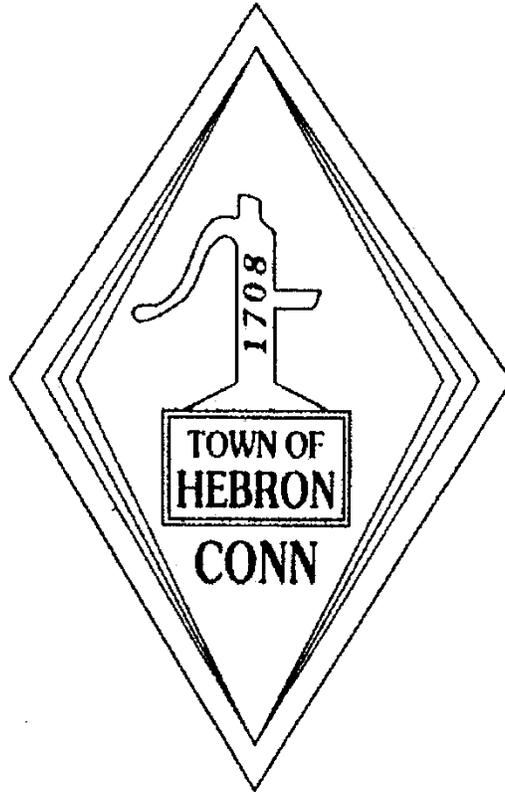


TOWN OF HEBRON, CONNECTICUT

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**



FISCAL YEAR ENDED JUNE 30, 2019

TOWN OF HEBRON, CONNECTICUT

**Comprehensive
Annual Financial Report**

For

**The Fiscal Year Ended
June 30, 2019**

Prepared By:

THE FINANCE DEPARTMENT

TOWN OF HEBRON, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Introductory Section

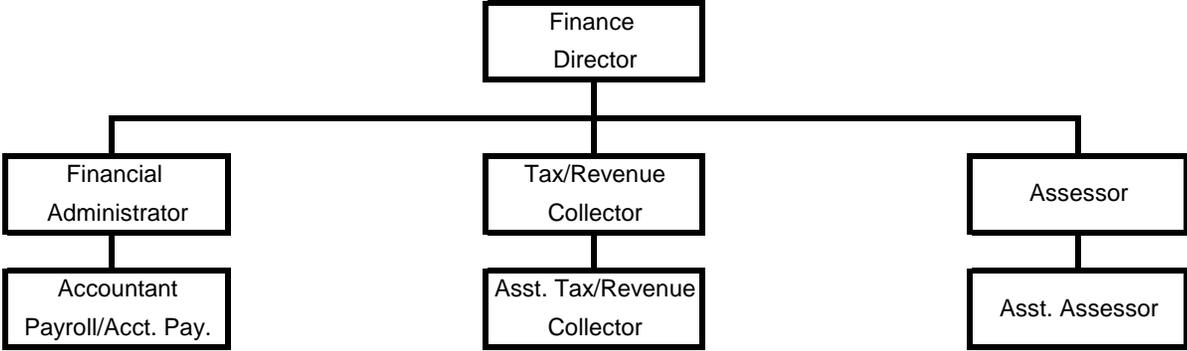
TOWN OF HEBRON, CONNECTICUT

PRINCIPAL TOWN OFFICIALS

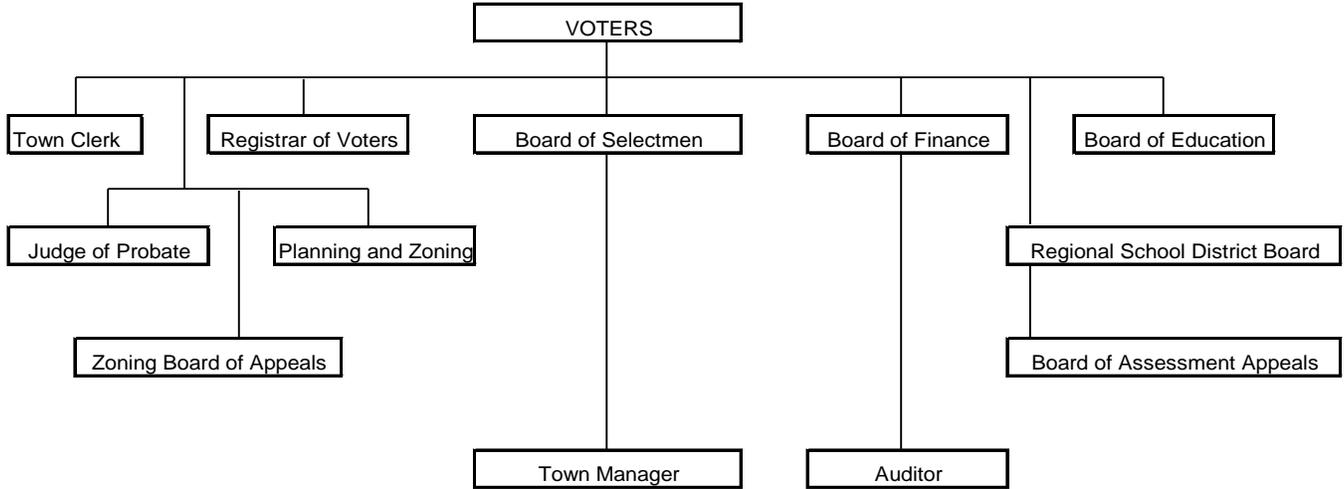
As of June 30, 2019

<i>Chairman of the Board of Selectmen</i>	Daniel Larson
<i>Chairman of the Board of Finance</i>	David Veschi
<i>Town Manager</i>	Andrew J. Tierney
<i>Assessor</i>	Debra Gernhardt
<i>Building Inspector</i>	Randy Blais
<i>Resident Trooper</i>	Daniel Greenwood
<i>Town Clerk</i>	Carla Pomprowicz
<i>Town Planner</i>	Michael O'Leary
<i>Finance Director</i>	Elaine M. Griffin
<i>Legal Counsel</i>	Kenneth Slater, Esq.
<i>Emergency Management</i>	Sean Shoemaker
<i>Engineer</i>	Nathan Jacobson & Assoc.
<i>Fire Chief</i>	Nick Wallick
<i>Fire Marshal</i>	Randy Blais
<i>Health Director</i>	Steve Knauf
<i>Public Works Director</i>	Kevin Kelly
<i>Recreation Director</i>	Richard Calarco
<i>Senior Services Director</i>	Sharon Garrard
<i>Superintendent of Schools</i>	Timothy Van Tassel
<i>Tax Collector</i>	Adrian MacLean
<i>AHM Youth and Family Services</i>	Joel Rosenberg
<i>Zoning Enforcement Officer</i>	Randy Blais

**Town of Hebron
Finance Department**



Town of Hebron, Connecticut
For the Period Ended June 30, 2019



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

Boards/Commissions
Housing Authority
Parks and Recreation
Conservation Commission
Water Pollution Control Authority
Inlands Wetlands
Commission on Aging
Open Space/Land Acquisition
CIP Committee
Economic Development Comm.
Historic Properties Comm.
Chatham Health District
Park Development Comm.



Town of Hebron

TOWN OFFICE BUILDING
15 GILEAD STREET
HEBRON, CONNECTICUT 06248
TELEPHONE: (860) 228-5971
FAX: (860) 228-4859
www.hebronct.com

ANDREW J. TIERNEY
TOWN MANAGER

ELAINE GRIFFIN
FINANCE DIRECTOR

SUE HUSHIN
FINANCIAL ADMINISTRATOR

TAMMY FILBIG
ACCOUNT CLERK

June 30, 2020

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 financial. This report is published to fulfill that requirement for the fiscal year ended June 30, 2019.

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.

RSM US, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Town of Hebron, Connecticut's (the Town) financial statements for the year ended June 30, 2019. 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 adopted a charter in 1988, effective as of November 21, 1989. The Charter was amended on November 5, 1996, November 2003 and November 2014. 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 and was recently ranked in the top Connecticut towns with a description classification of "quaint".

The net taxable grand list for October 1, 2017 was \$757,839,820, an increase of .37% from the October 1, 2016 grand list amount of \$755,064,190. With the economy appearing to be on the incline, crumbling foundations and the continued influx at the State level with grant funding seemed to be the primary culprits in the grand list slow recovery. However, building permits continue to remain fairly steady in application requests. Hebron's unemployment rate fell slightly to 3.1% at June 30, 2019. This is indicative of a continued fluctuating local re-employment process and economy. Hebron still ranked better than the Federal rate of 4.0% and the State rate of 4.7% at June 30, 2019.

Major Initiatives:

The Economic Development Commission in association with Town staff has continued to promote local businesses and retain them for viability in the Town. There was 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.

In 2011 the Town initiated a Charrette 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 charrette sessions. Objectives that were identified at that time continue to be implemented through continuing STEAP grant applications and awards 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 for easier access to the community business district.
- Increase economic viability through the addition of commercial opportunities with the opening of a new large CVS Pharmacy, Giuliano Pools and several smaller quaint shops.
- Preservation and enhancement of the historic district.
- Sidewalk installation has improved walk-ability of the downtown corridor and improved the overall aesthetic appeal of the downtown area with additional parking constructed behind the Town's Douglas Library.
- Construction of Colebrook Village, an Assisted Living Facility and the first in this area was completed during the 2018 fiscal year as well as completion of 8 miles of Connecticut Natural Gas pipeline, a project which took many managerial hours to implement.
- Receipt of several large STEAP and DOT Grants for reconstruction of the Marjorie Circle Bridge and RHAM Campus Improvements through the combined efforts of management and Elected Officials.
- Surplus of Unassigned Fund Balance and Open Space Land Acquisition Funds were utilized to purchase the Horton Brothers Property located on Kinney Road and part of the initial Village Green Subdivision. This purchase is intended for future development and construction of a Town Municipal Complex.

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 General Fund Balance Policy and a formal Debt Management Policy. Also in process are a separate Capital Equipment Replacement Policy, and other Operating Budget and Financial Policies continue to 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 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 fund balance and 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 implemented a policy effective in April 2014 to maintain a General Fund fund balance between 10% and 12%.

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.

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.

2018/2019 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. Fiscal year 2018/2019 calculations remained conservative once again with the continuing influx at the State level and anticipated annual grant receipt such as the Educational Cost Sharing Grant which is the largest offsetting Grant revenue to the Municipal Tax Base. The Town evaluated the impact of the possible reduction in revenues at the State level and during the budget development for 2018-2019 utilized the most accurate numbers available.

2018/2019 Expenditures

The Town continued to face many of the same challenges in the development of expenditures for the 2018/2019 fiscal year. The combined overall Town, Debt, Capital, RHAM Assessment and Education budget decreased by \$940,873 or 2.56% largely due to deep cuts taken to Town services and a reduction in the RHAM student population and levy calculation. Some of the budgeting challenges continue to include:

First and foremost, managing negotiated increases in wages and health insurance costs for all staff. The RHAM Region 8 Health Consortium 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, pooled savings and formally implementing self-insurance.

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. Major funding was returned to the Capital Improvement Plan Fund through the referendum process of an additional \$404,000 in the 2018 fiscal year only to suffer a reduction again in the 2019 fiscal year. The policy makers are working together to develop the best funding alternatives for future capital needs while maintaining a level mil rate without a large tax increase. 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, 2018. 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 fifteenth consecutive fiscal year and is a fact that we boast of continuously. 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. 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,

A handwritten signature in black ink that reads "Elaine Griffin". The signature is written in a cursive, flowing style.

Elaine Griffin
Finance Director

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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, 2018

Christopher P. Morrill

Executive Director/CEO

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Financial Section



Independent Auditor's Report

RSM US LLP

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, 2019, and the related notes thereto 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2019, and the respective changes in financial position 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 discussion and analysis, the General Fund budgetary comparison information and the pension and other post-employment benefit (OPEB) related schedules 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 Supplementary 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, the accompanying combining and individual fund financial statements and other schedules and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining individual fund financial statements and other schedules are the responsibility of management and were derived from and relates 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 other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical section, as listed in the table of contents, 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 June 30, 2020 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

RSM US LLP

New Haven, Connecticut
June 30, 2020

Town of Hebron, Connecticut
Management's Discussion and Analysis - *Unaudited*
June 30, 2019

As management of the Town of Hebron, Connecticut (the "Town") we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here along with additional information we have furnished in our letter of transmittal, as well as the Town's basic financial statements that follow this section.

Financial Highlights

1. On a government-wide basis, the assets and deferred outflows of the Town exceeded its liabilities and deferred inflows resulting in total net position at the close of the fiscal year of \$59,598,073.
2. On a government-wide basis, during the year, the Town's net position increased by \$397,098. Governmental activities expenses were \$40,347,692, while revenues were \$40,744,790.
3. At the close of the year, the Town's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$10,289,704, a decrease of \$365,242 from the prior fiscal year. Of the total fund balance as of June 30, 2019, \$6,497,411 represents the combined unassigned fund balance in the general fund, special revenue funds, capital projects funds and permanent fund.
4. At the end of the current fiscal year, the total fund balance for the general fund alone was \$7,196,324, a decrease of \$262,868 from the prior fiscal year. Unassigned General Fund fund balance at year-end represents 17.33% of total general fund expenditures and transfers out.
5. The Town's long-term obligations decreased by approximately \$.9 million during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The 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 as well as the basic financial statements.

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. All of the resources the Town has at its disposal are shown, including major assets such as buildings and infrastructure. A thorough accounting of the cost of government is rendered because the statements present all costs, not just how much was collected and disbursed. They provide both long-term and short-term information about the Town's overall financial status.

The statement of net position presents information on all of the Town's assets, liabilities, deferred outflows and deferred inflows with the difference reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the Town is improving or deteriorating. It speaks to the question of whether or not, the Town, as a whole is better or worse off as a result of this year's activities. Other non-financial factors will need to be considered, however, such as changes in the Town's property tax base and the condition of the Town's infrastructure, to assess the overall health of the Town.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in some future fiscal period, uncollected taxes and earned but unused vacation leave are examples.

The governmental activities of the Town include 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. Property taxes, charges for services and state and federal grants finance most of these activities. The Town currently has no business type activities.

The government-wide financial statements (statement of net position and statement of activities) can be found on pages 11-12 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control and accountability over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town has three kinds of 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 expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and 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 17 individual 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, which is considered a major fund. Data from the other governmental funds are combined into a single, aggregated presentation as Other Governmental Funds.

The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the authorized budget. The statement of revenues, expenditures, encumbrances and transfers out on a budgetary basis can be found on page 46 in the Required Supplementary Information.

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balances) can be found on pages 13-14 of this report.

Proprietary funds. The Town maintains no proprietary funds.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to provide services to the Town's constituency. The Town has a pension trust fund and agency funds. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 16-17 of this report.

Notes to the Financial Statements

The notes 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 18-45 of this report.

The notes to this report also contain certain information concerning the Town's progress in funding its obligation to provide pension benefits, and other post-employment benefits to its employees.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. On a government-wide basis, the Town's assets, deferred outflows exceeded its liabilities and deferred inflows by \$59,587,073 at June 30, 2019.

TOWN OF HEBRON, CONNECTICUT

Summary Statement of Net Position

	June 30, 2019	June 30, 2018
	Primary Government	Primary Government
	Governmental Activities	Governmental Activities
Current and other assets	\$ 13,300,685	\$ 13,644,610
Capital assets	53,196,025	53,408,193
Total Assets	66,496,710	67,052,803
Deferred outflows of resources	77,942	37,796
Current liabilities	272,584	311,710
Long-term liabilities	6,590,847	7,504,714
Total Liabilities	6,863,431	7,816,424
Deferred inflows of resources	113,148	73,200
Net investment in capital assets	49,214,530	48,503,314
Restricted	331,571	272,482
Unrestricted	10,051,972	10,425,179
Total Net Position	\$ 59,598,073	\$ 59,200,975

Total net position for Governmental Activities at fiscal year-end were \$59.6 million. Of the Town's total net position at June 30, 2019, \$10.1 million or 16.9% is unrestricted. This compares with last year's total unrestricted net position of \$10.4 million or 17.6% unrestricted.

The largest portion of the Town's net position, 82.5%, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure), net of depreciation and any outstanding debt related to these assets. 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.

Unrestricted net position of \$10.1 million may be used to meet the Town's ongoing obligations to citizens and creditors.

TOWN OF HEBRON, CONNECTICUT
Change in Net Position
For the Years Ended June 30, 2019 and 2018

	June 30, 2019	June 30, 2018
	Primary Government	Primary Government
	Governmental Activities	Governmental Activities
Revenues:		
Program Revenues:		
Charge for services	\$ 2,421,070	\$ 2,729,603
Operating grants and contributions	8,521,456	9,506,291
Capital grants and contributions	592,252	670,384
General Revenues:		
Property taxes	28,897,985	28,447,338
Grants not restricted to specific programs	128,370	100,627
Unrestricted investment earnings	183,657	88,263
Total revenues	40,744,790	41,542,506
Expenses:		
General government	5,185,180	4,852,884
Public safety	1,266,713	1,270,103
Civic and human service	2,101,842	1,921,900
Planning and land use	174,851	147,348
Public works	1,979,840	1,669,748
Sewer fees	446,183	289,147
Education	29,041,681	30,472,350
Interest on long-term debt	151,402	193,475
	40,347,692	40,816,955
Change in Net Position	397,098	725,551
Net Position, beginning	59,200,975	58,475,424
Net Position, ending	\$ 59,598,073	\$ 59,200,975

Governmental Activities

For Governmental Activities, more than 71% of the revenues were derived from property taxes, followed by 23% from other intergovernmental revenues.

Major revenue factors included:

1. Property tax revenues recorded during fiscal year 2019 reflect an increase in the mill rate for the current levy. Several severe delinquent real estate tax accounts were settled and collected by more than \$500,000.
2. Licenses and fees were better than anticipated.
3. Due to non-reactive budgeting with State grant disclosures, the Town remained vigilant in the original receipt estimates which resulted in \$583,000 additional Educational Cost Sharing revenue.

For Governmental Activities, 72.0% of the Town's expenses relate to education, 3.1% relates to public safety, 12.9% to general government, 4.9% to public works, 5.2% to civic and human services, and those are the major percentages.

Major expense factors include:

1. Education operating expenses decreased by 4.7%. This decrease was due to a reduction in student population.

Financial Analysis of the Fund Financial Statements

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

General Fund Budgetary Highlights

During the year, actual revenues and other financing sources on a budgetary basis were approximately \$36.5 million, which exceeded budgetary estimates by \$.7 million. Actual tax revenues exceeded budget by \$525,985, which in part represents more aggressive pursuit of delinquent taxes. Actual fees, permits and licenses were \$1,523 above budget due to increased requests for Ambulance Services than were expected. Interest income was \$111,051 over budget due to higher than expected interest rates. The budget for fiscal year 2020-21 for this revenue was projected upward accordingly.

Actual expenditures on a budgetary basis and other financing uses totaled \$36,744,995, which was less than budgeted expenses and other financing uses on a budgetary basis by \$244,624.

Capital Assets and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental activities as of June 30, 2019, amount to \$53,196,025 net of accumulated depreciation. This investment in capital assets includes land, building and system improvements, machinery and equipment, park facilities, and infrastructure.

Town of Hebron, Connecticut
Capital Assets (Net)
As of June 30, 2019 and 2018

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Land	\$ 12,119,187	\$ 10,966,512
Construction in progress	1,122,397	2,187,199
Buildings and improvements	23,032,097	22,737,668
Furniture and equipment	3,621,200	3,605,423
Infrastructure	13,301,144	13,911,391
Total	<u><u>\$ 53,196,025</u></u>	<u><u>\$ 53,408,193</u></u>

Major capital asset events during the current fiscal year included the following:

1. Several large parcels of land were purchased in the amount of \$1.1 million for future Public Works Building development. New sidewalks were installed on Main St. for approximately \$33 thousand. There were several additions and upgrades to airline trails throughout town in the amount of \$62,000.
2. Several old assets were added or eliminated from the inventory after a complete inventory review was performed.

Additional information on capital assets can be found in Note 6 of this report.

Long-term debt

At the end of the current fiscal year, the Town had total bonds and capital leases outstanding of \$4.0 million. 100% of this debt is backed by the full faith and credit of the Town. The Town's total debt decreased by \$936 thousand during fiscal 2019. In addition, there is \$5,304,520 of overlapping debt for Hebron's share of the Regional School District #8 (RHAM) General Obligation Debt of \$10,100,000.

The last bond rating was for the General Obligation Bond Issue of 2008 for the Park Development Project, totaling \$4,300,000. The Bonds were rated AA by Standard & Poor's and this was an upgrade requiring a material event notice to the repositories.

The overall statutory debt limit for the Town is equal to seven times prior year annual receipts from taxation or \$196,068,242.

Additional information on long-term debt can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets and Rates

As of June 2019, the unemployment rate for the Hebron Labor Market Area was 3.1%. Connecticut's overall unemployment rate stands at 3.7%, compared with 4.2% for the same time last year. The State of Connecticut's unfunded educational and municipal mandates and increased employee benefit costs create a challenge for Hebron. The Town, however, is poised to overcome such challenges with its commitments to economic development, cost reduction, debt reduction and a comprehensive planning master plan.

The economic indicators for the past few years, and several other factors were taken into account when adopting the General Fund budget for 2019-2020. Amounts available for appropriation in the General

Fund budget are \$35.8 million, an increase of approximately 1.6% over the final 2019 budget of \$36.4 million. A majority of the increase is attributed to the increase of supplemental appropriation to fund the Debt Management Fund.

The Town and Board of Education have not added any major new programs or initiatives to the 2019-2020 budget. In future plans, there will be continued focus on core services for the Town in order to ease the stress of limited resources of taxpayers and current economic conditions.

Requests for Information

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

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Basic Financial Statements

Town of Hebron, Connecticut

Statement of Net Position

June 30, 2019

	<u>Governmental Type Activities</u>
Assets	
Cash and cash equivalents	\$ 10,251,049
Receivables, net of allowance for collection losses:	
Property taxes, net	2,437,055
Sewer assessments and user fees	122,772
Grants and contracts receivable	172,834
Other	134,515
Inventories	3,060
Contracts receivable, long-term portion	179,400
Capital assets, non-depreciable	13,241,584
Capital assets, net of accumulated depreciation	39,954,441
Total assets	<u>66,496,710</u>
Deferred outflows of resources	
Deferred charges on OPEB Expense	53,452
Deferred charges on refunding	24,490
Total deferred outflows of resources	<u>77,942</u>
Liabilities	
Accounts payable	66,832
Accrued interest payable	16,980
Unearned revenue	188,772
Noncurrent liabilities:	
Due in less than one year	756,291
Due in more than one year	5,834,556
Total liabilities	<u>6,863,431</u>
Deferred inflows of resources	
Deferred charges on OPEB Expense	<u>113,148</u>
Net Position	
Net investment in capital assets	49,214,530
Restricted	331,571
Unrestricted	10,051,972
Total Net Position	<u>\$ 59,598,073</u>

See notes to financial statements.

Town of Hebron, Connecticut

Balance Sheet - Governmental Funds

June 30, 2019

	Major Fund General Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 6,988,433	\$ 3,262,616	\$ 10,251,049
Receivables (net of allowances for collection losses):			
Property taxes	2,437,055	-	2,437,055
Assessments and user fees	-	122,772	122,772
Intergovernmental and other	-	75,871	75,871
Utility billings	-	96,963	96,963
Other	112,534	21,981	134,515
Inventories	-	3,060	3,060
Total assets	\$ 9,538,022	\$ 3,583,263	\$ 13,121,285
Liabilities			
Accounts payable and accruals	\$ 49,546	\$ 17,286	\$ 66,832
Unearned revenues	-	188,772	188,772
Total liabilities	49,546	206,058	255,604
Deferred inflows of resources			
Unavailable - sewer assessments	-	122,773	122,773
Unavailable - sewer user charges	-	94,863	94,863
Unavailable - property taxes and interest	2,292,152	-	2,292,152
Unavailable - grants	-	66,189	66,189
Total deferred inflows of resources	2,292,152	283,825	2,575,977
Fund balances			
Nonspendable	-	9,005	9,005
Restricted	-	322,566	322,566
Committed	-	2,819,368	2,819,368
Assigned	641,354	-	641,354
Unassigned	6,554,970	(57,559)	6,497,411
Total fund balances	7,196,324	3,093,380	10,289,704
Total liabilities, deferred inflows and fund balances	\$ 9,538,022	\$ 3,583,263	

Amounts reported for governmental activities in the statement of
Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	53,196,025
Long-term contract receivable amounts from the Town's Regional School District is not susceptible to accrual and is therefore not reported in the funds	179,400
Assets that are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the funds.	2,575,977
Deferred amounts on refunding	24,490
Deferred gains on OPEB expense	(59,696)
Accrued interest payable	(16,980)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(6,590,847)

Net Position of governmental activities \$ 59,598,073

See notes to financial statements.

Town of Hebron, Connecticut

**Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2019**

	Major Fund General Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Property taxes	\$ 28,839,520	\$ -	\$ 28,839,520
Intergovernmental	7,674,841	1,341,989	9,016,830
Charges for services	699,502	1,618,020	2,317,522
Income from investments	146,052	37,605	183,657
Other revenues	139,555	107,398	246,953
Total revenues	37,499,470	3,105,012	40,604,482
Expenditures			
Current:			
General government	3,105,054	56	3,105,110
Public safety	913,011	86,124	999,135
Public works	1,108,059	859	1,108,918
Civic and human service	676,822	1,472,411	2,149,233
Planning and land use	151,882	-	151,882
Sewer fees	9,800	436,383	446,183
Insurance and benefits	1,369,520	-	1,369,520
Education	27,529,774	975,127	28,504,901
Debt service:			
Principal	936,690	-	936,690
Interest	120,139	-	120,139
Capital outlay	440,260	1,637,753	2,078,013
Total expenditures	36,361,011	4,608,713	40,969,724
Revenues over (under) expenditures	1,138,459	(1,503,701)	(365,242)
Other Financing Sources (Uses)			
Transfers in	62,563	1,463,890	1,526,453
Transfers out	(1,463,890)	(62,563)	(1,526,453)
Total other financing sources (uses)	(1,401,327)	1,401,327	-
Net change in fund balances	(262,868)	(102,374)	(365,242)
Fund Balances, Beginning	7,459,192	3,195,754	10,654,946
Fund Balances, Ending	\$ 7,196,324	\$ 3,093,380	\$ 10,289,704

See notes to 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, 2019**

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

Net change in fund balances – total governmental funds	\$ (365,242)
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. This is the amount by which capital outlays exceeded depreciation in the current period.	(20,234)
Loss on disposal	(191,934)
Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues in the funds until they become measurable and available.	39,451
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on Net Position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,045,090
Some expenses reported in the statement of activities that do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds until they are paid.	<u>(110,033)</u>
Change in Net Position of governmental activities	<u>\$ 397,098</u>

See notes to financial statements.

Town of Hebron, Connecticut

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2019

	Pension Trust Fund	Agency Funds
Assets		
Cash and cash equivalents	\$ -	\$ 99,622
Investments:		
Pooled separate accounts	4,244,030	-
Other assets	-	6,694
	<hr/>	<hr/>
Total assets	4,244,030	106,316
	<hr/>	<hr/>
Liabilities		
Due to student groups	-	23,985
Amounts held for others	-	82,331
	<hr/>	<hr/>
Total liabilities	-	106,316
	<hr/>	<hr/>
Net Position		
Restricted for pension benefits	\$ 4,244,030	\$ -
	<hr/> <hr/>	<hr/> <hr/>

See notes to financial statements.

Town of Hebron, Connecticut

Statement of Changes in Fiduciary Net Position - Pension Trust
For the Year Ended June 30, 2019

	<u>Pension Trust Fund</u>
Additions	
Employer contributions	\$ 163,545
Other revenue	8,897
Total additions	<u>172,442</u>
Investment Income	
Interest	164,070
Net change in fair value investments	101,267
Net investment income	<u>265,337</u>
Deductions	
Benefits	374,322
Administrative expenses	10,791
Total deductions	<u>385,113</u>
Change in Net Position	52,666
Net Position	
Beginning of year	<u>4,191,364</u>
End of year	<u>\$ 4,244,030</u>

See notes to financial statements.

Town of Hebron, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Reporting entity: The Town of Hebron, Connecticut (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 2014. 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 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 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 (GAAP) 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 for which by nature and significance of their relationship with the primary government that would cause the reporting entity's financial statements to be incomplete or misleading if excluded. Based on these criteria, there are no component units requiring inclusion in these financial statements.

Accounting standards adopted in the current year:

Governmental Accounting Standards Board ("GASB") Statement No. 83, *Certain Asset Retirement Obligations*, was effective for the Town beginning with its year ending June 30, 2019. The objective of this Statement is to set guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to asset retirement obligations. The adoption of this Statement did not impact the Town's financial statements.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, was effective for the Town beginning with its year ending June 30, 2019. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statement related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The adoption of GASB Statement No. 88 did not impact the Town's financial position or results of operations.

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

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

Town of Hebron, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement focus, basis of accounting, and financial statement presentation: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are fiduciary fund financial statements, except for Agency Funds which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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, OPEB, pension, landfill closure costs, and claims and judgments, are recorded only when payment is due (matured).

Property taxes when levied for, intergovernmental revenue when eligibility requirements are met, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual (measurable) and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable only when cash is received by the Town, or specifically identified.

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

The Town reports the following major governmental funds:

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

Additionally, the Town reports the following fund types:

Governmental funds:

Special Revenue Funds: Used to account for and report the proceeds of specific revenue sources that are legally restricted or committed to expenditures for particular purposes other than debt services or capital projects.

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

Fiduciary Funds:

Pension Trust Fund: Used to account for the accumulation of resources to be used for retirement benefits.

Agency Funds are used to account 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.

Town of Hebron, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

Property taxes: Property taxes are assessed as of October 1 and are levied on the following July 1. Real estate tax greater than \$250 is due in two installments on July 1 and the following January 1. Liens are filed on delinquent real estate taxes within one year.

Cash equivalents: The Town considers all highly liquid investments and those investments with a maturity of three months or less when purchased to be cash equivalents. The Connecticut State Treasurer's Short-Term Investment Fund (STIF) is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be in instruments authorized by Connecticut General Statutes (the Statutes) 3-27c through 3-27e. The cash portfolio adheres to GASB Statement No. 79, *Certain Investment Pools and Pool Participants*, which amends GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and establishes accounting and financial reporting standards for state and local governments that participate in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost.

Investments: Investments are stated at fair value.

Fair value: The Town uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for certain assets or liabilities. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

Fair value measurements focus on exit prices in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment.

The Town's fair value measurements are classified into a fair value hierarchy based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

Town of Hebron, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

The three categories within the hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, and market-corroborated inputs.

Level 3: Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

See Note 3 for additional information regarding fair value.

Allowances for doubtful accounts: Accounts and notes receivable for the primary government are reported net of allowance for doubtful accounts of approximately \$450,000. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon collection history and an analysis of the creditor's ability to pay.

Inventories: Inventories are stated at lower of cost on first in first out method or market, except for U.S. Department of Agriculture donated commodities, which are recorded at market value. Inventories are recorded as expenditures when consumed rather than when purchased.

Loans receivable: Rehabilitation loans consist of deferred loans made to certain qualifying individuals for home improvements in connection with funding by the Town under a Small Cities Development Block Grant to administer the Town's Housing Rehabilitation Program. The loans bear no interest. 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 place of residence. The notes may be paid in full or in part by the borrower at any time without penalty. As of June 30, 2019, loans receivable totaled approximately \$144,000 under this program. The loans are fully reserved for,

Capital assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 for furniture, equipment and buildings, and \$50,000 for infrastructure. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Town of Hebron, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Property, plant, and equipment of the Town is 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

Capital assets are reported as expenditures (capital outlay) and no depreciation expense is reported in the governmental fund financial statements.

Compensated absences: Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement.

Sick leave and vacation leave expenditures are recognized in the governmental funds in the current year to the extent they are due. The liability for the remainder of the vested sick leave and vacation leave, and an estimate of the nonvested portion expected to be paid in future periods, is accounted for in the government-wide statement of net position. The vesting method using historical data was used to calculate the liability. Compensated absences are generally liquidated by the General Fund.

Long-term obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

Deferred outflows/inflows of resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to other post-employment benefits ("OPEB") in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in OPEB expense in a systematic and rational manner.

Note 1. Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance tax collections in the government-wide statement of net position and in the governmental fund balance sheet. Advance tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, interest on property taxes, and long-term loans. The Town reports deferred inflows related to OPEB in the government-wide statement of net position. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available. A deferred inflow of resources related to OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner.

Total OPEB liability: The total OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total OPEB liability). The Town has accumulated no assets to fund the OPEB liability and therefore does not have a fiduciary fund to pay OPEB benefits. The total OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. The Town reports the total OPEB liability in the statement of net position.

Fund equity and net position: In the government-wide and proprietary fund financial statements, net position is classified in the following categories:

Net investment in capital assets: This category groups all capital assets, including infrastructure, into one component of net position, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted net position: These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

Unrestricted net position: This category represents the net position of the Town, which is not restricted for any project or other purpose.

In the fund financial statements, the Town reported the following governmental fund balances:

Nonspendable fund balance: These amounts cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted fund balance: These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

Town of Hebron, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Committed fund balance: This represents amounts constrained, prior to year-end, for a specific purpose by a government using its highest level of decision-making authority (Board of Finance / Board of Selectman) in the form of a resolution/ordinance. Once adopted, the limitation imposed by the resolution/ordinance remains in place until similar action is taken to remove or revise the limitation.

Assigned fund balance: Amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts. The Chief Financial Officer has been delegated the authority to assign fund balances.

Unassigned fund balance: The residual amount not allocated to any other fund balance category in the General Fund and any residual deficit balance of any other governmental funds.

When both restricted and unrestricted amounts are available for use, it is the Town's practice to use restricted resources first. Additionally, the Town would first use committed, then assigned, and lastly unassigned.

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position: The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Bonds payable	\$ (2,877,000)
Compensated absences	(557,856)
Contracts payable	(542,000)
Capital Leases	(1,128,985)
Total OPEB liability	<u>(1,485,006)</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at Net Position of governmental activities	<u>\$ (6,590,847)</u>

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities: The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “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 details of this difference are as follows:

Capital outlay	\$ 1,712,174
Depreciation expense	(1,924,342)
Loss on disposal	<u>191,934</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in Net Position of governmental activities	<u>\$ (20,234)</u>

Town of Hebron, Connecticut

Notes to Financial Statements

Note 2. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this difference are as follows:

Principal repayments:	
General obligation debt	849,000
Contracts payable	108,400
Capital leases	87,690
	<hr/>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in Net Position of governmental activities	<hr/> \$ 1,045,090 <hr/>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources.” The details of the difference are as follows:

Accrued interest	\$ 20,992
Compensated absences	(21,750)
Total OPEB liability	(109,473)
Deferred pension/OPEB	198
	<hr/>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in Net Position of governmental activities	<hr/> \$ (110,033) <hr/>

Note 3. Cash, Cash Equivalents and Investments

Deposits: The Town does not have a policy for deposits. The Town also does not have a custodial credit risk policy. However, as a practice, the Town follows State statutes. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank’s risk based capital ratio.

Investments: The Town and the Pension Trust Fund do not have a custodial credit risk policy for investments. The Town and the Pension Trust Fund do not have a policy for investments of related credit risk for debt securities, however, it is their practice to follow the Statutes. The Statutes (Section 7-400) permit municipalities to invest in: (1) obligations of the United States and its agencies; (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open-end money market mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the STIF. Other provisions of the Statutes cover specific municipal pension funds with particular investment authority and do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries.

Town of Hebron, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Interest rate risk: The Town does not have a policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, including its Pension Trust Fund. 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.

Concentrations: The Town's investment policy generally restricts investments in any one issuer that is in excess of 10%. In addition, the Town's policy defines other limitations in an effort to avoid incurring unreasonable inherent risk of over-concentration in specific instruments, individual issues or maturities. As of June 30, 2019, more than 10% of the Town's governmental activities investments are in the STIF (100%). As of June 30, 2019, more than 10% of the Town's fiduciary investments are invested in Voya Financial pooled separate accounts (90.3%)

Custodial credit risk:

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government 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. As of June 30, 2019, approximately \$4,388,000 of the Town's bank balance of \$6,420,000 was uninsured and uncollateralized.

Investments: 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 in external investment pools and insurance contracts are not exposed to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

Cash and investments of the Town consist of the following at June 30, 2019:

Cash and Cash Equivalents	
Deposits with financial institutions	\$ 5,729,559
STIF	<u>4,621,112</u>
Total cash and cash equivalents	10,350,671
Pension Trust Funds:	
Pooled Separate Account Funds	<u>4,244,030</u>
Total investments	<u>4,244,030</u>
Total cash, cash equivalents and investments	<u><u>\$ 14,594,701</u></u>

Town of Hebron, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Cash, cash equivalents and investments are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and cash equivalents	\$ 10,251,049
Total statement of net position	<u>10,251,049</u>
Fiduciary Funds:	
Cash and cash equivalents	99,622
Investments	<u>4,244,030</u>
	<u>4,343,652</u>
Total cash, cash equivalents and investments	<u>\$ 14,594,701</u>

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. Information about the exposure of the Town's debt type investments to this risk using the segmented time distribution model is as follows:

	Contract Value
	<hr/>
Pooled Separate Accounts	\$ 4,244,030
	<hr/> <hr/>

Credit risk: The Town has no investment policy that would further limit its investment choices beyond those limited by the Statutes. The Statutes permit the Town to invest in obligation 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.

Presented below is the rating as required for each debt type investment as rated by Standard & Poors'.

Rating	Pooled Fixed Income
<hr/>	<hr/>
AAAm	\$ 4,621,112
	<hr/> <hr/>

Town of Hebron, Connecticut

Notes to Financial Statements

Note 4. Unearned Revenue/Deferred Inflows of Revenues

Governmental funds report deferred inflows of revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds and governmental activities also report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue and deferred revenue reported in the governmental funds and governmental activities were as follows:

	Deferred Revenues	Unearned Revenue
General Fund:		
Delinquent property taxes receivable	\$ 2,292,152	\$ -
Non - Major Funds:		
Sewer assessments not yet due	122,773	-
Sewer Charges, delinquent	94,863	-
Grants and other revenues	66,189	188,772
Total	<u>\$ 2,575,977</u>	<u>\$ 188,772</u>

Note 5. Interfund Receivables, Payables and Transfers

Balances resulted principally from the funding of capital and other expenditures by the General Fund; in addition, the balances resulted from short-term advances from the General Fund to various other funds.

Interfund transfers during the year ended June 30, 2019 were as follows:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 62,563	\$ 1,463,890
Non-Major and Other Funds	1,463,890	62,563
Total	<u>\$ 1,526,453</u>	<u>\$ 1,526,453</u>

Transfers are used to account for unrestricted revenues collected mainly in the General Fund to finance various programs accounted for in other funds in accordance with budget authorizations.

Transfers into the general fund are primarily to make principal and interest payments on general obligation and clean water debt.

Town of Hebron, Connecticut

Notes to Financial Statements

Note 6. Capital Assets

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 10,966,512	\$ 1,152,675	\$ -	\$ -	\$ 12,119,187
Construction in progress	2,187,199	81,418	190,034	(956,186)	1,122,397
Total capital assets not being depreciated	<u>13,153,711</u>	<u>1,234,093</u>	<u>190,034</u>	<u>(956,186)</u>	<u>13,241,584</u>
Capital assets, being depreciated:					
Buildings and improvements	41,262,594	105,762	-	956,186	42,324,542
Furniture and equipment	11,597,073	457,335	180,718	-	11,873,690
Infrastructure	35,751,325	106,918	-	-	35,858,243
Total capital assets being depreciated	<u>88,610,992</u>	<u>670,015</u>	<u>180,718</u>	<u>956,186</u>	<u>90,056,475</u>
Less accumulated depreciation for:					
Buildings and improvements	(18,524,926)	(767,519)	-	-	(19,292,445)
Furniture and equipment	(7,991,650)	(439,658)	178,818	-	(8,252,490)
Infrastructure	(21,839,934)	(717,165)	-	-	(22,557,099)
Total accumulated depreciation	<u>(48,356,510)</u>	<u>(1,924,342)</u>	<u>178,818</u>	<u>-</u>	<u>(50,102,034)</u>
Total capital assets, being depreciated, net	<u>40,254,482</u>	<u>(1,254,327)</u>	<u>1,900</u>	<u>956,186</u>	<u>39,954,441</u>
Governmental activities capital assets, net	<u>\$ 53,408,193</u>	<u>\$ (20,234)</u>	<u>\$ 191,934</u>	<u>\$ -</u>	<u>\$ 53,196,025</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

General government	\$ 828,934
Public safety	238,960
Public works	133,156
Civil and human services	276,904
Education	446,388
Total depreciation expense	<u>\$ 1,924,342</u>

Town of Hebron, Connecticut

Notes to Financial Statements

Note 7. Long-Term Obligations

Long-term liability activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds and notes payable:					
General obligation bonds	\$ 3,726,000	\$ -	\$ (849,000)	\$ 2,877,000	\$ 496,000
Other long-term liabilities:					
Capital leases	1,216,675	-	(87,690)	1,128,985	95,891
Compensated absences	536,106	75,360	(53,610)	557,856	56,000
Contract payable	650,400	-	(108,400)	542,000	108,400
Total OPEB Liability	1,375,533	109,473	-	1,485,006	-
Governmental activity long-term liabilities	\$ 7,504,714	\$ 184,833	\$ (1,098,700)	\$ 6,590,847	\$ 756,291

As of June 30, 2019, the outstanding long-term indebtedness of the Town was as follows:

	Outstanding Amount
General Obligation Bonds:	
\$4,300,000 General Obligation bond issued July 15, 2008, interest payable at rates from 3.2% to 4.0%, due in principal amounts of \$285,000 annually through July 2023.	\$ 1,425,000
\$1,164,000 General Obligation Refunding bond, issued July 2013, interest payable at 2.25%, due in principal amounts of \$100,000 to \$88,000 annually through July 2024.	564,000
\$1,112,000 General Obligation Serial note, Recreational Facilities, issued July 2017, interest payable at 2.37%, due in principal amounts of \$111,000 annually through June 2027.	888,000
Total general obligation bonds and notes payable	<u>\$ 2,877,000</u>

The annual debt service requirements of general obligation bonds and notes payable are as follows:

	Principal	Interest	Total
2020	\$ 496,000	\$ 82,747	\$ 578,747
2021	492,000	66,510	558,510
2022	492,000	50,260	542,260
2023	488,000	34,085	522,085
2024	488,000	17,956	505,956
2025-2027	421,000	12,836	433,836
	<u>\$ 2,877,000</u>	<u>\$ 264,394</u>	<u>\$ 3,141,394</u>

Town of Hebron, Connecticut

Notes to Financial Statements

Note 7. Long-Term Obligations (Continued)

Bonds authorized but unissued: The Town has no authorized but unissued debt at June 30, 2019.

Legal debt limit: The Town's indebtedness (including authorized but not unissued bonds), net of principal reimbursements expected from the state, does not exceed the legal debt limitation as established by the Statutes as reflected in the following schedule:

Category	Debt Limit	Indebtedness	Balance
General purpose	\$ 63,013,075	\$ 2,877,000	\$ 60,136,075
Schools	126,026,150	5,304,520	120,721,630
Sewers	105,021,791	-	105,021,791
Urban renewal	91,018,886	-	91,018,886
Pension deficit	84,017,433	-	84,017,433

The total overall statutory debt limit for the Town is equal to seven times prior year annual receipts from taxation, or \$196,068,677. All long-term debt obligations are retired through General Fund appropriations.

Overlapping debt: Hebron is a member of Regional School District #8 (the District) which provides education for grades seven through twelve for the Towns of Hebron, Andover and Marlborough. As of June 30, 2019, the Town of Hebron's share will be approximately 52.52% of the remainder, or approximately \$5,304,520 of the Regional School District #8's outstanding bonds. These are general obligations of Regional School District #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 or unissued bonds, for which the Town would be contingently liable.

Capital lease obligations: The Town has various capital leases in which they acquire capital assets. The capital leases are for various computer and office equipment. Original cost and accumulated depreciation at June 30, 2019 of capital assets under such lease agreements are as follows:

Machinery and equipment	\$ 1,462,605
Accumulated depreciation	(603,576)
Net book value	<u>\$ 859,029</u>

Town of Hebron, Connecticut

Notes to Financial Statements

Note 7. Long-Term Obligations (Continued)

Future minimum lease payments under capital leases are as follows:

Years ending June 30:	
2020	\$ 131,724
2021	133,979
2022	93,667
2023	82,133
2024	84,597
2025 -2029	560,605
2030-2030	352,408
	<hr/>
	1,439,113
Less amount representing interest	310,128
	<hr/>
	\$ 1,128,985
	<hr/>

Contract payable: The Town has entered into an agreement with a natural gas distribution company to partially offset the revenue requirement associated with the costs of construction of the natural gas pipeline. Upon completion of the construction of approximately eight miles of pipeline within the Town and the connection of service to all eligible municipal buildings adjacent to the pipeline, the Town agreed to contribute an amount of \$758,800 towards the project. Under the terms of the agreement, the Town will make seven annual payments to the company in the amount of \$108,400 through 2024. Each payment is due no later than January 30th of the following year.

Note 8. Employee Retirement Systems

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.

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

Town of Hebron, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems (Continued)

Connecticut State Teachers' Retirement System:

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

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

Normal retirement: Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

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

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

Contributions: Per the Statutes Section 10-1832 (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State are approved, amended and certified by the State TRB and appropriated by the General Assembly.

Employer (school districts): School District employers are not required to make contributions to the plan.

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

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

Town of Hebron, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems (Continued)

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

Pension liabilities, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2019, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>17,779,161</u>
	<u><u>\$ 17,779,161</u></u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2019, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2019, the Town recognized pension expense and revenue of \$1,995,397 for on-behalf amounts for the benefits provided by the State.

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

Inflation:	2.75%
Salary increase:	3.25-6.50%, including inflation
Investment rate of return:	8.00%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

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

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

Town of Hebron, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems (Continued)

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

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

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

Discount rate: The discount rate used to measure the total pension liability was 8.0 %. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at rates equal to the difference between actuarial determined contributions rates and the member rates. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

The total pension liability was determined by an actuarial valuation as of June 30, 2018, and then was projected forward to the measurement date June 30, 2019.

Sensitivity of the proportionate share of the net pension liability (NPL) to changes in the discount rate: The Town's proportionate share of the net pension liability is \$-0- and, therefore, the change in the discount rate would only impact the amount recorded by the State Teachers' Retirement System.

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

Town of Hebron, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems (Continued)

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

Other Post-Employment Benefits - Town Plan

In addition to providing pension benefits, the Town provides 40% to 50% of certain health care benefits for retired employees. Substantially all of the Town's employees may become eligible for those benefits, if they retire under a normal retirement or with disability.

Plan administration: The general administration and management of the Town of Hebron OPEB plan and the responsibility for carrying out the provisions of the plan shall be placed with the Board of Selectman. The plan does not issue separate financial statements.

Plan description: The Town provides post-employment benefits for certain employees for current and future health and life insurance benefit expenses. A bi-annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was as of July 1, 2017.

Funding policy: The contribution requirements of plan members and the Town are also negotiated with the various unions representing the employees.

Membership in the plan consisted of the following at July 1, 2017, the date of the last actuarial valuation.

Inactive plan members or beneficiaries currently receiving benefits	7
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	121
Total members	<u>128</u>

The information presented was determined as part of the actuarial valuation as of July 1, 2017. Additional information as of the last actuarial valuations follows:

Valuation Date:	July 1, 2017
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.75%
Medical trend rate	7.00% in 2017, reducing by 0.5% each year to an ultimate rate of 4.60% per year rate for 2022 and later
Remaining Amortization Period	30 Years - decreasing
Actuarial Assumptions:	
Discount rate	3.51%

Mortality rates were based on the RP-2014 adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2017.

Total OPEB liability of the Town: The Town's total OPEB liability of \$1,485,006 was measured as of June 30, 2019, as determined by an actuarial valuation as of July 1, 2017, which was projected forward to June 30, 2019. The Town has not accumulated any assets in a fiduciary trust for payment of benefits.

Town of Hebron, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems (Continued)

Total OPEB liability of the Town: The total OPEB liability as of June 30, 2019 is as follows:

	<u>Total OPEB Liability</u>
Total OPEB liability at June 30, 2019	\$ 1,485,006
Covered payroll	\$ 8,572,230
Total OPEB liability as a % of covered payroll	17.32%

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

	1% Decrease 2.51%	Current Discount Rate 3.51%	1% Increase 4.51%
Total OPEB liability	\$ 1,658,592	\$ 1,485,006	\$ 1,333,203

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

	1% Decrease 6.00% decreasing to 3.60%	Current 7.00% decreasing to 4.60%	1% Increase 8.00% decreasing to 5.60%
Total OPEB liability	\$ 1,274,409	\$ 1,485,006	\$ 1,740,455

The Town reported deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (73,693)
Changes of assumptions	53,452	(39,455)
Total	<u>\$ 53,452</u>	<u>\$ (113,148)</u>

Town of Hebron, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems (Continued)

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

Years ending June 30:	
2020	\$ (4,275)
2021	(4,275)
2022	(4,275)
2023	(4,275)
2024	(4,275)
Thereafter	(38,321)
	<u>\$ (59,696)</u>

Other Post-Employment Benefit - Connecticut State Teachers' Retirement Plan

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

Chapter 167a Section 10-183 (t) of the Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

Benefit provisions: There are two types of the health care benefits offered through the TRS-RHIP. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

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

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

Town of Hebron, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems (Continued)

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the Connecticut TRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

Survivor health care coverage: Survivors of former employees or retirees remain eligible to participate in the Plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB - Sponsored Medicare Supplemental Plans, as long as they do not remarry.

Eligibility: Any member that is currently receiving a retirement or disability benefit is eligible to participate in the TRB-RHIB.

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

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

Early retirement: 25 years of Credited Service including 20 years of Connecticut service, or age 55 with 20 years of Credited Service including 15 years of Connecticut service.

Proratable retirement: Age 60 with 10 years of credited service

Disability retirement: Five years of Credited Service in Connecticut if not incurred in the performance of duty and no service requirement if incurred in the performance of duty.

Termination of employment: 10 or more years of Credited Service.

Contributions:

State of Connecticut

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

Town of Hebron, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems (Continued)

Employer (School Districts)

School District employers are not required to make contributions to the TRB-RHIP.

Employees

Each member is required to contribute 1.25% of their pensionable salary up to \$500,000. Contributions in excess of \$500,000 will be credited to the Retiree Health Insurance Plan.

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB: At June 30, 2019, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	3,554,150
	<u>\$ 3,554,150</u>

The net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2019, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2019, the Town recognized OPEB expense and (revenue) of (\$1,180,687) for on-behalf amounts for the benefits provided by the State.

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

Inflation	2.75%
Health care costs trend rate	5.95% decreasing to 4.75% by 2025
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2019

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increases (5% for females and 8% for males) over age 80. For disabled retirees, the RPH-2014 Disabled Mortality Table projected to 2020 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

Town of Hebron, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems (Continued)

The long-term expected rate of return on plan assets is reviewed as part of the GASB 74 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.04%).

Discount rate: The discount rate used to measure the total OPEB liability was 3.87%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination.

Sensitivity of the net OPEB liability to changes in the health care cost trend rate and the discount rate: The Town's proportionate share of the net OPEB liability is \$-0- and, therefore, the change in the health care cost trend rate or the discount rate would only impact the amount recorded by the State.

Other information: Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan. Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at www.ct.gov.

Note 9. Fund Deficits

The following funds had fund deficits as of June 30, 2019:

Marjorie Circle Bridge Fund	\$	1,463
Miscellaneous grants		56,096

The deficits are expected to be eliminated through grant reimbursements and other revenue sources.

Town of Hebron, Connecticut

Notes to Financial Statements

Note 10. Fund Balance

Below is a table of fund balance categories and classifications at June 30, 2019 for the Town governmental funds:

	General Fund	Nonmajor Governmental Funds
Fund balances:		
Non-spendable:		
Inventory	\$ -	\$ 3,060
Non-spendable trust	-	5,945
Total Non-spendable	-	9,005
Restricted:		
Loan program	-	26,170
Grant restrictions	-	32,338
Donor restrictions	-	117,366
Capital projects	-	146,692
Total Restricted	-	322,566
Committed:		
Land acquisition	-	269,796
Debt repayment	-	803,333
Parks and recreation activities	-	83,733
Cafeteria operations	-	20,805
Sewer operations	-	954,343
Public safety	-	95,151
Capital outlays	-	583,476
General government	-	8,731
Total Committed	-	2,819,368
Assigned:		
Revaluation	156,000	-
Retiree benefits	86,387	-
Encumbrances- Education	255,989	-
Encumbrances- General Government	11,588	-
Encumbrances- Public Safety	56,831	-
Encumbrances- Public Works	55,351	-
Encumbrances- Civic and Human Services	2,305	-
Encumbrances- Planning and Land Use	7,651	-
Encumbrances- Debt service	8,800	-
Encumbrances- Insurance and benefits	452	-
Total Assigned	641,354	-
Unassigned	6,554,970	(57,559)
Total fund balance	\$ 7,196,324	\$ 3,093,380

Town of Hebron, Connecticut

Notes to Financial Statements

Note 11. 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 \$82,317 and \$79,780 for the years ended June 30, 2019 and June 2018 respectfully. Deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

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 plan. Therefore, the accounts of the deferred compensation plans are not reported in the basic financial statements of the Town.

Note 12. Risk Management

Workers' compensation pool: The Town is a member of Connecticut Interlocal Risk Management Agency ("CIRMA") Workers' Compensation Pool, a risk-sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an incurred loss retrospective rating plan, and losses incurred in the coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. The premium is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence.

Liability-automobile-property pool: The Town is a member of CIRMA's Liability-Automobile-Property Pool, a risk-sharing pool. The Liability-Automobile-Property Pool provides general liability, automobile liability, employee benefit liability, law enforcement liability, public officials and property coverage. The premium is subject to these coverages, and claims and expense payments falling within the deductible amounts are the responsibility of the Town. CIRMA's Liability-Automobile-Property Pool retains \$1,000,000 per occurrence for each line of liability coverage.

Insurance consortium: During fiscal year 2018, the Town became a member of the Regional School District No. 8 Health and Medical Insurance Consortium (the Consortium), a cooperative formed in accordance with Public Act 10-174 of the Statutes. The Consortium provides medical and dental benefits to the employees and eligible retirees of its member Towns and Boards of Education. The costs of claims are paid by the Consortium and the risk of claims are shared collectively by its members. The Consortium has purchased a stop-loss policy for claims in excess of \$150,000 per member and \$6,627,424 per subscriber. Each member is responsible for its share of any assessment or additional contribution. This share is based on its relative premium or equivalency contribution to the plan(s) as a percentage of the aggregate net total premium equivalency contribution to the plan(s), as is appropriate based on the nature of the assessment or contribution. In addition, each member is liable, on a pro rata basis, for any additional contributions required in the event the Consortium funding falls below specified levels. The Town believes that no additional contributions will be assessed for the year ended June 30, 2019.

Amounts paid to the consortium by the Town totaled \$671,480.

Town of Hebron, Connecticut

Notes to Financial Statements

Note 13. Contingencies and Commitments

Lawsuits: The Town is currently involved in several litigation matters. In the opinion of the Town's management and legal counsel, the final settlement of these matters will not have a material adverse effect on the financial condition of the Town.

Note 14. GASB Statements

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

GASB Statement No. 84, *Fiduciary Activities*, is effective for reporting periods beginning after December 15, 2019. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Town is aware of this Statement and will assess its impact to ensure timely implementation.

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

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement No. 91, *Conduit Debt Obligations*. In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged. The Town is not an issuer of conduit debt, therefore this Statement will have no effect on its financial statements.

Town of Hebron, Connecticut

Notes to Financial Statements

Note 15. Subsequent Events

In December 2019, a novel strain of coronavirus surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the City could be significantly adversely affected. The extent to which the coronavirus may impact governmental activity, business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

In November 2019, the Town approved the authorization of \$7,600,000 for upgrades and improvements to the sanitary sewer collection system.

In addition, the Town authorized and approved \$2,400,000 for paving and improvements of town roads and parking.

The two appropriations will be financed by bonds for the amounts not defrayed by grants.

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**Required
Supplementary
Information - Unaudited**

Town of Hebron, Connecticut

**Schedule of Revenues And Expenditures - Budgetary Basis -
Budget and Actual - General Fund
For the Year Ended June 30, 2019**

	Original	Revised Final	Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
Revenues				
Property taxes, interest and lien fees	\$ 28,256,148	\$ 28,256,148	\$ 28,782,133	\$ 525,985
Intergovernmental	6,139,835	6,139,835	6,774,040	634,205
Charges for services	619,650	619,650	621,173	1,523
Income from investments	35,000	35,000	146,051	111,051
Other	198,732	198,732	181,260	(17,472)
Total revenues	35,249,365	35,249,365	36,504,657	1,255,292
Expenditures				
General government	2,907,228	2,933,718	2,893,839	39,879
Public Safety	878,288	912,286	873,294	38,992
Civic and Human Service	680,149	684,334	670,972	13,362
Planning and Land Use	145,187	145,187	135,488	9,699
Public Works	977,255	993,594	981,072	12,522
Sewer fees	9,800	9,800	9,800	-
Insurance and benefits	1,477,513	1,396,499	1,369,449	27,050
Education	26,882,513	26,882,513	26,779,394	103,119
Debt service	1,102,539	1,102,539	1,102,538	1
Total expenditures	35,060,472	35,060,470	34,815,846	244,624
Revenues over (under) expenditures	188,893	188,895	1,688,811	1,499,916
Other Financing Sources (Uses)				
Transfers in	550,000	550,000	50,000	(500,000)
Transfers out	(738,893)	(1,929,149)	(1,929,149)	-
Total other financing sources (uses)	(188,893)	(1,379,149)	(1,879,149)	(500,000)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (1,190,254)	\$ (190,338)	\$ 999,916

See notes to required supplementary information.

Town of Hebron, Connecticut

Note to Required Supplementary Information June 30, 2019

Note 1. Budgets and Budgetary Accounting

General Fund: 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.

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 #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 the Regional School District. 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.

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.

Town of Hebron, Connecticut

**Note to Required Supplementary Information
June 30, 2019**

Note 1. Budgets and Budgetary Accounting (Continued)

A reconciliation of General Fund revenues as presented in accordance with GAAP and revenues presented on the budgetary basis is as follows:

Revenue and transfers in - budgetary basis	\$ 36,554,657
On-behalf payments paid directly by the State of Connecticut Teachers' Retirement System, net	814,710
Intergovernmental grants and local revenue netted against expenditures	<u>192,666</u>
Revenues and transfers in - GAAP basis	<u>\$ 37,562,033</u>

A reconciliation of expenditures and transfers out of the General Fund, as reported, and expenditures and transfers out on the budgetary basis is as follows:

Expenditures and transfers-out, budgetary basis	\$ 36,744,995
On-behalf payments paid directly by the State of Connecticut Teachers' Retirement System, net	814,710
Changes in reserves for encumbrances and liquidation of encumbrances and non-budgetary items	72,530
Intergovernmental grants and local revenue netted against expenditures	<u>192,666</u>
Expenditures and transfers-out, GAAP basis	<u>\$ 37,824,901</u>

Special Revenue Funds

The Town does not have legally adopted annual budgets for its special revenue funds. Budgets for the various special revenue funds that are utilized to account for specific grant programs are established in accordance with the requirements for the grantor agencies. Such budgets are non-lapsing and may comprise more than one fiscal year.

Capital Projects Funds

Legal authorization for expenditures of the capital projects funds is provided by the related bond ordinances and/or intergovernmental grant agreements or Connecticut General Statutes. Capital appropriations do not lapse until completion of the applicable projects.

Town of Hebron, Connecticut

**Schedule of the Town's Proportionate Share of the Net Pension Liability -
Teachers' Retirement System
Required Supplementary Information - unaudited
Last Five Fiscal Years**

	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	0.0%	0.0%	0.0%	0.0%	0.0%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	\$17,779,161	\$ 18,493,000	\$ 19,510,000	\$16,380,000	\$15,140,000
Total	\$17,779,161	\$ 18,493,000	\$ 19,510,000	\$16,380,000	\$15,140,000
Town's employee payroll	\$19,526,792	\$ 6,039,000	\$ 5,851,000	\$ 5,428,000	\$ 5,456,000
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0%	0%	0%	0%	0%
System fiduciary net position as a percentage of the total pension liability	57.69%	55.93%	52.26%	59.50%	61.51%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

Notes to Schedule:

Changes in benefit terms
Changes of assumptions

Beginning January 1, 2018, member contribution increased from 6% to 7% of salary. During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2015.

During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.

Actuarial cost method
Amortization method
Single equivalent amortization period
Asset valuation method
Investment rate of return

Entry age
Level percent of salary, closed
17.6 years
4-year smoothed market
8.0%, net of investment related expense

Town of Hebron, Connecticut

**Required Supplementary Information - unaudited
Schedule of Changes in the Town's Total OPEB Liability and Related Ratios
Last Two Fiscal Years**

	2019	2018
Changes in Total OPEB Liability		
Total OPEB liability:		
Service cost	\$ 51,854	\$ 52,430
Interest	55,111	50,237
Differences between expected and actual experience	(47,763)	(32,997)
Changes of assumptions	56,992	(45,051)
Benefit payments, including refunds of member contributions	(6,721)	(17,106)
Net change in total OPEB liability	109,473	7,513
Total OPEB liability, beginning	6,118,341	6,110,828
Total OPEB liability, ending (a)	\$ 6,227,814	\$ 6,118,341
Covered payroll	\$ 8,572,230	\$ 8,355,000
Total OPEB Liability as a % of covered payroll	17.32%	16.46%

*There are no assets that are being accumulated in a Trust that meets the criteria in GASB No. 75 to pay benefits.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

Notes to Schedule:

Valuation Date July 1, 2017
Measurement Date June 30, 2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Actuarial Cost Method (level percentage of salary)
Amortization method	Level dollar Amount
Amortization period	20 Years- Open
Asset valuation method	N/A
Inflation	2.60%
Medical Trend Rate	7.00% in 2017, decreasing by 0.50% per year, 4.60% ultimate rate
Salary increases	2.60%
Discount rate	3.51%

Town of Hebron, Connecticut

**Schedule of the Town's Proportionate Share of the Net OPEB Liability -
Teachers' Retirement Board Retiree Health Insurance Plan
Required Supplementary Information - unaudited
Last Two Fiscal Years**

	2019	2018
Town's proportion of the net OPEB liability	0.0%	0.0%
Town's proportionate share of the net OPEB liability	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>\$ 3,554,150</u>	<u>\$ 4,760,000</u>
Total	<u>\$ 3,554,150</u>	<u>\$ 4,760,000</u>
Town's covered payroll	<u>\$ 5,505,000</u>	<u>\$ 6,039,000</u>
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	<u>0%</u>	<u>0%</u>
System fiduciary net position as a percentage of the total OPEB liability	<u>1.49%</u>	<u>1.79%</u>

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

Town of Hebron, Connecticut

Schedule of the Town's Proportionate Share of the Net OPEB Liability - Teachers' Retirement Board Retiree Health Insurance Plan Required Supplementary Information - unaudited Last Two Fiscal Years

Notes to Schedule:

Changes in benefit terms The Plan was amended by the Board, effective July 1, 2018, during the January 11, 2018 meeting. The Board action added the Anthem Medicare Advantage Plan to the available options under the Plan, changed the "base plan" to the Medicare Advantage Plan for the purposes of determining retiree subsidies and/or cost sharing amount(s), and introduced a two year waiting period for re-enrollment in a System sponsored healthcare plan for those who cancel their coverage or choose not to enroll in a healthcare coverage option on or after the effective date. These changes were communicated to retired members during the months leading up to a special open enrollment period that preceded the July 1, 2018 implementation date.

Changes of assumptions The expected rate of return on assets was changed from 2.75% to 3.00% to reflect the anticipated return on cash and other high quality short term fixed income investments.

Based on the procedure described in GASB 75, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2018 was updated to equal the Municipal Bond Index Rate as of June 30, 2018. The System selected the 3.87% discount rate used to measure the TOL as of the June 30, 2018 measurement date.

Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on July 1, 2018.

The assumed age related annual percentage increases in expected annual per capita healthcare claim costs were updated to better reflect the expected differences between the Medicare Supplement and Medicare Advantage Plan amounts as part of the plan change that became effective on July 1, 2018.

Long-term healthcare cost trend rates were updated to better reflect the anticipated impact of changes in medical inflation, utilization, leverage in the plan design, improvements in technology, and fees and charges on expected claims and retiree contributions in future periods.

The percentage of retired members who are not currently participating in the Plan, but are expected to elect coverage for themselves and their spouses under a System-sponsored healthcare plan option in the future, was updated to better reflect anticipated plan experience.

The participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options, as well as the portion who are expected to migrate to the Medicare Advantage Plan over the next several years, were updated to better reflect anticipated plan experience after the plan change that became effective on July 1, 2018.

The post-disablement mortality table was updated to extend the period of projected mortality improvements from 2017 to 2020. This change was made to better reflect anticipated post-disablement plan experience.

The percentages of deferred vested members who will become ineligible for future healthcare benefits because they are expected to withdraw their contributions from the System was updated to better reflect anticipated plan experience.

Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Amortization period	30 years, open
Asset valuation method	Market value of assets
Investment rate of return	3.00%, net of investment related expense including price inflation

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

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**Supplemental and Combining Nonmajor
Fund Statements and Schedules**

General Fund

General Fund

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

Town of Hebron, Connecticut

**General Fund Revenues and Other Financing Sources -
Budgetary Basis - Budget and Actual
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Property Taxes				
Taxes, Interest and Lien Fees	\$ 28,256,148	\$ 28,256,148	\$ 28,782,133	\$ 525,985
Licenses, Fees and Charges				
ZBA	500	500	375	(125)
Wetland Fees	1,000	1,000	1,312	312
Building	115,000	115,000	107,357	(7,643)
Town Clerk Fees	16,000	16,000	18,109	2,109
Recording Fees	48,000	48,000	36,716	(11,284)
Sportsmen's Licenses	50	50	4,162	4,112
Conveyance Tax	89,000	89,000	92,886	3,886
Marriage Licenses	-	-	(68)	(68)
Planning and Zoning Fees	11,000	11,000	9,448	(1,552)
Compactor/Recycling	66,000	66,000	75,950	9,950
Dog Fund	5,500	5,500	3,824	(1,676)
Animal Population Control Fund	2,000	2,000	1,468	(532)
Library	26,000	26,000	30,880	4,880
Classified Land	-	-	(1,481)	(1,481)
Engineering Fees	1,000	1,000	-	(1,000)
Blasting Permits	50	50	60	10
Xerox	2,600	2,600	2,172	(428)
Soil and Water Conservation Fund	1,400	1,400	1,392	(8)
Records Preservation	50	50	(448)	(498)
Education Fee Assessment	500	500	(99)	(599)
PA CIP Funding	4,000	4,000	2,958	(1,042)
Ambulance Service	226,000	226,000	235,735	9,735
Plotter / Copier Fees	1,000	1,000	121	(879)
Farmland Preservation	3,000	3,000	(1,656)	(4,656)
Total licenses, fees and charges	619,650	619,650	621,173	1,523
Intergovernmental Revenues				
State of Connecticut:				
Education Equalization Grant	5,783,770	5,783,770	6,367,253	583,483
Educational Transportation	-	-	-	-
Telecommunications Pers.	18,000	18,000	13,186	(4,814)
PILOT - State Property	-	-	7,647	7,647
Municipal Stabilization Grant	50,470	50,470	125,020	74,550
Totally Disabled Grant	650	650	608	(42)
Tax Relief - Additional Veterans Grant	3,700	3,700	3,145	(555)
Municipal Projects Grant	2,216	2,216	2,216	-
Civil Preparedness	4,600	4,600	8,490	3,890
Miscellaneous State Grants	1,600	1,600	1,920	320
Town Aid Road Fund	241,079	241,079	241,205	126
Mashantucket Pequot Grant	3,350	3,350	3,350	-
Property Tax Relief Grant	30,400	30,400	-	(30,400)
Total intergovernmental revenues	6,139,835	6,139,835	6,774,040	634,205

(Continued)

Town of Hebron, Connecticut

**General Fund Revenues and Other Financing Sources -
Budgetary Basis - Budget and Actual (Continued)
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
Investment Income				
Interest on investments	35,000	35,000	146,051	111,051
Other Revenues				
Constable Fees	-	-	192	192
Area Aging Grant	-	-	-	-
Housing Authority	4,400	4,400	-	(4,400)
Elderly Van	9,682	9,682	4,973	(4,709)
EMS Reimbursable Costs	3,000	3,000	1,621	(1,379)
State Trooper Private Duty Reimbursement	16,800	16,800	9,228	(7,572)
Hebron Harvest Fair	7,687	7,687	-	(7,687)
Elderly Demand Respond	26,000	26,000	24,168	(1,832)
Miscellaneous	6,500	6,500	5,601	(899)
Senior Center Transportation Fees	3,100	3,100	1,524	(1,576)
CIRMA Equity	-	-	21,390	21,390
Parks and Recreation Reimbursement	12,563	12,563	12,563	-
Senior Center Physical Fitness	3,500	3,500	-	(3,500)
RHAM CNG Reimb.	100,000	100,000	100,000	-
Other (Health Dept), (Taxes Overpaid)	5,500	5,500	-	(5,500)
Total other revenues	198,732	198,732	181,260	(17,472)
Total revenues	35,249,365	35,249,365	36,504,657	1,255,292
Other Financing Sources				
Transfers in:				
WPCA Reimbursement	25,000	25,000	25,000	-
Hebron Park	25,000	25,000	25,000	-
Debt Management	500,000	500,000	-	(500,000)
Total other financing sources	550,000	550,000	50,000	(500,000)
Total	\$ 35,799,365	\$ 35,799,365	\$ 36,554,657	\$ 755,292

Town of Hebron, Connecticut

**General Fund Expenditures and Other Financing Uses -
Budgetary Basis - Budget and Actual
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
General Government				
Payroll:				
Clerical	\$ 415,143	\$ 448,996	\$ 448,996	\$ -
Administration	631,492	649,282	649,282	-
Health and Welfare	134,883	134,883	134,878	5
Public Safety	96,726	82,408	82,408	-
Library	146,918	149,908	149,908	-
Recreation	194,184	194,725	194,725	-
Public Works	728,752	707,290	707,290	-
Elected Officials	64,776	64,776	64,771	5
Fire Marshal	72,080	44,815	44,814	1
27th P/R Allotment	11,356	11,356	11,356	-
Contractual Commitments	6,000	6,000	6,000	-
Total payroll	2,502,310	2,494,439	2,494,428	11
Selectmen's Office	40,070	43,013	42,402	611
Central Services	41,000	41,000	35,759	5,241
Legal	30,000	61,418	59,743	1,675
Central Computer Services	66,400	66,400	64,588	1,812
Town Buildings	62,304	62,304	55,003	7,301
Boards and Commissions	75	75	-	75
Board of Finance	35,000	35,000	29,350	5,650
Financial Administrator	2,805	2,805	1,770	1,035
Tax Collector	16,970	16,970	16,065	905
Assessor	26,450	26,450	25,023	1,427
Board of Tax Review	170	170	-	170
Town Clerk's Office	31,270	31,270	25,260	6,010
Registrar of Voters	52,404	52,404	44,448	7,956
Total	404,918	439,279	399,411	39,868
Total general government	2,907,228	2,933,718	2,893,839	39,879
Public Safety				
Police Administration	299,894	310,417	303,465	6,952
Fire Administration	367,763	377,116	355,166	21,950
Fire Marshal	9,244	9,244	7,526	1,718
Burning Official	1,478	1,478	1,448	30
Emergency Management	13,755	13,755	12,161	1,594
Animal Control	32,333	33,710	32,188	1,522
Ambulance Service	153,821	166,566	161,340	5,226
Total public safety	878,288	912,286	873,294	38,992

(Continued)

Town of Hebron, Connecticut

**General Fund Expenditures and Other Financing Uses -
Budgetary Basis - Budget and Actual (Continued)
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Civic and Human Service				
Community Agency Donations	130,702	130,702	130,702	-
Regional Health District Assessment	106,801	106,801	106,801	-
Library	251,004	251,004	250,185	819
Van - Disabled	58,158	58,158	52,777	5,381
Senior Center	29,796	29,796	23,735	6,061
Probate Court	2,815	2,960	2,960	-
St. Peter's Lease	900	900	800	100
Recreation Programs	99,573	103,613	102,749	864
Memorial Day	400	400	263	137
Total civic and human service	680,149	684,334	670,972	13,362
Planning and Land Use				
Economic Development	113,972	113,972	104,826	9,146
Planning and Development	31,215	31,215	30,662	553
Total planning and land use	145,187	145,187	135,488	9,699
Public Works				
Highways and Grounds Administration	254,660	264,754	263,518	1,236
Town Yard and Garage	58,318	58,318	56,834	1,484
Street Services	481,842	488,087	485,841	2,246
Solid Waste, Recycling, Bulky	182,435	182,435	174,879	7,556
Total public works	977,255	993,594	981,072	12,522
Sewer Fees				
Town Property User Fee	9,800	9,800	9,800	-
Total Town sewer fees	9,800	9,800	9,800	-
Insurance and Benefits				
Insurance	269,426	269,426	257,285	12,141
Employee Benefits	1,208,087	1,127,073	1,112,164	14,909
Total insurance and benefits	1,477,513	1,396,499	1,369,449	27,050
Total Town	7,075,420	7,075,418	6,933,914	141,504

(Continued)

Town of Hebron, Connecticut

**General Fund Expenditures and Other Financing Uses -
Budgetary Basis - Budget and Actual (Continued)
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Debt Service				
Town	461,342	461,342	461,341	1
School	358,424	358,424	358,424	-
Sewers	257,773	257,773	257,773	-
Computer Service	25,000	25,000	25,000	-
Total debt service	1,102,539	1,102,539	1,102,538	1
Education				
RHAM Assessment	15,396,092	15,396,092	15,396,091	1
HES Education	11,486,421	11,486,421	11,383,303	103,118
Total education	26,882,513	26,882,513	26,779,394	103,119
Total expenditures	35,060,472	35,060,470	34,815,846	(244,624)
Transfers to Other Funds				
Land Acquisition Fund	75,000	75,000	75,000	-
Debt Management Fund	-	750,000	750,000	-
Capital Improvement Fund	663,893	1,104,149	1,104,149	-
Total transfers to other funds	738,893	1,929,149	1,929,149	-
Total	\$ 35,799,365	\$ 36,989,619	\$ 36,744,995	\$ 244,624

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Nonmajor Governmental Funds

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Hebron Park Fund - is used to account for revenue from the cell tower antenna.

Miscellaneous Grants Fund - is used to account for grants relating to various activities.

Sewer Assessment 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.

WPCA Sewer Operations Fund - is used to account for the operations of the WPCA.

Marian Celio Angel Fund - is used to account for donations for seniors who have a hardship and need help.

Douglas Library Fund - is used to account for small donations made to benefit the Library.

Recreation Fund - is used to account for program revenues and expenditures.

EMS Fund - is used to account for the operations of the ambulance services.

Tri-Centennial Commission Fund - is used to account for a Townwide celebration for the 300th anniversary of Hebron's establishment in 1708.

Public Safety Fund – A fund created to account for reimbursement and related payroll expenses incurred for the School Resource Officer program at the Town's regional school district.

Small Cities Grant Fund - is used to account for U.S. Housing and Urban Development grants relating to the Community Development Block Grants.

Historic Records Preservation Fund - is used to account for funds related to 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 mill rate of future debt service requirements.

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

Cafeteria Fund - is used to account for the operations of the school lunch program.

Capital Project Funds

Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and infrastructure projects, other than those financed by proprietary funds. The nonmajor capital projects fund consists of the following:

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

Marjorie Circle Bridge Grant Fund – This fund is used to account for the grant revenues and related capital outlays relating to the repair and reconstruction of the Marjorie Circle Bridge.

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

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 Town's programs.

Cemetery Fund - is used to account for funds donated for the upkeep of various cemeteries in Town.

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Town of Hebron, Connecticut

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2019

	Special Revenue								
	Hebron Park	Miscellaneous Grants	Sewer	WPCA Sewer	Marian	Douglas Library	Recreation	EMS Fund	Tri-
			Assessment Fund	Operation Fund	Celio Angel				Centennial Commission Fund
Assets									
Cash and cash equivalents	\$ 12,491	\$ (43,782)	\$ 72,787	\$ 879,457	\$ 93,969	\$ 17,185	\$ 87,727	\$ 3,784	\$ 873
Receivables:									
Assessments and user fees	-	-	122,772	-	-	-	-	-	-
Intergovernmental	-	66,421	-	-	-	-	-	-	-
Utility billings	-	-	-	96,963	-	-	-	-	-
Other receivables	-	-	-	-	-	-	21,730	-	-
Inventories	-	-	-	-	-	-	-	-	-
Total assets	\$ 12,491	\$ 22,639	\$ 195,559	\$ 976,420	\$ 93,969	\$ 17,185	\$ 109,457	\$ 3,784	\$ 873
Liabilities and Fund Balances									
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,733	\$ -	\$ -
Unearned revenue	-	12,546	-	-	-	-	22,355	-	-
Total liabilities	-	12,546	-	-	-	-	39,088	-	-
Deferred inflows or resources									
Unavailable - sewer assessments	-	-	122,773	-	-	-	-	-	-
Unavailable - sewer user charges	-	-	-	94,863	-	-	-	-	-
Unavailable - grants	-	66,189	-	-	-	-	-	-	-
Total deferred inflows of resources	-	66,189	122,773	94,863	-	-	-	-	-
Fund Balances									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	93,969	17,185	-	-	-
Committed	12,491	-	72,786	881,557	-	-	70,369	3,784	873
Unassigned	-	(56,096)	-	-	-	-	-	-	-
Total fund balances	12,491	(56,096)	72,786	881,557	93,969	17,185	70,369	3,784	873
Total liabilities and fund balances	\$ 12,491	\$ 22,639	\$ 195,559	\$ 976,420	\$ 93,969	\$ 17,185	\$ 109,457	\$ 3,784	\$ 873

Special Revenue						Capital Projects Funds			Permanent Fund	Totals
Public Safety Fund	Small Cities Grant	Historic Records Preservation	Debt Management Fund	Educational Grant Fund	Cafeteria Fund	Land Acquisition Fund	Marjorie Circle Bridge Grant Fund	Capital Projects Fund	Cemetery Fund	
\$ 95,151	\$ 27,921	\$ 4,947	\$ 803,333	\$ 32,338	\$ 18,815	\$ 269,796	\$ 58,210	\$ 815,457	\$ 12,157	\$ 3,262,616
-	-	-	-	-	-	-	-	-	-	122,772
-	-	-	-	-	9,450	-	-	-	-	75,871
-	-	-	-	-	-	-	-	-	-	96,963
-	-	-	-	-	251	-	-	-	-	21,981
-	-	-	-	-	3,060	-	-	-	-	3,060
<u>\$ 95,151</u>	<u>\$ 27,921</u>	<u>\$ 4,947</u>	<u>\$ 803,333</u>	<u>\$ 32,338</u>	<u>\$ 31,576</u>	<u>\$ 269,796</u>	<u>\$ 58,210</u>	<u>\$ 815,457</u>	<u>\$ 12,157</u>	<u>\$ 3,583,263</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 553	\$ -	\$ -	\$ -	\$ -	\$ 17,286
-	1,751	-	-	-	7,158	-	59,673	85,289	-	188,772
-	1,751	-	-	-	7,711	-	59,673	85,289	-	206,058
-	-	-	-	-	-	-	-	-	-	122,773
-	-	-	-	-	-	-	-	-	-	94,863
-	-	-	-	-	-	-	-	-	-	66,189
-	-	-	-	-	-	-	-	-	-	283,825
-	-	-	-	-	3,060	-	-	-	5,945	9,005
-	26,170	-	-	32,338	-	-	-	146,692	6,212	322,566
95,151	-	4,947	803,333	-	20,805	269,796	-	583,476	-	2,819,368
-	-	-	-	-	-	-	(1,463)	-	-	(57,559)
<u>95,151</u>	<u>26,170</u>	<u>4,947</u>	<u>803,333</u>	<u>32,338</u>	<u>23,865</u>	<u>269,796</u>	<u>(1,463)</u>	<u>730,168</u>	<u>12,157</u>	<u>3,093,380</u>
<u>\$ 95,151</u>	<u>\$ 27,921</u>	<u>\$ 4,947</u>	<u>\$ 803,333</u>	<u>\$ 32,338</u>	<u>\$ 31,576</u>	<u>\$ 269,796</u>	<u>\$ 58,210</u>	<u>\$ 815,457</u>	<u>\$ 12,157</u>	<u>\$ 3,583,263</u>

Town of Hebron, Connecticut

**Combining Statement of Revenues, Expenditures and Changes in
Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Year Ended June 30, 2019**

	Special Revenue								
	Hebron	Miscellaneous	Sewer	WPCA Sewer	Marian	Douglas			Tri-Centennial
	Park	Grants	Assessment	Operation	Celio	Library	Recreation	EMS Fund	Commission
		Fund	Fund	Angel				Fund	Fund
Revenues									
Intergovernmental	\$ -	\$ 60,677	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	83,683	-	3,235	390,256	-	-	479,861	-	-
Investment income	-	-	150	4,377	-	-	-	-	-
Other income	-	-	-	-	54,656	3,546	-	-	-
Total revenues	83,683	60,677	3,385	394,633	54,656	3,546	479,861	-	-
Expenditures									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Public works	-	859	-	-	-	-	-	-	-
Civic and Human Service	83,689	115,915	-	-	2,477	4,798	479,907	-	-
Sewer fees	-	-	-	436,383	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	17,085	-	-	23,918	-	-
Total expenditures	83,689	116,774	-	453,468	2,477	4,798	503,825	-	-
Revenues over (under) expenditures	(6)	(56,097)	3,385	(58,835)	52,179	(1,252)	(23,964)	-	-
Other Financing Uses									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(25,000)	-	-	(25,000)	-	-	(12,563)	-	-
Total other financing uses	(25,000)	-	-	(25,000)	-	-	(12,563)	-	-
Excess (deficiency) in revenues over expenditures and other financing uses	(25,006)	(56,097)	3,385	(83,835)	52,179	(1,252)	(36,527)	-	-
Fund Balances, beginning of year	37,497	1	69,401	965,392	41,790	18,437	106,896	3,784	873
Fund Balances (Deficits), end of year	\$12,491	\$ (56,096)	\$ 72,786	\$ 881,557	\$93,969	\$17,185	\$70,369	\$ 3,784	\$ 873

Special Revenue						Capital Projects Funds			Permanent Fund	Totals
Public Safety Fund	Small Cities Grant	Historic Records Preservation	Debt Management Fund	Educational Grant Fund	Cafeteria Fund	Land Acquisition Fund	Marjorie Circle Bridge Grant Fund	Capital Projects Fund	Cemetery Fund	
\$ -	\$ 655,460	\$ 4,500	\$ -	\$ 322,112	\$ 78,132	\$ 102,000	\$ -	\$ 119,108	\$ -	\$ 1,341,989
126,299	-	4,167	-	379,230	145,751	5,538	-	-	-	1,618,020
-	-	-	11,474	-	-	8,875	-	12,674	55	37,605
-	-	-	-	-	20	110	-	49,066	-	107,398
126,299	655,460	8,667	11,474	701,342	223,903	116,523	-	180,848	55	3,105,012
-	-	-	-	-	-	56	-	-	-	56
86,124	-	-	-	-	-	-	-	-	-	86,124
-	-	-	-	-	-	-	-	-	-	859
-	777,672	7,953	-	-	-	-	-	-	-	1,472,411
-	-	-	-	-	-	-	-	-	-	436,383
-	-	-	-	720,774	254,353	-	-	-	-	975,127
171	-	-	-	-	-	559,125	1,463	1,035,991	-	1,637,753
86,295	777,672	7,953	-	720,774	254,353	559,181	1,463	1,035,991	-	4,608,713
40,004	(122,212)	714	11,474	(19,432)	(30,450)	(442,658)	(1,463)	(855,143)	55	(1,503,701)
-	-	-	750,000	-	-	75,000	-	638,890	-	1,463,890
-	-	-	-	-	-	-	-	-	-	(62,563)
-	-	-	750,000	-	-	75,000	-	638,890	-	1,401,327
40,004	(122,212)	714	761,474	(19,432)	(30,450)	(367,658)	(1,463)	(216,253)	55	(102,374)
55,147	148,382	4,233	41,859	51,770	54,315	637,454	-	946,421	12,102	3,195,754
\$ 95,151	\$ 26,170	\$ 4,947	\$ 803,333	\$ 32,338	\$ 23,865	\$ 269,796	\$ (1,463)	\$ 730,168	\$ 12,157	\$ 3,093,380

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Agency Funds

Agency Funds

- i. **Agency Funds** - utilize the accrual basis of accounting. Agency funds are custodial in nature (assets equal liabilities) and are used to account for senior activities; performance bonds and student activities. The Town's Agency Funds are listed below:

School Activity
Performance Bond
Senior Center
Escrow Fund

Town of Hebron, Connecticut

**Statement of Changes in Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2019**

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
School Activity Fund				
Assets:				
Cash and cash equivalents	\$ 27,815	\$ 41,133	\$ 44,963	\$ 23,985
Liabilities:				
Due to student groups	\$ 27,815	\$ 41,133	\$ 44,963	\$ 23,985
Performance Bond				
Assets:				
Cash and cash equivalents	\$ 67,066	\$ 8,601	\$ 30	\$ 75,637
Liabilities:				
Due to others	\$ 67,066	\$ 8,601	\$ 30	\$ 75,637
Senior Center⁽¹⁾				
Assets:				
Cash and cash equivalents	\$ 42,772	\$ -	\$ 42,772	\$ -
Liabilities:				
Due to others	\$ 42,772	\$ -	\$ 42,772	\$ -
Escrow Fund				
Assets:				
Cash	\$ 7,639	\$ -	\$ 945	\$ 6,694
Liabilities:				
Due to others	\$ 7,639	\$ -	\$ 945	\$ 6,694
Total Agency Funds				
Assets:				
Cash and cash equivalents	\$ 137,653	\$ 49,734	\$ 87,765	\$ 99,622
Other assets	7,639	-	945	6,694
Total assets	\$ 145,292	\$ 49,734	\$ 88,710	\$ 106,316
Liabilities:				
Due to student groups	\$ 27,815	\$ 41,133	\$ 44,963	\$ 23,985
Due to others	117,477	8,601	43,747	82,331
Total liabilities	\$ 145,292	\$ 49,734	\$ 88,710	\$ 106,316

(1) During FY 2019, the Senior Center Fund were transferred to the Marian Celio Angel Fund.

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Capital Assets Schedules

Town of Hebron, Connecticut

**Capital Assets Used in the Operation of Governmental Funds -
Schedule by Category - Historical Cost
June 30, 2019**

Governmental funds capital assets:

Land	\$	12,119,187
Construction in progress		1,122,397
Buildings and improvements		42,324,542
Furniture and equipment		11,873,690
Infrastructure		35,858,243
Total	\$	<u>103,298,059</u>

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Other Schedules

Town of Hebron, Connecticut

**Balance Sheet - By Account - General Fund
June 30, 2019**

	General Fund	Revaluation Fund	Retiree Benefit Reserve Fund	Eliminations	Totals
Assets					
Cash and cash equivalents	\$ 6,832,433	\$ 156,000	\$ -	\$ -	\$ 6,988,433
Receivables (net of allowances for collection losses):					
Property taxes	1,847,358	-	-	-	1,847,358
Interest on property taxes, net	589,697	-	-	-	589,697
Accounts receivable	112,534	-	-	-	112,534
Due from other funds	-	-	86,387	(86,387)	-
Total assets	\$ 9,382,022	\$ 156,000	\$ 86,387	\$ (86,387)	\$ 9,538,022
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 49,546	\$ -	\$ -	\$ -	\$ 49,546
Due to other funds	86,387	-	-	(86,387)	-
Total liabilities	135,933	-	-	(86,387)	49,546
Deferred inflows of resources:					
Unavailable resources - property taxes and interest	2,292,152	-	-	-	2,292,152
Total deferred inflows of resources	2,292,152	-	-	-	2,292,152
Fund balances:					
Assigned	398,967	156,000	86,387	-	641,354
Unassigned	6,554,970	-	-	-	6,554,970
Total fund balances	6,953,937	156,000	86,387	-	7,196,324
Total liabilities, deferred inflows of resources and fund balances	\$ 9,382,022	\$ 156,000	\$ 86,387	\$ (86,387)	\$ 9,538,022

Town of Hebron, Connecticut

Schedule of Property Taxes Levied, Collected and Outstanding
For the Year Ended June 30, 2019

Grand List Year	Tax Collectable	Legal Adds	Legal Deductions	Current Suspense	Adj. Collectable	Tax Paid
2003	10,077	-	(10,077)	-	-	-
2004	10,964	-	-	-	10,964	202
2005	13,371	-	-	-	13,371	187
2006	15,782	-	-	-	15,782	127
2007	15,926	-	-	-	15,926	-
2008	37,666	-	-	-	37,666	3,226
2009	56,056	-	-	-	56,056	5,606
2010	75,932	-	-	-	75,932	3,195
2011	101,170	-	-	-	101,170	8,819
2012	163,011	-	(53)	-	162,958	19,252
2013	242,142	-	(165)	-	241,977	62,904
2014	336,712	-	-	-	336,712	64,511
2015	341,409	-	(1,621)	-	339,788	96,852
2016	614,522	542	(10,407)	-	604,657	244,163
2017	28,679,388	160,559	(198,579)	-	28,641,368	28,014,926
Active & Suspense	<u>\$ 30,714,128</u>	<u>\$ 161,101</u>	<u>\$ (220,902)</u>	<u>\$ -</u>	<u>\$ 30,654,327</u>	<u>\$ 28,523,970</u>

Interest Paid	Liens/Fees Paid	Total Paid	Refund Balance	Y/E Receivable
-	-	-		-
482	10	694	(28)	10,762
412	10	609		13,184
256	10	393	(1,839)	15,655
-	-	-	(1,860)	15,926
5,450	29	8,705	(9,022)	34,440
9,068	48	14,722	(6,621)	50,450
4,338	39	7,572	(9,397)	72,737
7,649	136	16,604	(13,566)	92,351
12,358	169	31,779	(12,249)	143,706
26,202	217	89,323	(4,425)	179,073
33,125	360	97,996	(24,579)	272,201
37,701	385	134,938	(26,564)	242,936
60,271	1,031	305,465	(43,504)	360,494
72,720	82	28,087,728	(19,420)	626,442
<u>\$ 270,032</u>	<u>\$ 2,526</u>	<u>\$ 28,796,528</u>	<u>\$ (173,074)</u>	<u>\$ 2,130,357</u>

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Statistical Section

Statistical Section

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

Statistical section information is presented in the following categories:

Financial trends information is intended to assist users in understanding and assessing how financial position has changed over time.

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the ability to generate own-source revenues (property taxes, charges for services, etc.).

Debt capacity information is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.

Demographic and economic information is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.

Operating information is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

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

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Town of Hebron, Connecticut

**Net Position By Component
Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Year			
	2010	2011	2012	2013
Governmental Activities:				
Net Invested in capital assets	\$ 47,008,061	\$ 47,141,777	\$ 49,016,212	\$ 48,869,955
Restricted	11,420	95,985	309,702	220,384
Unrestricted	6,339,484	4,882,063	5,215,082	6,146,256
Total governmental activities, Net Position	\$ 53,358,965	\$ 52,119,825	\$ 54,540,996	\$ 55,236,595

Source: Town CAFR

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 48,321,951	\$ 47,622,263	\$ 47,427,008	\$ 47,858,671	\$ 48,503,314	\$ 49,214,530
205,419	234,737	263,310	214,401	272,482	331,571
7,087,168	8,479,844	9,505,490	10,786,072	10,425,179	10,051,972
\$ 55,614,538	\$ 56,336,844	\$ 57,195,808	\$ 58,859,144	\$ 59,200,975	\$ 59,598,073

Town of Hebron, Connecticut

**Changes In Net Position
Last Nine Fiscal Years
(accrual basis of accounting)**

Expenses:	Fiscal Year			
	2010	2011	2012	2013
Governmental activities:				
General government	\$ 3,590,461	\$ 3,090,619	\$ 4,113,942	\$ 4,105,884
Public safety	1,134,939	1,110,617	1,248,307	1,352,665
Public works	1,854,797	2,326,772	1,458,867	1,654,957
Civic and human service	1,447,189	1,618,626	1,638,036	1,535,361
Planning and land use	146,868	127,342	100,104	118,139
Sewer fees	439,769	381,677	579,075	453,042
Education	26,846,086	27,946,945	27,626,247	28,109,170
Interest on long-term debt	412,400	375,805	410,111	297,814
Total governmental activities expenses	35,872,509	36,978,403	37,174,689	37,627,032
Program revenue:				
Governmental activities:				
Charges for services:				
General government	165,998	143,971	452,726	505,267
Public safety	158,127	200,145	224,688	274,342
Public works	131,756	509,237	6,642	14,896
Civic and human service	564,552	634,002	726,716	653,200
Planning and land use	15,620	15,119	11,079	1,999
Sewer fees	409,105	414,457	620,627	633,847
Education	263,378	266,019	237,789	232,498
Operating grants and contributions:				
General government	27,936	152,393	-	-
Public safety	66,180	6,740	80,678	39,175
Public works	-	2,218	-	91,657
Civic and human service	2,080	79,841	85,614	-
Sewer fees	671	-	-	9,020,132
Education	8,106,903	8,071,672	8,719,424	-
Capital grants and contributions:				
General government	316,866	-	-	-
Public safety	-	-	-	-
Public works	334,525	249,641	854,104	468,440
Civic and human service	125,000	127,723	120,000	-
Education	-	119,108	-	142,826
Total governmental activities program revenue	10,688,697	10,992,286	12,140,087	12,078,279

Fiscal Year						
	2014	2015	2016	2017	2018	2019
\$	4,117,694	\$ 4,325,420	\$ 4,552,210	\$ 4,511,393	\$ 4,852,884	\$ 5,185,180
	1,236,938	1,268,629	1,300,518	1,441,755	1,270,103	1,266,713
	1,733,671	1,857,033	2,022,744	1,575,925	1,669,748	1,979,840
	1,558,576	1,608,290	1,839,435	2,125,803	1,921,900	2,101,842
	124,735	117,273	158,110	143,330	147,348	174,851
	411,358	320,260	303,075	337,576	289,147	446,183
	29,023,083	29,994,930	29,639,014	29,294,870	30,472,350	29,041,681
	325,736	372,985	201,214	210,015	193,475	151,402
	38,531,791	39,864,820	40,016,320	39,640,667	40,816,955	40,347,692
	436,543	470,801	600,786	847,306	473,526	416,959
	270,560	273,482	293,785	382,534	409,211	378,367
	6,820	3,345	31,449	53,039	68,185	52,024
	628,653	638,533	640,935	694,804	682,382	629,256
	6,252	9,235	18,070	9,009	6,439	11,195
	511,709	421,331	343,774	508,555	742,426	408,288
	181,824	484,352	285,663	383,681	347,434	524,981
	-	-	-	-	100,000	113,320
	52,304	13,501	42,786	9,606	2,014	21,676
	-	-	-	13,283	381,686	-
	96,589	93,511	155,599	161,631	96,933	718,162
	-	-	-	-	-	-
	8,968,936	9,076,345	9,030,743	8,756,725	8,925,658	7,668,298
	-	-	-	-	197,556	102,000
	273,530	-	528,988	-	-	-
	165,000	599,662	110,500	643,547	472,828	243,421
	-	-	62,885	-	-	127,723
	-	37,811	-	-	-	119,108
	11,598,720	12,121,909	12,145,963	12,463,720	12,906,278	11,534,778

Town of Hebron, Connecticut

Changes In Net Position, Continued
Last Nine Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2010	2011	2012	2013
Net (expense) revenue:				
Governmental activities	\$ (25,183,812)	\$ (25,986,117)	\$ (25,034,602)	\$ (25,548,753)
Net (expense) revenue:				
Governmental activities:				
Property taxes	24,384,815	25,098,307	26,170,302	26,043,661
Grants and contributions not restricted to specific programs	267,740	81,152	104,092	186,142
Unrestricted investment earnings	46,632	36,275	16,150	14,548
Loss on disposal	-	(221,926)	-	-
Total governmental activities-general revenue	24,699,187	24,993,808	26,290,544	26,244,351
Changes in Net Position:				
Governmental activities	\$ (484,625)	\$ (992,309)	\$ 1,255,942	\$ 695,598

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ (26,933,071)	\$ (27,742,911)	\$ (27,870,357)	\$ (27,176,947)	\$ (27,910,677)	\$ (28,812,914)
27,134,995	28,337,637	28,607,425	28,500,682	28,447,338	28,897,985
157,572	104,649	89,921	293,076	100,627	128,370
18,447	22,931	31,975	46,525	88,263	183,657
-	-	-	-	-	-
27,311,014	28,465,217	28,729,321	28,840,283	28,636,228	29,210,012
\$ 377,943	\$ 722,306	\$ 858,964	\$ 1,663,336	\$ 725,551	\$ 397,098

Town of Hebron, Connecticut

**Program Revenues by Function/Program
Last Ten Fiscal Years
(accrual basis of accounting)**

Function / Program	Fiscal Year			
	2010	2011	2012	2013
Governmental activities:				
General government	\$ 510,800	\$ 296,364	\$ 452,726	\$ 505,267
Public safety	224,307	206,885	305,366	313,517
Civic and human service	691,632	713,843	932,330	744,857
Planning and land use	15,620	15,119	11,079	1,999
Public works	466,281	761,096	860,746	483,336
Sewer fees	409,776	414,457	620,627	633,847
Education	8,370,281	8,337,691	8,957,213	9,395,456
Total governmental activities	\$ 10,688,697	\$ 10,745,455	\$ 12,140,087	\$ 12,078,279

Source: Town CAFR

Fiscal Year						
2014	2015	2016	2017	2018	2019	
\$ 436,543	\$ 470,801	\$ 600,786	\$ 847,306	\$ 771,082	\$ 632,279	
322,864	286,983	336,571	392,140	411,225	400,043	
890,242	732,044	907,034	856,435	779,315	1,475,141	
6,252	9,235	18,070	9,009	6,439	11,195	
280,350	603,007	560,437	709,869	922,699	295,445	
511,709	421,331	343,774	508,555	742,426	408,288	
9,150,760	9,598,508	9,379,291	9,140,406	9,273,092	8,312,387	
<u>\$ 11,598,720</u>	<u>\$ 12,121,909</u>	<u>\$ 12,145,963</u>	<u>\$ 12,463,720</u>	<u>\$ 12,906,278</u>	<u>\$ 11,534,778</u>	

Town of Hebron, Connecticut

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	2010	2011	2012	2013
General Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	213,975	-	-	-
Designated	-	-	-	-
Unreserved	3,213,048	-	-	-
Total General Fund	\$ 3,427,023	\$ -	\$ -	\$ -
All Other Governmental Funds:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	77,095	194,396	337,742
Unassigned	-	3,045,117	3,084,946	4,123,853
Reserved	33,208	-	-	-
Unreserved, reported in:				
Special revenue funds	70,691	-	-	-
Debt service funds	1,119,038	-	-	-
Capital projects funds	1,180,577	-	-	-
Total all other government funds	\$ 2,403,514	\$ 3,122,212	\$ 3,279,342	\$ 4,461,595

* The Town implemented GASB 54 in Fiscal Year 2011.

						Fiscal Year
2014	2015	2016	2017	2018	2019	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	641,354
-	-	-	-	-	-	6,554,970
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>7,196,324</u>					
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	9,005
-	-	-	-	-	-	322,566
-	-	-	-	-	-	2,819,368
262,071	525,116	372,486	531,009	700,314	-	-
5,210,642	5,809,658	6,650,032	7,211,752	6,758,878	(57,559)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 5,472,713</u>	<u>\$ 6,334,774</u>	<u>\$ 7,022,518</u>	<u>\$ 7,742,761</u>	<u>\$ 7,459,192</u>	<u>\$ 3,093,380</u>	

Town of Hebron, Connecticut

**Changes In Fund Balances, General Fund
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	Fiscal Year			
	2010	2011	2012	2013
Revenues:				
Property taxes	\$ 24,234,224	\$ 25,122,507	\$ 26,356,371	\$ 26,016,823
Intergovernmental	8,098,555	8,184,027	9,943,592	9,743,681
Charges for services	550,077	545,393	2,123,372	2,047,175
Investment income	19,090	26,140	16,150	14,548
Other revenue	191,653	129,380	135,914	378,990
Total revenues	33,093,599	34,007,447	38,575,399	38,201,217
Expenditures:				
General Government	3,339,989	2,890,079	2,688,835	2,675,743
Public Safety	849,513	809,348	855,946	934,377
Civic and human services	-	692,084	1,282,464	1,191,593
Planning and land use	-	108,318	87,989	103,723
Public Works	969,220	971,170	840,028	963,490
Sewer	-	9,280	373,354	354,023
Recreation, Library, Health and welfare	771,594	-	-	-
Insurance and benefits	-	1,127,567	1,105,978	1,125,058
Education	25,224,497	26,052,515	27,122,281	27,500,256
Debt service:				
Principal	1,513,841	1,524,220	1,630,182	952,787
Interest	396,141	351,050	320,378	281,095
Capital outlay	121,813	92,709	1,524,456	2,670,844
Total expenditures	33,186,608	34,628,340	37,831,891	38,752,989
Excess of revenues (under) expenditures	(93,009)	(620,893)	743,508	(551,772)
Other financing sources (uses):				
Transfers in	1,230,000	950,000	1,565,573	850,070
Transfers out	(1,107,522)	(726,627)	(1,565,573)	(850,070)
Proceeds from sale of capital assets	-	-	-	-
Issuance of long-term debt	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Capital leases	-	92,709	55,756	1,303,022
Total other financing sources (uses)	122,478	316,082	55,756	1,303,022
Net changes in fund balance	\$ 29,469	\$ (304,811)	\$ 799,264	\$ 751,250
Debt service as a percentage of noncapital expenditures	6.1%	5.7%	5.7%	3.5%

Fiscal Year						
	2014	2015	2016	2017	2018	2019
\$	27,078,435	\$ 28,024,898	\$ 28,191,796	\$ 28,311,687	\$ 28,169,495	\$ 28,839,520
	9,704,765	9,904,807	10,003,086	9,859,996	9,067,467	9,016,830
	1,859,181	2,172,563	2,094,390	2,517,494	2,566,756	2,317,522
	18,447	22,931	31,975	46,525	88,263	183,657
	104,013	142,931	199,528	367,593	276,475	246,953
	38,764,841	40,268,130	40,520,775	41,103,295	40,168,456	40,604,482
	2,646,254	2,809,980	3,065,695	3,111,904	3,029,952	3,105,110
	833,543	933,736	979,887	1,034,702	903,292	999,135
	1,202,394	1,242,954	1,320,479	1,480,587	1,328,424	151,882
	108,366	117,273	144,713	120,512	124,783	1,108,918
	975,317	929,827	1,119,108	950,830	850,903	2,149,233
	331,144	320,260	290,010	337,576	289,147	446,183
	-	-	-	-	-	-
	1,203,852	1,272,418	1,339,685	1,387,591	1,379,971	1,369,520
	28,523,790	29,431,098	29,085,813	28,659,238	28,901,512	28,504,901
	820,041	909,496	971,905	1,000,247	1,155,085	936,690
	320,995	209,053	196,389	183,131	177,427	120,139
	1,411,772	1,088,699	1,434,523	1,825,468	2,944,097	2,078,013
	38,377,468	39,264,794	39,948,207	40,091,786	41,084,593	40,969,724
	387,373	1,003,336	572,568	1,011,509	(916,137)	(365,242)
	970,457	1,090,036	808,046	1,265,844	1,702,663	1,526,453
	(970,457)	(1,090,036)	(808,046)	(1,265,844)	(1,702,663)	(1,526,453)
	-	12,012	137,676	-	-	-
	3,391,000	-	-	1,112,000	-	-
	(3,344,073)	-	-	-	-	-
	378,487	140,000	100,000	100,000	-	-
	425,414	152,012	237,676	1,112,000	-	-
\$	812,787	\$ 1,155,348	\$ 810,244	\$ 2,123,509	\$ (916,137)	\$ (365,242)
	3.2%	3.0%	3.1%	3.2%	3.6%	2.8%

Town of Hebron, Connecticut

**Capital Asset Statistics By Function/Program
Last Ten Fiscal Years
(Unaudited)**

Function/Program	2010	2011	2012	2013
Police:				
Stations	1	1	1	1
Fire: Fire Stations (Volunteer)	3	3	3	3
Public Works:				
Buildings	5	5	5	5
Streets (Miles)	98	98	72	76
Traffic Lights	2	2	2	2
Street Lights	200	201	197	197
Parks & Recreation:				
Acreage	850	900	440	440
Parks	4	4	3	3
Baseball/Softball Diamonds	9	9	7	7
Soccer/Football/Lacrosse Fields	8	8	4	4
Basketball Courts	1	1	1	1
Tennis Courts at High School	8	8	8	8
Skate Park	1	1	1	1
Parks with Playground Equipment	1	1	1	1
Picnic Shelters	2	2	1	1
Parks & Recreation Office and Maintenance Building	1	1	1	1
Park Rest Room Facilities	2	2	1	1
Public Buildings:				
Town Buildings	3	3	3	3
Schools	2	2	2	2
Regional School District	2	2	2	2
Library:				
Facilities	1	1	1	1
Volumes	39,169	39,223	N/A	41,393
Water:*				
Lakes	1	1	1	1
Sewers:				
Number of Miles	18	18	18	18

N/A - information not available

2014	2015	2016	2017	2018	2019
1	1	1	1	1	1
3	3	3	3	3	3
5	5	5	5	5	5
80	84	88	92	96	96
2	2	2	2	2	2
197	197	197	197	199	199
440	500	500	850	850	850
3	3	3	3	3	3
7	7	7	7	7	7
4	4	4	4	4	4
1	1	1	1	1	1
8	8	8	8	8	8
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
3	3	3	3	3	3
2	2	2	2	2	2
2	2	2	2	2	2
1	1	1	1	1	1
40,520	38,307	38,645	35,866	40,292	45,956
1	1	1	1	1	1
18	18	18	18	18	18

Town of Hebron, Connecticut

**Operating Indicators By Function/Program
Last Ten Fiscal Years
(Unaudited)**

Function/Program	Calendar Year			
	2010	2011	2012	2013
Police:				
Calls for service	5,217	5,211	4,358	3,914
Adult arrest	89	99	73	71
Juvenile arrest	9	10	6	15
Traffic citations	871	1,457	1,019	664
Fire:				
Total fire runs	367	302	226	227
Total rescue runs	429	450	437	493
Building safety:				
Total building permits	438	394	521	532
Total value all permits	\$ 8,510,149	\$ 5,368,058	\$ 7,145,131	\$ 9,420,872
Total building permits-new homes	11	7	9	11
Total value all permits-new homes	\$ 3,202,802	\$ 1,608,801	\$ 1,937,260	\$ 2,570,707
Library, volumes in collection	39,169	39,233	39,329	46,823

Source: Town Records

Source: CT State Police Troop K Data

N/A - information not available

Calendar Year					
2014	2015	2016	2017	2018	2019
4,297	4,410	4,118	4,586	4,216	4,057
72	75	56	63	41	51
10	14	7	11	10	10
722	771	535	775	521	440
208	271	250	251	294	261
582	518	511	534	593	606
491	490	542	515	486	573
\$ 6,995,765	\$ 9,612,919	\$ 10,719,645	\$ 19,957,209	\$ 15,573,009	\$ 10,504,402
6	11	13	13	16	10
\$ 1,416,345	\$ 2,858,140	\$ 3,850,812	\$ 2,480,987	\$ 3,460,279	\$ 2,422,333
39,019	50,018	51,080	50,520	49,810	45,956

Town of Hebron, Connecticut

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Real Estate			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/Industrial Property	Other ¹								
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	1,097,934,379	69.96%
2014	664,928,190	25,215,610	956,960	14,870,640	77,888,102	783,859,502	772,697,085	0.59%	34.70	1,080,916,746	71.49%
2015	667,155,010	25,846,450	954,530	15,784,600	72,404,690	782,145,280	778,651,850	0.77%	35.75	1,112,632,087	69.98%
2016	669,088,200	26,314,400	963,940	16,170,550	72,866,040	785,403,130	782,001,450	0.43%	36.00	1,102,908,486	70.90%
2017	671,898,290	26,515,790	957,850	16,426,830	74,293,410	790,092,170	786,095,920	0.52%	35.64	1,071,376,676	73.37%
2018	632,071,120	25,928,130	1,714,260	15,716,080	74,782,990	750,212,580	750,169,270	-4.07%	37.00	1,027,868,900	72.98%
2019	644,993,810	38,622,730	1,706,930	21,340,880	77,414,990	784,079,340	778,563,080	3.78%	37.44	1,070,057,097	72.76%

Source: Town of Hebron, Assessor Office

Note: A revaluation of all real estate was effective on the October 1, 2011 (FY 2013) and October 1, 2016 (FY 2018) Grand Lists

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

⁽¹⁾ Other - represents land with a use assessment and 10 mill land

Town of Hebron, Connecticut

**Tax Revenues by Source
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year Ended June 30	Grand List Year	Real Estate	Motor Vehicle	Personal Property	Total	Total Direct Tax Rate
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
2014	2012	22,904,188	2,559,082	459,315	25,922,585	34.70
2015	2013	24,719,625	2,575,410	541,769	27,836,804	35.75
2016	2014	24,508,507	2,697,514	541,296	27,747,317	36.00
2017	2015	24,836,292	2,633,911	546,254	28,016,457	35.64
2018	2016	24,593,460	2,766,970	581,495	27,941,925	37.00
2019	2017	24,444,931	2,979,762	590,233	28,014,926	37.44

Source: Town Tax Records

Note: 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)**

Taxpayer	2019			2010		
	Taxable Assessed	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed	Rank	Percentage of Total Town Taxable Assessed Value
	Value		Value	Value		Value
Hebron Senior Living, LLC	\$ 12,428,320	1	1.60%	\$ -		0.00%
Connecticut Light & Power Co./Eversource	11,845,080	2	1.52%	5,921,030	1	0.69%
Connecticut Water Co., The	2,545,540	3	0.33%	1,601,950	4	0.19%
Hebron Lincoln, LLC	2,450,000	4	0.31%	1,539,500	5	0.18%
Village Shoppes, LLC	1,835,070	5	0.24%	2,117,360	3	0.25%
Hebron Country Manor, LLC	1,807,060	6	0.23%	1,186,160	6	0.14%
Amirzai Property Trust, LLC	1,512,170	7	0.19%	-	-	-
Blackledge Country Club Inc.	1,441,490	8	0.19%	-	-	-
41-61 Main Street, LLC	1,308,340	9	0.17%	3,584,400	2	0.42%
Genco Olde Hartford Road, LLC	1,247,770	10	0.16%	-	-	-
Total	\$ 38,420,840		4.93%	\$ 15,950,400		1.86%

Source: Assessor's Office.

N/A: Information not available.

Town of Hebron, Connecticut

**Property Tax Levies And Collections
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year Ended June 30,	Grands List Year	Taxes Levied for the Tax 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
2010	2008	\$ 24,222,438	\$ 23,838,518	98.42%	\$ 340,469	\$ 24,175,761	99.82%
2011	2009	25,010,853	24,666,561	98.62%	287,391	24,948,346	99.77%
2012	2010	26,398,547	25,975,464	98.40%	340,949	26,313,218	99.69%
2013	2011	25,944,959	25,518,394	98.36%	320,770	25,830,345	99.59%
2014	2012	26,944,807	26,476,300	98.26%	312,498	26,769,546	99.42%
2015	2013	28,045,844	27,598,938	98.41%	273,972	27,809,961	99.38%
2016	2014	28,344,010	27,747,672	97.90%	333,556	28,016,717	99.07%
2017	2015	28,272,564	27,728,993	98.08%	252,435	27,884,576	98.97%
2018	2016	28,166,514	27,595,496	97.97%	244,163	27,595,496	98.84%
2019	2017	28,641,368	28,014,926	97.81%	-	28,014,926	97.81%

Source: Town Tax Records

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.

Town of Hebron, Connecticut

**Ratios of Net General Bonded Debt Outstanding by Type
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Governmental Activities			Percentage of Actual Property Value ⁽²⁾	Debt Per Capita ⁽³⁾
	General Obligation Bonds & Notes ⁽¹⁾	Less Amount Available in Debt Service	Net General Bonded/Note Debt		
2010	\$ 10,255,810	\$ 1,119,038	\$ 9,136,772	0.80%	\$ 962
2011	8,751,088	420,134	8,330,954	0.75%	867
2012	7,240,000	220,458	7,019,542	0.66%	763
2013	6,385,000	88	6,384,912	0.71%	806
2014	5,811,000	88	5,810,912	0.69%	773
2015	5,021,000	21,859	4,999,141	0.60%	687
2016	4,242,000	21,859	4,220,141	0.52%	597
2017	4,586,000	245,288	4,340,712	0.56%	622
2018	3,726,000	41,859	3,684,141	0.48%	516
2019	2,877,000	803,333	2,073,667	0.27%	214

Note: Details regarding the Town's outstanding debt may be found in the notes to the basic financial statements.

⁽¹⁾ General Obligation Bonds excludes over-lapping debt for the Town of Hebron's share of RHAM Regional School No. 8 debt.

⁽²⁾ See Table 6 for taxable property data.

⁽³⁾ See Table 13 for population data. These ratios are calculated using personal income.

Town of Hebron, Connecticut

**Direct and Overlapping Governmental Activities Debt
For the Year Ended June 30, 2019
(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Overlapping Debt
Debt repaid with property taxes: RHAM Region 8 School District	\$ 10,100,000	52.52%	<u>\$ 5,304,520</u>
Subtotal, Overlapping Debt			5,304,520
Capital Leases			1,128,985
General obligation debt- Hebron Direct Debt			<u>2,877,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 9,310,505</u></u>

Sources: Town Records. Debt outstanding for School District provided by RHAM.

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 School District #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 total percentage of Town of Hebron Students enrolled in RHAM and 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 Type
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Governmental Activities				Ratio of Net Bonded Debt to Est. Actual Taxable Value	Total Primary Government	Percentage of Personal Income	Total Debt Per Capita ⁽³⁾
	Net Bonded Debt	CWF ⁽²⁾ Notes Payable	Total Net Bonded Debt	Capital ⁽¹⁾ Leases				
2010	\$ 7,845,962	\$1,290,810	\$ 9,136,772	-	0.80%	\$ 9,136,772	2.25%	\$ 962
2011	7,679,866	651,088	8,330,954	63,037	0.75%	8,393,991	2.30%	867
2012	7,240,000	-	7,240,000	160,210	0.66%	7,400,210	1.97%	763
2013	6,385,000	-	6,385,000	1,365,445	0.71%	7,750,445	2.04%	806
2014	5,811,000	-	5,811,000	1,643,891	0.69%	7,454,891	1.94%	773
2015	5,021,000	-	5,021,000	1,601,237	0.60%	6,622,237	1.98%	687
2016	4,242,000	-	4,242,000	1,508,332	0.52%	5,750,332	2.48%	597
2017	4,586,000	-	4,586,000	1,392,811	0.56%	5,978,811	5.69%	622
2018	3,726,000	-	3,726,000	1,216,675	0.48%	4,942,675	4.46%	516
2019	2,877,000	-	2,877,000	1,128,985	0.27%	4,005,985	1.05%	414

Note: The Town has no revenue bonds.

Note: N/A - information not available

Note: Details regarding the Town's outstanding debt may be found in the notes to the basic financial statements.

¹ Capital leases for the Town and BOE were not added prior to June 30, 2010 and there were no outstanding capital leases as of that date.

² Notes Payable issued under the Clean Water Program thru the State of Connecticut, final maturity date of May 30, 2012

³ See the schedule of Demographic and Economic Statistic on page 86 for personal income and population data.

Town of Hebron, Connecticut

**Computation Of Legal Debt Limitation
June 30, 2019**

Total tax collections (including interest and lien fees) for the year ended June 30, 2018	\$ 28,005,461
Reimbursement for revenue loss: Tax relief for elderly	<u>4,350</u>
Base	<u>\$ 28,009,811</u>
Debt limit	<u>\$ 196,068,677</u>

Debt Limitation*	General Purpose	Schools	Sewer	Urban Renewal	Unfunded Pension Benefit Obligation
2-1/4 times base	\$ 63,022,075	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	126,044,150	-	-	-
3-3/4 times base	-	-	105,036,791	-	-
3-1/4 times base	-	-	-	91,031,886	-
3 times base	-	-	-	-	84,029,433
Total debt limitation	<u>63,022,075</u>	<u>126,044,150</u>	<u>105,036,791</u>	<u>91,031,886</u>	<u>84,029,433</u>
Debt as defined by statute:					
Bonds and notes payable	2,877,000	-	-	-	-
Bonds payable - Regional School #8	-	5,304,520	-	-	-
Bonds authorized but not issued, issue dates not yet established	-	-	-	-	-
Total indebtedness	<u>2,877,000</u>	<u>5,304,520</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in excess of indebtedness	<u>\$ 60,145,075</u>	<u>\$ 120,739,630</u>	<u>\$ 105,036,791</u>	<u>\$ 91,031,886</u>	<u>\$ 84,029,433</u>

Town of Hebron, Connecticut

**Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year Ended June 30,	Population	Personal Income (000)	Per Capita Income	Median Age	School Enrollment	Unemployment(*) Rate
2010	9,500	\$ 406,325	\$ 42,771	38	2019	7.5%
2011	9,685	365,058	37,693	39	2102	6.8%
2012	9,704	374,972	38,641	41	2118	5.6%
2013	9,620	379,634	39,463	40	1903	5.2%
2014	9,649	383,789	39,775	42	1,849	4.8%
2015	9,638	334,061	34,661	42	1,690	4.1%
2016	9,627	232,087	24,108	43	1,588	4.8%
2017	9,611	105,104	10,936	43	1,454	4.0%
2018	9,580	110,739	22,147	43	1,516	3.5%
2019	9,566	104,519	10,926	45	1,456	3.1%

Source: Town Records

(*) Source: Connecticut Department of Labor, By Town, Not Seasonally Adjusted.

n/a - Information not available.

Town of Hebron, Connecticut

**Principal Employers
Current Year and Nine Years Ago
(Unaudited)**

Employer	2019			2010		
	Employees ⁽¹⁾	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
RHAM	240	1	4.45%	219	1	N/A
Town of Hebron & Education	107	2	2.17%	92	2	N/A
Blackledge Country Club	76	3	1.46%	50	4	N/A
Ted's Supermarket	61	4	1.13%	83	3	N/A
Staff Mates	44 ⁽²⁾	5	0.82%	13	7	N/A
Hebron Senior Living/Colebrook	41	6	0.79%	N/A	-	N/A
Country Carpenters	26	7	0.48%	31	5	N/A
Tallwood Country Club	25	8	0.46%	17	6	N/A
Gina Maries Restaurant	23	9	0.43%	N/A	-	N/A
Fennagins	23	10	0.43%	N/A	-	N/A

Sources: Town Records

N/A Information not available

⁽¹⁾ Full Time Equivalent

⁽²⁾ 30 Additional part-time positions seasonally

Provided by Bob Musson in separate spreadsheet submission.

Town of Hebron, Connecticut

**Full-Time Equivalent Town Government Employees By Functions/Programs
Last Ten Fiscal Years
(Unaudited)**

Functions/Program	Full-Time Equivalent Employees as of June 30			
	2019	2018	2017	2016
Governmental Services:				
Town Manager	1	1	1	1
Town Clerk	2	2	2	2
Personnel	2	2	2	2
Finance & Tax	7	7	7	7
Building Safety	2	2	2	2
Planning	2	2	2	2
Facility Mgmt	1	1	1	1
Community Development	-	-	-	-
Parks and Recreation:				
General & Administrative	2	2	2	2
Recreation	3	2	2	1
Fire:				
Firefighters and Officers	2	2	2	2
Public Works:				
Administration	2	2	2	2
Street Maintenance	12	12	12	12
Water:				
Administration	1	1	1	1
Library:				
Administration	3	3	3	3
Senior Center:				
Administration	3	3	3	3
Total	45	44	44	43

Source: Town Records

n/a - Information not available

Full-Time Equivalent Employees as of June 30						
2015	2014	2013	2012	2011	2010	
1	1	1	1	1	1	1
2	2	2	2	2	2	2
2	2	2	2	2	2	2
7	7	7	7	7	6	6
2	2	2	2	2	2	2
2	2	2	2	2	2	2
1	1	1	1	1	1	1
-	-	-	-	-	-	-
2	2	2	2	2	2	2
1	1	1	1	1	1	1
2	2	2	2	2	2	2
2	2	2	2	1	1	1
12	12	12	12	12	12	12
1	1	1	1	1	1	1
3	3	3	3	3	3	3
3	2	2	2	2	2	1
43	42	42	41	40	39	

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