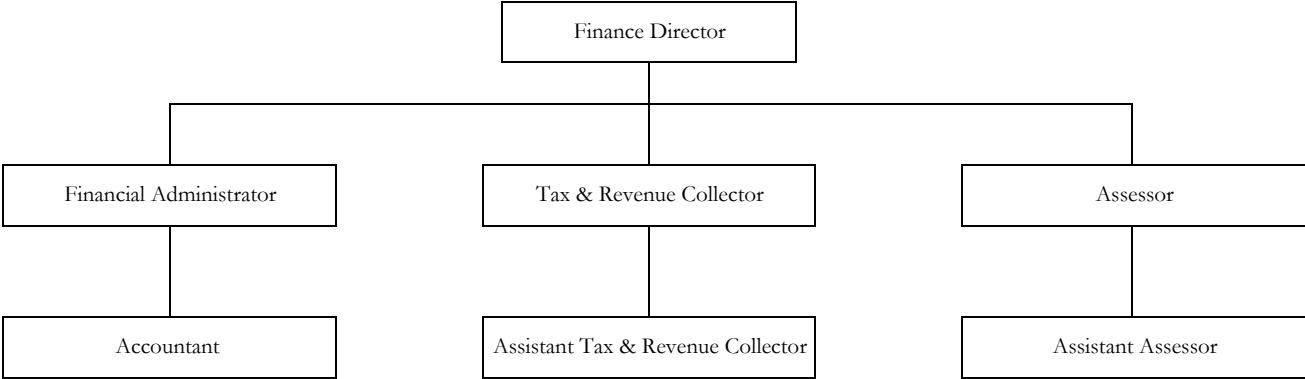
June 30, 2013



Town Agencies
Finance
Revenue Collector
Assessor
Fire Administration
Ambulance
Police
Emergency Management
Fire Marshall
Building
Planning
Wetlands
Town Clerk
Canine Control
Library
Senior Services
Recreation
Town Attorney

Boards and Commissions
Parks and Recreation
Conservation Commission
Water Pollution Control Authority
Inlands Wetlands
Commission on Aging
Open Space & Land Acquisition
CIP Committee
Economic Development Comm.
Historic Preservation Comm.
Park Development Comm.

TOWN OF HEBRON, CONNECTICUT
Organizational Chart - Finance Department
June 30, 2013



Financial Section

Independent
Auditor's
Report

Independent Auditor's Report

To the Members of the Board of Finance
Town of Hebron, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Hebron, Connecticut (the "Town") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Hebron, Connecticut, as of June 30, 2013, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-13 and the schedule of funding progress on page 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

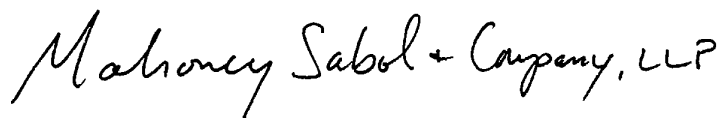
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2013, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Glastonbury, Connecticut

December 31, 2013

Management's Discussion and Analysis

The management of the Town of Hebron, Connecticut (the "Town") offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - viii of this report, as well as the Town's basic financial statements that follow this section.

HIGHLIGHTS

- The assets and deferred outflows of resources of the Town exceeded its liabilities at the close of the most recent fiscal year by \$55,236,595 (net position). Of this amount, \$6,146,256 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$695,599 during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$6,569,195, an increase of \$751,250 in comparison with the prior year. There was an increase of \$1,182,253 in the General Fund, a decrease of \$58,268 in the Capital Projects Fund, a decrease of \$260,840 in the Land Acquisition Fund and a decrease of \$111,895 in the nonmajor governmental funds.
- At the close of the current fiscal year, unassigned fund balance of the General Fund was \$4,123,853 or 11.5% of total General Fund expenditures. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.4 months of General Fund operating expenditures.
- The Town's total long-term bonded debt decreased by \$855,000 or 11.8% during the current fiscal year due to scheduled principal repayments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

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

The statement of net position presents information on all of the Town's assets, deferred outflows of resources, and liabilities, with net position as the residual of these elements. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

TOWN OF HEBRON, CONNECTICUT

Management's Discussion and Analysis - Unaudited *(Continued)*

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Government-wide Financial Statements *(Continued)*

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements are intended to 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 activities such as: general government, finance, public safety, public works, human services, planning and development, and education. The Town has no business-type activities.

The government-wide financial statements can be found on pages 14 and 15 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

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

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

The Town maintains several governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Projects Fund and the Land Acquisition Fund, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 16 - 20 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Fund Financial Statements *(Continued)*

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to the Town's own programs.

The basic fiduciary fund financial statements can be found on pages 21 and 22 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23 - 46 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information other than this management's discussion and analysis that can be found on page 47 of this report. Combining and individual fund statements and schedules can be found on pages 48-62 of this report and statistical information can be found on pages 63-80 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

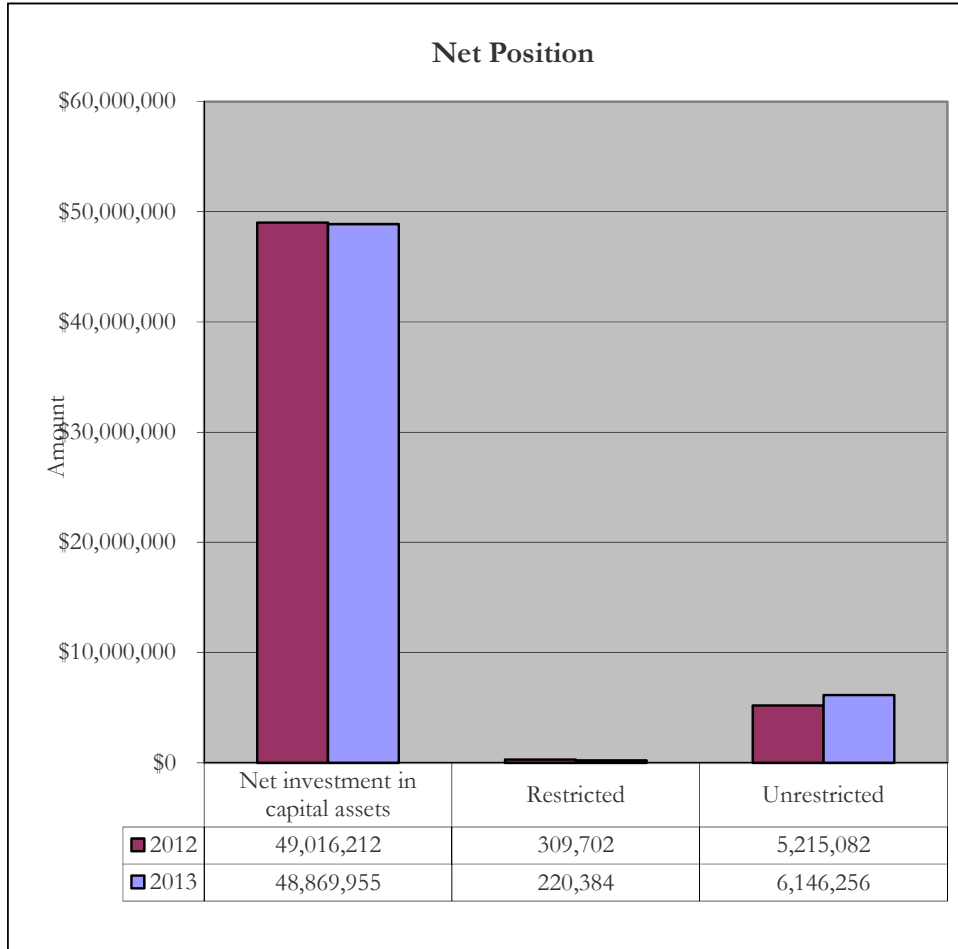
Net Position

Over time, net position may serve as one measure of a government's financial position. Total net position of the Town totaled \$55,236,595 and \$54,540,996 as of June 30, 2013 and 2012, respectively, and are summarized as follows:

	Total	
	2013	2012
Current and other assets	\$ 8,317,467	\$ 7,827,244
Capital assets	56,434,876	56,199,977
Total assets	<u>64,752,343</u>	<u>64,027,221</u>
Deferred outflows of resources	185,524	216,445
Other liabilities	726,093	1,122,736
Long-term liabilities	8,975,179	8,579,934
Total liabilities	<u>9,701,272</u>	<u>9,702,670</u>
Net position:		
Net investment in capital assets	48,869,955	49,016,212
Restricted	220,384	309,702
Unrestricted	6,146,256	5,215,082
Total net position	<u>\$ 55,236,595</u>	<u>\$ 54,540,996</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Net Position *(Continued)*



As of June 30, 2013, approximately 88.5% of the Town's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Approximately 0.4% of net position represents resources that are subject to external restrictions on how they may be used.

The remainder of the Town's net position are considered unrestricted.

Overall, net position increased by \$695,599 in comparison with the prior year.

TOWN OF HEBRON, CONNECTICUT
 Management's Discussion and Analysis - Unaudited (Continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Change in Net Position

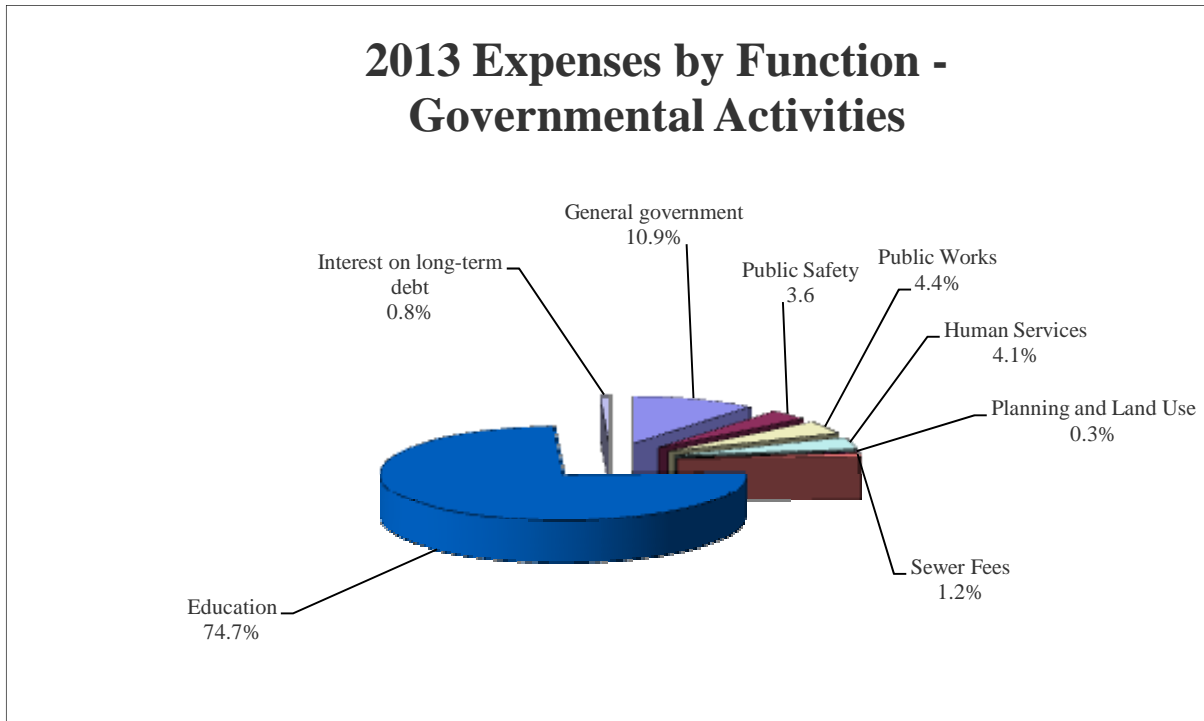
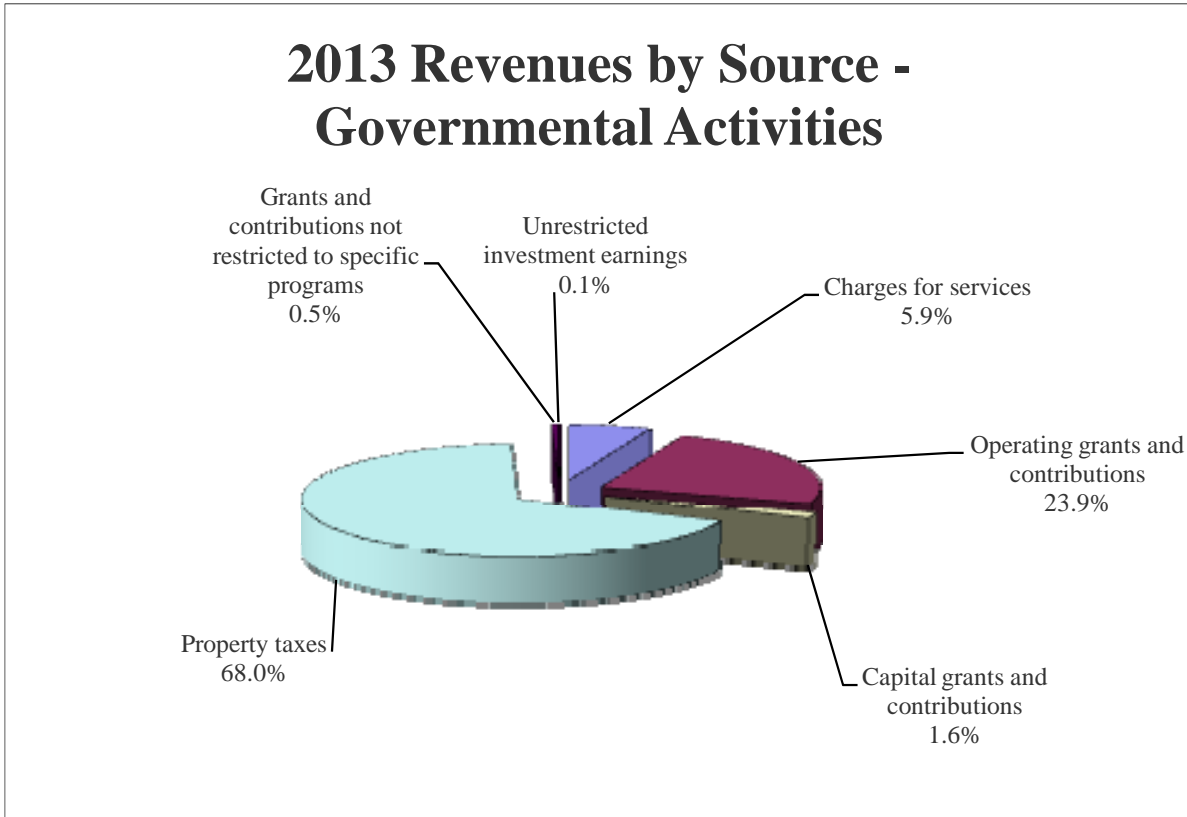
Changes in net position for the years ended June 30, 2013 and 2012 are as follows:

Town of Hebron, Connecticut
Changes in Net Position
For The Years Ended June 30, 2013 and 2012

	Total	
	2013	2012
Revenues		
Program revenues:		
Charges for services	\$ 2,316,049	\$ 2,280,267
Operating grants and contributions	9,150,964	8,885,716
Capital grants and contributions	611,266	974,104
General revenues:		
Property taxes, levied for general purposes	26,043,661	26,170,302
Grants and contributions not restricted to specific programs	186,142	104,092
Unrestricted investment earnings	14,548	16,150
Total revenues	<u>38,322,630</u>	<u>38,430,631</u>
Expenses		
General government	4,105,884	4,113,942
Public safety	1,352,665	1,248,307
Public works	1,654,957	1,458,867
Civic and human services	1,535,361	1,638,036
Planning and land use	118,139	100,104
Sewer fees	453,042	579,075
Education	28,109,170	27,626,247
Interest expense	297,813	410,111
Total expenses	<u>37,627,031</u>	<u>37,174,689</u>
Change in net position	695,599	1,255,942
Net position, beginning	<u>54,540,996</u>	<u>53,285,054</u>
Net position, ending	<u>\$ 55,236,595</u>	<u>\$ 54,540,996</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Change in Net Position (Continued)



TOWN OF HEBRON, CONNECTICUT

Management's Discussion and Analysis - Unaudited *(Continued)*

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances \$6,569,195.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$4,123,853. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 11.5% of total General Fund expenditures. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.4 months of general fund operating expenditures.

The fund balance of the Town's General Fund increased by \$1,182,253 during the current fiscal year, which was primarily due to actual revenues exceeding budgeted amounts.

Capital Projects Fund

The fund balance of the Capital Projects Fund decreased by \$58,268 during the current fiscal year. This decrease was primarily due to current year capital outlays exceeding current year revenue sources.

Land Acquisition Fund

The fund balance of the Land Acquisition Fund decreased by \$260,840. This decrease was primarily due to the purchase of land during the current fiscal year.

TOWN OF HEBRON, CONNECTICUT

Management's Discussion and Analysis - Unaudited (Continued)

GENERAL FUND BUDGETARY HIGHLIGHTS

The actual net change in fund balance of the General Fund on a budgetary basis was an increase of \$1,208,899 in the current fiscal year. Expenditures were \$286,614 less than budgeted, primarily due to a reduction in education expenditures. Total budgetary revenues were \$897,440 more than expected, due to increased tax collections of approximately \$367 thousand, unbudgeted FEMA and municipal revenue sharing grant proceeds of approximately \$120 thousand, and a return of prior year surplus funds from Regional School District No. 8 of approximately \$191 thousand. Other financing sources were \$34,853 more than expected due to the cancellation of prior year encumbrances. During the year ended June 30, 2013, the Board of Finance and Town Meeting approved no additional appropriations.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities as of June 30, 2013 and 2012 totaled \$56,434,876 and \$56,199,977, respectively (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure. The total increase in the Town's investment in capital assets for the current fiscal year was \$234,899 or 0.40%. This increase is attributed to depreciation expense of \$1,932,368 offset by capital asset additions. Major capital asset events during the current fiscal year included the following:

- Purchase of land in the amount of \$335,400;
- Outlays for various ongoing construction projects totaling \$326,352, including Peter's House, Main Street and school roofs;
- Outlays related to new capital lease obligations in the amount of \$1,303,022, for new computers and energy efficiency upgrades; and
- Outlays for various machinery and equipment purchases totaling \$371,526, primarily for the purchase of a backhoe, dump and pick-up trucks, and computers.

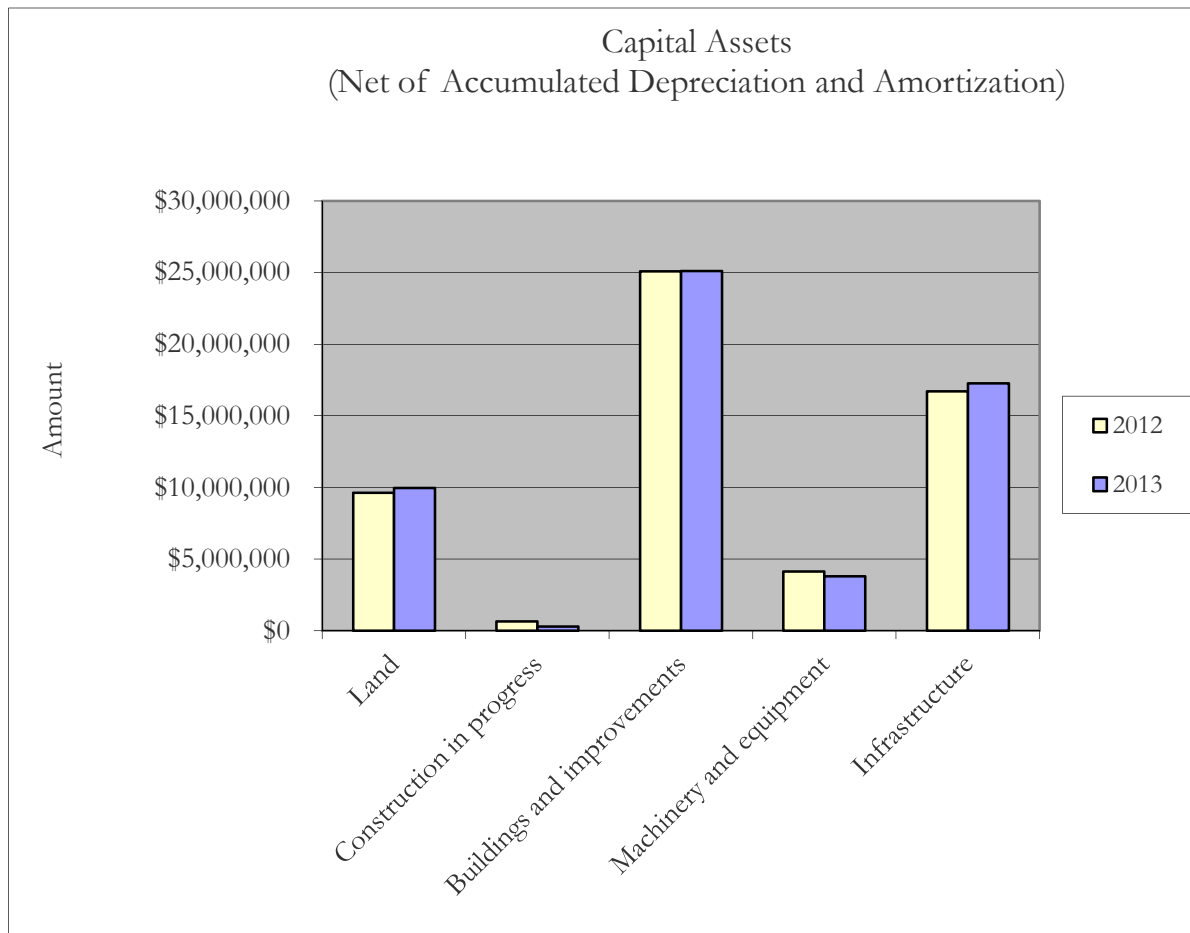
The following table is a two year comparison of the investment in capital assets:

Town of Hebron, Connecticut
Capital Assets, Net
June 30, 2013 and 2012

	<u>Governmental Activities</u>	
	<u>2013</u>	<u>2012</u>
Land	\$ 9,953,124	\$ 9,617,724
Construction in progress	304,438	656,435
Buildings and improvements	25,104,350	25,090,662
Machinery and equipment	3,802,346	4,133,157
Infrastructure	17,270,618	16,701,999
Totals	<u>\$ 56,434,876</u>	<u>\$ 56,199,977</u>

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)



Additional information on the Town's capital assets can be found in Note E on page 36 of this report.

Long-term Debt

At the end of the current fiscal year, the Town had total debt outstanding of \$6,385,000. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total debt decreased by \$855,000 or 11.8% during the current fiscal year due to current year principal repayments. As of June 30, 2013, the Town's bond rating was AA by Standard & Poor's. In October 2013, this rating was increased by Standard & Poor's to AAA.

State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is \$181,951,966, which is significantly in excess of the Town's outstanding general obligation debt.

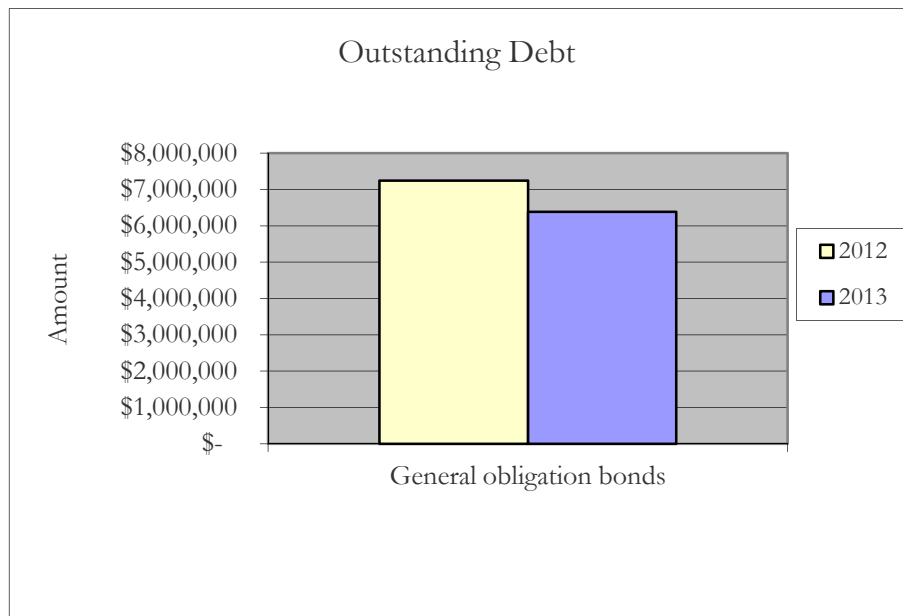
CAPITAL ASSET AND DEBT ADMINISTRATION *(Continued)*

Long-term Debt *(Continued)*

The following table is a two year comparison of long-term debt:

Town of Hebron, Connecticut
Long-term Debt
June 30, 2013 and 2012

	Governmental Activities	
	2013	2012
General obligation bonds	\$ 6,385,000	\$ 7,240,000
Totals	\$ 6,385,000	\$ 7,240,000



Additional information on the Town's long-term debt can be found in Note H on pages 38-40 of this report.

TOWN OF HEBRON, CONNECTICUT

Management's Discussion and Analysis - Unaudited (*Continued*)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

A summary of key economic factors affecting the Town are as follows:

- The unemployment rate for the Town is currently 5.2%. This compares favorably to the state's average unemployment rate of 8.0% and the national unemployment rate of 7.6%.
- The Town's credit rating was raised to a AAA by Standard & Poor's in October 2013.
- Significant estimates affecting next year's budget that are subject to change in the near term consist of the following:
 - For purposes of calculating property tax revenues for fiscal year 2014, the assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on behalf of certain taxpayers.
 - Intergovernmental grants were based on estimates from the State.
 - It is unknown how the weakened economy will impact real estate activity and related revenues collected by the Land Use Department, the Town Clerk, the Building Department and the amount of conveyance taxes and interest income.

All of these factors were considered in preparing the Town's budget for fiscal year 2014.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Office, Town of Hebron, 15 Gilead Street, Hebron, Connecticut 06248.

Basic
Financial
Statements

TOWN OF HEBRON, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2013

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 5,958,604
Investments	508,713
Receivables:	
Property taxes and interest, net	1,069,336
Sewer assessments and user fees, net	267,040
Intergovernmental	325,418
Other	26,067
Inventories	10,043
Loans receivable	152,246
Capital assets:	
Non-depreciable	10,257,562
Depreciable, net	46,177,314
Total assets	<u>64,752,343</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on refunding	<u>185,524</u>
 LIABILITIES	
Accounts payable	317,179
Accrued interest payable	95,618
Unearned revenue	296,796
Other liabilities	16,500
Noncurrent liabilities:	
Due within one year	878,898
Due in more than one year	8,096,281
Total liabilities	<u>9,701,272</u>
 NET POSITION	
Net investment in capital assets	48,869,955
Restricted for:	
Endowments:	
Expendable	5,865
Nonexpendable	5,945
Other purposes	208,574
Unrestricted	6,146,256
Total net position	<u>\$ 55,236,595</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF HEBRON, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position - Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
General government	\$ 4,105,884	\$ 505,267	\$ -	\$ -	\$ (3,600,617)
Public safety	1,352,665	274,342	39,175	-	(1,039,148)
Public works	1,654,957	14,896	-	468,440	(1,171,621)
Civic and Human services	1,535,361	653,200	91,657	-	(790,504)
Planning and land use	118,139	1,999	-	-	(116,140)
Sewer	453,042	633,847	-	-	180,805
Education	28,109,170	232,498	9,020,132	142,826	(18,713,714)
Interest expense	297,813	-	-	-	(297,813)
Total governmental activities	<u>\$ 37,627,031</u>	<u>\$ 2,316,049</u>	<u>\$ 9,150,964</u>	<u>\$ 611,266</u>	<u>(25,548,752)</u>
General revenues:					
Property taxes, levied for general purposes					26,043,661
Grants and contributions not restricted to specific programs					186,142
Unrestricted investment earnings					14,548
Total general revenues					<u>26,244,351</u>
					695,599
					54,540,996
					<u>\$ 55,236,595</u>

The accompanying notes are an integral part of these financial statements .

TOWN OF HEBRON, CONNECTICUT

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2013

	General Fund	Capital Projects Fund	Land Acquisition Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 5,359,191	\$ 138,763	\$ 117,192	\$ 343,458	\$ 5,958,604
Investments	496,903	-	-	11,810	508,713
Receivables:					
Property taxes, net of allowance of \$137,000	832,305	-	-	-	832,305
Interest, net of allowance of \$64,000	237,031	-	-	-	237,031
Sewer usage charges, net of allowance of \$12,000	-	-	-	54,146	54,146
Intergovernmental	-	318,349	-	7,069	325,418
Loans	-	-	-	152,246	152,246
Sewer assessments, net of allowance of \$22,000	-	-	-	212,894	212,894
Other	26,067	-	-	-	26,067
Due from other funds	168,839	918,891	86,090	340,087	1,513,907
Inventories	-	-	-	10,043	10,043
Total assets	<u>\$ 7,120,336</u>	<u>\$ 1,376,003</u>	<u>\$ 203,282</u>	<u>\$ 1,131,753</u>	<u>\$ 9,831,374</u>
LIABILITIES					
Accounts payable	\$ 215,511	\$ 25,242	\$ -	\$ 76,426	\$ 317,179
Due to other funds	1,345,068	141,505	-	27,334	1,513,907
Unearned revenue	99,741	-	-	197,055	296,796
Other liabilities	16,500	-	-	-	16,500
Total liabilities	<u>1,676,820</u>	<u>166,747</u>	<u>-</u>	<u>300,815</u>	<u>2,144,382</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes and interest	981,921	-	-	-	981,921
Unavailable revenue - sewer usage charges	-	-	-	90,152	90,152
Unavailable revenue - sewer assessment	-	-	-	45,724	45,724
	<u>981,921</u>	<u>-</u>	<u>-</u>	<u>135,876</u>	<u>1,117,797</u>
FUND BALANCES (DEFICIT)					
Nonspendable:					
Inventories	-	-	-	10,043	10,043
Loans receivable	-	-	-	152,246	152,246
Permanent fund principal	-	-	-	5,945	5,945
Restricted for:					
Long-term debt repayments	-	-	-	88	88
Donor purpose restrictions	-	-	-	5,865	5,865
Education	-	-	-	56,240	56,240
Committed to:					
Public safety	-	-	-	3,784	3,784
Civic and human services	-	-	-	153,395	153,395
Sewer operations	-	-	-	329,607	329,607
Capital purposes	-	1,209,256	203,282	-	1,412,538
Assigned to:					
Use in subsequent year's budget	180,000	-	-	-	180,000
Reserve for revaluation	50,000	-	-	-	50,000
Reserve for retiree benefits	14,000	-	-	-	14,000
General government	10,712	-	-	-	10,712
Public safety	19,056	-	-	-	19,056
Civic and human services	4,300	-	-	-	4,300
Planning and land use	714	-	-	-	714
Public works	58,960	-	-	-	58,960
Unassigned	4,123,853	-	-	(22,151)	4,101,702
Total fund balances (deficit)	<u>4,461,595</u>	<u>1,209,256</u>	<u>203,282</u>	<u>695,062</u>	<u>6,569,195</u>
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>\$ 7,120,336</u>	<u>\$ 1,376,003</u>	<u>\$ 203,282</u>	<u>\$ 1,131,753</u>	<u>\$ 9,831,374</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF HEBRON, CONNECTICUT

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS

TO THE STATEMENT OF NET POSITION

JUNE 30, 2013

Total fund balances for governmental funds	\$	6,569,195
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Total net position reported for governmental activities in the statement of net position is different because:

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

Land	\$	9,953,124	
Construction in progress		304,438	
Buildings and improvements		40,001,347	
Machinery and equipment		9,596,381	
Infrastructure		35,545,701	
Less accumulated depreciation and amortization		<u>(38,966,115)</u>	
Total capital assets, net			56,434,876

Some of the Town's taxes, loans receivable, sewer usage charges and sewer assessments will be collected after year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources in the funds. 1,117,797

Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported in the governmental funds. All liabilities and related amounts - both current and long-term - are reported in the statement of net position.

Accrued interest payable	(95,618)	
Long-term debt:		
Bonds and notes payable	(6,385,000)	
Deferred amount on refunding	185,524	
Capital lease obligations	(1,365,445)	
Other long-term liabilities:		
Compensated absences	(431,734)	
Net OPEB obligation	<u>(793,000)</u>	
Total long-term liabilities		<u>(8,885,273)</u>

Net position of governmental activities	\$	<u><u>55,236,595</u></u>
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TOWN OF HEBRON, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	General Fund	Capital Projects Fund	Land Acquisition Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 26,016,823	\$ -	\$ -	\$ -	\$ 26,016,823
Intergovernmental	8,839,751	487,502	-	416,428	9,743,681
Charges for services	730,486	-	-	1,316,689	2,047,175
Investment income	13,137	731	191	489	14,548
Other	356,330	7,221	1,369	14,070	378,990
Total revenues	<u>35,956,527</u>	<u>495,454</u>	<u>1,560</u>	<u>1,747,676</u>	<u>38,201,217</u>
EXPENDITURES					
Current:					
General government	2,643,968	-	-	31,775	2,675,743
Public safety	884,815	-	-	49,562	934,377
Public works	963,490	-	-	-	963,490
Civic and human services	610,463	-	-	581,130	1,191,593
Planning and land use	103,723	-	-	-	103,723
Sewer	9,800	-	-	344,223	354,023
Education	26,945,745	-	-	554,511	27,500,256
Insurance and benefits	1,125,058	-	-	-	1,125,058
Capital outlays	1,303,022	1,032,422	335,400	-	2,670,844
Debt service:					
Principal payments	952,787	-	-	-	952,787
Interest and fiscal charges	281,095	-	-	-	281,095
Total expenditures	<u>35,823,966</u>	<u>1,032,422</u>	<u>335,400</u>	<u>1,561,201</u>	<u>38,752,989</u>
Excess (deficiency) of revenues over expenditures	132,561	(536,968)	(333,840)	186,475	(551,772)
OTHER FINANCING SOURCES (USES)					
Capital lease financing	1,303,022	-	-	-	1,303,022
Transfers in	298,370	478,700	73,000	-	850,070
Transfers out	(551,700)	-	-	(298,370)	(850,070)
Total other financing sources (uses)	<u>1,049,692</u>	<u>478,700</u>	<u>73,000</u>	<u>(298,370)</u>	<u>1,303,022</u>
Net change in fund balances	1,182,253	(58,268)	(260,840)	(111,895)	751,250
Fund balances - beginning	<u>3,279,342</u>	<u>1,267,524</u>	<u>464,122</u>	<u>806,957</u>	<u>5,817,945</u>
Fund balances - ending	<u>\$ 4,461,595</u>	<u>\$ 1,209,256</u>	<u>\$ 203,282</u>	<u>\$ 695,062</u>	<u>\$ 6,569,195</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF HEBRON, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Net change in fund balances - total governmental funds \$ 751,250

Total change in net position reported for governmental activities in the statement of activities is different because:

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

Expenditures for capital assets	\$ 2,167,267	
Depreciation and amortization expense	(1,932,368)	
Net adjustment		234,899

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term obligations is as follows:

Debt incurred:		
Capital lease financing	(1,303,022)	
Principal repayments:		
Bonds and notes payable	855,000	
Capital lease financing	97,787	
Net adjustment		(350,235)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The net effect of such items is as follows:

Accrued interest	14,203	
Deferred amount on refunding	(30,921)	
Compensated absences	22,990	
Net OPEB obligation	(68,000)	
		(61,728)

Certain revenues reported in the statement of activities do not provide current financial resources and, therefore, are reported as deferred inflows of resources in the governmental funds. This amount represents the change in deferred inflows.

Change in net position of governmental activities \$ 695,599

The accompanying notes are an integral part of these financial statements.

TOWN OF HEBRON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original Budget	Final Budget		
REVENUES				
Property taxes	\$ 25,649,317	\$ 25,649,317	\$ 26,016,823	\$ 367,506
Licenses and permits	463,680	463,680	606,616	142,936
Intergovernmental	7,228,584	7,228,584	7,378,287	149,703
Investment earnings	20,000	20,000	13,137	(6,863)
Other revenues	116,300	116,300	360,458	244,158
Total revenues	<u>33,477,881</u>	<u>33,477,881</u>	<u>34,375,321</u>	<u>897,440</u>
EXPENDITURES				
Current:				
General government	2,648,444	2,548,836	2,512,453	(36,383)
Public safety	844,062	878,864	867,976	(10,888)
Civic and human services	645,196	645,196	614,631	(30,565)
Planning and land use	122,707	122,707	108,175	(14,532)
Public works	972,985	1,022,985	986,196	(36,789)
Sewer fees	11,200	11,200	9,800	(1,400)
Insurance and benefits	1,151,684	1,166,490	1,139,058	(27,432)
Education	25,607,567	25,607,567	25,481,028	(126,539)
Debt service	1,170,706	1,170,706	1,168,620	(2,086)
Total expenditures	<u>33,174,551</u>	<u>33,174,551</u>	<u>32,887,937</u>	<u>(286,614)</u>
Excess of revenues over expenditures	303,330	303,330	1,487,384	1,184,054
OTHER FINANCING SOURCES (USES)				
Cancellation of prior year encumbrances	-	-	34,853	34,853
Transfers in	298,370	298,370	298,370	-
Transfers out	(601,700)	(601,700)	(601,700)	-
Total other financing sources (uses)	<u>(303,330)</u>	<u>(303,330)</u>	<u>(268,477)</u>	<u>34,853</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	1,218,907	<u>\$ 1,218,907</u>
Fund balances - beginning			<u>3,084,946</u>	
Fund balances - ending			<u>\$ 4,303,853</u>	

The accompanying notes are an integral part of these financial statements.

TOWN OF HEBRON, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ -	\$ 110,876
Investments, at fair value:		
Pooled separate accounts	2,626,889	-
Employer contributions receivable	55,121	-
Other assets	-	2,148
Total assets	<u>2,682,010</u>	<u>\$ 113,024</u>
LIABILITIES		
Due to student groups	-	30,251
Due to others	-	82,773
Total liabilities	<u>-</u>	<u>\$ 113,024</u>
NET POSITION		
Held in trust for pension benefits	<u>\$ 2,682,010</u>	

The accompanying notes are an integral part of these financial statements.

TOWN OF HEBRON, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013

	Pension Trust Fund
ADDITIONS	
Employer contributions	\$ 249,726
Total contributions	249,726
Investment earnings:	
Net increase in the fair value of investments	248,978
Net investment earnings	248,978
Total additions	498,704
DEDUCTIONS	
Benefit payments	147,883
Total deductions	147,883
Change in net position	350,821
Net position - beginning	2,331,189
Net position - ending	\$ 2,682,010

The accompanying notes are an integral part of these financial statements .

TOWN OF HEBRON, CONNECTICUT

Notes to Financial Statements

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Hebron, Connecticut (the "Town") conform to accounting principles generally accepted in the United States of America, as applicable to governmental organizations. The following is a summary of significant accounting policies:

Financial Reporting Entity

The Town was incorporated in 1708. The Town operates under a Charter which became effective in November 1988 and was most recently amended in November 2009. The form of government includes an elected Board of Selectmen consisting of five members, an elected six member Board of Finance and an elected seven member local Board of Education.

The legislative power of the Town is vested with the Board of Selectmen and the Town Meeting. The Board of Selectmen may enact, amend or repeal ordinances and resolutions. The administration of the Town offices and agencies, with the exception of the local Board of Education, is the responsibility of the Town Manager, who is appointed by the Board of Selectmen.

The Board of Finance is responsible for financial and taxation matters as prescribed by the Connecticut General Statutes, and is responsible for presenting fiscal operating budgets for Town Meeting approval.

The Town provides the following services: police, fire, community health and social services, solid waste removal, cultural and recreation services, education, streets and highways, planning and zoning, public improvements and general administrative services.

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government and its component units, entities for which the government is considered to be financially accountable, and other organizations which by nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded. Based on these criteria, there are no component units requiring inclusion in these financial statements.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. The statements are intended to distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The Town has no business-type activities.

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 HEBRON, CONNECTICUT

Notes to Financial Statements *(Continued)*

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Government-wide and Fund Financial Statements *(Continued)*

Fund Financial Statements

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category – governmental 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 other governmental funds.

The Town reports the following major governmental funds:

General Fund - This fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those not accounted for and reported in another fund.

Capital Projects Fund - This fund is used to account for the financial resources for the acquisition and construction of major capital facilities.

Land Acquisition Fund - This fund is used to account for the financial resources for the acquisition of open space.

In addition, the Town reports the following fiduciary fund types:

Pension Trust Fund - This fund type is used to account for resources held in trust for the members and beneficiaries of the Town's defined contribution pension plan, which accumulates resources for pension benefit payments to qualified employees.

Agency Funds - These funds are used to account for resources held by the Town in a purely custodial capacity. The Town utilizes these funds to account for assets held for student activities, performance bonds, employees and others.

Measurement Focus and Basis of Accounting

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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.

TOWN OF HEBRON, CONNECTICUT

Notes to Financial Statements *(Continued)*

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Measurement Focus and Basis of Accounting *(Continued)*

The 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital lease are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when the cash is received.

The pension trust fund is reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

Adoption of New Accounting Standards

The Town has implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* effective July 1, 2012. GASB Statement No. 63 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 resulted in the reclassification of certain financial statement line items on the government-wide and fiduciary statements of net position and the governmental funds balance sheet. In addition to reclassifications to these new categories, GASB No. 65 has also resulted in a change to the accounting treatment for certain items, including debt issuance costs.

Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position/Fund Equity

Cash Equivalents

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

TOWN OF HEBRON, CONNECTICUT

Notes to Financial Statements *(Continued)*

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position/Fund Equity (Continued)

Investments

Investments for the Town are reported at fair value (generally based on quoted market prices) except as described below.

The Town invests in the State Treasurer's Short-Term Investment Fund (STIF), which is an investment pool managed by the State Treasurer's Office, and the Cooperative Liquid Asset Security Systems Fund (CLASS), which is an investment pool managed by Cutwater Asset Management. STIF and CLASS operate in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, STIF and CLASS qualify as 2a7-like pools and are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. STIF and CLASS are subject to regulatory oversight even though they are not registered by the SEC.

Property Taxes, Sewer Assessment and Usage Charges

Property taxes are assessed as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and January 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, July 1. Taxes not paid within 30 days of the due date are subject to an interest charge of 1.5% per month. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date.

Sewer assessments are levied by the Water Pollution Control Authority and assessed to the users as projects are completed. Assessment charges are billed annually in May. Usage charges are billed annually in October, unless there are more than 1 EDU which is billed semi-annually in October and April for flat rate fees and metered fees. Assessments and user charges are due and payable within thirty days and delinquent amounts are subject to interest at prevailing rates. Liens are filed on all properties until the assessment is paid in full.

Inventories and Prepaid Items

Inventories are reported at cost using the first-in first-out (FIFO) method, except for USDA donated commodities, which are recorded at market value. Inventories 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 the government-wide and the fund financial statements.

Loans Receivable

The Town administers a rehabilitation loan program for low to moderate income families. The loans bear an interest rate of 0%. Repayment of the loans is deferred, but the loans become due and payable upon sale or transfer of the property, the owner's demise, or when the subject property is no longer the applicant's principal place of residence. The notes may be paid in full or in part by the borrower at any time without penalty.

TOWN OF HEBRON, CONNECTICUT

Notes to Financial Statements *(Continued)*

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position/Fund Equity *(Continued)*

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 \$5,000 for furniture, equipment and buildings, and \$50,000 for infrastructure assets. Such assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of 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:

Assets	Years
Buildings	25 - 50
Building improvements	25 - 50
System infrastructure	20 - 50
Furniture and equipment	5 - 25

Unearned Revenue

This liability represents resources that have been received but not yet earned.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported 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.

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town only has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position/Fund Equity (Continued)

Compensated Absences

Town and noncertified Board of Education employees are granted vacation and sick leave, and certified employees of the Board of Education are granted sick leave based upon length of employment. In the event of termination, employees are compensated for accumulated vacation and sick time.

All compensated absences are accrued when incurred in the government-wide financial statements. 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 when the vested amount is expected to be paid with available resources.

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 are expensed when incurred.

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

Net Position and Fund Balance

The government-wide statement of net position presents the Town's non-fiduciary assets, deferred outflows of resources and liabilities, with net position as the residual of these elements. Net position is reported in three categories:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of capital assets.

Restricted net position – This component of net position consists of net assets whose use is restricted either through external restrictions imposed by creditors, grantors, contributors, and the like, or through restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – This component of net position is the net amount of assets, liabilities, and deferred outflows of resources

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position/Fund Equity (Continued)

Net Position and Fund Balance (Continued)

The Town's governmental funds report the following fund balance categories:

Nonspendable – Amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be maintained intact.

Restricted – Constraints are placed on the use of resources that are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through enabling legislation.

Committed – Amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Finance (the highest level of decision making authority of the Town) and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action. The formal action required to be taken by the Board of Finance to commit fund balance includes formal voting procedures regulated by the Town Charter that of which is consistent with the Town's budgeting procedures as described in Note B.

Assigned – Amounts are constrained by the government's intent to be used for specific purposes, but are not restricted or committed. The Town Treasurer has been authorized by the Board of Finance to assign Fund Balance as needed to meet the obligations of the Town, with the exception of those amounts assigned by the Board of Finance during the Town's annual budgeting process as described in Note B.

Unassigned – Residual classification for the General Fund or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories.

Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

The Town does not have a formal policy over net position. In practice, the Town considers restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

TOWN OF HEBRON, CONNECTICUT

Notes to Financial Statements *(Continued)*

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position/Fund Equity *(Continued)*

Net Position and Fund Balance *(Continued)*

Fund Balance Flow Assumption (Continued)

The Town does not have a formal policy over the use of fund balance. In accordance with the applicable accounting guidance, when committed, assigned and unassigned resources are available for use, it is assumed that the Town will use committed resources first, then assigned resources and then unassigned resources as they are needed.

Interfund Activities

Interfund activities are reported as follows:

Interfund 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 non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”.

Interfund Services Provided and Used

Sales and purchases of goods and services between funds for a price approximating their external exchange value are reported as revenues and expenditures, or expenses, in the applicable funds.

Interfund Transfers

Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and other financing sources in the funds receiving transfers.

Interfund Reimbursements

Interfund reimbursements represent repayments from the funds responsible for particular expenditures, or expenses, to the funds that initially paid for them.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

TOWN OF HEBRON, CONNECTICUT

Notes to Financial Statements *(Continued)*

June 30, 2013

NOTE B - BUDGETARY INFORMATION AND DEFICIT FUND EQUITY

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

- At least one hundred fifty (150) days before the end of the fiscal year, the head of each department, office or agency of the Town, supported wholly or in part from Town funds, except the Regional Board of Education, files with the Town Manager a detailed estimate of the expenditures to be made and the revenues, other than property taxes, to be collected in the ensuing fiscal year.
- 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 at the department level.
- The Town Manager, with the assistance of the Finance Director, reviews the budget estimates with the heads of all Town supported departments, offices and agencies. No later than one hundred twenty (120) days prior to the end of the fiscal year, the Town Manager presents to the Board of Selectmen a proposed budget. In preparing the proposed budget, the Town Manager may add to, delete from or eliminate requests made by the various departments, offices and agencies, except that he may only comment and make recommendations on the budget requests of elected officials and the local Board of Education. The Town Manager includes in the budget the estimated budget request of Regional School District No. 8.
- The Board of Selectmen reviews the budget estimates and make further revisions, except that the Board may only make recommendations in the budgets prepared by other elected officers, elected Town agencies and the local Board of Education. The Board of Selectmen submits its budget recommendations to the Board of Finance no later than ninety (90) days before the end of the fiscal year.
- The Board of Finance holds at least one public hearing on the budget as presented. The Board of Finance may review the budget requests with the head of each department, board, agency and commission including the local Board of Education. The Board of Finance then prepares a budget to be presented to the annual Town budget meeting.
- The Town Charter provides the manner which is to be utilized by Town Meeting in acting upon the budget. The Board of Finance may make supplemental appropriations during the year provided that such appropriations do not cumulatively exceed one-half of one percent (.005) of the current year budget, excluding the amount appropriated to Regional School District No. 8. All subsequent supplemental appropriations are subject to Town Meeting approval. The Board of Finance is authorized to approve transfers from one department, office or agency to another only within the last three (3) months of the fiscal year.
- The Charter also provides for the making of emergency appropriations which do not require Town Meeting approval. There were no emergency appropriations made during the year.
- Unexpended appropriations lapse at the end of the fiscal year unless specifically continued in force to the subsequent period.

TOWN OF HEBRON, CONNECTICUTNotes to Financial Statements *(Continued)*

June 30, 2013

NOTE B - BUDGETARY INFORMATION AND DEFICIT FUND EQUITY *(Continued)*

- The General Fund budget is prepared on a modified accrual basis of accounting. Encumbrances 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, and accordingly encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year.

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP basis"). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2013:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Total Other Financing Sources (Uses)</u>	<u>Net Change in Fund Balance</u>
Budgetary basis	\$ 34,375,321	\$ 32,887,937	\$ (268,477)	\$ 1,218,907
"On-behalf" payments - State Teachers Retirement Fund <i>(see Note I)</i>	1,174,505	1,174,505	-	-
Encumbrances outstanding:				
June 30, 2012	-	159,543	(34,853)	(194,396)
June 30, 2013	-	(93,742)	-	93,742
Capital leases not recorded for budgetary purposes	-	1,303,022	1,303,022	-
Reserve for Revaluation	-	-	50,000	50,000
Reserve for Retiree Benefits	-	(14,000)	-	14,000
Intergovernmental grants and local revenue netted against expenditures	406,701	406,701	-	-
GAAP basis	<u>\$ 35,956,527</u>	<u>\$ 35,823,966</u>	<u>\$ 1,049,692</u>	<u>\$ 1,182,253</u>

Deficit Fund Equity

The Miscellaneous Grants Fund has a deficit fund balance as of June 30, 2013 of \$22,151, which does not constitute a violation of statutory provisions. The deficit arose due to expenditures exceeding revenues received. This deficit is expected to be funded by future grant reimbursements and other revenue sources.

TOWN OF HEBRON, CONNECTICUT

Notes to Financial Statements *(Continued)*

June 30, 2013

NOTE C - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

A reconciliation of the Town's cash deposits as of June 30, 2013 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 5,958,604
Statement of fiduciary net position:	
Cash and cash equivalents	110,876
Plus: certificates of deposit considered cash for disclosure purposes	508,713
Less: cash equivalents considered investments for disclosure purposes	(1,262,789)
	<u>\$ 5,315,404</u>

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2013, \$4,603,171 of the Town's bank balance of \$6,119,770 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 4,142,854
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	460,317
	<u>\$ 4,603,171</u>

All of the Town's deposits were in qualified public institutions as defined by Connecticut state statute. Under this statute, any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

TOWN OF HEBRON, CONNECTICUT
Notes to Financial Statements *(Continued)*
June 30, 2013

NOTE C - CASH DEPOSITS AND INVESTMENTS *(Continued)*

Investments

A reconciliation of the Town's investments as of June 30, 2013 is as follows:

Government-wide statement of net position:		
Investments	\$	508,713
Statement of fiduciary net position:		
Investments		2,626,889
Plus: cash equivalents considered investments for disclosure purposes		1,262,789
Less: certificates of deposit considered cash for disclosure purposes		(508,713)
	<u>\$</u>	<u>3,889,678</u>

As of June 30, 2013, the Town's investments consisted of the following:

<u>Investment type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years) Less Than 1</u>
Debt Securities:			
Cooperative Liquid Asset Security System (CLASS)	BBB	\$ 186,995	\$ 186,995
Money market mutual funds	Unrated	8,240	8,240
Short-term Investment Fund (STIF)	AAA	1,067,554	1,067,554
		<u>1,262,789</u>	<u>\$ 1,262,789</u>
Other investments:			
Pooled separate accounts		<u>2,626,889</u>	
		<u>\$ 3,889,678</u>	

Because the CLASS and STIF had weighted average maturities of less than 90 days, they were presented as cash equivalents.

Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, its practice is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

TOWN OF HEBRON, CONNECTICUT

Notes to Financial Statements *(Continued)*

June 30, 2013

NOTE C - CASH DEPOSITS AND INVESTMENTS *(Continued)*

Investments *(Continued)*

Credit Risk

The Town has no investment policy that would further limit its investment choices beyond those limited by Connecticut state statutes. Connecticut state statutes permit the Town to invest in obligations of the United States, including its instrumentalities and agencies; in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service. The Pension Trust Funds may also invest in certain real estate mortgages, in certain savings banks or savings and loan associations, or in stocks or bonds or other securities selected by the trustee, with the care of a prudent investor.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. The Town's investments consist primarily of investments in external investment pools which are not exposed to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

Concentrations of Credit Risk

The Town's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific issuer. More than 5 percent of the Town's investments are in STIF and pooled separate accounts. Investments in these types of accounts are considered to be diversified by nature.

NOTE D - REHABILITATION LOANS

Rehabilitation loans consist of deferred loans made to certain qualifying individuals for home improvements in connection with funding received by the Town under a Small Cities Development Block Grant to administer the Town's Housing Rehabilitation Program. The loans bear no interest during their term.

TOWN OF HEBRON, CONNECTICUT
Notes to Financial Statements *(Continued)*
June 30, 2013

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 9,617,724	\$ 335,400	\$ -	\$ 9,953,124
Construction in progress	656,435	326,352	(678,349)	304,438
Total capital assets, not being depreciated	<u>10,274,159</u>	<u>661,752</u>	<u>(678,349)</u>	<u>10,257,562</u>
Capital assets, being depreciated:				
Buildings and improvements	39,294,646	706,701	-	40,001,347
Machinery and equipment	9,385,837	210,544	-	9,596,381
Infrastructure	34,279,082	1,266,619	-	35,545,701
Total capital assets, being depreciated	<u>82,959,565</u>	<u>2,183,864</u>	<u>-</u>	<u>85,143,429</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	(14,203,984)	(693,013)	-	(14,896,997)
Machinery and equipment	(5,252,680)	(541,355)	-	(5,794,035)
Infrastructure	(17,577,083)	(698,000)	-	(18,275,083)
Total accumulated depreciation and amortization	<u>(37,033,747)</u>	<u>(1,932,368)</u>	<u>-</u>	<u>(38,966,115)</u>
Total capital assets, being depreciated, net	<u>45,925,818</u>	<u>251,496</u>	<u>-</u>	<u>46,177,314</u>
Governmental activities capital assets, net	<u>\$ 56,199,977</u>	<u>\$ 913,248</u>	<u>\$ (678,349)</u>	<u>\$ 56,434,876</u>

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

Governmental Activities:	
General government	\$ 849,854
Public safety	253,174
Public works	139,350
Civic and human services	156,180
Education	533,810
Total depreciation and amortization expense - governmental activities	<u>\$ 1,932,368</u>

TOWN OF HEBRON, CONNECTICUT
Notes to Financial Statements *(Continued)*
June 30, 2013

NOTE F - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2013 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	Capital Projects Fund	\$ 141,505
	Other Governmental Funds	27,334
		<u>168,839</u>
Capital Projects Fund	General Fund	<u>918,891</u>
Land Acquisition Fund	General Fund	<u>86,090</u>
Other Governmental Funds	General Fund	340,087
		<u>\$ 1,513,907</u>

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

NOTE G - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2013 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
General Fund	Other Governmental Funds	\$ 298,370
Capital Projects Fund	General Fund	<u>478,700</u>
Land Acquisition Fund	General Fund	73,000
Total transfers		<u>\$ 850,070</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.

TOWN OF HEBRON, CONNECTICUT
Notes to Financial Statements *(Continued)*
June 30, 2013

NOTE H - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2013:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds payable:					
General obligation bonds	\$ 7,240,000	\$ -	\$ (855,000)	\$ 6,385,000	\$ 755,000
Other liabilities:					
Capital leases	160,210	1,303,022	(97,787)	1,365,445	80,724
Compensated absences	454,724	3,237	(26,227)	431,734	43,174
Net OPEB obligation <i>(Note J)</i>	725,000	68,000	-	793,000	-
	<u>\$ 8,579,934</u>	<u>\$ 1,374,259</u>	<u>\$ (979,014)</u>	<u>\$ 8,975,179</u>	<u>\$ 878,898</u>

Long - term liabilities above typically have been liquidated by the General Fund.

General Obligation Bonds

A summary of general obligation bonds outstanding at June 30, 2013 is as follows:

<u>Purpose of Bonds</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Amount Outstanding</u>
Governmental Activities				
2004 General Obligation Bonds	1,800,000	3.875-4.5%	7/15/2024	\$ 1,080,000
2008 General Obligation Bonds	4,300,000	3.2-4.0%	7/15/2023	3,140,000
2004 School Obligation Refunding Bonds	5,720,000	2.0-4.9%	12/1/2019	2,165,000
				<u>\$ 6,385,000</u>

Annual debt service requirements to maturity on general obligation bonds are as follows as of June 30, 2013:

<u>Year ending June 30:</u>	<u>Governmental Activities</u>		
	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2014	\$ 755,000	\$ 235,308	\$ 990,308
2015	745,000	208,883	953,883
2016	740,000	182,414	922,414
2017	735,000	156,121	891,121
2018	725,000	129,139	854,139
2019-2023	2,220,000	302,529	2,522,529
2024-2025	465,000	13,800	478,800
	<u>\$ 6,385,000</u>	<u>\$ 1,228,194</u>	<u>\$ 7,613,194</u>

NOTE H - LONG-TERM LIABILITIES *(Continued)*

General Obligation Bonds *(Continued)*

Overlapping Debt

The Town is contingently liable for its pro-rata share of Regional School District No. 8 (the “District”)’s outstanding bonds. At June 30, 2013, the District’s total outstanding bonds were \$21,690,000. The Town of Hebron’s share will be approximately 54.74% of the total, or \$11,873,105. Such outstanding indebtedness represents general obligations of the Regional School District No. 8 and its member towns, however, the Town is not required to record its share in the accompanying statement of net position. Regional School District No. 8 has no authorized, unissued bonds, for which the Town of Hebron would be contingently liable.

Legal Debt Limit

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute, or \$181,951,966 as of June 30, 2013. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2013.

Authorized, Unissued Bonds

The amount of authorized, unissued bonds at June 30, 2013 totaled \$500,000 for general purposes and \$8,550,940 for school purposes.

Capital Leases

A summary of assets acquired through capital leases is as follows as of June 30, 2013:

	Governmental Activites
Furniture and Equipment	\$ 1,781,547
Less: accumulated amortization	329,455
	<u>\$ 1,452,092</u>

Amortization expense relative to leased property under capital leases totaled \$114,135 for the year ended June 30, 2013 and is included in depreciation and amortization expense disclosed in Note E.

TOWN OF HEBRON, CONNECTICUTNotes to Financial Statements *(Continued)*

June 30, 2013

NOTE H - LONG-TERM LIABILITIES *(Continued)***Capital Leases *(Continued)***

Future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2013 is as follows:

Year Ending June 30:	Governmental Activites
2014	\$ 159,758
2015	116,749
2016	99,808
2017	89,569
2018	70,849
2019-2023	387,429
2024-2028	449,138
2029-2033	544,975
2034	<u>27,797</u>
Total minimum lease payments	1,946,072
Less: amount representing interest	<u>580,627</u>
Present value of minimum lease payments	<u><u>\$ 1,365,445</u></u>

NOTE I - EMPLOYEE RETIREMENT PLANS**Town of Hebron Retirement Plan**

The Town established a single employer defined contribution money accumulation retirement plan (the "Plan") to provide benefits for all Town and non-certified Board of Education employees. Under the provisions of the Plan, all employees must be at least twenty-one years of age and have completed one year of service to participate. The Town is required to contribute an amount equal to 5% of employee covered payroll for Board of Education non-certified employees and 7% of employee covered payroll for all Town employees. Plan participants are not eligible to contribute to the Plan.

The Plan does not issue stand alone financial statements and is part of the Town's financial reporting entity since the Town has trustee responsibilities related to the participant accounts which contain employer contributions. As such, the Plan is accounted for in the fiduciary fund financial statements as a pension trust fund.

The Plan is accounted for using the accrual basis of accounting. Town contributions are recognized when due and the Town 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. Investments are reported at fair value. Securities traded on national exchanges are valued at the last reported sales price. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date.

Employer contributions totaled \$249,726 for the year ended June 30, 2013.

Contribution requirements of the Town are established and may be amended by the Board of Selectmen.

TOWN OF HEBRON, CONNECTICUT

Notes to Financial Statements *(Continued)*

June 30, 2013

NOTE I - EMPLOYEE RETIREMENT PLANS *(Continued)*

Connecticut State Teachers' Retirement System

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. A teacher is eligible to receive normal retirement benefits if he or she has attained age sixty and has accumulated twenty years of credited service in the public schools of Connecticut or has attained any age and has accumulated thirty-five years of credited service, at least twenty-five of which are service in the public schools of Connecticut. The State of Connecticut Teachers Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

Certain part-time and full-time certified teachers are eligible to participate in the Plan and are required to contribute 7.25% of their annual earnings to the Plan. The Town does not, and is not legally responsible to, contribute to the Plan. The State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on an actuarial valuation of the Plan as a whole, which does not provide actuarial information on an individual city/town basis.

The Town has recognized revenues and expenditures for on-behalf payments for pension contributions paid directly to the Connecticut State Teachers' Retirement System by the State of Connecticut. Such on-behalf payments were \$1,174,505 for the year ended June 30, 2013.

NOTE J - OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The Town provides healthcare insurance benefits for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members (the "Plan"). Benefit provisions are established by various collective bargaining and employment agreements with the Town. The Plan is considered to be part of the Town's financial reporting entity. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

Funding Policy

Contribution requirements of the plan members and the Town are established in the provisions of the program and in accordance with the General Statutes of the State of Connecticut. Currently, Board of Education employees and spouses who are age 55 with 20 years of service or any age with 25 years of service in the Hebron School System are eligible to receive benefits. Those who choose to participate must pay 100% of the premium cost. Town employees and spouses who are age 62 with 15 years of service in the Town are eligible to receive benefits. Those who choose to participate must pay 100% of the spouses premium cost. For fiscal year 2013, the Town contributions were \$91,000 on a pay-as-you-go basis.

The Town has not established a trust fund as of June 30, 2013, to irrevocably segregate assets to fund the liability for post-employment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines.

TOWN OF HEBRON, CONNECTICUT

Notes to Financial Statements *(Continued)*

June 30, 2013

NOTE J - OTHER POST-EMPLOYMENT BENEFITS *(Continued)*

Annual OPEB Cost and Net OPEB Obligation

The Town's annual OPEB cost (expense) is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The Town's annual OPEB cost and net OPEB obligation are primarily attributed to an implicit rate subsidy, whereby retirees are considered to be receiving a benefit from the Town for access to insurance rates offered to the Town's active employees. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Town's net OPEB obligation:

Annual required contribution	\$ 169,000
Interest on net OPEB obligation	33,000
Adjustment to annual required contribution	<u>(43,000)</u>
Annual OPEB cost (expense)	159,000
Contributions made	<u>91,000</u>
Increase in net OPEB obligation	68,000
Net OPEB obligation, beginning of year	<u>725,000</u>
Net OPEB obligation, end of year	<u><u>\$ 793,000</u></u>

Three-year Trend Information

Year Ended June 30	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$ 180,000	\$ 73,000	40.6%	\$ 608,000
2012	183,000	66,000	36.1%	725,000
2013	159,000	91,000	57.2%	793,000

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011 (the date of the most recent actuarial valuation) was as follows:

Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Projected Unit Credit Cost Method (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
\$ -	\$ 1,717,000	\$ 1,717,000	0.0%	\$ 8,243,000	20.8%

TOWN OF HEBRON, CONNECTICUT

Notes to Financial Statements *(Continued)*

June 30, 2013

NOTE J - OTHER POST-EMPLOYMENT BENEFITS *(Continued)*

Funded Status and Funding Progress *(Continued)*

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of events in the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the Town are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the Town and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Town and the plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Town and plan members in the future. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Valuation date:	July 1, 2011
Actuarial cost method:	Projected Unit Credit
Amortization method:	Level Dollar, open
Remaining amortization period:	30 years
Asset valuation method:	N/A
Actuarial assumptions:	
Discount rate	4.50%
Healthcare cost trend rate	10% initial 5% final

NOTE K - DEFERRED COMPENSATION PLAN

The Town offers all employees who are eligible for benefits a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Town is required to contribute up to a maximum of 4.5% if the employee elects to contribute 7% of their wages into the plan on a before-tax basis. The Town is required to contribute 50% of the dollar amount contributed by the employee if the employee elects to contribute less than 7%. If an employee elects to contribute 10% of their before-tax wages, the Town is required to contribute 5%. Contribution requirements of the Town are established and may be amended by the Board of Selectmen. Town contributions totaled \$60,370 for the year ended June 30, 2013. Deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

TOWN OF HEBRON, CONNECTICUT

Notes to Financial Statements *(Continued)*

June 30, 2013

NOTE K - DEFERRED COMPENSATION PLAN *(Continued)*

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for exclusive benefit of the plan participants and their beneficiaries. In addition, it is the opinion of the Town's management that the Town has no liability for the losses under the plans. Therefore, the accounts of the deferred compensation plans are not reported in the basic financial statements of the Town.

NOTE L - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God. The Town purchases commercial insurance for all other risks of loss, including blanket and umbrella. Coverage has not been materially reduced, nor have settled claims exceeded commercial coverage in any of the past three years.

NOTE M - COMMITMENTS AND CONTINGENCIES

There are several legal matters pending against the Town. The outcome and eventual liability to the Town, if any, in these cases 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 expenditure disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

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

As of June 30, 2013, the Town has recorded \$93,742 in encumbrances. Such encumbrances have been included as part of the assigned fund balance in the General Fund in accordance with the provisions of GASB Statement No. 54.

Inter-municipal Agreements and Commitments

Inter-municipal Agreement for Septic Waste Disposal

The Town is part of an inter-municipal agreement for septic waste disposal with the Town of East Hampton. The Town of East Hampton has agreed to accept septic from the Town of Hebron and four other towns. East Hampton borrowed \$837,000 from the State of Connecticut Clean Water Fund to finance improvements to its plant to accommodate septic in accordance with this agreement. Each town has committed to paying a portion of the cost of the improvements over a twenty-year period. Additionally, operating costs and a utilization fee will also be charged. The agreement may be terminated by either party with notice. The actual amount paid for the year ended June 30, 2013 for the Town's portion of the improvements was \$19,500.

TOWN OF HEBRON, CONNECTICUT

Notes to Financial Statements *(Continued)*

June 30, 2013

NOTE M - COMMITMENTS AND CONTINGENCIES *(Continued)*

Inter-municipal Agreements and Commitments (Continued)

Inter-municipal Agreement for an Equalization Tank and Sewerage Study

The Town is part of an inter-municipal agreement with the Town of Colchester to install an equalization tank at the Prospect Hill Station and to conduct a sewage study. The total cost of the equalization tank net of State grants received was \$372,709 and the cost of the sewage study net of State grants received is \$11,044. The annual payment due from the Town of Colchester is based on the cost divided by twenty years times a percentage of the Town of Colchester's annual flow. The total revenue received for the year ended June 30, 2013 was \$19,375.

NOTE N - RECENTLY ISSUED ACCOUNTING STANDARDS

The GASB has issued several new accounting standards that will become effective in future years. Management is currently evaluating the effect implementation of these standards, as applicable, will have on its financial statements. A summary of recently issued accounting standards that will become effective in future years is as follows:

The GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, which replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. GASB 68 also enhances accountability and transparency through revised and new note disclosures and required supplementary information. The provisions in GASB 68 are effective for fiscal years beginning after June 15, 2014 and early adoption is permitted.

The GASB has issued Statement No. 67, *Financial Reporting for Pension Plans - An amendment of GASB Statement No. 25*, which replaces the requirements of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. GASB 67 builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. GASB 67 enhances note disclosures and required supplementary information for both defined benefit and defined contribution pension plans. The provisions in GASB 67 are effective for financial statements for periods beginning after June 15, 2013 and early adoption is permitted.

TOWN OF HEBRON, CONNECTICUT

Notes to Financial Statements *(Continued)*

June 30, 2013

NOTE N - RECENTLY ISSUED ACCOUNTING STANDARDS *(Continued)*

The GASB has issued Statement No. 66, *Technical Corrections – 2012*, which amends GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for 1) operating lease payments that vary from a straight-line basis, 2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and 3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes would eliminate any uncertainty regarding the application of GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. The provisions in GASB 66 are effective for periods beginning after December 15, 2012 and early adoption is permitted.

Required
Supplementary
Information

TOWN OF HEBRON, CONNECTICUT
SCHEDULE OF FUNDING PROGRESS - UNAUDITED
JUNE 30, 2013

Other Post-Employment Benefits Program

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 2007	\$ -	\$ 2,657,000	\$ 2,657,000	0.0%	\$ 9,812,000	27.1%
July 1, 2009	-	1,794,000	1,794,000	0.0%	9,833,000	18.2%
July 1, 2011	-	1,717,000	1,717,000	0.0%	8,243,000	20.8%

See accompanying Independent Auditor's Report.

Combining and Individual Fund Statements and Schedules

General Fund

TOWN OF HEBRON, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With
	Original Budget	Final Budget		Final Budget Over (Under)
REVENUES				
Property taxes:				
Taxes, interest and lien fees	\$ 25,649,317	\$ 25,649,317	\$ 26,016,823	\$ 367,506
Licenses and permits				
Zoning board of appeals	500	500	250	(250)
Wetland fees	5,500	5,500	1,749	(3,751)
Building fees	68,000	68,000	118,544	50,544
Notary fees	1,200	1,200	2,151	951
Town clerk fees	13,000	13,000	16,710	3,710
Recording fees	49,000	49,000	61,202	12,202
Sportsmen's licenses	100	100	201	101
Conveyance tax	50,000	50,000	87,616	37,616
Marriage licenses fees	50	50	(152)	(202)
Records	50	50	(120)	(170)
Planning and zoning fees	7,000	7,000	8,007	1,007
Compactor/recycling fees	64,000	64,000	62,920	(1,080)
Dog fund fees	5,500	5,500	4,333	(1,167)
Animal population control	2,000	2,000	1,640	(360)
Library fees	28,000	28,000	29,208	1,208
Engineering fees	10,000	10,000	2,240	(7,760)
Blasting permits	30	30	-	(30)
Xerox fees	2,000	2,000	1,207	(793)
Soil and water conservation fees	1,100	1,100	1,740	640
Education fee assessment	150	150	550	400
Legal/foreclosure fees	-	-	382	382
PA CIP funding	5,400	5,400	6,306	906
Ambulance service	150,000	150,000	198,655	48,655
Plotter/copier fees	1,100	1,100	531	(569)
Software permit fees	-	-	170	170
Classified land	-	-	2,736	2,736
Farmland preservation fees	-	-	(2,160)	(2,160)
Total licenses and permits	463,680	463,680	606,616	142,936
Intergovernmental revenue				
Education equalization grants	6,969,354	6,969,354	6,993,091	23,737
Transportation of school children	38,530	38,530	38,839	309
Miscellaneous	2,000	2,000	3,623	1,623
Payment in lieu of taxes on state owned property	13,341	13,341	13,390	49
Property tax relief for totally disabled	694	694	904	210
Property tax relief for veterans	2,600	2,600	3,611	1,011
Property tax relief	28,700	28,700	29,918	1,218
Pequot grant	30,516	30,516	28,116	(2,400)
Municipal revenue sharing	-	-	86,019	86,019
Town aid road	120,249	120,249	121,239	990
Municipal video conference	-	-	544	544
Emergency management performance grant	4,600	4,600	4,703	103
Telecommunications funding	18,000	18,000	20,006	2,006
FEMA reimbursement	-	-	34,284	34,284
Total intergovernmental	7,228,584	7,228,584	7,378,287	149,703

See accompanying Independent Auditor's Report.

(Continued)

TOWN OF HEBRON, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original Budget	Final Budget		
Investment earnings	\$ 20,000	\$ 20,000	\$ 13,137	\$ (6,863)
Other revenues				
Constable fees	8,000	8,000	6,586	(1,414)
Housing authority	5,000	5,000	-	(5,000)
Elderly van	8,000	8,000	19,544	11,544
State trooper private duty	3,500	3,500	1,848	(1,652)
Hebron harvest fair	12,000	12,000	9,450	(2,550)
Maple festival private duty	6,000	6,000	-	(6,000)
Elderly demand respond	16,000	16,000	4,128	(11,872)
HIHS social worker	29,200	29,200	24,370	(4,830)
Miscellaneous	5,000	5,000	19,193	14,193
Senior center transportation fees	-	-	3,189	3,189
Parking ticket fines	100	100	-	(100)
Colchester interim agreement	19,000	19,000	19,375	375
Senior center physical fitness	4,000	4,000	1,190	(2,810)
CL&P rebate	-	-	59,136	59,136
RHAM surplus	-	-	190,554	190,554
Other	500	500	1,895	1,395
Total other revenues	<u>116,300</u>	<u>116,300</u>	<u>360,458</u>	<u>244,158</u>
Total revenues	<u>33,477,881</u>	<u>33,477,881</u>	<u>34,375,321</u>	<u>897,440</u>
OTHER FINANCING SOURCES				
Cancellation of prior year encumbrances	-	-	34,853	34,853
Transfers in:				
Cell tower fund	40,000	40,000	40,000	-
WPCA operating fund	10,000	10,000	10,000	-
Debt management fund	220,370	220,370	220,370	-
Recreation fund	28,000	28,000	28,000	-
Total other financing sources	<u>298,370</u>	<u>298,370</u>	<u>333,223</u>	<u>34,853</u>
Total revenue and other financing sources	<u>\$ 33,776,251</u>	<u>\$ 33,776,251</u>	<u>\$ 34,708,544</u>	<u>\$ 932,293</u>

See accompanying Independent Auditor's Report.

TOWN OF HEBRON, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With Original Budget Over (Under)
	Original Budget	Final Budget		
General government				
Payroll:				
Clerical	\$ 400,072	\$ 401,125	\$ 401,125	\$ -
Administration	648,429	586,673	586,673	-
Health and welfare	130,791	118,365	118,365	-
Public safety	96,533	96,533	96,533	-
Recreation	157,899	157,899	157,893	(6)
Public works	638,709	597,041	597,041	-
Library	128,451	125,298	124,658	(640)
Elected officials	56,406	56,406	56,406	-
Contractual commitments	2,400	4,500	4,500	-
Total payroll	<u>2,259,690</u>	<u>2,143,840</u>	<u>2,143,194</u>	<u>(646)</u>
Selectman's office	36,603	36,603	33,106	(3,497)
Central services	40,306	40,306	37,112	(3,194)
Legal	34,000	50,242	50,242	-
Central computer services	36,310	36,310	32,617	(3,693)
Tricentennial commission	100	100	75	(25)
Town buildings	58,122	58,122	50,363	(7,759)
Board of Finance	34,150	34,150	34,050	(100)
Financial administrator	10,805	10,805	9,497	(1,308)
Tax collector	19,053	19,053	18,752	(301)
Assessor	38,735	38,735	33,254	(5,481)
Board of tax review	170	170	-	(170)
Town clerk's office	32,400	32,400	28,339	(4,061)
Registrar of voters	48,000	48,000	41,852	(6,148)
	<u>388,754</u>	<u>404,996</u>	<u>369,259</u>	<u>(35,737)</u>
Total general government	<u>2,648,444</u>	<u>2,548,836</u>	<u>2,512,453</u>	<u>(36,383)</u>
Public safety				
Police administration	273,038	273,038	270,112	(2,926)
Fire administration	356,868	357,518	361,599	4,081
Fire marshal	55,904	65,912	55,291	(10,621)
Burning official	1,999	1,999	1,999	-
Emergency management	10,038	10,038	9,455	(583)
Animal control	31,048	31,048	30,209	(839)
Ambulance service	115,167	139,311	139,311	-
Total public safety	<u>844,062</u>	<u>878,864</u>	<u>867,976</u>	<u>(10,888)</u>
Civic and human services				
Community agency donations	155,500	155,500	155,499	(1)
Regional health district assessment	80,058	80,058	80,058	-
Library	221,220	221,220	216,859	(4,361)
Van- disabled	56,339	56,339	44,108	(12,231)
Senior center	34,888	34,888	27,032	(7,856)
Probate court	1,650	1,650	-	(1,650)
St. Peter's lease	800	800	800	-
Recreation programs	93,641	93,641	90,025	(3,616)
Memorial Day	1,100	1,100	250	(850)
Total civic and human services	<u>645,196</u>	<u>645,196</u>	<u>614,631</u>	<u>(30,565)</u>

See accompanying Independent Auditor's Report.

(Continued)

TOWN OF HEBRON, CONNECTICUT

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
 BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With
	Original Budget	Final Budget		Original Budget Over (Under)
Planning and land use				
Economic development	\$ 21,940	\$ 21,940	\$ 16,343	\$ (5,597)
Planning and development	100,767	100,767	91,832	(8,935)
Total planning and land use	<u>122,707</u>	<u>122,707</u>	<u>108,175</u>	<u>(14,532)</u>
Public works				
Highways and grounds administration	256,660	306,660	308,218	1,558
Town yard and garage	51,699	51,699	42,469	(9,230)
Street services	491,527	491,527	474,784	(16,743)
Solid waste, recycling, bulky	173,099	173,099	160,725	(12,374)
Total public works	<u>972,985</u>	<u>1,022,985</u>	<u>986,196</u>	<u>(36,789)</u>
Sewer fees				
Town property user fees	11,200	11,200	9,800	(1,400)
Insurance and benefits				
Insurance	162,550	194,987	192,987	(2,000)
Employee benefits	989,134	971,503	946,071	(25,432)
Total insurance and benefits	<u>1,151,684</u>	<u>1,166,490</u>	<u>1,139,058</u>	<u>(27,432)</u>
Debt service:				
Town	651,935	651,935	651,935	-
School	467,513	467,513	467,513	-
Sewers	21,056	21,056	19,500	(1,556)
Computers	30,202	30,202	29,672	(530)
Total debt service	<u>1,170,706</u>	<u>1,170,706</u>	<u>1,168,620</u>	<u>(2,086)</u>
Education				
Regional School District No. 8 assessment	13,716,449	13,716,449	13,716,449	-
Hebron Elementary School education	11,891,118	11,891,118	11,764,579	(126,539)
Total education	<u>25,607,567</u>	<u>25,607,567</u>	<u>25,481,028</u>	<u>(126,539)</u>
Total expenditures	<u>33,174,551</u>	<u>33,174,551</u>	<u>32,887,937</u>	<u>(286,614)</u>
Other financing uses				
Transfers out:				
Land Acquisition Fund	73,000	73,000	73,000	-
Capital Improvement Fund	417,647	417,647	417,647	-
Revaluation	50,000	50,000	50,000	-
Capital Projects Fund	61,053	61,053	61,053	-
Total other financing uses	<u>601,700</u>	<u>601,700</u>	<u>601,700</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 32,572,851</u>	<u>\$ 32,572,851</u>	<u>\$ 32,286,237</u>	<u>\$ (286,614)</u>

See accompanying Independent Auditor's Report.

TOWN OF HEBRON, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2013

Grand List Year	Balance Uncollected June 30, 2012	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2013
			Additions	Deductions			Taxes	Interest and Lien Fees	Total	
1995	\$ 1,568	\$ -	\$ -	\$ 1,568	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1996	1,592	-	-	-	-	1,592	-	-	-	1,592
1997	1,592	-	-	-	-	1,592	-	-	-	1,592
1998	1,624	-	-	-	-	1,624	-	-	-	1,624
1999	4,690	-	-	-	-	4,690	-	-	-	4,690
2000	4,808	-	-	-	-	4,808	-	-	-	4,808
2001	6,400	-	-	-	-	6,400	-	-	-	6,400
2002	8,552	-	-	-	-	8,552	-	-	-	8,552
2003	10,077	-	-	-	-	10,077	-	-	-	10,077
2004	11,102	-	-	-	-	11,102	-	-	-	11,102
2005	14,356	-	-	-	-	14,356	754	771	1,525	13,602
2006	25,407	-	-	144	-	25,263	6,622	3,414	10,036	18,641
2007	56,979	-	-	208	-	56,771	15,101	17,778	32,879	41,670
2008	116,394	-	-	85	2,296	114,013	37,763	17,606	55,369	76,250
2009	219,004	-	-	87	5,151	213,766	79,579	26,701	106,280	134,187
2010	394,833	-	371	4,564	-	390,640	151,845	34,895	186,740	238,795
Suspense Collections	-	-	-	-	-	-	256	337	593	-
Total prior years	878,978	-	371	6,656	7,447	865,246	291,920	101,502	393,422	573,582
2011	-	25,944,959	17,558	48,400	-	25,914,117	25,518,394	81,322	25,599,716	395,723
Total	<u>\$ 878,978</u>	<u>\$ 25,944,959</u>	<u>\$ 17,929</u>	<u>\$ 55,056</u>	<u>\$ 7,447</u>	<u>\$ 26,779,363</u>	<u>\$ 25,810,314</u>	<u>\$ 182,824</u>	<u>\$ 25,993,138</u>	<u>\$ 969,305</u>

See accompanying Independent Auditor's Report.

TOWN OF HEBRON, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2013

Total cash collections for the year ended
June 30, 2013:

Taxes	\$ 25,810,314
Interest and lien fees	182,824
	<u>25,993,138</u>

Reimbursement for revenue loss:

Tax relief for elderly (CGS 12-129d)	-
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Base	<u>\$ 25,993,138</u>
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	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 58,484,561	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	116,969,121	-	-	-
3-3/4 times base	-	-	97,474,268	-	-
3-1/4 times base	-	-	-	84,477,699	-
3 times base	-	-	-	-	77,979,414
	<u>58,484,561</u>	<u>116,969,121</u>	<u>97,474,268</u>	<u>84,477,699</u>	<u>77,979,414</u>
Total debt limitation					
Indebtedness:					
Bonds payable	4,700,000	2,540,000	-	-	-
Bonds payable, net - Regional					
School District No. 8	-	11,873,105	-	-	-
Authorized but not issued	500,000	8,550,940	-	-	-
	<u>5,200,000</u>	<u>22,964,045</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total indebtedness					
Debt limitation in excess of outstanding and authorized debt	<u>\$ 53,284,561</u>	<u>\$ 94,005,076</u>	<u>\$ 97,474,268</u>	<u>\$ 84,477,699</u>	<u>\$ 77,979,414</u>
Total capacity of borrowing (7 times base)	\$ 181,951,966				
Total present indebtedness	<u>28,164,045</u>				
Margin for additional borrowing	<u>\$ 153,787,921</u>				

See accompanying Independent Auditor's Report.

Nonmajor
Governmental
Funds

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds account for the proceeds of specific revenue sources that are restricted, committed, or assigned for specified purposes. Nonmajor special revenue funds include the following:

Hebron Park Fund – A fund created to account for revenue from the cell tower antenna.

Miscellaneous Grants Fund – A fund created to account for revenues and expenditures of miscellaneous State and Federal grants.

Sewer Assessment Fund – A fund created to account for the special sewer assessments of the WPCA.

Marion Celio Angel Fund – A fund created to account for donations to support seniors who have a hardship.

WPCA Sewer Operations Fund – A fund established to account for the collection of sewer use charges and inspection fees that finance the operating expenditures of the wastewater treatment facility.

Douglas Library Fund – A fund created too account for small donations made to benefit the Library.

Recreation Fund – A fund created to account for recreational, social and cultural programs to meet the needs of all segments of the community.

EMS Fund – A fund created to account for the operations of the ambulance services.

Tri-Centennial Commission Fund – A fund created to account for a Town-wide celebration for the 300th anniversary of Hebron’s establishment in 1708.

Small Cities Gran Fund – A fund created to account for U.S. Housing and Urban Development grants relating to the Community Development Block Grants.

Historic Records Preservation Fund – A fund created to account fees collected by the Town Clerk for historic records preservation.

Debt Management Fund – This fund is used to account for the accumulation of reserves to stabilize the effect on the mil rate of future debt services requirements.

Education Grants Fund – A fund created to account for the revenues and expenditures of State and Federal education grants.

Cafeteria Fund – A fund created to account for the operations of the school lunch program.

PERMANENT FUNDS

Permanent funds are 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.

Cemetery Fund – A fund established to account for funds donated for the upkeep of various cemeteries in Town.

TOWN OF HEBRON, CONNECTICUT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2013

	Nonmajor Special Revenue Funds							
	Hebron Park Fund	Miscellaneous Grants Fund	Sewer Assessment Fund	WPCA Sewer Operation	Marion Celio Angel	Douglas Library	Recreation	EMS Fund
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 186,752	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-
Receivables:								
Sewer user charges, net allowance of \$26,000	-	-	-	54,146	-	-	-	-
Sewer assessments, net allowance of \$41,000	-	-	212,894	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Due from other funds	7,600	-	126,149	-	20,944	19,277	149,358	3,784
Inventories	-	-	-	-	-	-	-	-
Total assets	<u>\$ 7,600</u>	<u>\$ -</u>	<u>\$ 339,043</u>	<u>\$ 240,898</u>	<u>\$ 20,944</u>	<u>\$ 19,277</u>	<u>\$ 149,358</u>	<u>\$ 3,784</u>
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	22,151	-	2,420	-	-	-	-
Unearned revenue	-	-	112,038	-	-	-	56,759	-
Total liabilities	<u>-</u>	<u>22,151</u>	<u>112,038</u>	<u>2,420</u>	<u>-</u>	<u>-</u>	<u>56,759</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - sewer assessments	-	-	90,152	-	-	-	-	-
Unavailable revenue - sewer usage charges	-	-	-	45,724	-	-	-	-
	<u>-</u>	<u>-</u>	<u>90,152</u>	<u>45,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT)								
Nonspendable:								
Inventories	-	-	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-	-
Permanent fund principal	-	-	-	-	-	-	-	-
Restricted for:								
Long-term debt repayment	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Donor purpose restrictions	-	-	-	-	-	-	-	-
Committed to:								
Public safety	-	-	-	-	-	-	-	3,784
Civic and human services	7,600	-	-	-	20,944	19,277	92,599	-
Sewer operations	-	-	136,853	192,754	-	-	-	-
Unassigned	-	(22,151)	-	-	-	-	-	-
Total fund balances (deficit)	<u>7,600</u>	<u>(22,151)</u>	<u>136,853</u>	<u>192,754</u>	<u>20,944</u>	<u>19,277</u>	<u>92,599</u>	<u>3,784</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 7,600</u>	<u>\$ -</u>	<u>\$ 339,043</u>	<u>\$ 240,898</u>	<u>\$ 20,944</u>	<u>\$ 19,277</u>	<u>\$ 149,358</u>	<u>\$ 3,784</u>

See accompanying Independent Auditor's Report.

(Continued)

TOWN OF HEBRON, CONNECTICUT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 JUNE 30, 2013

	Nonmajor Special Revenue Funds						Permanent	Total Nonmajor	
	Tri-Centennial Commission Fund	Small Cities Grant	Historic Records Preservation	Debt Management Fund	Education Grant Fund	Cafeteria Fund	Cemetery Fund		Governmental Funds
ASSETS									
Cash and cash equivalents	\$ -	\$ 1,751	\$ -	\$ 88	\$ 51,517	\$ 103,350	\$ 343,458	\$ -	\$ 343,458
Investments	-	-	-	-	-	-	-	11,810	11,810
Receivables:									
Sewer user charges, net allowance of \$26,000	-	-	-	-	-	-	54,146	-	54,146
Sewer assessments, net allowance of \$41,000	-	-	-	-	-	-	212,894	-	212,894
Intergovernmental	-	-	-	-	-	7,069	7,069	-	7,069
Loans	-	152,246	-	-	-	-	152,246	-	152,246
Due from other funds	873	-	12,102	-	-	-	340,087	-	340,087
Inventories	-	-	-	-	-	10,043	10,043	-	10,043
Total assets	<u>\$ 873</u>	<u>\$ 153,997</u>	<u>\$ 12,102</u>	<u>\$ 88</u>	<u>\$ 51,517</u>	<u>\$ 120,462</u>	<u>\$ 1,119,943</u>	<u>\$ 11,810</u>	<u>\$ 1,131,753</u>
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 15,712	\$ 60,714	\$ 76,426	\$ -	\$ 76,426
Due to other funds	-	-	-	-	1,909	854	27,334	-	27,334
Unearned revenue	-	1,751	-	-	19,939	6,568	197,055	-	197,055
Total liabilities	<u>-</u>	<u>1,751</u>	<u>-</u>	<u>-</u>	<u>37,560</u>	<u>68,136</u>	<u>300,815</u>	<u>-</u>	<u>300,815</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue - sewer assessments	-	-	-	-	-	-	90,152	-	90,152
Unavailable revenue - sewer usage charges	-	-	-	-	-	-	45,724	-	45,724
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,876</u>	<u>-</u>	<u>135,876</u>
FUND BALANCES (DEFICIT)									
Nonspendable:									
Inventories	-	-	-	-	-	10,043	10,043	-	10,043
Loans receivable	-	152,246	-	-	-	-	152,246	-	152,246
Permanent fund principal	-	-	-	-	-	-	-	5,945	5,945
Restricted for:									
Long-term debt repayment	-	-	-	88	-	-	88	-	88
Education	-	-	-	-	13,957	42,283	56,240	-	56,240
Donor purpose restrictions	-	-	-	-	-	-	-	5,865	5,865
Committed to:									
Public safety	-	-	-	-	-	-	3,784	-	3,784
Civic and Human services	873	-	12,102	-	-	-	153,395	-	153,395
Sewer operations	-	-	-	-	-	-	329,607	-	329,607
Unassigned	-	-	-	-	-	-	(22,151)	-	(22,151)
Total fund balances (deficit)	<u>873</u>	<u>152,246</u>	<u>12,102</u>	<u>88</u>	<u>13,957</u>	<u>52,326</u>	<u>683,252</u>	<u>11,810</u>	<u>695,062</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 873</u>	<u>\$ 153,997</u>	<u>\$ 12,102</u>	<u>\$ 88</u>	<u>\$ 51,517</u>	<u>\$ 120,462</u>	<u>\$ 1,119,943</u>	<u>\$ 11,810</u>	<u>\$ 1,131,753</u>

See accompanying Independent Auditor's Report.

TOWN OF HEBRON, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (DEFICIT)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	Hebron Park Fund	Miscellaneous Grants Fund	Sewer Assessment Fund	WPCA Sewer Operation	Marion Celio Angel	Douglas Library	Recreation	EMS Fund
REVENUES								
Intergovernmental	\$ -	\$ 69,591	\$ -	\$ 2,525	\$ -	\$ -	\$ -	\$ -
Charges for services	82,439	-	118,267	401,630	-	-	507,174	-
Investment income	-	-	-	303	-	113	-	-
Other revenues	-	-	-	-	10,609	3,461	-	-
Total revenues	<u>82,439</u>	<u>69,591</u>	<u>118,267</u>	<u>404,458</u>	<u>10,609</u>	<u>3,574</u>	<u>507,174</u>	<u>-</u>
EXPENDITURES								
Current:								
General government	-	31,775	-	-	-	-	-	-
Public safety	-	6,065	-	-	-	-	-	43,497
Civic and human services	44,195	44,899	-	-	5,633	2,747	482,018	-
Sewer	-	-	-	344,223	-	-	-	-
Education	-	-	-	-	-	-	-	-
Total expenditures	<u>44,195</u>	<u>82,739</u>	<u>-</u>	<u>344,223</u>	<u>5,633</u>	<u>2,747</u>	<u>482,018</u>	<u>43,497</u>
Excess (deficiency) of revenues over expenditures	38,244	(13,148)	118,267	60,235	4,976	827	25,156	(43,497)
OTHER FINANCING USES								
Transfers out	(40,000)	-	-	(10,000)	-	-	(28,000)	-
Total other financing uses	<u>(40,000)</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>(28,000)</u>	<u>-</u>
Net change in fund balances	(1,756)	(13,148)	118,267	50,235	4,976	827	(2,844)	(43,497)
Fund balances (deficit) - beginning	<u>9,356</u>	<u>(9,003)</u>	<u>18,586</u>	<u>142,519</u>	<u>15,968</u>	<u>18,450</u>	<u>95,443</u>	<u>47,281</u>
Fund balances (deficit) - ending	<u>\$ 7,600</u>	<u>\$ (22,151)</u>	<u>\$ 136,853</u>	<u>\$ 192,754</u>	<u>\$ 20,944</u>	<u>\$ 19,277</u>	<u>\$ 92,599</u>	<u>\$ 3,784</u>

(Continued)

See accompanying Independent Auditor's Report.

TOWN OF HEBRON, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (DEFICIT)
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 FOR THE YEAR ENDED JUNE 30, 2013

	Nonmajor Special Revenue Funds						Total	Permanent	Total Nonmajor
	Tri-Centennial Commission Fund	Small Cities Grant	Historic Records Preservation	Debt Management Fund	Education Grant Fund	Cafeteria Fund		Fund	
REVENUES									
Intergovernmental	\$ -	\$ -	\$ 4,000	\$ -	\$ 278,724	\$ 61,588	\$ 416,428	\$ -	\$ 416,428
Charges for services	-	-	4,204	-	21,884	181,091	1,316,689	-	1,316,689
Investment income	-	-	-	-	-	-	416	73	489
Miscellaneous	-	-	-	-	-	-	14,070	-	14,070
Total revenues	-	-	8,204	-	300,608	242,679	1,747,603	73	1,747,676
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	31,775	-	31,775
Public safety	-	-	-	-	-	-	49,562	-	49,562
Civic and Human services	595	-	1,043	-	-	-	581,130	-	581,130
Sewer	-	-	-	-	-	-	344,223	-	344,223
Education	-	-	-	-	296,903	257,608	554,511	-	554,511
Total expenditures	595	-	1,043	-	296,903	257,608	1,561,201	-	1,561,201
Excess (deficiency) of revenues over expenditures	(595)	-	7,161	-	3,705	(14,929)	186,402	73	186,475
OTHER FINANCING USES									
Transfers out	-	-	-	(220,370)	-	-	(298,370)	-	(298,370)
Total other financing uses	-	-	-	(220,370)	-	-	(298,370)	-	(298,370)
Net change in fund balances	(595)	-	7,161	(220,370)	3,705	(14,929)	(111,968)	73	(111,895)
Fund balances (deficit) - beginning	1,468	152,246	4,941	220,458	10,252	67,255	795,220	11,737	806,957
Fund balances (deficit) - ending	\$ 873	\$ 152,246	\$ 12,102	\$ 88	\$ 13,957	\$ 52,326	\$ 683,252	\$ 11,810	\$ 695,062

See accompanying Independent Auditor's Report.

Fiduciary

Funds

AGENCY FUNDS

Agency funds are used to report resources held by the Town in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Agency funds include the following:

Student Activities Funds - To account for monies from various self-funding school activity funds.

Performance Bonds - To account for cash bonds and other cash and investments held by the Town to ensure compliance with specifications and regulations with respect to various building projects and improvements.

Senior Center - To account for monies from self-funding senior center activities.

Escrow Fund - To account for monies from various self-funding Town Hall activities.

TOWN OF HEBRON, CONNECTICUT

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

JUNE 30, 2013

	<u>Student Activities</u>	<u>Performance Bonds</u>	<u>Senior Center</u>	<u>Escrow Fund</u>	<u>Total Agency Funds</u>
ASSETS					
Cash and cash equivalents	\$ 30,251	\$ 46,623	\$ 34,002	\$ -	\$ 110,876
Other assets	-	-	-	2,148	2,148
Total assets	<u>\$ 30,251</u>	<u>\$ 46,623</u>	<u>\$ 34,002</u>	<u>\$ 2,148</u>	<u>\$ 113,024</u>
LIABILITIES					
Due to student groups	\$ 30,251	\$ -	\$ -	\$ -	\$ 30,251
Due to others	-	46,623	34,002	2,148	82,773
Total liabilities	<u>\$ 30,251</u>	<u>\$ 46,623</u>	<u>\$ 34,002</u>	<u>\$ 2,148</u>	<u>\$ 113,024</u>

See accompanying Independent Auditor's Report.

TOWN OF HEBRON, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Balance,</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance,</u> <u>June 30, 2013</u>
Student Activities				
Assets				
Cash and cash equivalents	\$ 28,198	\$ 130,859	\$ 128,806	\$ 30,251
Total assets	<u>\$ 28,198</u>	<u>\$ 130,859</u>	<u>\$ 128,806</u>	<u>\$ 30,251</u>
Liabilities				
Due to student groups	\$ 28,198	\$ 130,859	\$ 128,806	\$ 30,251
Total liabilities	<u>\$ 28,198</u>	<u>\$ 130,859</u>	<u>\$ 128,806</u>	<u>\$ 30,251</u>
Performance Bonds				
Assets				
Cash and cash equivalents	\$ 38,996	\$ 8,638	\$ 1,011	\$ 46,623
Total assets	<u>\$ 38,996</u>	<u>\$ 8,638</u>	<u>\$ 1,011</u>	<u>\$ 46,623</u>
Liabilities				
Due to others	\$ 38,996	\$ 8,638	\$ 1,011	\$ 46,623
Total liabilities	<u>\$ 38,996</u>	<u>\$ 8,638</u>	<u>\$ 1,011</u>	<u>\$ 46,623</u>
Senior Center				
Assets				
Cash and cash equivalents	\$ 33,056	\$ 6,704	\$ 5,758	\$ 34,002
Total assets	<u>\$ 33,056</u>	<u>\$ 6,704</u>	<u>\$ 5,758</u>	<u>\$ 34,002</u>
Liabilities				
Due to others	\$ 33,056	\$ 6,704	\$ 5,758	\$ 34,002
Total liabilities	<u>\$ 33,056</u>	<u>\$ 6,704</u>	<u>\$ 5,758</u>	<u>\$ 34,002</u>
Escrow Fund				
Assets				
Other assets	\$ 20,997	\$ 6,377	\$ 25,226	\$ 2,148
Total assets	<u>\$ 20,997</u>	<u>\$ 6,377</u>	<u>\$ 25,226</u>	<u>\$ 2,148</u>
Liabilities				
Due to others	\$ 20,997	\$ 6,377	\$ 25,226	\$ 2,148
Total liabilities	<u>\$ 20,997</u>	<u>\$ 6,377</u>	<u>\$ 25,226</u>	<u>\$ 2,148</u>
Total All Agency Funds				
Assets				
Cash and cash equivalents	\$ 100,250	\$ 146,201	\$ 135,575	\$ 110,876
Other assets	20,997	6,377	25,226	2,148
Total assets	<u>\$ 121,247</u>	<u>\$ 152,578</u>	<u>\$ 160,801</u>	<u>\$ 113,024</u>
Liabilities				
Due to student groups	\$ 28,198	\$ 130,859	\$ 128,806	\$ 30,251
Due to others	93,049	21,719	31,995	82,773
Total liabilities	<u>\$ 121,247</u>	<u>\$ 152,578</u>	<u>\$ 160,801</u>	<u>\$ 113,024</u>

See accompanying Independent Auditor's Report.

Capital

Asset

Schedule

TOWN OF HEBRON, CONNECTICUT
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS -
SCHEDULE BY CATEGORY - HISTORICAL COST
FOR THE YEAR ENDED JUNE 30, 2013

Governmental funds capital assets:

Land	\$ 9,953,124
Construction in progress	304,438
Buildings and improvements	40,001,347
Machinery and equipment	9,596,381
Infrastructure	35,545,701
	<u>\$ 95,400,991</u>

See accompanying Independent Auditor's Report.

Statistical Section

STATISTICAL SECTION

This part of the Town's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

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Financial Trends	
These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	64
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the Town's ability to generate its property taxes.	69
Debt Capacity	
These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	73
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place and to help make comparisons over time and with other governments.	76
Operating Information	
These schedules contain information about the Town's operations and resources to help the reader understand how the Town's financial information relates to the services the Town provides and the activities it performs.	78

Sources: Unless otherwise noted, the information in the accompanying tables is derived from the comprehensive annual financial reports for the relevant year. The Town implemented Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments* in fiscal year 2003; tables presenting government-wide information include information beginning in that year. The Town implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition* in fiscal year 2011: tables presenting fund balance of governmental funds will be adjusted prospectively.

TOWN OF HEBRON, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

(Accrual Basis of Accounting - Unaudited)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 20,003,688	\$ 22,707,909	\$ 25,359,165	\$ 44,095,965	\$ 46,007,316	\$ 46,088,678	\$ 47,008,061	\$ 47,141,777	\$ 49,016,212	\$ 48,869,955
Restricted	3,826	10,451	10,160	10,432	10,860	11,176	11,420	95,985	309,702	220,384
Unrestricted	10,227,718	9,106,078	7,659,232	7,905,728	7,648,658	7,743,736	6,339,484	4,882,063	5,215,082	6,146,256
Total governmental activities net position	<u>\$ 30,235,232</u>	<u>\$ 31,824,438</u>	<u>\$ 33,028,557</u>	<u>\$ 52,012,125</u>	<u>\$ 53,666,834</u>	<u>\$ 53,843,590</u>	<u>\$ 53,358,965</u>	<u>\$ 52,119,825</u>	<u>\$ 54,540,996</u>	<u>\$ 55,236,595</u>

Source: Town CAFR

TOWN OF HEBRON, CONNECTICUT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting - Unaudited)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
General government	\$ 2,259,507	\$ 3,204,086	\$ 3,034,214	\$ 3,387,354	\$ 3,634,827	\$ 3,206,614	\$ 3,590,461	\$ 3,090,619	\$ 4,113,942	\$ 4,105,884
Public safety	1,194,861	595,449	1,106,363	1,025,330	430,714	1,297,154	1,134,939	1,110,617	1,248,307	1,352,665
Public works	983,186	1,195,059	1,182,723	1,415,397	2,052,382	2,088,890	1,854,797	2,326,772	1,458,867	1,654,957
Civic and human services	909,621	947,381	1,088,213	1,306,503	1,188,062	1,328,244	1,447,189	1,618,626	1,638,036	1,535,361
Planning and land use	195,955	124,598	141,343	168,871	75,869	188,966	146,868	127,342	100,104	118,139
Sewer	289,876	263,122	399,457	387,373	270,891	414,558	439,769	381,677	579,075	453,042
Education	18,266,488	19,380,264	21,179,900	22,300,802	24,006,912	25,088,292	26,846,086	27,946,945	27,626,247	28,109,170
Interest expense	513,406	331,254	320,479	489,084	360,099	528,928	412,400	375,805	410,111	297,813
Total governmental activities expenses	24,612,900	26,041,213	28,452,692	30,480,714	32,019,756	34,141,646	35,872,509	36,978,403	37,174,689	37,627,031
Program Revenues										
Governmental activities:										
Charges for services										
General government	702,880	757,664	739,841	578,297	694,680	399,100	165,998	143,971	452,726	505,267
Public safety	145,052	130,362	158,018	18,999	23,822	156,190	158,127	200,145	224,688	274,342
Public works	368,740	391,648	423,401	442,088	393,785	406,485	423,756	509,237	6,642	14,896
Civic and human services	417,296	424,401	469,445	702,997	750,773	606,802	564,552	634,002	726,716	653,200
Planning and land use	56,569	50,238	39,977	57,494	41,006	55,523	15,620	15,119	11,079	1,999
Sewer fees	442,549	88,690	113,019	59,497	298,909	4,912	409,105	414,457	620,627	633,847
Education	54,456	20,699	22,421	233,331	253,016	99,890	263,378	266,019	237,789	232,498
Operating grants and contributions										
General government	28,497	25,425	27,811	35,542	35,969	-	27,936	152,393	-	-
Public safety	401,851	5,882	1,725	15,597	1,737	28,842	66,180	6,740	80,678	39,175
Public works	-	-	50,000	-	-	-	-	2,218	-	-
Civic and human services	42,013	46,313	51,585	43,711	45,744	45,317	2,080	79,841	85,614	91,657
Planning and land use	-	50,020	-	-	-	-	-	-	-	-
Sewer fees	-	-	-	-	-	-	671	-	-	-
Education	5,562,522	5,864,425	5,721,448	5,761,297	6,669,226	6,946,829	8,106,903	8,071,672	8,719,424	9,020,132
Capital grants and contributions										
General government	-	836,000	-	-	-	443,146	316,866	-	-	-
Public safety	566,772	139,300	157,635	168,934	630,374	9,531	-	-	-	-
Public works	48,560	77,037	679,819	221,346	119,856	190,677	334,525	249,641	854,104	468,440
Civic and human services	12,000	-	-	-	-	-	125,000	-	120,000	-
Education	97,262	-	3,200	-	-	-	-	-	-	142,826
Total governmental activities program revenues	8,947,019	8,908,104	8,659,345	8,339,130	9,958,897	9,393,244	10,688,697	10,745,455	12,140,087	12,078,279
Net (Expense)/Revenue	(15,665,881)	(17,133,109)	(19,793,347)	(22,141,584)	(22,060,859)	(24,748,402)	(25,183,812)	(26,232,948)	(25,034,602)	(25,548,752)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes	16,694,553	17,854,964	20,118,860	21,457,967	22,310,176	23,631,881	24,384,815	25,098,307	26,170,302	26,043,661
Grants and contributions not restricted to specific programs	570,579	670,633	540,871	895,606	1,051,342	1,116,089	267,740	81,152	104,092	186,142
Unrestricted investment earnings	102,932	196,718	337,735	488,997	354,050	177,188	46,632	36,275	16,150	14,548
Loss on disposal	-	-	-	-	-	-	-	(221,926)	-	-
Total governmental activities general revenues and other changes in net position	17,368,064	18,722,315	20,997,466	22,842,570	23,715,568	24,925,158	24,699,187	24,993,808	26,290,544	26,244,351
Change in Net Position	\$ 1,702,183	\$ 1,589,206	\$ 1,204,119	\$ 700,986	\$ 1,654,709	\$ 176,756	\$ (484,625)	\$ (1,239,140)	\$ 1,255,942	\$ 695,599

Source: Town CAFR

TOWN OF HEBRON, CONNECTICUT
PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting - Unaudited)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function/Program										
Governmental activities:										
General government	\$ 1,619,089	\$ 767,652	\$ 613,839	\$ 730,649	\$ 842,246	\$ 510,800	\$ 296,364	\$ 452,726	\$ 452,726	\$ 505,267
Public safety	275,544	317,378	203,530	655,933	194,563	224,307	206,885	305,366	305,366	313,517
Civic and human services	470,714	521,030	746,708	796,517	652,119	691,632	713,843	932,330	932,330	744,857
Planning and land use	100,258	39,977	57,494	41,006	55,523	15,620	15,119	11,079	11,079	1,999
Public works	468,685	1,153,220	663,434	513,641	597,162	466,281	761,096	860,746	860,746	483,336
Sewer	88,690	113,019	59,497	298,909	4,912	409,776	414,457	620,627	620,627	633,847
Education	5,885,124	5,747,069	5,994,628	6,922,242	7,046,719	8,370,281	8,337,691	8,957,213	8,957,213	9,395,456
Total governmental activities	<u>\$ 8,908,104</u>	<u>\$ 8,659,345</u>	<u>\$ 8,339,130</u>	<u>\$ 9,958,897</u>	<u>\$ 9,393,244</u>	<u>\$ 10,688,697</u>	<u>\$ 10,745,455</u>	<u>\$ 12,140,087</u>	<u>\$ 12,140,087</u>	<u>\$ 12,078,279</u>

Source: Town CAFR

Table 4

TOWN OF HEBRON, CONNECTICUT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting - Unaudited)

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
General Fund							
Reserved	\$ 52,535	\$ 27,364	\$ 53,327	\$ 158,472	\$ 242,758	\$ 232,226	\$ 213,975
Unreserved	3,346,590	3,271,636	3,720,080	2,597,544	3,611,443	3,166,328	3,213,048
Total general fund	<u>\$ 3,399,125</u>	<u>\$ 3,299,000</u>	<u>\$ 3,773,407</u>	<u>\$ 2,756,016</u>	<u>\$ 3,854,201</u>	<u>\$ 3,398,554</u>	<u>\$ 3,427,023</u>
All Other Governmental Funds							
Reserved	\$ 13,455	\$ 23,876	\$ 328,790	\$ 17,037	\$ 68,255	\$ 37,764	\$ 33,208
Unreserved, reported in:							
Special revenue funds	2,260,857	1,458,181	979,435	1,119,956	1,254,706	1,232,285	70,691
Debt service funds	998,709	1,296,856	1,309,526	1,973,359	1,420,506	1,815,959	1,119,038
Capital projects funds	973,022	528,468	(317,989)	718,858	(158,879)	522,902	1,180,577
Total all other governmental funds	<u>\$ 4,246,043</u>	<u>\$ 3,307,381</u>	<u>\$ 2,299,762</u>	<u>\$ 3,829,210</u>	<u>\$ 2,584,588</u>	<u>\$ 3,608,910</u>	<u>\$ 2,403,514</u>
	Fiscal Year						
	2011	2012	2013				
General Fund							
Nonspendable	\$ -	\$ -	\$ -				
Restricted	-	-	-				
Committed	-	-	-				
Assigned	77,095	194,396	337,742				
Unassigned	3,045,117	3,084,946	4,123,853				
Total general fund	<u>\$ 3,122,212</u>	<u>\$ 3,279,342</u>	<u>\$ 4,461,595</u>				
All Other Governmental Funds							
Nonspendable	\$ 11,391	\$ 163,115	\$ 168,234				
Restricted	84,594	298,833	62,193				
Committed	1,910,802	2,085,658	1,899,324				
Assigned	-	-	-				
Unassigned	(186,773)	(9,003)	(22,151)				
Total all other governmental funds	<u>\$ 1,820,014</u>	<u>\$ 2,538,603</u>	<u>\$ 2,107,600</u>				

Source: Town CAFR

Note: The Town adjusted fund balance presentation in accordance with GASB Statement No. 54, implemented in fiscal year 2011.

TOWN OF HEBRON, CONNECTICUT
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting - Unaudited)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Property taxes	\$ 17,221,736	\$ 18,153,603	\$ 20,016,475	\$ 21,310,125	\$ 22,473,200	\$ 23,457,532	\$ 24,234,224	\$ 25,122,507	\$ 26,356,371	\$ 26,016,823
Intergovernmental	5,673,008	6,089,563	6,694,079	6,776,104	7,967,184	8,233,521	8,098,555	8,184,027	9,943,592	9,743,681
Charges for services	809,934	755,233	766,632	538,062	430,935	466,833	550,077	545,393	2,123,372	2,047,175
Investment income	62,780	118,258	253,272	279,337	195,189	111,851	19,090	26,140	16,150	14,548
Other revenue	111,787	66,087	220,358	325,535	347,158	203,643	191,653	129,380	135,914	378,990
Total revenues	23,879,245	25,182,744	27,950,816	29,229,163	31,413,666	32,473,380	33,093,599	34,007,447	38,575,399	38,201,217
Expenditures										
General government	2,747,131	2,883,601	2,879,816	3,043,270	3,182,595	3,371,375	3,339,989	2,890,079	2,688,835	2,675,743
Public safety	603,779	566,611	665,976	559,211	629,060	750,671	849,513	809,348	855,946	934,377
Public works	814,819	922,383	883,238	853,377	886,391	1,080,910	969,220	971,170	840,028	963,490
Civic and human services	-	-	-	-	-	-	-	692,084	1,282,464	1,191,593
Planning and land use	-	-	-	-	-	-	-	108,318	87,989	103,723
Sewer	-	-	-	-	-	-	-	9,280	373,354	354,023
Recreation, library, health and welfare	454,255	454,255	502,302	539,306	666,092	715,392	771,594	-	-	-
Education	17,284,521	18,643,775	20,721,940	21,795,507	23,537,458	24,770,356	25,224,497	26,052,515	27,122,281	27,500,256
Interest and benefits	-	-	-	-	-	-	-	1,127,567	1,105,978	1,125,058
Capital outlays	71,125	106,075	-	-	845	-	121,813	92,709	1,524,456	2,670,844
Debt service:										
Principal	1,009,396	1,070,485	1,181,795	1,206,575	1,208,487	1,220,489	1,513,841	1,524,220	1,630,182	952,787
Interest	451,459	300,333	390,682	444,027	313,214	390,048	396,141	351,050	320,378	281,095
Total expenditures	23,436,485	24,947,518	27,225,749	28,441,273	30,424,142	32,299,241	33,186,608	34,628,340	37,831,891	38,752,989
Excess of revenues over (under) expenditures	442,760	235,226	725,067	787,890	989,524	174,139	(93,009)	(620,893)	743,508	(551,772)
Other Financing Sources (Uses)										
Transfers in	897,000	1,264,183	1,205,000	530,000	1,130,000	1,490,000	1,230,000	950,000	1,565,573	850,070
Transfers out	(813,397)	(1,761,796)	(1,455,660)	(2,335,281)	(1,021,339)	(2,119,786)	(1,107,522)	(726,627)	(1,565,573)	(850,070)
Issuance of long-term debt	-	5,720,000	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	(5,663,813)	-	-	-	-	-	-	-	-
Capital leases	71,125	106,025	-	-	-	-	-	92,709	55,756	1,303,022
Total other financing sources (uses)	154,728	(335,401)	(250,660)	(1,805,281)	108,661	(629,786)	122,478	316,082	55,756	1,303,022
Net change in fund balances	597,488	(100,175)	474,407	(1,017,391)	1,098,185	(455,647)	29,469	(304,811)	799,264	751,250
Debt service as a percentage of noncapital expenditures	6.25%	5.52%	5.78%	5.80%	5.00%	4.99%	5.78%	5.43%	6.63%	3.37%
Total debt service	\$ 1,460,855	\$ 1,370,818	\$ 1,572,477	\$ 1,650,602	\$ 1,521,701	\$ 1,610,537	\$ 1,909,982	\$ 1,875,270	\$ 1,950,560	\$ 1,233,882
Noncapital expenditures	23,365,360	24,841,443	27,225,749	28,441,273	30,423,297	32,299,241	33,064,795	34,535,631	29,417,035	36,585,722

Source: Town CAFR

TOWN OF HEBRON, CONNECTICUT

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year Ended June 30,	Real Property			Personal Property	Motor Vehicle	Gross Taxable Assessed Value	Net Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Other ¹								
2004	\$ 472,744,810	\$ 19,414,460	\$ 1,347,130	\$ 9,199,770	\$ 55,730,092	\$ 558,436,262	\$ 556,177,997	2.21%	30.34	\$ 916,316,258	60.70%
2005	482,596,242	22,349,299	1,314,665	10,460,158	54,872,958	571,593,322	569,409,266	2.38%	31.48	1,028,567,014	55.36%
2006	492,242,131	22,859,359	1,296,150	12,431,250	60,329,855	589,158,745	586,823,996	3.06%	33.24	1,156,166,163	50.76%
2007	509,006,398	18,383,978	1,269,946	12,457,564	63,618,241	604,736,127	602,335,588	2.64%	34.89	1,213,821,076	49.62%
2008	739,146,521	28,705,541	1,439,511	13,040,275	64,439,284	846,771,132	844,164,284	40.15%	26.27	1,205,948,977	70.00%
2009	750,490,568	26,133,077	1,370,916	12,680,969	66,146,674	856,822,204	854,338,977	1.21%	27.20	1,190,523,436	71.76%
2010	755,672,933	24,888,717	1,373,170	13,130,943	63,165,847	858,231,610	855,742,310	0.16%	28.17	1,137,741,681	75.21%
2011	759,847,670	24,903,870	1,385,880	13,059,935	65,372,470	864,569,825	861,303,815	0.65%	28.94	1,116,691,060	77.13%
2012	763,852,380	24,972,620	1,365,670	13,713,060	67,696,700	871,600,430	868,272,830	0.81%	30.26	1,115,238,901	77.86%
2013	660,013,050	25,121,530	987,320	14,374,990	71,110,490	771,607,380	768,127,730	-11.53%	33.55	1,097,325,330	70.00%

Source: Town of Hebron, Assessor Office

Note: A revaluation of all real estate was effective on the October 1, 2006 and October 1, 2011 Grand Lists

Note: By State law, property is assessed at 70% of actual value with periodic revaluation of real property.

The estimated actual amount is the equalized grand list which is estimated by the State of Connecticut, Office of Policy and Management.

1 Represents land with a use assessment and 10 mill land

Table 7

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

Fiscal Year Ended June 30,	Grand List Year	Real Estate	Motor Vehicle	Personal Property	Total	Total Direct Tax Rate
2004	2002	-	-	-	-	30.34
2005	2003	-	-	-	-	31.48
2006	2004	-	-	-	-	33.24
2007	2005	-	-	-	-	34.89
2008	2006	-	-	-	-	26.27
2009	2007	20,744,619	1,926,525	320,750	22,991,894	27.20
2010	2008	21,622,199	1,870,379	345,940	23,838,518	28.17
2011	2009	22,342,779	1,975,939	347,843	24,666,561	28.94
2012	2010	23,302,802	2,229,168	385,972	25,917,942	30.26
2013	2011	22,937,205	2,373,378	460,103	25,770,686	33.55

Source: Town of Hebron, Town Tax Records

Note: Data not available by source for Fiscal years 2004-2008
The estimated actual amount is the equalized grand list which is estimated by the State of Connecticut, Office of Policy and Management.

TOWN OF HEBRON, CONNECTICUT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

<u>Taxpayer</u>	<u>2013</u>			<u>2004</u>		
	<u>Taxable Assessed</u>	<u>Rank</u>	<u>Percentage of Total Town Taxable Assessed Grand List</u>	<u>Taxable Assessed</u>	<u>Rank</u>	<u>Percentage of Total Town Taxable Assessed Grand List</u>
	<u>Value</u>			<u>Value</u>		
CONNECTICUT LIGHT & POWER CO	\$ 6,721,980	1	0.60%	N/A		N/A
VILLAGE SHOPPES LLC	1,995,070	2	0.18%	N/A		N/A
BLACKLEDGE COUNTRY CLUB INC	1,732,660	3	0.16%	N/A		N/A
HEBRON PROPERTIES LLC	1,470,000	4	0.13%	N/A		N/A
CONNECTICUT WATER COMPANY	1,454,950	5	0.13%	N/A		N/A
HEBRON COUNTRY MANOR	1,309,770	6	0.12%	N/A		N/A
GRAYVILLE ESTATES OF HEBRON	1,073,450	7	0.10%	N/A		N/A
41-61 MAIN STREET	1,071,350	8	0.10%	N/A		N/A
HOLLAND DEBORAH & JONES	857,920	9	0.08%	N/A		N/A
HOUSTON HAYDEN O JR	855,590	10	0.08%	N/A		N/A
FOOTEHILLS FARM INC	760,580	-	0.07%	N/A		N/A
ELLIS EDWARD A & RENEE	685,180	-	0.06%	N/A		N/A
TEDS INC.	420,140	-	0.04%	N/A		N/A
	<u>\$ 20,408,640</u>		<u>1.83%</u>	<u>\$ -</u>		<u>0.00%</u>

Source: Town of Hebron, Offices of the Tax Collector and the Assessor

N/A: Information not available

TOWN OF HEBRON, 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
2004	2002	\$ 17,057,580	\$ 16,882,110	98.97%	\$ 156,887	\$ 17,038,997	99.89%
2005	2003	17,251,099	17,113,179	99.20%	111,777	17,224,956	99.85%
2006	2004	19,799,849	19,655,726	99.27%	85,670	19,741,396	99.70%
2007	2005	21,278,613	21,081,196	99.07%	169,473	21,250,669	99.87%
2008	2006	22,354,646	22,115,292	98.93%	211,553	22,326,845	99.88%
2009	2007	23,418,756	22,991,894	98.18%	372,964	23,364,858	99.77%
2010	2008	24,222,438	23,838,518	98.42%	208,402	24,046,920	99.28%
2011	2009	25,010,853	24,666,561	98.62%	200,013	24,866,574	99.42%
2012	2010	26,398,547	25,975,464	98.40%	151,845	26,127,309	98.97%
2013	2011	25,944,959	25,518,394	98.36%	-	25,518,394	98.36%

Source: Town of Hebron, Office of the Tax Collector.

Note: The above information presents the information for each period for which it is levied. A tax levy provides taxes remitted in the following year.

Table 10

TOWN OF HEBRON, CONNECTICUT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	General Obligation Bonds and Notes¹	Less Amount Available in Debt Service	Total Primary Government	Percentage of Actual Property Value²	Debt Per Capita³
2004	\$ 25,811,184	\$ 1,460,855	\$ 24,350,329	2.66%	2,698
2005	26,175,655	1,370,818	24,804,837	2.41%	2,742
2006	29,130,677	1,309,526	27,821,151	2.41%	2,992
2007	27,821,151	1,561,551	26,259,600	2.16%	2,843
2008	26,259,600	1,639,776	24,619,824	2.04%	2,667
2009	26,550,151	2,020,489	24,529,662	2.06%	2,582
2010	24,755,810	1,119,038	23,636,772	2.08%	2,488
2011	22,261,725	420,134	21,841,591	1.96%	2,255
2012	19,846,150	220,458	20,066,608	1.80%	2,068
2013	18,258,105	88	18,258,193	1.66%	1,898

Source: Town CAFR

- 1** General Obligation Bonds includes over-lapping debt for the Town of Hebron's share of RHAM Regional School District No. 8 debt. The amount for Fiscal Year 2013 is \$11,873,105. It also includes debt owed for the CT Clean Water Fund Notes Payable. These notes have been fully defeased as of fiscal year 2012
- 2** See Table 6 for taxable property value data.
- 3** See Table 13 for population data. These ratios are calculated using personal income and population.

TOWN OF HEBRON, CONNECTICUT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
FOR THE YEAR ENDED JUNE 30, 2013

(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property tax: RHAM Regional School District No. 8	\$ 21,690,000	54.74%	\$ 11,873,105
Direct general obligation debt - Hebron			<u>6,385,000</u>
			<u><u>\$ 18,258,105</u></u>

Source: Town CAFR

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This Schedule estimates the portion of outstanding debt of the RHAM Regional School District No. 8 that is borne by the residents and businesses of the Town of Hebron. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

- 1** The percentage of overlapping debt applicable is calculated using the total percentage of Town of Hebron students enrolled in RHAM. This is the same percentage used to calculate the share of RHAM expenditures that the Town of Hebron must pay.

TOWN OF HEBRON, CONNECTICUT

RATIOS OF GENERAL BONDED DEBT AND CAPITAL LEASES OUTSTANDING BY TYOE

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Net Bonded Debt	Clean Water Fund Notes	Total Net Bonded Debt	Capital Leases	Total Primary Government	Ration of Net Bonded Debt to Est. Actual Taxable Value ¹	Percentage of Personal Income ²	Debt Per Capita ³
2004	\$ 19,492,372	\$ 4,857,957	\$ 24,350,329	\$ -	\$ 24,350,329	2.66%	N/A	2,698
2005	20,512,365	4,292,472	24,804,837	-	24,804,837	2.41%	7.60%	2,742
2006	24,105,474	3,715,677	27,821,151	-	27,821,151	2.41%	8.22%	2,992
2007	23,132,254	3,127,346	26,259,600	-	26,259,600	2.16%	7.72%	2,843
2008	22,092,575	2,527,249	24,619,824	-	24,619,824	2.04%	7.25%	2,667
2009	22,616,511	1,915,151	24,531,662	-	24,531,662	2.06%	6.89%	2,582
2010	22,345,962	1,290,810	23,636,772	-	23,636,772	2.08%	5.82%	2,488
2011	21,190,503	651,088	21,841,591	63,037	21,904,628	1.96%	6.00%	2,262
2012	19,846,150	-	19,846,150	160,210	20,006,360	1.79%	5.34%	2,062
2013	18,258,105	-	18,258,105	1,365,445	19,623,550	1.79%	5.17%	2,040

Source: Town CAFR

- 1 See Table 6 for taxable property value data.
- 2 See Table 13 for population data. These ratios are calculated using personal income.
- 3 See Table 13 for population data. These ratios are calculated using personal income and population.

TOWN OF HEBRON, CONNECTICUT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

(Unaudited)

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (000)s</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate¹</u>
2004	9,025	N/A	N/A	38.5	1,928	3.2%
2005	9,047	\$ 326,497	\$ 36,089	39	1,959	3.8%
2006	9,298	338,459	36,401	39.5	2,019	3.1%
2007	9,238	339,931	36,797	39.5	2,089	2.9%
2008	9,232	339,710	36,797	39	2,093	4.4%
2009	9,500	356,108	37,485	39	2,105	6.5%
2010	9,500	406,325	42,771	38.3	2,019	7.5%
2011	9,685	365,058	37,693	39	2,102	6.8%
2012	9,704	374,972	38,641	41	2,118	5.6%
2012	9,620	379,634	39,463	40	2,118	5.2%

Source: Various Town records

1 State of Connecticut, Labor Department, By Town, Not Seasonally Adjusted

TOWN OF HEBRON, CONNECTICUT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

<u>Employer</u>	<u>2013</u>			<u>2004</u>		
	<u>(1)</u> <u>Employees¹</u>	<u>Rank</u>	<u>Percentage</u> <u>of Total Town</u> <u>Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage</u> <u>of Total Town</u> <u>Employment</u>
RHAM	261	1	37.94%	N/A	N/A	N/A
Town of Hebron & Education	211	2	30.67%	N/A	N/A	N/A
Ted's Supermarket	82	3	11.92%	N/A	N/A	N/A
Blackledge Country Club	44	4	6.40%	N/A	N/A	N/A
CVS Pharmacy	23	5	3.34%	N/A	N/A	N/A
Country Carpenters	22	6	3.20%	N/A	N/A	N/A
Tallwood Country Club	17	7	2.47%	N/A	N/A	N/A
Fireside Supply	15	8	2.18%	N/A	N/A	N/A
Staff Mates	13	9	1.89%	N/A	N/A	N/A
Total	<u>688</u>		<u>100.00%</u>	<u>2,480</u>		<u>0.00%</u>

Source: Various Town Records

1 Full time equivalent

N/A Information not available

TOWN OF HEBRON, CONNECTICUT
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

(Unaudited)

<u>Function/Program</u>	<u>Full-Time Equivalent Employees as of June 30</u>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General government:										
General government:										
Town manager	1	1	1	1	1	1	1	1	1	1
Town clerk	2	2	2	2	2	2	2	2	2	2
Personnel	2	2	2	2	2	2	2	2	2	2
Finance and tax	7	7	7	7	7	7	7	7	7	6
Building safety	2	2	2	2	2	2	2	2	2	2
Planning	2	2	2	2	2	2	2	2	2	2
Facility management	1	1	1	1	1	1	1	1	1	1
Community development	-	-	-	-	-	-	-	-	-	-
Parks and recreation:										
General and administrative	2	2	2	2	2	2	2	2	2	2
Recreation	1	1	1	1	1	2	2	3	3	3
Fire:										
Firefighter and officers	2	2	2	2	2	2	2	2	2	2
Public works:										
Administration	1	2	2	2	2	2	2	2	2	2
Street maintenance	12	12	12	12	12	12	12	12	12	12
Water:										
Administration	1	1	1	1	1	1	1	1	1	1
Library:										
Administration	3	3	3	3	3	3	3	3	3	3
Senior Center:										
Administration	2	2	2	3	3	3	3	3	3	3
Total	<u>41</u>	<u>42</u>	<u>42</u>	<u>43</u>	<u>43</u>	<u>44</u>	<u>44</u>	<u>45</u>	<u>45</u>	<u>44</u>

Source: Various Town Records

TOWN OF HEBRON, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function/Program										
Police:										
Calls for service	N/A	3,529	2,433	3,690	4,366	4,750	5,217	5,211	4,358	3,914
Adult arrest	N/A	101	93	87	84	72	89	99	73	71
Juvenile arrest	N/A	1	5	5	10	10	9	10	6	15
Traffic citations	N/A	895	231	486	383	466	871	1,457	1,019	664
Fire:										
Total fire runs	204	244	236	243	266	237	367	302	226	227
Total rescue runs	422	421	420	433	446	424	429	450	437	493
Building safety:										
Total building permits	488	542	486	478	568	434	438	394	521	532
Total value all permits	N/A	N/A	N/A	N/A	\$ 8,258,492	\$ 7,157,558	\$ 8,510,149	\$ 5,368,058	\$ 7,145,131	\$ 9,420,872
Total building permits - new homes	39	59	63	30	13	8	11	7	9	11
Total value all permits - new homes	\$ 7,603,240	\$ 16,128,701	\$ 14,378,935	\$ 6,303,706	\$ 7,210,619	\$ 2,047,216	\$ 3,202,802	\$ 1,608,801	\$ 1,937,260	\$ 2,570,707
Library										
Volumes in collection	41,393	40,520	38,307	38,645	35,866	40,292	39,169	39,233	39,329	46,823

Source: Various Town departments and records

Source: CT State Police Troop K Data

Table 17

TOWN OF HEBRON, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<u>Police:</u>										
Stations	1	1	1	1	1	1	1	1	1	1
<u>Fire:</u>										
Fire stations (Volunteer)	3	3	3	3	3	3	3	3	3	3
<u>Public Works:</u>										
Buildings	5	5	5	5	5	5	5	5	5.0	5.0
Streets (miles)	76	80	84	88	92	96	98	98	98	98
Traffic lights	2	2	2	2	2	2	2	2	2	2
Street lights	197	197	197	197	197	199	200	201	201	201
<u>Parks and recreation:</u>										
Acreage	440	440	500	500	850	850	850	900	900	900
Parks	3	3	3	3	3	3	4	4	4	4
Baseball diamonds	7	7	7	7	7	7	9	9	9	9
Soccer fields	4	4	4	4	4	4	8	8	8	8
Basketball courts	1	1	1	1	1	1	1	1	1	1
Tennis courts	8	8	8	8	8	8	8	8	8	8
Skate park	1	1	1	1	1	1	1	1	1	1
Parks with playground equipment	1	1	1	1	1	1	1	1	1	1
Picnic shelters	1	1	1	1	1	1	2	2	2	2
Office and maintenance building	1	1	1	1	1	1	1	1	1	1
Rest room facilities	1	1	1	1	1	1	2	2	2	2
<u>Public Buildings:</u>										
Town buildings	3	3	3	3	3	3	3	3	3	3
Schools	2	2	2	2	2	2	2	2	2	2
Regional school district	2	2	2	2	2	2	2	2	2	2
<u>Library:</u>										
Facilities	1	1	1	1	1	1	1	1	1	1
Volumes	41,393	40,520	38,307	38,465	35,866	40,292	39,169	39,223	39,329	46,823
<u>Water:</u>										
Lakes	1	1	1	1	1	1	1	1	1	1
<u>Sewer:</u>										
Number of miles	18	18	18	18	18	18	18	18	18	18

Source: Various Town departments