

TOWN OF HEBRON, CONNECTICUT
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2023



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YEAR ENDED JUNE 30, 2023**

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REQUIRED SUPPLEMENTARY INFORMATION

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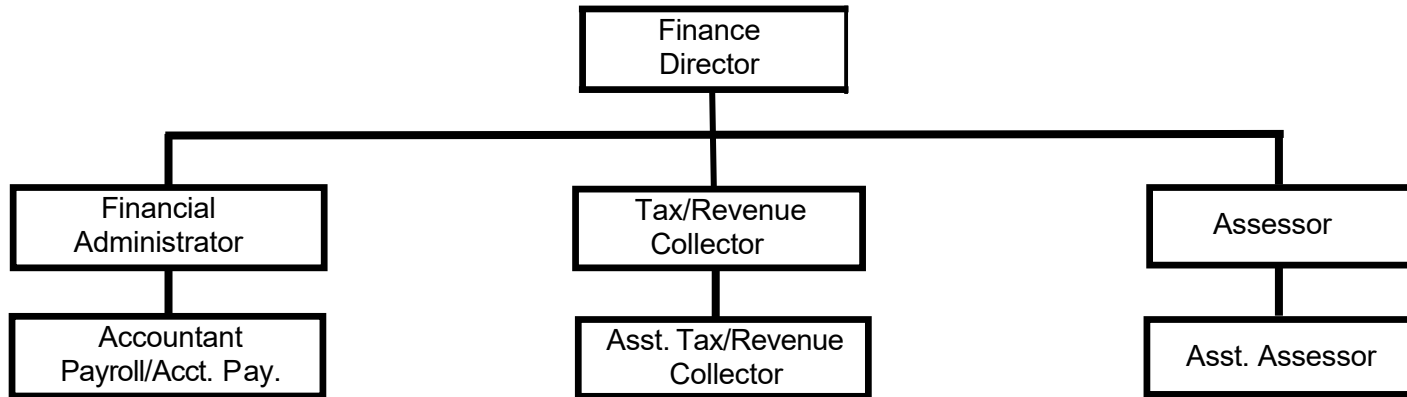
INTRODUCTORY SECTION

**TOWN OF HEBRON, CONNECTICUT
LIST OF PRINCIPAL OFFICIALS
YEAR ENDED JUNE 30, 2023**

<i>Chairman of the Board of Selectmen</i>	Daniel Larson
<i>Chairman of the Board of Finance</i>	Diane DelRosso
<i>Town Manager</i>	Andrew J. Tierney
<i>Assessor</i>	Tina Corriveau
<i>Building Inspector</i>	Randy Blais
<i>Resident Trooper</i>	Bryce Reed
<i>Town Clerk</i>	Francesa Villani
<i>Town Planner</i>	Matthew Bordeaux
<i>Finance Director</i>	Elaine M. Griffin
<i>Legal Counsel</i>	Kenneth Slater, Esq.
<i>Emergency Management Director</i>	Paul Bancroft
<i>Engineer</i>	Nathan Jacobson & Assoc.
<i>Fire Chief</i>	Peter Starkel
<i>Fire Marshal</i>	Randy Blais
<i>Health Director</i>	Russell Melmed
<i>Public Works Director</i>	Kevin Kelly
<i>Recreation Director</i>	Craig Bryant
<i>Senior Services Director</i>	Sharon Garrard
<i>Superintendent of Schools</i>	Thomas Baird
<i>Tax Collector</i>	Adrian MacLean
<i>AHM Youth & Family Services</i>	Tressa Giordano
<i>Zoning Enforcement Officer</i>	James Cordier

TOWN OF HEBRON, CONNECTICUT
ORGANIZATIONAL CHART
YEAR ENDED JUNE 30, 2023

Town of Hebron
Finance Department





Town of Hebron

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

ELAINE GRIFFIN
FINANCE DIRECTOR

KEVIN LAWTON
FINANCIAL ADMINISTRATOR

TAMMY FILBIG
ACCOUNT CLERK

ANDREW J. TIERNEY
TOWN MANAGER

December 27, 2023

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

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of audited financials. This report is published to fulfill that requirement for the fiscal year ended June 30, 2023

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.

CliftonLarsenAllen, LLP, Certified Public Accountants, have issued unmodified opinions on the Town of Hebron, Connecticut's financial statements for the year ended June 30, 2023. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of Government

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

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

The Town of Hebron adopted a charter in 1988, effective as of November 21, 1989. The Charter was amended on November 5, 1996, November 4, 2003, November 3, 2009, November 4, 2014, and again on November 5th, 2019. The Charter retains a Town meeting form of government, with an elected five-member Board of Selectmen serving overlapping four-year terms and a five-member Board of Finance also 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 a slight decrease of 1.9% with the 2019 census in comparison to the 2010 year (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, 2021, was \$921,268,820, an increase of 16.15% from the October 1, 2020, grand list amount of \$793,194,070. This increase was conducive to the economy appearing to be on the incline, however, the grand list still suffered a loss due to crumbling foundations and a reduction at the State level with grant funding. Additionally, building permits continue to remain steady in application requests. Hebron's unemployment rate dipped slightly to 3% by June 30, 2023, which remains indicative of a continued fluctuating local re-employment

process and economy. Hebron still ranked better than the Federal rate of 3.8% and the State rate of 4% on June 30, 2023.

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:

- Preservation and enhancement of the historic district.
- Sidewalk installation has improved walkability of the downtown corridor and improved the overall aesthetic appeal of the downtown area with additional parking constructed behind the Town's Douglas Library along with HVAC and aesthetic upgrades to the library as well.
- 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.
- The surplus of Unassigned Fund Balance was transferred to the Debt Management Fund for future growth and development.
- In fiscal year 2022-2023, the process for a major Sewer System Pump Station Upgrade was almost complete, along with some town parking lots and road re-paving through an authorized \$10 Million Bonding Project that began in 2020.
- This fiscal year saw the start and implementation of many American Rescue Plan projects to benefit the overall community of the Town of Hebron.

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 the 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 Balance has demonstrated positive trends over the past several years and the current fiscal year. In years when there has been a substantial buildup in the General Fund Balance funds were transferred to a debt service fund in order to set aside funds for future years debt requirements. The Boards of Selectmen and Finance along with Town Management, takes the responsibility of being stewards of public funds very seriously and have implemented a policy effective in April 2014 to maintain a General Fund Balance between 10% and 15%.

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 Town Manager. The Town Manager 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 Town Manager presents his recommendation along with the five-year planning document and funding to the Board of Selectmen. The Board of Selectmen and then the Board of Finance complete their reviews and recommend 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 held in May.

There is also a Long-Term Financial Report that is updated frequently 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.

2022/2023 Revenues

A continuing challenge when considering the Town's budget is the appropriate balance between operational requirements, the level of service the community needs and expectations and ongoing taxes. Fiscal year 2022/2023 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 2022/2023 utilized the most accurate numbers available.

2022/2023 Expenditures

The Town continued to face many of the same challenges in the development of expenditures for the 2022/2023 fiscal year. The combined overall Town, Debt, Capital, RHAM Assessment and Education budget increased by \$612,441 or 1.68% largely due to an increase in the Town's Capital Improvement Plan schedule and local Board of Education budget. Hebron continued to recognize 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. A shift in the student population in the regional school district was the primary cause of the budgetary increase.

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. 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 but CIP projects are not being funded at the level of need. 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. 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 a ACFR 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 Town was unable to file for the 2019 Award due to COVID-19 operational restraints and the shut down of Government and the Auditing firms' offices resulting in a late filing of the 2019 report. Additionally, due to a financial accounting software mid-year conversion, the 2020,2021 and 2022 audits also required a late filing as data from the pre-existing software "converted" incorrectly within the balance sheets resulting in manual corrections by staff during the audit process.

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 ACFR is the result of the diligent efforts of Town staff and our auditing firm CliftonLarsonAllen, LLP, it would not be possible without the ongoing support of the Board of Selectmen, Board of Finance, and the Town Manager.

Respectfully submitted,



Elaine M. Griffin
Finance Director

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Finance
Town of Hebron, Connecticut

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Hebron, Connecticut, as of June 30, 2023, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Hebron, Connecticut's basic financial statements. The report of tax collector and combining nonmajor funds financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the report of the tax collector and combining nonmajor funds financial statements is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

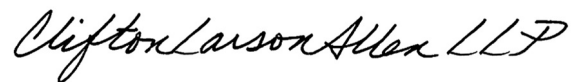
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover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

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

Board of Finance
Town of Hebron, Connecticut

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2023, on our consideration of the Town of Hebron, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Hebron, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Hebron, Connecticut's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

West Hartford, Connecticut
December 27, 2023

**TOWN OF HEBRON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

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, 2023. 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

- 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 \$63,345,256.
- On a government-wide basis, during the year, the Town's net position increased by \$1,384,256. Governmental activities expenses were \$43,218,883, while revenues were \$44,603,139.
- At the close of the year, the Town's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$14,406,645, a decrease of \$64,455 from the prior fiscal year, primarily due to expense as related to the bonding dollars for the sewer pump station upgrade and the inherited animal cruelty expense. Of the total fund balance as of June 30, 2023, \$8,721,997 represents the combined unassigned fund balance in the general fund. The special revenue funds, ARPA fund, capital projects funds and permanent fund do not possess any unassigned fund balances.
- At the end of the current fiscal year, the total fund balance for the general fund alone was \$9,288,842, an increase from the prior fiscal year due to tax collection surplus. Unassigned General Fund, fund balance at year-end represents 25.4% of total general fund expenditures and transfers out.
- The Town's long-term debt balance was at \$9,225,219 which is inclusive of bonds, direct borrowings, OPEB liabilities, contracts payable and compensated balances.

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.

**TOWN OF HEBRON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Government-Wide Financial Statements (Continued)

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 education, general government services, public safety, public works, planning & development, human services and community 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 13-14 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.

**TOWN OF HEBRON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Fund Financial Statements (Continued)

The Town maintains **30** 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, ARPA Fund and Capital Project Fund, which are considered major funds. 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 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 15-18 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 16-18 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 19-52 of this report.

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

**TOWN OF HEBRON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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 \$63,345,256 on June 30, 2023.

	Governmental Activities	
	2023	2022
Assets:		
Current and Other Assets	\$ 19,978,484	\$ 19,565,050
Capital Assets, Net of Accumulated Depreciation	56,646,037	56,338,646
Total Assets	76,624,521	75,903,696
Deferred Outflows of Resources	542,011	588,621
Liabilities:		
Other Liabilities	3,540,927	3,159,743
Long-Term Debt Outstanding	9,225,219	10,304,783
Total Liabilities	12,766,146	13,464,526
Deferred Inflows of Resources	1,055,130	1,066,791
Net Position:		
Investment in Capital Assets	49,040,123	49,340,584
Restricted	226,948	232,683
Unrestricted	14,078,185	12,387,733
Total Net Position	\$ 63,345,256	\$ 61,961,000

Total net position for Governmental Activities at fiscal year-end was \$63,345,256. Of the Town's total net position at June 30, 2023, approximately \$14 million or 22% is unrestricted. This compares with last year's total unrestricted net position of \$61,961,000 or 19.6% unrestricted.

The largest portion of the Town's net position, **89%**, 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.

**TOWN OF HEBRON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Government-wide Financial Analysis (Continued)

Unrestricted net position of \$14,078,185 may be used to meet the Town's ongoing obligations to citizens and creditors.

	Governmental Activities	
	2023	2022
Revenues:		
Program Revenues:		
Charges for Services	\$ 2,590,381	\$ 2,761,275
Operating Grants and Contributions	10,998,766	8,515,294
Capital Grants and Contributions	585,782	241,311
General Revenues:		
Property Taxes	29,603,222	29,541,910
Grants and Contributions Not Restricted to Specific Purposes	128,370	128,369
Unrestricted Investment Earnings	522,811	33,725
Miscellaneous	173,807	128,460
Total Revenues	44,603,139	41,350,344
Program Expenses:		
General Government	5,999,761	5,947,802
Public Safety	1,391,926	1,343,012
Public Works	1,960,635	1,422,858
Civic and Human Services	1,663,358	1,590,355
Planning and Land Use	215,071	152,731
Sewer Fees	561,965	1,216,732
Education	31,201,650	29,053,355
Interest on Long-Term Debt	224,517	247,311
Total Program Expenses	43,218,883	40,974,156
Change in Net Position	1,384,256	376,188
Net Position - Beginning of Year	61,961,000	62,917,424
Restatement	-	(1,332,612)
Net Position - Beginning of Year	61,961,000	61,584,812
Net Position - End of Year	\$ 63,345,256	\$ 61,961,000

**TOWN OF HEBRON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Governmental Activities

For Governmental Activities, 66.37% of the revenues were derived from property taxes, followed by 33.63% from other intergovernmental revenues.

Major revenue factors included:

- Property tax revenues recorded during fiscal year 2023 reflect a decrease in the mill rate of 4.63 mills primarily due to revaluation for the current levy. However, several delinquent tax revenues were collected in the amount of \$748,593.

For Governmental Activities, the major percentile increases of the Town's expenses are 71.5% to education, 3.4% relates to public safety, 9.44% to general government, 2.67% to public works, 2.4% to civic and human services, 5.3% to interest on long-term debt , and capital project contributions.

Major expense factors include:

- Education operating expenses increased by 8.8% primarily due to the Regional School District budgetary levy requirement. Additionally, the local BOE offsets (nets) its budgetary needs with State Grants resulting in a larger expense than is necessary from tax dollars.

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 \$37.8 million, which exceeded budgetary estimates by \$1,489,654 million. Actual tax revenues exceeded the budget by \$388,401, representing a continued aggressive pursuit of delinquent taxes. Actual fees, permits and licenses were \$156,779 above budget due to increased requests for Ambulance Services. Additional surpluses were due to the receipt of the unbudgeted MRSF Motor Vehicle Grant dollars.

Actual expenditures on a budgetary basis and other financing uses totaled \$37,071,864, an increase over the adopted budget due to unforeseen vehicle repair costs and the continued animal cruelty case obligation.

**TOWN OF HEBRON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Capital Assets and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental activities as of June 30, 2023, amount to \$56,646,037 net of accumulated depreciation as indicated below. This investment in capital assets includes land, building and system improvements, machinery and equipment, park facilities, and infrastructure.

	Governmental Activities	
	2023	2022
Land	\$ 12,613,198	\$ 12,613,198
Construction in Progress	5,756,068	4,230,164
Buildings and Improvements	23,410,660	24,316,390
Furniture and Equipment	3,290,317	2,847,999
Infrastructure	11,575,794	12,330,895
Total	<u>\$ 56,646,037</u>	<u>\$ 56,338,646</u>

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

Replacement of a dump truck, roll off truck, Town library roof and HVAC replacement along with a sidewalk project.

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 5 of this report.

Long-Term Debt

At the end of this current fiscal year, the Town had total bonds, notes and capital leases outstanding of \$6.3 million. 100% of this debt is backed by the full faith and credit of the Town. The Town's total debt increased by \$6.3 million in October 2020 for a sewer system pump station and paving upgrades. Not included within the outstanding debt total of \$6.3 million is overlapping debt for Hebron's share of the Regional School District #8 (RHAM) Debt of \$1,035,382..

The last bond rating was for the General Obligation Bond Issue of October 2020 for the Sewer Pump Station and Paving Project, totaling \$6,312,000. The Bonds were rated AAA 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 \$208,016,732.

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

**TOWN OF HEBRON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Economic Factors and Next Year's Budgets and Rates

As of June 2023, the unemployment rate for the Hebron Labor Market Area was 3.0%. Connecticut's overall unemployment rate stands at 4%, compared with 6.1% 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 considered when adopting the General Fund budget for 2023-2024. Amounts available for appropriation in the General Fund budget are \$39.1 million, an increase of approximately 5.67% over the final 2023 budget of \$37 million. Much of the increase is attributed to the increase of funding provided for the local and regional school districts.

For the future, there will be continued focus on core services for the Town to ease the stress of limited resources of taxpayers and current economic conditions while pursuing Economic Development.

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.

**TOWN OF HEBRON, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2023**

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 15,934,702
Investments	1,771,792
Receivables, Net	2,263,066
Supplies	8,924
Capital Assets:	
Assets Not Being Depreciated	18,369,266
Assets Being Depreciated, Net	38,276,771
Total Assets	76,624,521
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to OPEB	542,011
Total Deferred Outflows of Resources	542,011
LIABILITIES	
Accounts Payable	1,085,268
Accrued Interest Payable	58,901
Unearned Revenue	2,396,758
Noncurrent Liabilities:	
Due Within One Year	1,065,279
Due in More than One Year	8,159,940
Total Liabilities	12,766,146
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Leases	59,438
Deferred Inflows Related to OPEB	995,692
Total Deferred Inflows of Resources	1,055,130
NET POSITION	
Net Investment in Capital Assets	49,040,123
Restricted for:	
Grants	45,289
Library	36,300
Marian Celio Angel	132,884
Cemetery	12,475
Unrestricted	14,078,185
Total Net Position	\$ 63,345,256

See accompanying Notes to Basic Financial Statements.

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

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
GOVERNMENT ACTIVITIES					
General Government	\$ 5,999,761	\$ 442,313	\$ 1,135,736	\$ -	\$ (4,421,712)
Public Safety	1,391,926	495,662	-	-	(896,264)
Public Works	1,960,635	8,580	15,928	585,782	(1,350,345)
Civic and Human Services	1,663,358	608,304	49,775	-	(1,005,279)
Planning and Land Use	215,071	-	-	-	(215,071)
Sewer	561,965	722,734	-	-	160,769
Education	31,201,650	312,788	9,797,327	-	(21,091,535)
Interest Expense	224,517	-	-	-	(224,517)
Total Governmental Activities	<u>\$ 43,218,883</u>	<u>\$ 2,590,381</u>	<u>\$ 10,998,766</u>	<u>\$ 585,782</u>	(29,043,954)
GENERAL REVENUES					
Property Taxes					29,603,222
Grants and Contributions Not Restricted to Specific Programs					128,370
Unrestricted Investment Earnings					522,811
Miscellaneous					173,807
Total General Revenues					<u>30,428,210</u>
CHANGE IN NET POSITION					
					1,384,256
Net Position - Beginning of Year					<u>61,961,000</u>
NET POSITION - END OF YEAR					
					<u>\$ 63,345,256</u>

See accompanying Notes to Basic Financial Statements.

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

ASSETS	<u>General</u>	<u>Capital Projects Fund</u>	<u>ARPA Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash and Cash Equivalents	\$ 7,877,735	\$ 1,297,163	\$ 2,374,433	\$ 4,385,370	\$ 15,934,701
Investments	1,771,792	-	-	-	1,771,792
Receivables:					
Property Taxes	1,951,131	-	-	-	1,951,131
Leases	-	-	-	60,616	60,616
Other	23,091	-	-	228,228	251,319
Due from Other Funds	-	228,000	-	-	228,000
Supplies	-	-	-	8,924	8,924
	<u>\$ 11,623,749</u>	<u>\$ 1,525,163</u>	<u>\$ 2,374,433</u>	<u>\$ 4,683,138</u>	<u>\$ 20,206,483</u>
Total Assets					
	<u>\$ 11,623,749</u>	<u>\$ 1,525,163</u>	<u>\$ 2,374,433</u>	<u>\$ 4,683,138</u>	<u>\$ 20,206,483</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 224,568	\$ 235,081	\$ 43,795	\$ 581,823	\$ 1,085,267
Due to Other Funds	228,000	-	-	-	228,000
Unearned Revenue	14,379	-	2,273,936	108,443	2,396,758
Total Liabilities	<u>466,947</u>	<u>235,081</u>	<u>2,317,731</u>	<u>690,266</u>	<u>3,710,025</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	1,867,960	-	-	-	1,867,960
Unavailable Revenue - Sewer Use Receivable	-	-	-	29,739	29,739
Unavailable Revenue - Special Assessments	-	-	-	132,676	132,676
Unavailable Revenue - Leases	-	-	-	59,438	59,438
Total Deferred Inflows of Resources	<u>1,867,960</u>	<u>-</u>	<u>-</u>	<u>221,853</u>	<u>2,089,813</u>
FUND BALANCES					
Nonspendable	-	-	-	8,924	8,924
Restricted	-	-	-	226,948	226,948
Committed	-	1,290,082	56,702	3,535,147	4,881,931
Assigned	566,845	-	-	-	566,845
Unassigned	8,721,997	-	-	-	8,721,997
Total Fund Balances	<u>9,288,842</u>	<u>1,290,082</u>	<u>56,702</u>	<u>3,771,019</u>	<u>14,406,645</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 11,623,749</u>	<u>\$ 1,525,163</u>	<u>\$ 2,374,433</u>	<u>\$ 4,683,138</u>	<u>\$ 20,206,483</u>

See accompanying Notes to Basic Financial Statements.

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

RECONCILIATION TO THE STATEMENT OF NET POSITION

Fund Balances - Total Governmental Funds (Exhibit III) \$ 14,406,645

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

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

Governmental Capital Assets	114,208,191
Less: Accumulated Depreciation	<u>(57,562,154)</u>
Net Capital Assets	56,646,037

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

Property Tax Receivable Greater than 60 Days	1,527,708
Interest Receivable on Property Taxes	340,252
Sewer Use Receivable	132,676
Sewer Assessments Receivable	29,739
Deferred Outflows Related to OPEB	542,011

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

Bonds Payable	(6,374,000)
Bond Premiums	(226,350)
Direct Borrowings	(837,276)
Interest Payable on Bonds	(58,901)
Total OPEB Liability	(1,086,325)
Compensated Absences	(592,868)
Contract Payable	(108,400)
Deferred Inflows Related to OPEB	<u>(995,692)</u>

Net Position of Governmental Activities (Exhibit I) \$ 63,345,256

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

	General	Capital Projects Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	\$ 29,578,946	\$ -	\$ -	\$ -	\$ 29,578,946
Intergovernmental	9,104,784	148,639	538,778	1,324,036	11,116,237
Charges for Services	798,048	-	-	1,750,702	2,548,750
Income from Investments	377,055	5,223	56,702	83,832	522,812
Other	113,043	25,240	60,000	23,342	221,625
Total Revenues	<u>39,971,876</u>	<u>179,102</u>	<u>655,480</u>	<u>3,181,912</u>	<u>43,988,370</u>
EXPENDITURES					
Current:					
General Government	3,469,377	-	-	24,298	3,493,675
Public Safety	1,224,188	-	-	146,710	1,370,898
Public Works	949,421	-	-	-	949,421
Civic and Human Services	887,923	-	-	392,932	1,280,855
Planning and Land Use	215,071	-	-	-	215,071
Sewer Fees	15,400	-	-	546,565	561,965
Insurance and Benefits	1,764,316	-	-	-	1,764,316
Education	28,607,590	-	-	1,492,539	30,100,129
Debt Service:					
Principal	914,183	-	-	-	914,183
Interest	169,793	-	-	-	169,793
Capital Outlay	-	1,197,653	598,778	1,436,088	3,232,519
Total Expenditures	<u>38,217,262</u>	<u>1,197,653</u>	<u>598,778</u>	<u>4,039,132</u>	<u>44,052,825</u>
EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES	1,754,614	(1,018,551)	56,702	(857,220)	(64,455)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	744,281	-	125,000	869,281
Transfers Out	(869,281)	-	-	-	(869,281)
Total Other Financing Sources (Uses)	<u>(869,281)</u>	<u>744,281</u>	<u>-</u>	<u>125,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	885,333	(274,270)	56,702	(732,220)	(64,455)
Fund Balances - Beginning of Year	<u>8,403,509</u>	<u>1,564,352</u>	<u>-</u>	<u>4,503,239</u>	<u>14,471,100</u>
FUND BALANCES - END OF YEAR	<u>\$ 9,288,842</u>	<u>\$ 1,290,082</u>	<u>\$ 56,702</u>	<u>\$ 3,771,019</u>	<u>\$ 14,406,645</u>

See accompanying Notes to Basic Financial Statements.

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

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Total Governmental Funds (Exhibit IV) \$ (64,455)

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because:

Governmental funds report capital outlays as expenditures. in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital Outlay	2,358,433
Depreciation Expense	(2,051,042)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

Property Tax Receivable - Accrual Basis Change	126,255
Property Tax Interest Revenue - Accrual Basis Change	(101,979)
Sewer Use and Assessment Receivable - Accrual Basis Change	41,635
Grants	(25,736)
Deferred Outflows Related to OPEB	(46,610)

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

Bonds Principal Payments	773,000
Direct Borrowings Payments	53,567

Some expenses reported in the statement of activities do not require the use of current resources and, therefore, are not reported as expenditures in the governmental funds:

Compensated Absences	120,291
Contracts Payable	108,400
Accrued Interest Payable	(2,908)
Amortization of Bond Premium	35,800
Total OPEB Liability	(11,494)
Deferred Inflows Related to OPEB	71,099

Change in Net Position of Governmental Activities (Exhibit II)	\$ 1,384,256
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See accompanying Notes to Basic Financial Statements.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Town 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 2019. The form of government includes an elected Board of Selectmen consisting of five members, an elected five-member Board of Finance, and an elected seven-member local Board of Education.

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

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

Accounting principles generally accepted in the United State of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the government. There are no organizations that meet these criteria.

B. Government-Wide and Fund Financial Statements

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The 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 function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are 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 180 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, pension, OPEB, and claims and judgments, are recorded only when payment is due.

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

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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Capital Projects Funds are used to account for financial resources for the acquisition and construction of major capital facilities.

The ARPA Fund is utilized to track activity related to the American Rescue Plan Act federal grant program criteria. The major source of revenue for this fund is federal assistance. Expenditures to be used for town-wide capital improvements.

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

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

D. Cash and Cash Equivalents

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

E. Investments

Investments are stated at fair value.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." All trade and property tax receivables are shown net of an allowance for uncollectibles. Allowances for uncollectibles are computed based on historical data.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Receivables and Payables (Continued)

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.

G. Supplies and Prepaid Items

Supplies of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

H. Capital Assets

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

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

Buildings	25 Years to 50 Years
Building Improvements	25 Years to 50 Years
System Infrastructure	20 Years to 50 Years
Machinery and Equipment	5 Years to 25 Years

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Deferred Outflows/Inflows of Resources (Continued)

The Town reports deferred outflows of resources related to OPEB in the government-wide statement of net position. A deferred outflow of resources related to OPEB results from differences between expected and actual experience and changes in assumptions or other inputs. These amounts are deferred and included in OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees).

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 deferred inflows of resources related to OPEB in the government-wide statement of net position. A deferred inflow of resources related to OPEB results from differences between expected and actual experience and changes in assumptions or other inputs. These amounts are deferred and included in OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees). The statement of net position and the governmental funds balance sheet also report deferred inflow of resources related to leases. The lease related deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus any payments received at or before the start of the lease term that relates to future periods, less any lease incentives paid to, or on behalf of the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rationale manner over the term of the lease.

The governmental funds report unavailable revenues from several sources: property taxes and interest, grants, special assessments, and sewer user charges. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

J. Compensated Absences

Town 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Total Other Postemployment Benefits Other than Pension (OPEB) Liability

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

L. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount. Bond issuance costs, whether withheld from the actual debt proceeds received, are reported as debt service expenditures.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Fund Equity

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

Net Investment in Capital Assets

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

Restricted Net Position

This component of net position consists of restrictions that are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

This component consists of net position that does not meet the definition of "restricted" or "net invested in capital assets, net of related debt."

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

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

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town of Hebron Board of Selectmen). A commitment of fund balance and any subsequent modification or rescission requires a resolution/ordinance of the Board of Selectmen.

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 Town Manager and Finance Director have been delegated authority to assign amounts by the Town Charter.

Unassigned Fund Balance

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

N. Fund Balance Flow Assumptions

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are applied. It is the Town’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The General Fund is the only fund for which an annual budget is legally adopted. The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements.

- At least one hundred fifty (150) days before the end of the fiscal year, the head of each department, office or agency of the Town, supported wholly or in part from Town funds, except the Regional Board of Education, files with the Town Manager a detailed estimate of the expenditures to be made and the revenues, other than property taxes, to be collected in the ensuing fiscal year.
- Expenditures are budgeted by account type, department, object and function. The legal level of budgetary control, the level at which expenditures may not exceed appropriations, is established at the department level.
- The Town Manager, with the assistance of the Finance Director, reviews the budget estimates with the heads of all Town-supported departments, offices and agencies. No later than one hundred twenty (120) days prior to the end of the fiscal year, the Town Manager presents to the Board of Selectmen a proposed budget. In preparing the proposed budget, the Town Manager may add to, delete from or eliminate requests made by the various departments, offices and agencies, except that he may only comment and make recommendations on the budget requests of elected officials and the local Board of Education. The Town Manager includes in the budget the estimated budget request of Regional School District No. 8.
- The Board of Selectmen reviews the budget estimates and makes further revisions, except that the Board may only make recommendations on the budgets prepared by other elected officers, elected Town agencies. It may recommend changes to the Board of Education for action by the Board of Finance. 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.

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

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

- 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 the 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 percent (0.1) 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.
- During the fiscal year ended June 30, 2023, there was no supplemental budget appropriations in the General Fund for the current year.

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

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Exceeding Budgets

During the year ended June 30, 2023, the following line items had over-expended appropriations:

	Final Appropriation	Expenditures, Encumbrances and Other Financing Uses	Balance Overexpended
Clerical	\$ 523,024	\$ 540,920	\$ 17,896
Library	175,386	176,618	1,232
Recreation	248,900	254,070	5,170
Public Works	839,680	841,546	1,866
Elected Officials	71,848	76,377	4,529
Fire Marshall	75,840	108,450	32,610
Central Computer Services	96,400	97,186	786
Town Buildings	99,095	128,163	29,068
Boards and Commissions	180	359	179
Registrar of Voters	54,001	55,780	1,779
Fire Administration	496,235	595,954	99,719
Animal Control	34,267	136,329	102,062
Regional Health District	122,098	123,603	1,505
Planning and Development	170,718	191,348	20,630
Highway and Grounds Administration	274,862	336,949	62,087
Town Property User Fees	14,280	15,400	1,120
Employee Benefits	1,301,372	1,386,010	84,638

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

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

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

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

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

Deposits

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposit will not be returned. The Town does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk-based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, \$6,768,092 of the Town’s bank balance of \$9,035,872 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 5,922,151
Uninsured and Collateral Held by the Pledging Bank’s Trust Department, Not in the Town’s Name	845,941
Total Amount Subject to Custodial Credit Risk	\$ 6,768,092

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2023, the Town’s cash equivalents amounted to \$9,462,656. The following table provides a summary of the Town’s cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

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

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

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

Cash Equivalents (Continued)

STIF is an investment pool of high-quality, short-term money market instruments with an average maturity of less than 60 days. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption rates.

Investments

Interest Rate Risk

The Town does not have a formal investment policy that limits its investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of June 30, 2023, the Town had the following interest-bearing investments:

Investment Type	Credit Rating	Investment Maturities			Amortized Cost
		Less than 1 Year	1 to 10 Years	More than 10 Years	
Interest-Bearing Investments:					
Certificates of Deposit*	Unrated	\$ 1,275,792	\$ -	\$ -	\$ 496,000

*Certificates of Deposit are valued at amortized costs.

Credit Risk

As indicated above, State Statutes limit the investment options of cities and towns. The Town allows the same type of investments as State Statutes.

Concentration of Credit Risk

The Town has no policy limiting an investment in any one issuer that is in excess of 5% of the Town's total investments.

Custodial Credit Risk

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

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

NOTE 4 RECEIVABLES

Accounts receivable as of June 30, 2023, for the Town's individual major funds and nonmajor, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Nonmajor Governmental Funds	Total
Accounts Receivable:			
Taxes	\$ 1,903,879	\$ -	\$ 1,903,879
Interest	340,252	-	340,252
Intergovernmental	-	63,713	63,713
Sewer Assessments	-	29,739	29,739
Sewer User Charges	-	157,776	157,776
Other	23,091	-	23,091
Lease Receivable	-	60,616	60,616
Less: Allowance for Uncollectibles	(293,000)	(23,000)	(316,000)
Net Total Receivables	<u>\$ 1,974,222</u>	<u>\$ 288,844</u>	<u>\$ 2,263,066</u>

Lease Receivable

The Town, acting as lessor, leases a cell tower under long-term, noncancelable lease agreements. The lease expires in 2025. During the year ended June 30, 2023, the Town recognized \$29,719 and \$2,942 in lease revenue and interest revenue, respectively, pursuant to these contracts.

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

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 29,703	\$ 1,779
2025	30,913	569
Total	<u>\$ 60,616</u>	<u>\$ 2,348</u>

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

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance - Beginning of Year	Increases	Decreases	Balance - End of Year
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 12,613,198	\$ -	\$ -	\$ 12,613,198
Construction in Progress	4,230,164	1,693,938	168,034	5,756,068
Total Capital Assets Not Being Depreciated	<u>16,843,362</u>	<u>1,693,938</u>	<u>168,034</u>	<u>18,369,266</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	45,710,412	28,388	-	45,738,800
Machinery and Equipment	12,286,261	780,486	134,450	12,932,297
Infrastructure	37,144,173	23,655	-	37,167,828
Total Capital Assets Being Depreciated	<u>95,140,846</u>	<u>832,529</u>	<u>134,450</u>	<u>95,838,925</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(21,394,022)	(934,118)	-	(22,328,140)
Machinery and Equipment	(9,438,262)	(338,168)	134,450	(9,641,980)
Infrastructure	(24,813,278)	(778,756)	-	(25,592,034)
Total Accumulated Depreciation	<u>(55,645,562)</u>	<u>(2,051,042)</u>	<u>134,450</u>	<u>(57,562,154)</u>
Total Capital Assets Being Depreciated, Net	<u>39,495,284</u>	<u>(1,218,513)</u>	<u>-</u>	<u>38,276,771</u>
Governmental Activities Capital Assets, Net	<u>\$ 56,338,646</u>	<u>\$ 475,425</u>	<u>\$ 168,034</u>	<u>\$ 56,646,037</u>

Depreciation expense was charged to functions/programs of the governmental activities as follows:

Governmental Activities:	
General Government	\$ 841,552
Public Safety	35,145
Public Works	271,629
Civic and Human Services	337,771
Education	564,945
Total Depreciation Expense - Governmental Activities	<u>\$ 2,051,042</u>

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

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The Town had the following interfund receivable and payable balance at June 30, 2023.

Receivable Fund	Payable Fund	Amount
Capital Projects Fund	General Fund	\$ 228,000

The Town had the following interfund transfers during the fiscal year ended June 30, 2023:

	Transfers In			Total Transfers Out
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	
Transfers Out:				
General Fund	\$ -	\$ 744,281	\$ 125,000	\$ 869,281

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

NOTE 7 LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2023, was as follows:

	Balance - Beginning of Year	Additions	Reductions	Balance - End of Year	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 7,147,000	\$ -	\$ 773,000	\$ 6,374,000	\$ 813,000
Bond Premium	262,150	-	35,800	226,350	-
Other Long-Term Liabilities:					
Direct Borrowings	890,843	-	53,567	837,276	57,838
Compensated Absences	713,159	261,675	381,966	592,868	59,287
Contract Payable	216,800	-	108,400	108,400	108,400
Total OPEB Liability	1,074,831	11,494	-	1,086,325	26,754
Total Governmental Activities					
Long-Term Liabilities	\$ 10,304,783	\$ 273,169	\$ 1,352,733	\$ 9,225,219	\$ 1,065,279

Compensated absences, total OPEB liability and other long term liabilities are generally liquidated by the General Fund.

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

NOTE 7 LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities (Continued)

A schedule of bonds payable at June 30, 2023, is presented below:

Description	Date of Issue	Date of Maturity	Interest Rate	Amount of Original Issue	Balance Outstanding
General Obligation Bonds					
Payable:					
2008 General Obligation Bonds	July 9, 2008	July 15, 2023	3.20% to 4.00%	\$ 4,300,000	\$ 285,000
2013 General Obligation Refunding Bond	July 12, 2013	July 15, 2024	2.25%	1,164,000	180,000
2017 General Obligation Serial Note	March 1, 2017	December 1, 2026	2.37%	1,112,000	444,000
2020 General Obligation Bonds	September 22, 2020	February 1, 2040	1.3% to 1.7%	6,000,000	<u>5,465,000</u>
Total General Obligation Bonds Payable					<u>\$ 6,374,000</u>

The annual requirements to amortize all bonds outstanding as of June 30, 2023, including interest payments, are as follows:

Year Ending June 30,	Bonds	
	Principal	Interest
2024	\$ 813,000	\$ 140,193
2025	574,000	116,815
2026	486,000	98,184
2027	446,000	80,553
2028	315,000	65,838
2029 to 2033	1,570,000	232,009
2034 to 2038	1,550,000	126,325
2039 to 2040	620,000	15,810
Total	<u>\$ 6,374,000</u>	<u>\$ 875,727</u>

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

Category	Debt Limit	Net Indebtedness	Balance
General Purpose	\$ 66,862,521	\$ 909,000	\$ 65,953,521
Schools	133,725,042	1,035,382	132,689,660
Sewers	111,437,535	9,465,000	101,972,535
Urban Renewal	96,579,197	-	96,579,197
Pension Deficit	-	-	-

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$208,016,732.

The definition of indebtedness above includes bonds and notes outstanding in addition to the amounts of bonds authorized and unissued against which debt is issued and outstanding. Debt authorized and unissued at June 30, 2023, is \$4,000,000.

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

NOTE 7 LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities (Continued)

Hebron is a member of Regional School District #8, which provides education for grades seven through twelve for the towns of Marlborough, Andover and Hebron. As of June 30, 2023, the District has bonds outstanding of \$2,195,000. The Town of Hebron's share, based on 2023 enrollment, is approximately 47.17%. These are obligations of Regional School District #8 funded through annual assessments by its member towns. The Regional School District #8 issues stand-alone financial statements which can be obtained at <https://www.rhamschools.org>.

Direct Borrowing

The Town entered into a finance agreement for energy improvements and equipment for several town buildings and Board of Education schools. The agreement qualifies as a note payable for accounting purposes (title transfer at end of lease terms) and therefore, have been recorded at the present value of the future minimum payments as of the date of their inception. If the Town defaults on the obligation the Town will be solely responsible for, and liable for, the entire rental amount and all other amounts owed from the date of default.

The following is a schedule of future minimum payments and the present value of the net minimum payments at June 30, 2023:

<u>Year Ending June 30,</u>	Governmental Activities	
	Note Payable - Direct Borrowing	
	Principal	Interest
2024	\$ 57,838	\$ 26,758
2025	62,328	24,807
2026	67,044	22,706
2027	71,995	20,447
2028	77,192	18,023
2029 to 2033	473,308	46,542
2034 to 2034	27,571	226
Total	\$ 837,276	\$ 159,509

Contracts 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 30 of the following year. At June 30, 2023, the outstanding balance of \$108,400 has been reflected in the government-wide financial statements.

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

NOTE 8 FUND BALANCE

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

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>ARPA Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund Balances:					
Nonspendable:					
Supplies	\$ -	\$ -	\$ -	\$ 8,924	\$ 8,924
Restricted for:					
Donor Restriction	-	-	-	181,659	181,659
Grant Restrictions	-	-	-	28,035	28,035
Loan Program	-	-	-	17,254	17,254
Committed to:					
Land Acquisition	-	-	-	384,057	384,057
Hebron Park	-	-	-	110,176	110,176
Sewer Operations	-	-	-	365,270	365,270
Parks and Recreation Activities	-	-	-	356,168	356,168
Cafeteria	-	-	-	113,910	113,910
Debt Repayment	-	-	-	1,889,971	1,889,971
Public Safety	-	-	-	214,075	214,075
General Government	-	-	-	25,476	25,476
Education	-	-	-	9,251	9,251
Capital Projects	-	1,290,082	56,702	66,793	1,413,577
Assigned to:					
Revaluation	257,000	-	-	-	257,000
Retiree Benefits	120,251	-	-	-	120,251
General Government	37,784	-	-	-	37,784
Public Safety	64,597	-	-	-	64,597
Public Works	77,560	-	-	-	77,560
Civic and Human Services	6,868	-	-	-	6,868
Planning and Land Use	210	-	-	-	210
Insurance and Benefits	2,575	-	-	-	2,575
Unassigned	8,721,997	-	-	-	8,721,997
Total Fund Balances	<u>\$ 9,288,842</u>	<u>\$ 1,290,082</u>	<u>\$ 56,702</u>	<u>\$ 3,771,019</u>	<u>\$ 14,406,645</u>

Major encumbrances are reported in assigned fund balance of the General Fund of \$189,594.

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

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Defined Contribution Plan

The Town established a single-employer defined contribution money accumulation retirement plan (the Plan) to provide benefits for all Town and noncertified 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. Participants earn 20% vesting for each year starting with year two until 100% vested is obtained at year six. In addition, if you are employed by the Town of Hebron on or after your normal retirement date your account is 100% vested. The Town is required to contribute an amount equal to 5% of employee covered payroll for Board of Education noncertified employees and 7% of employee covered payroll for all Town employees. Plan participants are not eligible to contribute to the Plan. Benefits can be paid at the normal retirement date which is the June 30 nearest the date at which you attain age 62.

The Plan does not issue stand-alone financial statements and is not part of the Town's financial reporting entity.

Employer contributions totaled \$262,328 for the year ended June 30, 2023.

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

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 \$89,253 and \$89,696 for the years ended June 30, 2023 and 2022, respectively. Deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Connecticut Teachers Retirement System – Pension

Plan Description

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

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

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

Benefit Provisions

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

Normal Retirement

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

Early Retirement

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

Disability Retirement

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

Contributions

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

Employer (School Districts)

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

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

For the year ended June 30, 2023, the amount of "on-behalf" contributions made by the State was \$1,969,515 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

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

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

Contributions (Continued)

Employees

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

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

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

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

Town's Proportionate Share of the Net Pension Liability	\$ -
State's Proportionate Share of the Net Pension Liability Associated With the Town	<u>24,980,180</u>
Total	<u><u>\$ 24,980,180</u></u>

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

For the year ended June 30, 2023, the Town recognized pension expense and revenue of \$2,414,362 in Exhibit II.

Actuarial Assumptions

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

Inflation:	2.50%
Salary Increases:	3.00% to 6.50%, including Inflation
Investment Rate of Return:	6.90%, net of pension plan investment expense, including inflation

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

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

Actuarial Assumptions (Continued)

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

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

Assumption changes since the prior year are as follows:

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

Benefit changes since the prior year are as follows:

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

Cost-of-Living Allowance

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

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%.

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%.

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

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

Actuarial Assumptions (Continued)

Long-Term Rate of Return

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

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

Discount Rate

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

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

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

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

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

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.

Other Information

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS

Town and Board of Education Plan

Plan Description

The Town provides healthcare insurance benefits for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members (the OPEB Plan). The program is a single-employer defined benefit plan, which is administered by the Town. Benefit provisions are established by various collective bargaining and employment agreements with the Town. The OPEB Plan is part of the Town's financial reporting entity. There are no assets accumulated in a trust pursuant to GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The OPEB Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

Benefit Provided

The OPEB Plan provides for medical benefits to eligible retirees, spouses and beneficiaries. Contribution requirements of the plan members and the Town are established in the provisions of the program and in accordance with the General Statutes of the State of Connecticut. Currently, Board of Education employees and spouses who are age 55 with 20 years of service or any age with 25 years of service in the Hebron School System are eligible to receive benefits. Those who choose to participate must pay 100% of the premium cost. Town employees and spouses who are age 62 with 15 years of service in the Town are eligible to receive benefits. Those who choose to participate must pay 100% of their spouses premium cost.

Employees Covered by Benefit Terms

Membership in the plan consisted of the following at July 1, 2021:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	3
Active Plan Members	118
Total	<u>121</u>

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Town and Board of Education Plan (Continued)

Total OPEB Liability

The Town's total OPEB liability of \$1,086,325 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2021, rolled forward to June 30, 2023.

Actuarial Assumptions and Other Inputs

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

Inflation:	2.40%
Salary Increases:	2.40%
Discount Rate:	3.65%
Healthcare Cost Trend Rates:	6.50% in 2021, Reducing by 0.2% Each Year to a Final 4.40% per Year Rate for 2032 and Later

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index. The plan has not had a formal actuarial experience study performed.

Mortality rates were based on the Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), projected to the valuation date with Scale MP-2021, Prior: with scale MP-2019.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance - Beginning of Year	\$ 1,074,831
Changes for the Year:	
Service Cost	33,481
Interest on Total OPEB Liability	38,459
Differences Between Expected and Actual Experience	(2,802)
Changes in Assumptions	(13,495)
Benefit Payments, Including Refund to Employee Contributions	(44,149)
Net Changes	<u>11,494</u>
Balance - End of Year	<u><u>\$ 1,086,325</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023.

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Town and Board of Education Plan (Continued)

Sensitivity of the Total OPEB Liability to Change in the Discount Rate

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

	1% Decrease (3.65%)	Current Discount Rate (2.65%)	1% Increase (4.65%)
Total OPEB Liability	<u>\$ 1,216,712</u>	<u>\$ 1,086,325</u>	<u>\$ 972,323</u>

Sensitivity of the Total OPEB Liability to Change in the Healthcare Cost Trend Rates

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	<u>\$ 932,604</u>	<u>\$ 1,086,325</u>	<u>\$ 1,271,024</u>

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

For the year ended June 30, 2023, the Town recognized OPEB expense of \$26,754. At June 30, 2023, 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	\$ 326,056	\$ 481,893
Changes in Assumptions or Other Inputs	215,955	513,799
Total	<u>\$ 542,011</u>	<u>\$ 995,692</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ (40,786)
2025	(40,786)
2026	(40,786)
2027	(40,786)
2028	(40,786)
Thereafter	(249,751)

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment 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 postemployment benefit plan administered by the Teachers Retirement Board (TRB), if they choose to be covered.

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

Benefit Provisions

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

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

Any member who is currently participating in Medicare Parts A & 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.

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

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan
(Continued)**

Benefit Provisions (Continued)

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 \$220 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement Plans, as long as they do not remarry.

Eligibility

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

Credited Service

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

Normal Retirement

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

Early Retirement

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

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan
(Continued)**

Contributions

State of Connecticut

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

Employer (School Districts)

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

For the year ended June 30, 2023, the amount of "on-behalf" contributions made by the State was \$27,857 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers' pay for one-third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one-third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

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

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

Town's Proportionate Share of the Net OPEB Liability	\$ -
State's Proportionate Share of the Net OPEB Liability Associated With the Town	2,187,691
Total	<u>\$ 2,187,691</u>

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan
(Continued)**

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

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

For the year ended June 30, 2023, the Town recognized OPEB expense and revenue of \$131,868 in Exhibit II.

Actuarial Assumptions

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

Inflation:	2.50%
Health Care Costs Trend Rate:	Known increases until calendar year 2024 then general trend decreasing to an ultimate rate of 4.5% by 2031
Salary Increases:	3.00% to 6.50%, including Inflation
Investment Rate of Return:	3.53%, Net of Pension Plan Investment Expense, including Inflation
Year Fund Net Position will be Depleted:	2027

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

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

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

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

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan
(Continued)**

Actuarial Assumptions (Continued)

- Long-term health care cost trend rates were updated; and
- The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated to better reflect anticipated plan experience.

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

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

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

Discount Rate

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

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

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

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan
(Continued)**

Discount Rate (Continued)

- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

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

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 of Connecticut.

OPEB Plan Fiduciary Net Position

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

Other Information

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

NOTE 11 RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; thefts of, damage to or destruction of assets; errors or omissions; injuries to employees; or acts of God. The Town purchases commercial insurance for all risks of loss except workers' compensation and liability-automobile-property insurance, for which it participates in risk-sharing pools. During the year ended June 30, 2023, deductibles paid by the Town were insignificant. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage during the past three years. In addition, there have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies that was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program.

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

NOTE 11 RISK MANAGEMENT (CONTINUED)

Workers' Compensation Plan

The Town is a member of CIRMA's 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

The Town of Hebron and the Hebron Board of Education is a member of the Regional School District 8 Health and Medical Insurance Consortium (the Consortium). The members consist of the Town of Andover, the Town of Hebron, the Town of Marlborough (collectively, the Towns), the Andover Board of Education, the Hebron Board of Education, the Marlborough Board of Education (collectively, the Boards), Connecticut Regional School District Number 8 (RHAM) and Andover, Hebron and Marlborough Youth and Family Services (AHM). Pursuant to Connecticut Public Act 10-174, a municipality or local or regional board of education may join together with any combination of other municipalities and local or regional boards of education by written agreement as a single entity for the purpose of providing medical or health care benefits for their employees and eligible retirees (Enrollees). The Consortium collectively procures health care insurance for their respective enrollees in a manner designed to stabilize and contain the cost of such insurance. Effective July 1, 2017, the Consortium members share the claims risk associated with being self-insured. Each entity deposits their monthly premium in the Consortium bank account. Each fiscal year, the Consortium is audited by an independent auditor. Any withdrawing member shall be responsible for its pro rata share of any plan deficit that exists on the date of the withdrawal.

Amounts paid to the Consortium by the Town, including the Board of Education, totaled \$2,630,014.

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

NOTE 12 COMMITMENTS AND CONTINGENCIES

Legal and Other

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

REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues:				
Property Taxes:				
Taxes, Interest, and Lien Fees	\$ 29,190,545	\$ 29,190,545	\$ 29,578,946	\$ 388,401
Licenses, Fees, and Charges:				
ZBA	300	300	375	75
Wetland Fees	900	900	92	(808)
Building	130,000	130,000	165,457	35,457
Town Clerk Fees	19,000	19,000	18,192	(808)
Recording Fees	60,000	60,000	38,090	(21,910)
Sportsmen's Licenses	1,000	1,000	80	(920)
Conveyance Tax	99,000	99,000	124,142	25,142
Marriage Licenses	-	-	136	136
Planning and Zoning Fees	8,000	8,000	1,318	(6,682)
Compactor/Recycling	71,000	71,000	73,582	2,582
Senior Center Transportation	1,200	1,200	65	(1,135)
Senior Center Physical Fitness	-	-	3,720	3,720
Parking Ticket Fines	200	200	3,340	3,140
Notary Fees	1,300	1,300	1,465	165
Dog Fund	4,500	4,500	9,139	4,639
Animal Population Control Fund	1,500	1,500	3,268	1,768
Library	26,000	26,000	26,726	726
Town Clerk MERS ST	-	-	1,134	1,134
Blasting Permits	-	-	60	60
Xerox	600	600	166	(434)
Soil and Water Conservation	1,400	1,400	522	(878)
Records Preservation	-	-	2,082	2,082
Education Fee Assessment	-	-	3,570	3,570
Permit Software Fees	6,500	6,500	7,290	790
PA CIP Funding	3,000	3,000	3,063	63
Ambulance Service	250,000	250,000	305,989	55,989
Plotter/Copier Fees	400	400	251	(149)
Reimbursement	13,800	13,800	3,258	(10,542)
Farmland Preservation	-	-	1,476	1,476
Total Licenses, Fees, and Charges	699,600	699,600	798,048	98,448

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

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues (Continued):				
Intergovernmental Revenues:				
State of Connecticut:				
Education Equalization Grant	\$ 5,997,693	\$ 5,997,693	\$ 5,997,780	\$ 87
Telecommunications Pers.	14,000	14,000	13,712	(288)
PILOT - State Property	7,647	7,647	15,924	8,277
Municipal Stabilization Grant	125,020	125,020	125,020	-
Totally Disabled Grant	534	534	428	(106)
Tax Relief - Additional				
Veterans Grant	2,896	2,896	1,902	(994)
Municipal Projects Grant	-	-	2,216	2,216
Civil Preparedness	4,600	4,600	-	(4,600)
Miscellaneous State Grants	1,100	1,100	13,050	11,950
Town Aid Road Fund	240,935	240,935	237,158	(3,777)
Mashantucket Pequot Grant	3,350	3,350	3,350	-
Surplus Revenue Sharing	-	-	201,507	201,507
MRSF Motor Vehicle	-	-	364,147	364,147
Total Intergovernmental				
Revenues	6,397,775	6,397,775	6,976,194	578,419
Income from Investments	11,000	11,000	377,055	366,055
Other Revenues:				
Are Aging Grant	-	-	11,771	11,771
Elderly Van	9,500	9,500	18,202	8,702
Elderly Demand Respond	24,000	24,000	29,956	5,956
Miscellaneous	7,500	7,500	13,338	5,838
CIRMA Equity	-	-	26,064	26,064
Total Other Revenues	41,000	41,000	99,331	58,331
Total Revenues	36,339,920	36,339,920	37,829,574	1,489,654

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

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Other Financing Sources:				
Transfers In:				
WPCA Reimbursement	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Hebron Park	15,000	15,000	-	(15,000)
Debt Management	<u>642,000</u>	<u>642,000</u>	-	<u>(642,000)</u>
Total Other Financing Sources	<u>677,000</u>	<u>677,000</u>	<u>-</u>	<u>(677,000)</u>
 Total Revenues and Other Financing Sources	 <u>\$ 37,016,920</u>	 <u>\$ 37,016,920</u>	 37,829,574	 <u>\$ 812,654</u>

Budgetary revenues are different than GAAP revenues because:
State of Connecticut on-behalf contributions to the Connecticut
State Teachers' Retirement System for Town teachers are not
budgeted.

Pension Plan	1,969,515
OPEB Plan	27,857

The Board of Education does not budget for intergovernmental
grants, which are credited against education expenditures for
budgetary reporting. These amounts are recorded as revenues
and expenditures for GAAP financial statement purposes.

<u>144,930</u>

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

<u>\$ 39,971,876</u>

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

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Expenditures:				
Town:				
General Government:				
Payroll:				
Clerical	\$ 523,024	\$ 523,024	\$ 540,920	\$ (17,896)
Administration	764,457	764,457	750,781	13,676
Health and Welfare	161,310	161,310	144,064	17,246
Public Safety	106,741	106,741	86,607	20,134
Library	175,386	175,386	176,618	(1,232)
Recreation	248,900	248,900	254,070	(5,170)
Public Works	839,680	839,680	841,546	(1,866)
Elected Officials	71,848	71,848	76,377	(4,529)
Fire Marshal	75,840	75,840	108,450	(32,610)
27th P/R Allotment	-	-	-	-
Contractual Commitments	6,000	6,000	6,000	-
Total Payroll	2,973,186	2,973,186	2,985,433	(12,247)
Selectmen's Office	52,360	52,360	50,584	1,776
Central Services	44,600	44,600	35,463	9,137
Legal	43,000	43,000	30,929	12,071
Central Computer Services	96,400	96,400	97,186	(786)
Town Buildings	99,095	99,095	128,163	(29,068)
Boards and Commissions	180	180	359	(179)
Board of Finance	45,000	45,000	43,500	1,500
Financial Administrator	2,945	2,945	510	2,435
Tax Collector	18,825	18,825	18,504	321
Assessor	28,300	28,300	26,191	2,109
Board of Tax Review	-	-	-	-
Town Clerk's Office	38,550	38,550	25,345	13,205
Supplemental	-	-	-	-
Registrar of Voters	54,001	54,001	55,780	(1,779)
Total	523,256	523,256	512,514	10,742
Total General Government	3,496,442	3,496,442	3,497,947	(1,505)
Public Safety:				
Police Administration	345,981	345,981	343,870	2,111
Fire Administration	496,235	496,235	595,954	(99,719)
Fire Marshal	26,636	26,636	11,067	15,569
Burning Official	1,478	1,478	1,448	30
Emergency Management	18,200	18,200	16,280	1,920
Animal Control	34,267	34,267	136,329	(102,062)
Ambulance Service	216,630	216,630	156,620	60,010
Total Public Safety	1,139,427	1,139,427	1,261,568	(122,141)

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

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Expenditures (Continued):				
Town (Continued):				
Civic and Human Service:				
Community Agency Donations	\$ 281,349	\$ 281,349	\$ 281,349	\$ -
Regional Health District				
Assessment	122,098	122,098	123,603	(1,505)
Library	301,264	301,264	270,948	30,316
Van - Disabled	85,349	85,349	67,810	17,539
Senior Center	33,058	33,058	19,392	13,666
Probate Court	2,700	2,700	2,480	220
Recreation Program	164,506	164,506	122,071	42,435
Memorial Day	1,000	1,000	793	207
Total Civic and Human				
Service	991,324	991,324	888,446	102,878
Planning and Land Use:				
Economic Development	40,900	40,900	21,425	19,475
Planning and Development	170,718	170,718	191,348	(20,630)
Total Planning and Land Use	211,618	211,618	212,773	(1,155)
Public Works:				
Highways and Grounds				
Administration	274,862	274,862	336,949	(62,087)
Town Yard and Garage	61,853	61,853	44,162	17,691
Street Services	443,133	443,133	369,912	73,221
Solid Waste, Recycling, Bulky	246,149	246,149	238,028	8,121
Total Public Works	1,025,997	1,025,997	989,051	36,946
Sewer Fees:				
Town Property User Fees	14,280	14,280	15,400	(1,120)
Total Sewer Fees	14,280	14,280	15,400	(1,120)
Insurance and Benefits:				
Insurance	368,735	368,735	362,126	6,609
Employee Benefits	1,301,372	1,301,372	1,386,010	(84,638)
Total Insurance and Benefits	1,670,107	1,670,107	1,748,136	(78,029)
Total Town	8,549,195	8,549,195	8,613,321	(64,126)
Debt Service:				
Town	817,885	817,885	817,885	-
CT Natural Gas Project	249,238	249,238	245,627	3,611
Computer Service	25,000	25,000	20,463	4,537
Total Debt Service	1,092,123	1,092,123	1,083,975	8,148

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

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Expenditures (Continued):				
Education:				
RHAM Assessment	\$ 14,259,027	\$ 14,259,027	\$ 14,259,027	\$ -
HES Education	12,207,294	12,207,294	12,206,260	1,034
Total Education	26,466,321	26,466,321	26,465,287	1,034
Total Expenditures	36,107,639	36,107,639	36,162,583	(54,944)
Other Financing Uses:				
Transfers Out:				
Land Acquisition Fund	125,000	125,000	125,000	-
Revaluation Fund	40,000	40,000	40,000	-
Debt Management	-	-	-	-
Capital Improvement Fund	744,281	744,281	744,281	-
Total Other Financing Uses	909,281	909,281	909,281	-
Total Expenditures and Other Financing Uses	\$ 37,016,920	\$ 37,016,920	37,071,864	\$ (54,944)

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.

Pension	1,969,515
OPEB	27,857
Transfer Out Elimination	(40,000)

The Board of Education does not budget for intergovernmental grants, which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial statement purposes.

144,930

Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes.

(87,623)

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

\$ 39,086,543

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's Proportion of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's Proportionate Share of the Net Pension Liability	-	-	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability associated with the Town	<u>24,980,180</u>	<u>19,862,229</u>	<u>25,078,304</u>	<u>23,058,134</u>	<u>17,779,161</u>	<u>18,493,000</u>	<u>19,510,000</u>	<u>16,380,000</u>	<u>15,140,000</u>
Total	<u>\$ 24,980,180</u>	<u>\$ 19,862,229</u>	<u>\$ 25,078,304</u>	<u>\$ 23,058,134</u>	<u>\$ 17,779,161</u>	<u>\$ 18,493,000</u>	<u>\$ 19,510,000</u>	<u>\$ 16,380,000</u>	<u>\$ 15,140,000</u>
Town's Covered Payroll	\$ 6,509,457	\$ 6,321,094	\$ 6,218,225	\$ 5,628,508	\$ 5,505,000	\$ 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	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.06 %	60.77 %	49.24 %	52.00 %	57.69 %	55.93 %	52.26 %	59.50 %	61.51 %

Amounts are determined as of one year prior to the reporting date.

Notes to Schedule

Changes in Benefit Terms	Legislation was passed restoring the 25% wear down of Plan N benefits to vested members as of June 30, 2019.
Changes of Assumptions	None
Actuarial Cost Method	Entry age
Amortization Method	Level percent of pay, closed, grading to a level dollar amortization method for the June 30, 2024 valuation
Remaining Amortization Period	27.8 years
Asset Valuation Method	4-Year smoothed market
Inflation	2.50%
Salary Increase	3.00% to 6.50%, including Inflation
Investment Rate of Return	6.90%, net of investment related expense

Notes:

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

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

	2022	2022	2021	2020	2019	2018
Total OPEB Liability:						
Service Cost	\$ 33,481	\$ 66,039	\$ 62,800	\$ 58,141	\$ 51,854	\$ 52,430
Interest	38,459	28,083	27,710	53,951	55,111	50,537
Differences Between Expected and Actual Experience	(2,802)	343,579	37,319	(589,370)	(47,763)	(32,997)
Changes of Assumptions and Other Inputs	(13,495)	(548,039)	6,258	237,750	56,992	(45,051)
Benefit Payments	(44,149)	(97,421)	(84,678)	(12,297)	(6,721)	(17,106)
Net Change in Total OPEB Liability	11,494	(207,759)	49,409	(251,825)	109,473	7,813
Total OPEB Liability - Beginning of Year	1,074,831	1,282,590	1,233,181	1,485,006	1,375,533	1,367,720
Total OPEB Liability - End of Year	<u>\$ 1,086,325</u>	<u>\$ 1,074,831</u>	<u>\$ 1,282,590</u>	<u>\$ 1,233,181</u>	<u>\$ 1,485,006</u>	<u>\$ 1,375,533</u>
Covered Payroll	\$ 9,100,163	\$ 8,886,878	\$ 7,655,044	\$ 7,461,057	\$ 8,572,230	\$ 8,355,000
Total OPEB Liability as a Percentage of Covered Payroll	11.94 %	12.09 %	16.75 %	16.53 %	17.32 %	16.46 %

Notes to Schedule:

Benefit Changes:

None

Assumption Changes:

Investment Rate of Return

3.65%; Prior: 3.54%

Inflation

2.40%

Salary increase

2.40%

Mortality

Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with Separate Tables for General Employees, Public Safety and Teachers), Projected to the Valuation Date with Scale MP-2021

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

	2023	2022	2021	2020	2019	2018
Town's Proportion of the Net OPEB Liability	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Town's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Town	<u>2,187,691</u>	<u>2,163,953</u>	<u>3,740,430</u>	<u>3,596,047</u>	<u>3,554,150</u>	<u>4,760,000</u>
Total	<u>\$ 2,187,691</u>	<u>\$ 2,163,953</u>	<u>\$ 3,740,430</u>	<u>\$ 3,596,047</u>	<u>\$ 3,554,150</u>	<u>\$ 4,760,000</u>
Town's Covered Payroll	\$ 6,509,457	\$ 6,321,094	\$ 6,218,225	\$ 5,628,508	\$ 5,505,000	\$ 6,039,000
Town's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Payroll	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.46 %	6.11 %	2.50 %	2.08 %	1.49 %	1.79 %

Notes to Schedule:

Changes in Benefit Terms

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

Changes of Assumptions

Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2022 was updated to equal the SEIR of 3.53% as of June 30, 2022;

Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;

The assumed age-related annual percentage increases in expected annual per capita health care claims costs were updated;

Long-term health care cost trend rates were updated; and

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

Actuarial Cost Method

Entry age

Amortization Method

Level percent of payroll over an open period

Remaining Amortization Period

30 years

Asset Valuation Method

Market value of assets

Investment Rate of Return

3.00%, net of investment related expense including price inflation

Price Inflation

2.50%

**TOWN OF HEBRON, CONNECTICUT
GENERAL FUND
YEAR ENDED JUNE 30, 2023**

The General Fund is the general operating fund of the Town. It is used to account for all unrestricted resources, except those required to be accounted for in another fund. It accounts for all activities in relation to the normal recurring operations of the Town. These activities are funded principally by property taxes, user fees and grants from other governmental units.

**TOWN OF HEBRON, CONNECTICUT
REPORT OF TAX COLLECTOR
GENERAL FUND
YEAR ENDED JUNE 30, 2023**

Grand List	Uncollected Taxes - Beginning of Year	Lawful Corrections		Net Amount Collectible	Collections			Uncollected Taxes - End of Year	
		Additions	Deductions		Tax Paid	Interest Paid	Lien Fees Paid		Total
2021	\$ 29,518,759	\$ 40,321	\$ 98,157	\$ 29,460,923	\$ 28,888,300	\$ 79,398	\$ 107	\$ 28,967,805	\$ 572,623
2020	499,346	893	6,174	494,065	209,191	51,458	721	261,370	284,874
2019	220,038	-	1,526	218,512	95,681	40,516	382	136,579	122,831
2018	203,484	-	1,046	202,438	54,598	27,308	212	82,118	147,840
2017	175,970	-	194	175,776	33,562	19,586	144	53,292	142,214
2016	159,880	-	1,348	158,532	14,719	17,380	96	32,195	143,813
2015	110,832	-	-	110,832	8,982	7,355	48	16,385	101,850
2014	84,461	-	-	84,461	7,317	11,423	48	18,788	77,144
2013	97,960	-	159	97,801	5,470	8,190	53	13,713	92,331
2012	78,273	-	237	78,036	5,055	8,685	48	13,788	72,981
2011	51,010	-	-	51,010	5,441	10,304	53	15,798	45,569
2010	47,370	-	-	47,370	7,058	15,936	53	23,047	40,312
2009	25,969	-	-	25,969	764	1,650	24	2,438	25,205
2008	22,289	-	-	22,289	786	1,807	24	2,617	21,503
2007	13,538	-	-	13,538	749	1,558	-	2,307	12,789
Total	\$ 31,309,179	\$ 41,214	\$ 108,841	\$ 31,241,552	\$ 29,337,673	\$ 302,554	\$ 2,013	\$ 29,642,240	\$ 1,903,879

**TOWN OF HEBRON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023**

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditures for specified purposes.

Hebron Park Fund

To account for revenue from the cell tower antenna.

Miscellaneous Grant Fund

To account for grants related to various activities.

Sewer Assessment Fund

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

To account for the operations of the WPCA.

Marian Celio Angel Fund

To account for donations for seniors who have hardship and need assistance.

Douglas Library Fund

To account for small donations made to benefit the Library.

Recreation Fund

To account for program revenue and expenditures.

EMS Fund

To account for operations related to ambulance services.

Tri-Centennial Commission Fund

To account for a Town-wide celebration for the 300th anniversary of Hebron's establishment in 1708.

Public Safety Fund

To account for reimbursement for payroll related expenditures incurred for the School Resource Officer program at the Town's regional school district.

Small Cities Grant Fund

To account for U.S. Housing and Urban Development grants related to the Community Development Block Grants.

Historic Records Preservation Fund

To account for funds related to fees collected by the Town Clerk for historic records preservation.

Debt Management Fund

To account for the accumulation of reserves to stabilize the effect on the mill rate of future debt service requirements.

**TOWN OF HEBRON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

SPECIAL REVENUE FUNDS (CONTINUED)

Educational Grants Fund

To account for revenues and expenditures related to State and Federal educational grants.

Cafeteria Fund

To account for the operations of the school lunch program.

Senior Center Fitness Fund

To account for the operations of senior center fitness programs.

Student Activities Fund

To account for the operations of student activity programs.

CAPITAL PROJECTS FUNDS

Capital Project funds account for financial resources to be used for the acquisition or construction of major capital facilities and infrastructure projects. These funds are supported primarily by debt and grants.

Land Acquisition Fund

To account for financial resources for the acquisition of land held for open space.

Sewer Bond Fund

To account for financial resources for the upgrade of existing sewer pumpstation.

Marjorie Circle Bridge Grant Fund

To account for grant revenue and related capital outlays for repairs and construction of the Marjorie Circle Bridge.

PERMANENT FUNDS

Permanent funds account for financial resources That are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the Town's program.

Cemetery Fund

To account for funds donated for the upkeep of various cemeteries in Town.

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

	Special Revenue						
	Hebron Park Fund	Miscellaneous Grants Fund	Sewer Assessment Fund	WPCA Sewer Operations Fund	Marian Celio Angel Fund	Douglas Library Fund	Recreation Fund
ASSETS							
Cash and Cash Equivalents	\$ 108,998	\$ 5,873	\$ 106,473	\$ 508,632	\$ 132,884	\$ 36,300	\$ 450,428
Receivables:							
Sewer Assessments, Net	-	-	29,739	-	-	-	-
Sewer User Charges, Net	-	-	-	134,776	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Leases	60,616	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Total Assets	\$ 169,614	\$ 5,873	\$ 136,212	\$ 643,408	\$ 132,884	\$ 36,300	\$ 450,428
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ -	\$ 251,935	\$ -	\$ -	\$ (809)
Unearned Revenue	-	-	-	-	-	-	95,069
Total Liabilities	-	-	-	251,935	-	-	94,260
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Special Assessments	-	-	29,739	-	-	-	-
Unavailable Revenue - Special User Charges	-	-	-	132,676	-	-	-
Unavailable Revenue - Leases	59,438	-	-	-	-	-	-
Total Deferred Inflows of Resources	59,438	-	29,739	132,676	-	-	-
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	5,873	-	-	132,884	36,300	-
Committed	110,176	-	106,473	258,797	-	-	356,168
Total Fund Balances	110,176	5,873	106,473	258,797	132,884	36,300	356,168
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 169,614	\$ 5,873	\$ 136,212	\$ 643,408	\$ 132,884	\$ 36,300	\$ 450,428

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

	Special Revenue						
	EMS Fund	Tri-Centennial Commission Fund	Police Safety Fund	Small Cities Grant Fund	Historic Records Preservation Fund	Debt Management Fund	Escrow Fund
ASSETS	\$ 4,824	\$ 873	\$ 208,528	\$ 17,254	\$ 19,947	\$ 1,889,971	\$ 5,529
Cash and Cash Equivalents	-	-	-	-	-	-	-
Receivables:	-	-	-	-	-	-	-
Sewer Assessments, Net	-	-	-	-	-	-	-
Sewer User Charges, Net	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
	<u>\$ 4,824</u>	<u>\$ 873</u>	<u>\$ 208,528</u>	<u>\$ 17,254</u>	<u>\$ 19,947</u>	<u>\$ 1,889,971</u>	<u>\$ 5,529</u>
Total Assets							
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES	\$ -	\$ -	\$ 150	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-	-	-	-
Unearned Revenue	-	-	150	-	-	-	-
Total Liabilities	-	-	150	-	-	-	-
DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-
Unavailable Revenue - Special Assessments	-	-	-	-	-	-	-
Unavailable Revenue - Special User Charges	-	-	-	-	-	-	-
Unavailable Revenue - Leases	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
FUND BALANCES	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	17,254	-	-	-
Committed	4,824	873	208,378	-	19,947	1,889,971	5,529
Total Fund Balances	<u>4,824</u>	<u>873</u>	<u>208,378</u>	<u>17,254</u>	<u>19,947</u>	<u>1,889,971</u>	<u>5,529</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,824</u>	<u>\$ 873</u>	<u>\$ 208,528</u>	<u>\$ 17,254</u>	<u>\$ 19,947</u>	<u>\$ 1,889,971</u>	<u>\$ 5,529</u>

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

	Special Revenue			Capital Projects				Total Nonmajor Governmental Funds
	Student Activities Fund	Education Grants Fund	Cafeteria Fund	Land Acquisition Fund	Sewer Bond Fund	Marjorie Circle Bridge Grant Fund	Permanent Cemetery Fund	
ASSETS								
Cash and Cash Equivalents	\$ 9,251	\$ 22,162	\$ 63,571	\$ 384,057	\$ 343,220	\$ 54,120	\$ 12,475	\$ 4,385,370
Receivables:								
Sewer Assessments, Net	-	-	-	-	-	-	-	29,739
Sewer User Charges, Net	-	-	-	-	-	-	-	134,776
Intergovernmental	-	-	63,713	-	-	-	-	63,713
Leases	-	-	-	-	-	-	-	60,616
Other	-	-	-	-	-	-	-	-
Supplies	-	-	8,924	-	-	-	-	8,924
Total Assets	<u>\$ 9,251</u>	<u>\$ 22,162</u>	<u>\$ 136,208</u>	<u>\$ 384,057</u>	<u>\$ 343,220</u>	<u>\$ 54,120</u>	<u>\$ 12,475</u>	<u>\$ 4,683,138</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 276,427	\$ 54,120	\$ -	\$ 581,823
Unearned Revenue	-	-	13,374	-	-	-	-	108,443
Total Liabilities	<u>-</u>	<u>-</u>	<u>13,374</u>	<u>-</u>	<u>276,427</u>	<u>54,120</u>	<u>-</u>	<u>690,266</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenue - Special Assessments	-	-	-	-	-	-	-	29,739
Unavailable Revenue - Special User Charges	-	-	-	-	-	-	-	132,676
Unavailable Revenue - Leases	-	-	-	-	-	-	-	59,438
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>221,853</u>
FUND BALANCES								
Nonspendable	-	-	8,924	-	-	-	-	8,924
Restricted	-	22,162	-	-	-	-	12,475	226,948
Committed	9,251	-	113,910	384,057	66,793	-	-	3,535,147
Total Fund Balances	<u>9,251</u>	<u>22,162</u>	<u>122,834</u>	<u>384,057</u>	<u>66,793</u>	<u>-</u>	<u>12,475</u>	<u>3,771,019</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,251</u>	<u>\$ 22,162</u>	<u>\$ 136,208</u>	<u>\$ 384,057</u>	<u>\$ 343,220</u>	<u>\$ 54,120</u>	<u>\$ 12,475</u>	<u>\$ 4,683,138</u>

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

	Special Revenue Funds						
	Hebron Park Fund	Miscellaneous Grants Fund	Sewer Assessment Fund	WPCA Sewer Operations Fund	Marian Celio Angel Fund	Douglas Library Fund	Recreation Fund
REVENUES							
Charges for Services	\$ 112,399	\$ -	\$ 75	\$ 681,024	\$ -	\$ 261	\$ 461,997
Intergovernmental	-	10,164	-	-	-	-	-
Income from Investments	-	-	-	7,946	-	-	-
Other	-	-	-	1,000	16,916	5,426	-
Total Revenues	<u>112,399</u>	<u>10,164</u>	<u>75</u>	<u>689,970</u>	<u>16,916</u>	<u>5,687</u>	<u>461,997</u>
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Civic and Human Service	65,408	12,965	-	-	1,374	1,179	306,031
Sewer Fees	-	-	-	546,565	-	-	-
Education	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	<u>65,408</u>	<u>12,965</u>	<u>-</u>	<u>546,565</u>	<u>1,374</u>	<u>1,179</u>	<u>306,031</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	46,991	(2,801)	75	143,405	15,542	4,508	155,966
OTHER FINANCING SOURCES							
Transfers In	-	-	-	-	-	-	-
Net Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	46,991	(2,801)	75	143,405	15,542	4,508	155,966
Fund Balances - Beginning of Year	<u>63,185</u>	<u>8,674</u>	<u>106,398</u>	<u>115,392</u>	<u>117,342</u>	<u>31,792</u>	<u>200,202</u>
FUND BALANCES - END OF YEAR	<u>\$ 110,176</u>	<u>\$ 5,873</u>	<u>\$ 106,473</u>	<u>\$ 258,797</u>	<u>\$ 132,884</u>	<u>\$ 36,300</u>	<u>\$ 356,168</u>

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

	Special Revenue Funds						
	EMS Fund	Tri-Centennial Commission Fund	Police Safety Fund	Small Cities Grant Fund	Historic Records Preservation Fund	Debt Management Fund	Escrow Fund
REVENUES							
Charges for Services	\$ 2,926	\$ -	\$ 171,083	\$ -	\$ 3,137	\$ -	\$ -
Intergovernmental	-	-	-	-	5,500	-	-
Income from Investments	-	-	-	-	-	71,143	-
Other	-	-	-	-	-	-	-
Total Revenues	<u>2,926</u>	<u>-</u>	<u>171,083</u>	<u>-</u>	<u>8,637</u>	<u>71,143</u>	<u>-</u>
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	9,622	-	137,088	-	-	-	-
Civic and Human Service	-	-	-	-	5,975	-	-
Sewer Fees	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	<u>9,622</u>	<u>-</u>	<u>137,088</u>	<u>-</u>	<u>5,975</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,696)	-	33,995	-	2,662	71,143	-
OTHER FINANCING SOURCES							
Transfers In	-	-	-	-	-	-	-
Net Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(6,696)	-	33,995	-	2,662	71,143	-
Fund Balances - Beginning of Year	11,520	873	174,383	17,254	17,285	1,818,828	5,529
FUND BALANCES - END OF YEAR	<u>\$ 4,824</u>	<u>\$ 873</u>	<u>\$ 208,378</u>	<u>\$ 17,254</u>	<u>\$ 19,947</u>	<u>\$ 1,889,971</u>	<u>\$ 5,529</u>

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

	Special Revenue Funds			Capital Project Funds				Total Nonmajor Governmental Funds
	Student Activities Fund	Education Grant Fund	Cafeteria Fund	Land Acquisition Fund	Sewer Bond Fund	Marjorie Circle Bridge Grant Fund	Permanent Cemetery Fund	
REVENUES								
Charges for Services	\$ 18,474	\$ 254,210	\$ 36,536	\$ 8,580	\$ -	\$ -	\$ -	\$ 1,750,702
Intergovernmental	-	774,903	333,484	199,985	-	-	-	1,324,036
Income from Investments	-	-	-	4,602	-	-	141	83,832
Other	-	-	-	-	-	-	-	23,342
Total Revenues	<u>18,474</u>	<u>1,029,113</u>	<u>370,020</u>	<u>213,167</u>	<u>-</u>	<u>-</u>	<u>141</u>	<u>3,181,912</u>
EXPENDITURES								
Current:								
General Government	-	-	-	24,298	-	-	-	24,298
Public Safety	-	-	-	-	-	-	-	146,710
Civic and Human Service	-	-	-	-	-	-	-	392,932
Sewer Fees	-	-	-	-	-	-	-	546,565
Education	28,429	1,052,238	411,872	-	-	-	-	1,492,539
Capital Outlay	-	-	-	5,500	1,430,588	-	-	1,436,088
Total Expenditures	<u>28,429</u>	<u>1,052,238</u>	<u>411,872</u>	<u>29,798</u>	<u>1,430,588</u>	<u>-</u>	<u>-</u>	<u>4,039,132</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(9,955)	(23,125)	(41,852)	183,369	(1,430,588)	-	141	(857,220)
OTHER FINANCING SOURCES								
Transfers In	-	-	-	125,000	-	-	-	125,000
Net Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,000</u>
NET CHANGE IN FUND BALANCES	(9,955)	(23,125)	(41,852)	308,369	(1,430,588)	-	141	(732,220)
Fund Balances - Beginning of Year	<u>19,206</u>	<u>45,287</u>	<u>164,686</u>	<u>75,688</u>	<u>1,497,381</u>	<u>-</u>	<u>12,334</u>	<u>4,503,239</u>
FUND BALANCES - END OF YEAR	<u>\$ 9,251</u>	<u>\$ 22,162</u>	<u>\$ 122,834</u>	<u>\$ 384,057</u>	<u>\$ 66,793</u>	<u>\$ -</u>	<u>\$ 12,475</u>	<u>\$ 3,771,019</u>

STATISTICAL SECTION

**TOWN OF HEBRON, CONNECTICUT
STATISTICAL SECTION
YEAR ENDED JUNE 30, 2023**

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

Statistical section information is presented in the following categories:

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

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

Sources: Unless otherwise noted, the information in the tables is derived from the comprehensive annual financial reports for the relevant year.

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
Net Investment in Capital Assets	\$ 49,040,123	\$ 49,340,584	\$ 50,876,492	\$ 50,193,922	\$ 49,214,530	\$ 48,503,314	\$ 47,858,671	\$ 47,427,008	\$ 47,622,263	\$ 48,321,951
Restricted	226,948	232,683	194,694	178,175	331,571	272,482	214,401	263,310	234,737	205,419
Unrestricted	14,078,185	12,387,733	11,846,238	10,286,253	10,051,972	10,425,179	10,786,072	9,505,490	8,479,844	7,087,168
 Total Governmental Activities Net Position	 <u>\$ 63,345,256</u>	 <u>\$ 61,961,000</u>	 <u>\$ 62,917,424</u>	 <u>\$ 60,658,350</u>	 <u>\$ 59,598,073</u>	 <u>\$ 59,200,975</u>	 <u>\$ 58,859,144</u>	 <u>\$ 57,195,808</u>	 <u>\$ 56,336,844</u>	 <u>\$ 55,614,538</u>

Source: Town ACFR

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
EXPENSES										
Governmental Activities:										
General Government	\$ 5,999,761	\$ 5,947,802	\$ 6,084,767	\$ 5,670,997	\$ 5,185,180	\$ 4,852,884	\$ 4,511,393	\$ 4,552,210	\$ 4,325,420	\$ 4,117,694
Public Safety	1,391,926	1,343,012	1,390,589	1,204,724	1,266,713	1,270,103	1,441,755	1,300,518	1,268,629	1,236,938
Public Works	1,960,635	1,422,858	1,214,859	1,265,740	1,979,840	1,669,748	1,575,925	2,022,744	1,857,033	1,733,671
Civic and Human Services	1,663,358	1,590,355	1,016,298	1,541,948	2,101,842	1,921,900	2,125,803	1,839,435	1,608,290	1,558,576
Planning and Land Use	215,071	152,731	158,069	121,671	174,851	147,348	143,330	158,110	117,273	124,735
Sewer Fees	561,965	1,216,732	549,056	709,663	446,183	289,147	337,576	303,075	320,260	411,358
Education	31,201,650	29,053,355	31,350,924	30,631,597	29,041,681	30,472,350	29,294,870	29,639,014	29,994,930	29,023,083
Interest on Long-Term Debt	224,517	247,311	341,571	95,687	151,402	193,475	210,015	201,214	372,985	325,736
Total Expenses	43,218,883	40,974,156	42,106,133	41,242,027	40,347,692	40,816,955	39,640,667	40,016,320	39,864,820	38,531,791
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	442,313	641,437	535,086	388,294	416,959	473,526	847,306	600,786	470,801	436,543
Public Safety	495,662	509,193	425,348	411,045	378,367	409,211	382,534	293,785	273,482	270,560
Public Works	8,580	2,793	280	7,444	52,024	68,185	53,039	31,449	3,345	6,820
Civic and Human Services	608,304	480,662	318,043	496,463	629,256	682,382	694,804	640,935	638,533	628,653
Planning and Land Use	-	-	-	-	11,195	6,439	9,009	18,070	9,235	6,252
Sewer Fees	722,734	666,719	662,346	339,538	408,288	742,426	508,555	343,774	421,331	511,709
Education	312,788	460,471	472,986	326,057	524,981	347,434	383,681	285,663	484,352	181,824
Operating Grants and Contributions	10,998,766	8,515,294	10,880,367	9,547,912	8,521,456	8,521,456	8,941,245	9,150,964	8,521,456	9,150,964
Capital Grants and Contributions	585,782	241,311	1,707,044	1,640,739	8,521,456	8,521,456	637,473	9,150,964	637,473	438,530
Total Program Revenues	14,174,929	11,517,880	15,001,500	13,157,492	19,463,982	19,772,515	12,457,646	20,516,390	11,460,008	11,631,855

**TABLE 2
(CONTINUED)**

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
NET EXPENSES										
Governmental Activities	\$ (29,043,954)	\$ (29,456,276)	\$ (27,104,633)	\$ (28,084,535)	\$ (20,883,710)	\$ (21,044,440)	\$ (27,183,021)	\$ (19,499,930)	\$ (28,404,812)	\$ (26,899,936)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS										
Governmental Activities:										
Property Taxes	29,603,222	29,541,910	29,146,330	28,817,078	28,897,985	28,447,338	28,500,682	28,607,425	28,337,637	27,134,995
Grants and Contributions Not Restricted to Specific Programs	128,370	128,369	128,369	128,370	128,370	100,627	293,076	89,921	104,649	157,572
Unrestricted Investment Earnings	522,811	33,725	28,988	109,650	183,657	88,263	46,525	31,975	22,931	18,447
Miscellaneous	173,807	128,460	10,543	89,714						
Total General Revenues and Other Changes in Net Assets	30,428,210	29,832,464	29,314,230	29,144,812	29,210,012	28,636,228	28,840,283	28,729,321	28,465,217	27,311,014
CHANGES IN NET POSITION	<u>\$ 1,384,256</u>	<u>\$ 376,188</u>	<u>\$ 2,209,597</u>	<u>\$ 1,060,277</u>	<u>\$ 8,326,302</u>	<u>\$ 7,591,788</u>	<u>\$ 1,657,262</u>	<u>\$ 9,229,391</u>	<u>\$ 60,405</u>	<u>\$ 411,078</u>

Notes:
Schedule prepared on the accrual basis of accounting

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ 10,876	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	566,845	420,465	450,036	535,343	641,354	700,314	531,009	372,486	525,116	262,071
Unassigned	8,721,997	7,983,044	8,009,795	6,206,926	6,554,970	6,758,878	7,211,752	6,650,032	5,809,658	5,210,642
Total General Fund	<u>\$ 9,288,842</u>	<u>\$ 8,403,509</u>	<u>\$ 8,459,831</u>	<u>\$ 6,753,145</u>	<u>\$ 7,196,324</u>	<u>\$ 7,459,192</u>	<u>\$ 7,742,761</u>	<u>\$ 7,022,518</u>	<u>\$ 6,334,774</u>	<u>\$ 5,472,713</u>
All Other Governmental Funds:										
Nonspendable	\$ 8,924	\$ 4,868	\$ 13,358	\$ 13,358	\$ 9,005	\$ 28,661	\$ 24,925	\$ 162,006	\$ 169,810	\$ 173,731
Restricted	226,948	232,683	188,749	178,175	322,566	475,976	1,288,270	105,119	71,476	47,228
Committed	4,881,931	5,830,040	8,390,362	3,649,168	2,819,368	2,691,117	2,515,127	2,057,931	1,961,270	1,710,461
Assigned	-	-	-	-	641,354	-	-	-	-	-
Unassigned	-	-	(50,702)	(53,783)	6,497,411	-	-	-	-	(22,151)
Total All Other Governmental Funds	<u>\$ 5,117,803</u>	<u>\$ 6,067,591</u>	<u>\$ 8,541,767</u>	<u>\$ 3,786,918</u>	<u>\$ 10,289,704</u>	<u>\$ 3,195,754</u>	<u>\$ 3,828,322</u>	<u>\$ 2,325,056</u>	<u>\$ 2,202,556</u>	<u>\$ 1,909,269</u>

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
REVENUES										
Property Taxes	\$ 29,578,946	\$ 29,716,843	\$ 29,586,516	\$ 28,650,428	\$ 28,839,520	\$ 28,169,495	\$ 28,311,687	\$ 28,191,796	\$ 28,024,898	\$ 27,078,435
Intergovernmental	11,116,237	9,370,389	10,583,512	10,517,812	9,016,830	9,067,467	9,859,996	10,003,086	9,904,807	9,704,765
Charges for Services	2,548,750	2,803,449	2,406,589	2,031,023	2,317,522	2,566,756	2,517,494	2,094,390	2,172,563	1,859,181
Income on Investments	522,812	33,724	48,988	109,650	183,657	88,263	46,525	31,975	22,931	18,447
Other Revenues	221,625	143,076	104,460	213,218	246,953	276,475	367,593	199,528	142,931	104,013
Total Revenues	43,988,370	42,067,481	42,730,065	41,522,131	40,604,482	40,168,456	41,103,295	40,520,775	40,268,130	38,764,841
EXPENDITURES										
General Government	3,493,675	3,476,056	3,332,586	3,207,759	3,105,110	3,029,952	3,111,904	3,065,695	2,809,980	2,646,254
Public Safety	1,370,898	1,082,942	1,245,960	1,044,408	999,135	903,292	1,034,702	979,887	933,736	833,543
Public Works	949,421	1,027,499	1,254,561	891,165	151,882	850,903	950,830	1,119,108	929,827	975,317
Civic and Human Services	1,280,855	1,257,423	1,029,910	1,204,127	1,108,918	1,328,424	1,480,587	1,320,479	1,242,954	1,202,394
Planning and Land Use	215,071	152,731	158,069	121,671	2,149,233	124,783	120,512	144,713	117,273	108,366
Sewer	561,965	1,216,732	549,056	709,663	446,183	289,147	337,576	290,010	320,260	331,144
Education	30,100,129	29,007,696	28,807,914	29,368,015	28,504,901	28,901,512	28,659,238	29,085,813	29,431,098	28,523,790
Insurance and Benefits	1,764,316	1,704,828	1,691,873	1,525,302	1,369,520	1,379,971	1,387,591	1,339,685	1,272,418	1,203,852
Capital Outlay	3,232,519	4,578,962	3,705,210	2,488,582	2,078,013	2,944,097	1,825,468	1,434,523	1,088,699	1,411,772
Debt Service:										
Principal	914,183	787,684	646,035	628,406	936,690	1,155,085	1,000,247	971,905	909,496	820,041
Interest	169,793	305,426	189,648	82,674	120,139	177,427	183,131	196,389	209,053	320,995
Total Expenditures	44,052,825	44,597,979	42,610,822	41,271,772	40,969,724	41,084,593	40,091,786	39,948,207	39,264,794	38,377,468

**TABLE 4
(CONTINUED)**

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (64,455)	\$ (2,530,498)	\$ 119,243	\$ 250,359	\$ (365,242)	\$ (916,137)	\$ 1,011,509	\$ 572,568	\$ 1,003,336	\$ 387,373
OTHER FINANCING SOURCES (USES)										
Transfers In	869,281	2,418,042	879,168	2,051,493	1,526,453	1,702,663	1,265,844	808,046	1,090,036	970,457
Transfers Out	(869,281)	(2,418,042)	(879,168)	(2,051,493)	(1,526,453)	(1,702,663)	(1,265,844)	(808,046)	(1,090,036)	(970,457)
Capital Lease Issuance	-	-	-	-	-	-	100,000	100,000	140,000	378,487
Proceeds from Sale of Capital Assets	-	-	312,815	-	-	-	-	137,676	12,012	-
Issuance of Bonds	-	-	6,000,000	-	-	-	1,112,000	-	-	3,391,000
Payment to Escrow Bond Agent	-	-	-	-	-	-	-	-	-	(3,344,073)
Total Other Financing Sources (Uses)	-	-	6,312,815	-	-	-	1,212,000	237,676	152,012	425,414
NET CHANGE IN FUND BALANCES	\$ (64,455)	\$ (2,530,498)	\$ 6,432,058	\$ 250,359	\$ (365,242)	\$ (916,137)	\$ 2,223,509	\$ 810,244	\$ 1,155,348	\$ 812,787
Debt Service as a Percentage of Noncapital Expenditures	2.6 %	2.7 %	2.2 %	1.8 %	2.8 %	3.6 %	3.2 %	3.1 %	3.0 %	3.2 %

Note: Schedule prepared on the modified accrual basis of accounting

**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*								
2023	\$ 757,025,300	\$ 38,891,220	\$ 2,564,800	\$ 24,414,390	\$ 106,983,770	\$ 929,879,480	\$ 921,268,820	15.41%	31.70 %	\$ 1,316,194,176	69.99 %
2022	654,062,290	38,259,870	1,555,220	24,268,240	85,734,310	803,879,930	798,274,500	1.42	36.33	1,409,758,141	56.62
2021	649,785,850	38,091,580	1,633,870	22,848,850	80,107,850	792,468,000	787,123,490	1.10	36.33	1,224,365,692	64.29
2020	644,993,810	38,622,730	1,706,930	21,340,880	77,414,990	784,079,340	778,563,080	2.33	37.05	1,179,254,289	66.02
2019	641,290,640	29,481,030	1,713,450	18,118,100	75,607,690	766,210,910	760,823,520	0.75	37.44	1,163,379,076	65.40
2018	639,043,710	26,960,590	1,714,260	17,220,380	75,237,120	760,176,060	755,158,200	(3.94)	37.00	1,078,827,559	70.00
2017	674,895,060	23,519,020	957,850	16,426,830	74,293,410	790,092,170	786,095,920	0.52	35.64	1,071,376,676	73.37
2016	672,087,070	23,317,630	963,940	16,170,550	72,866,040	785,405,230	782,003,550	0.43	36.00	1,102,908,486	70.90
2015	670,171,660	22,829,800	954,530	15,784,600	72,404,690	782,145,280	778,651,850	0.77	35.75	1,112,632,087	69.98
2014	667,894,420	22,198,960	956,960	14,870,640	70,159,735	776,080,715	772,697,085	0.53	34.70	1,080,916,746	71.49

Source: Town Tax Office

A revaluation of all real estate was effective on the October 1, 2016 Grand Lists

*Other - represents land with a use assessment and 10 mill land.

Note: Estimated values are established by the State of Connecticut Office of Policy and Management and the Town of Hebron Assessor's Office based on the ratio of sales prices to assessed values.

**TOWN OF HEBRON, CONNECTICUT
TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Year Ended June 30,</u>	<u>Grand List Year</u>	<u>Real Estate</u>	<u>Motor Vehicle</u>	<u>Personal Property</u>	<u>Total</u>	<u>Total Direct Tax Rate</u>
2023	2021	\$ 24,731,667	\$ 3,462,765	\$ 693,868	\$ 28,888,300	31.70 %
2022	2020	24,544,322	3,352,568	808,963	28,705,853	36.33
2021	2019	24,319,377	3,022,767	756,843	28,098,987	36.33
2020	2018	24,315,943	2,985,525	708,846	28,010,314	37.05
2019	2017	24,444,931	2,979,762	590,233	28,014,926	37.44
2018	2016	24,593,460	2,766,970	581,495	27,941,925	37.00
2017	2015	24,836,292	2,633,911	546,254	28,016,457	35.64
2016	2014	24,508,507	2,697,514	541,296	27,747,317	36.00
2015	2013	24,719,625	2,575,410	541,769	27,836,804	35.75
2014	2012	22,904,188	2,559,082	459,315	25,922,585	34.70

Source: Town Tax Records

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

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Hebron Senior Living, LLC	\$ 12,388,800	1	1.55 %	\$ -		0.86 %
Connecticut Light & Power Co./Eversource	12,347,100	2	1.55	6,721,980	1	0.00
Hebron Lincoln, LLC	2,450,000	3	0.31	-	-	0.00
Connecticut Water Company	2,302,870	4	0.29	1,454,950	6	0.19
Village Shoppes, LLC	1,835,070	5	0.23	1,995,070	2	0.25
Hebron Country Manor, LLC	1,807,060	6	0.23	1,309,770	7	0.17
Blackledge Country Club Inc.	1,577,810	7	0.20	1,732,660	3	0.22
Amirzai Property Trust, LLC	1,512,170	8	0.19	-	-	0.00
Genco Olde Hartford Road, LLC	1,444,550	9	0.18	-	-	0.00
41-61 Main Street, LLC	1,308,340	10	0.17	1,071,350	8	0.14
Grayville Estates of Hebron, LLC	-	-	0.00	1,717,660	4	0.22
Hebron Properties LLC	-	-	0.00	1,470,000	5	0.19
Holland, Deborah & Jones Street, LLC	-	-	0.00	857,920	9	0.11
Houston, Hayden O., Jr.	-	-	0.00	855,590	10	0.11
Total	\$ 38,973,770		4.90%	\$ 19,186,950		2.46%

Source: Assessor's Office

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

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
2023	2021	\$ 29,518,759	\$ 28,888,300	97.86 %	\$ -	\$ 28,888,300	97.86 %
2022	2020	29,240,939	28,705,853	98.17	209,191	28,915,044	98.17
2021	2019	28,565,378	28,106,053	98.39	247,029	28,353,082	99.25
2020	2018	28,762,508	28,010,314	97.38	441,446	28,451,760	98.92
2019	2017	28,641,368	28,014,926	97.81	383,719	28,398,645	99.15
2018	2016	28,166,514	27,595,496	97.97	387,333	27,982,828	99.35
2017	2015	28,272,564	27,728,993	98.08	344,998	28,108,966	99.30
2016	2014	28,344,010	27,747,672	97.90	424,109	28,171,781	99.39
2015	2013	28,045,844	27,598,938	98.41	336,719	27,935,657	99.61
2014	2012	26,944,807	26,476,300	98.26	362,967	26,839,267	99.61

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 and Notes ⁽¹⁾	Less Amount Available in Debt Service	Total Primary Government		
2023	\$ 6,374,000	\$ -	\$ 6,374,000	0.48 %	\$ 699
2022	7,147,000	-	7,147,000	0.51	751
2021	7,889,000	-	7,889,000	0.72	829
2020	2,381,000	-	2,381,000	0.22	249
2019	2,877,000	-	2,877,000	0.27	389
2018	3,726,000	-	3,726,000	0.36	477
2017	4,586,000	-	4,586,000	0.43	441
2016	4,242,000	-	4,242,000	0.38	520
2015	5,021,000	-	5,021,000	0.45	602
2014	5,811,000	-	5,811,000	0.54	664

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

- (1) General Obligation Bonds exclude overlapping debt for the Town of Hebron's share of RHAM Regional School.
- (2) See Table 5 for taxable property data.
- (3) See Table 14 for population data. These ratios are calculated using personal income.

**TOWN OF HEBRON, CONNECTICUT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes: RHAM			
Region 8 School District	\$ 2,195,000	47.17 %	\$ 1,035,382
Subtotal, Overlapping Debt			1,035,382
Direct Borrowings			837,276
General Obligation Debt - Hebron Direct Debt			6,374,000
 Total Direct and Overlapping Debt			 \$ 8,246,658

Sources: Town records and debt outstanding for School District provided by RHAM

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

* The percentage of overlapping debt applicable is calculated using a percentage of the 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 pays.

TOWN OF HEBRON, CONNECTICUT
RATIOS OF GENERAL AND BONDED DEBT AND CAPITAL LEASES OUTSTANDING BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Governmental Activities			Total Primary Government	Ratio of Net Bonded Debt to Estimated Actual Taxable Value	Percentage of Personal Income*	Total Debt per Capita*
	Net Bonded Debt	CWF Notes Payable	Capital Leases				
2023	\$ 6,374,000	\$ -	\$ 837,276	\$ 7,211,276	0.55 %	1.83 %	\$ 499
2022	7,147,000	-	890,843	8,037,843	0.57	1.51	630
2021	7,889,000	-	940,345	8,829,345	0.81	1.37	692
2020	2,381,000	-	985,980	3,366,980	0.31	3.10	352
2019	2,877,000	-	1,128,985	4,005,985	0.37	2.61	419
2018	3,726,000	-	1,216,675	4,942,675	0.48	2.24	516
2017	4,586,000	-	1,392,811	5,978,811	0.56	1.76	622
2016	4,242,000	-	1,508,332	5,750,332	0.52	4.04	597
2015	5,021,000	-	1,601,237	6,622,237	0.60	5.04	687
2014	5,811,000	-	1,643,891	7,454,891	0.69	5.15	773

Note: The Town has no revenue bonds.

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

* See Table 14 for personal income and population data.

**TOWN OF HEBRON, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
JUNE 30, 2023
(UNAUDITED)**

Total Tax Collections, including Interest and Lien Fees for the Year Ended June 30, 2022					<u>\$ 29,716,676</u>
Reimbursement for Loss of Revenues: Tax Relief for Elderly - Freeze					<u>-</u>
Base					<u><u>\$ 29,716,676</u></u>
Debt Limit					<u><u>\$ 208,016,732</u></u>
	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Unfunded Pension Benefit Obligation</u>
Debt Limitation:					
2-1/4 Times Base	\$ 66,862,521	\$ -	\$ -	\$ -	\$ -
4-1/2 Times Base	-	133,725,042	-	-	-
3-3/4 Times Base	-	-	111,437,535	-	-
3-1/4 Times Base	-	-	-	96,579,197	-
3 Times Base	-	-	-	-	-
Total	<u>66,862,521</u>	<u>133,725,042</u>	<u>111,437,535</u>	<u>96,579,197</u>	<u>-</u>
Indebtedness:					
Bonds and Notes Payable	909,000	-	5,465,000	-	-
Bonds Payable - Regional School #8	-	1,035,382	-	-	-
Bonds Authorized - Unissued	-	-	4,000,000	-	-
Total	<u>909,000</u>	<u>1,035,382</u>	<u>9,465,000</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u><u>\$ 65,953,521</u></u>	<u><u>\$ 132,689,660</u></u>	<u><u>\$ 101,972,535</u></u>	<u><u>\$ 96,579,197</u></u>	<u><u>\$ -</u></u>

In no event shall total debt exceed seven times annual receipts from taxation. The maximum permitted under this formula would be \$208,016,732.

**TOWN OF HEBRON, CONNECTICUT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt Limitation	\$ 208,016,732	\$ 207,105,612	\$ 199,831,520	\$ 201,579,833	\$ 196,068,677	\$ 196,040,677	\$ 198,776,725	\$ 196,581,329	\$ 196,591,780	\$ 189,407,708
Total Net Debt Applicable to Limit	<u>11,409,382</u>	<u>12,634,286</u>	<u>24,384,168</u>	<u>16,351,415</u>	<u>8,181,520</u>	<u>10,107,458</u>	<u>12,571,919</u>	<u>13,442,784</u>	<u>15,372,840</u>	<u>17,163,413</u>
Legal Debt Margin	<u>\$ 196,607,350</u>	<u>\$ 194,471,326</u>	<u>\$ 175,447,352</u>	<u>\$ 185,228,418</u>	<u>\$ 187,887,157</u>	<u>\$ 185,933,219</u>	<u>\$ 186,204,806</u>	<u>\$ 183,138,545</u>	<u>\$ 181,218,940</u>	<u>\$ 172,244,295</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.48 %	6.10 %	12.20 %	8.11 %	4.17 %	5.16 %	6.32 %	6.84 %	7.82 %	9.06 %

Source: Annual financial reports - schedule of debt limitation

Note: See Table 9 for calculation of current year debt limitation.

**TOWN OF HEBRON, CONNECTICUT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Year Ended June 30,	Population	Personal Income (000)	Per Capita Income	Median Median Age	School Enrollment	Unemployment Rate*
2023	9,122	\$ 131,895	\$ 14,459	46	1,902	3.00 %
2022	9,512	121,200	12,742	45	1,938	3.40
2021	9,512	121,200	12,742	45	1,938	3.40
2020	9,566	104,519	10,926	45	1,456	3.10
2019	9,566	104,519	10,926	45	1,456	3.10
2018	9,580	110,739	22,147	43	1,516	3.50
2017	9,611	105,104	10,936	43	1,454	4.00
2016	9,627	232,087	24,108	43	1,588	4.80
2015	9,638	334,061	34,661	42	1,690	4.10
2014	9,649	383,789	39,775	42	1,849	4.80

Source: Town Records

*Source: Connecticut Department of Labor, by Town, Not Seasonally Adjusted

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

Employer	2023			2014		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
RHAM	252	1	4.45 %	247	1	2.60 %
Town of Hebron & Education	188	2	2.17 %	214	2	2.20 %
Blackledge Country Club	77	3	1.46 %	90	3	0.90 %
Ted's Supermarket	61	4	1.13 %	50	4	0.50 %
Staff Mates	44	5	0.82 %	26	5	0.30 %
Hebron Senior Living/Colebrook	41	6	0.79 %	22	6	0.20 %
Country Carpenters	26	7	0.48 %	18	7	0.20 %
Tallwood Country Club	25	8	0.46 %	17	8	0.20 %
Gina Maries Restaurant	23	9	0.43 %	17	9	0.20 %
Fireside Supply	21	10	0.43 %	14	10	0.10 %

Sources: Town Records and 2022 Personal Property Declaration

**TOWN OF HEBRON, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)**

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire: Fire Stations (Volunteer)	3	3	3	3	3	3	3	3	3	3
Public Works:										
Buildings	5	5	5	5	5	5	5	5	5	5
Streets (Miles)	96	96	96	96	96	96	92	88	84	80
Traffic Lights	2	2	2	2	2	2	2	2	2	2
Street Lights	199	199	199	199	199	199	197	197	197	197
Parks and Recreation:										
Acreage	850	850	850	850	850	850	850	500	500	440
Parks	3	3	3	3	3	3	3	3	3	3
Baseball/Softball Diamonds	7	7	7	7	7	7	7	7	7	7
Soccer/Football/Lacrosse Fields	4	4	4	4	4	4	4	4	4	4
Basketball Courts	1	1	1	1	1	1	1	1	1	1
Tennis Courts at High School	8	8	8	8	8	8	8	8	8	8
Skate Park	1	1	1	1	1	1	1	1	1	1
Parks with Playground Equipment	1	1	1	1	1	1	1	1	1	1
Picnic Shelters	2	2	1	1	1	1	1	1	1	1
Parks and Recreation Office and Maintenance Building	1	1	1	1	1	1	1	1	1	1
Park Rest Room Facilities	1	1	1	1	1	1	1	1	1	1
Public Buildings:										
Town Buildings	3	3	3	3	3	3	3	3	3	3
Schools	2	2	2	2	2	2	2	2	2	2
Regional School District	2	2	2	2	2	2	2	2	2	2
Library:										
Facilities	1	1	1	1	1	1	1	1	1	1
Volumes	56,989	46,601	42,583	42,423	45,956	40,292	35,866	38,645	38,307	40,520
Water:										
Lakes	1	1	1	1	1	1	1	1	1	1
Sewers:										
Number of Miles	18	18	18	18	18	18	18	18	18	18

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

Function/Program	Calendar Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police:										
Calls for Service	2,289	2,841	2,850	4,058	4,057	4,216	4,586	4,118	4,410	4,297
Adult Arrest	41	53	40	39	51	41	63	56	75	72
Juvenile Arrest	2	2	3	11	10	10	11	7	14	10
Traffic Citations	321	246	27	372	440	521	775	535	771	722
Fire:										
Total Fire Runs	232	250	323	279	261	294	251	250	271	208
Total Rescue Runs	873	821	788	700	606	593	534	511	518	582
Building Safety:										
Total Building Permits	794	677	743	502	573	486	515	542	490	491
Total Value All Permits	\$ 16,711,812	\$ 11,719,689	\$ 14,060,864	\$ 12,455,892	\$ 10,504,402	\$ 15,573,009	\$ 19,957,209	\$ 10,719,645	\$ 9,612,919	\$ 6,995,765
Total Building Permits - New Homes	5	15	19	11	10	16	13	13	11	6
Total Value All Permits - New Homes	\$ 1,730,000	\$ 5,303,145	\$ 4,649,526	\$ 2,855,432	\$ 2,422,333	\$ 3,460,279	\$ 2,480,987	\$ 3,850,812	\$ 2,858,140	\$ 1,416,345
Library, Volumes In Collection	56,989	46,601	42,583	42,423	45,956	49,810	50,520	51,080	50,018	39,019

Sources: Town Records and CT State Police Troop K Data

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

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government:										
Town Manager	1	1	1	1	1	1	1	1	1	1
Town Clerk	2	2	2	2	2	2	2	2	2	2
Personnel	2	2	2	2	2	2	2	2	2	2
Finance and Tax	6	6	6	6	6	6	6	7	7	6
Building Safety	2	2	2	2	2	2	2	2	2	2
Planning	2	2	2	2	2	2	2	2	2	2
Facility Management	1	1	1	1	1	1	1	1	1	1
Parks and Recreation:										
General and Administrative	2	2	2	2	2	2	2	2	2	2
Recreation	2	2	2	2	3	5	5	4	4	3
Fire:										
Firefighter and Officers	3	3	3	3	3	3	3	3	2	2
Public Works:										
Administration	2	2	2	2	2	3	3	3	3	2
Street Maintenance	12	12	12	12	12	12	12	12	12	12
Water:										
Administration	1	1	1	1	1	1	1	1	1	1
Library:										
Administration	3	3	3	3	3	3	3	3	3	3
Senior Center:										
Administration	3	3	3	3	3	3	3	3	3	3
Total	<u>44</u>	<u>44</u>	<u>44</u>	<u>44</u>	<u>45</u>	<u>48</u>	<u>48</u>	<u>48</u>	<u>47</u>	<u>44</u>

Source: Various Town Records