

**TOWN OF LEBANON,  
CONNECTICUT**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2022**



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## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Board of Finance  
Town of Lebanon, Connecticut

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lebanon, Connecticut, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Lebanon, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lebanon, Connecticut, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Lebanon, 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.

#### *Emphasis of Matter*

As discussed in Note 8 to the financial statements, errors, changes to the reporting entity, changes in accounting principle, and other items were identified in the prior year financial statements during the current year. Accordingly, amounts have been restated in the 2022 financial statements now presented, and adjustments have been made to fund balance and net position as of June 30, 2021, to correct these errors. Our opinions are not modified with respect to these matters.

As discussed in Note 1 to the financial statements, effective July 1, 2021, the Town of Lebanon, Connecticut adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinions are not modified with respect to this matter.

***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 Lebanon, Connecticut's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

**Required Supplementary Information**

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

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lebanon, Connecticut's basic financial statements. The combining and individual fund statements and schedules 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 combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2023, on our consideration of the Town of Lebanon, 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 Lebanon, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Lebanon, Connecticut's internal control over financial reporting and compliance.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
July 27, 2023

**TOWN OF LEBANON, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2022**

As management of the Town of Lebanon, we offer readers of the Town of Lebanon's financial statements this narrative overview and analysis of the financial activities of the Town of Lebanon for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal in the introductory section of this report, as well as the Town's basic financial statements.

**Financial Highlights**

- On a government-wide basis, the assets of the Town of Lebanon exceeded its liabilities at the close of the most recent year by \$50,867,665 (net position). Of this amount, \$12,849,592 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- On a government-wide basis, the government's total net position increased by \$1,148,485. Governmental and business-type activity expenses were \$32,313,523 while revenues were \$33,462,008.
- The total cost of all Town services for fiscal year 2022 was \$32,313,523 of which \$31,864,134 was for governmental services and \$181,230 was for business-type activities.
- At the close of the fiscal year, the Town's governmental funds reported, on a current resource basis, combined ending fund balances of \$15,111,541, an increase of \$2,713,166 from the prior fiscal year as restated. Of the total fund balance as of June 30, 2022, \$5,461,192 represents the combined unassigned fund balance in the general fund, special revenue funds, capital projects funds and permanent funds.
- At the end of the current fiscal year, the total fund balance on a GAAP basis for the general fund alone was \$5,499,578, a decrease of \$273,239 over the prior fiscal year as restated. Unassigned fund balance for the general fund was \$5,462,208 or 18.4% of general fund expenditures and transfers out. There was no restricted fund balance in the general fund.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town of Lebanon'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 in addition to the basic financial statements themselves.

**Government-Wide Financial Statements.**

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Lebanon's finances, in a manner similar to a private-sector business. All of the resources available to the Town 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 long-term and short-term information about the Town's overall financial status.



**TOWN OF LEBANON, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2022**

The *statement of net position* presents information on all of the Town of Lebanon's assets and liabilities, with the difference reported as *net position*. One can think of the Town's net position, the difference between assets and liabilities, as one way to measure the Town's financial health and financial position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Lebanon is improving or deteriorating. It addresses the question of whether or not the Town is better or worse off as a result of this year's activities.

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

Both of the government-wide financial statements distinguish functions of the Town of Lebanon that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Lebanon encompass most of the Town's basic services and include general government, public safety, public works, health and social services, community preservation, recreation, education and other unclassified programs and activities. The business-type activities of the Town of Lebanon consist of benefit assessment activities of the Amston Lake Water Pollution Control Authority (the Authority). The Authority was established for the purpose of operating a sewerage system located around Amston Lake within the Town. The capital assets and long-term debt obligations are being accounted for within the WPCA assessment fund which is funded by the repayment of the benefit assessments which were assessed to all of the properties located along the sewage system along with a borrowed interest assessment. The operations of the Authority are being accounted for within the WPCA Operating fund (non-major governmental funds section of the financial statements).

The government-wide financial statements can be found on Exhibits I and II of this report.

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

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

**TOWN OF LEBANON, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2022**

revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Lebanon maintains 32 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, ARPA and Capital Projects, which are considered to be major funds. Data from the other 27 governmental funds are combined into a single, aggregated presentation under the caption "non-major governmental funds." Nonmajor governmental funds include Cemetery Lots, Adams Community center, Animal Control, Recreation Commission, Unimproved Roads, Town Improvement Fund, Warm Hearts, Public Library, Summer Dance Festival, Hugh Trumbull Adams, Senior Van Program, Town Grants, Emergency Management, Multi Year Fund, Edward Jones Investments, Self-Funded Dental, BOE Grants, User Fees Amston Lake, Permanent Trust Funds, Library Renovations, Road and Bridges Improvements, BOE Non-Lapsing, BOE Student Activity, and the School Lunch Program. Individual fund data for each of these nonmajor governmental funds is provided in the *form of combining statements* elsewhere in this report.

The Town of Lebanon adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this authorized budget.

The basic governmental fund financial statements can be found on Exhibits III-IV of this report.

**Proprietary Funds.** The Town of Lebanon maintains two proprietary funds. The *Enterprise fund* is used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town of Lebanon uses an enterprise fund to account for its Benefit Assessment activities of the Amston Lake Water Pollution Control Authority which is a major fund of the Town of Lebanon. The Town also utilizes an internal service fund (governmental activities) to account for the Self-funded Dental Plan.

The basic proprietary fund financial statements can be found on Exhibits V-VIII of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town of Lebanon's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary activities of the Town are classified as custodial funds as they relate to a portion of the student activity accounts located at the Board of Education.

**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 basic financial statements can be found beginning on page 24 of this report.

The combining statements and supplemental schedules referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found beginning on page 77 of this report.

**TOWN OF LEBANON, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2022**

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a Town's financial position and an important determinant of its ability to finance services in the future. Town of Lebanon's total assets exceeded liabilities by \$50,867,665 at the close of the most recent fiscal year.

By far, the largest portion of the Town of Lebanon's net position \$33,897,961 (66.6%) reflects its investment in capital assets (e.g., land, buildings, vehicles, furniture and equipment, and infrastructure) less related outstanding debt used to acquire those assets. The Town of Lebanon uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town of Lebanon'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 LEBANON NET POSITION  
JUNE 30, 2022 AND 2021**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021 as Restated	2022	2021 as Restated	2022	2021 as Restated
Current and Other Assets	\$ 20,158,169	\$ 19,076,764	\$ 3,664,872	\$ 3,850,519	\$ 23,823,041	\$ 22,927,283
Capital Assets	38,007,538	35,222,568	5,723,145	5,809,859	43,730,683	41,032,427
Total Assets	<u>58,165,707</u>	<u>54,299,332</u>	<u>9,388,017</u>	<u>9,660,378</u>	<u>67,553,724</u>	<u>63,959,710</u>
Deferred Outflows of Resources	1,640,535	2,119,655	-	-	1,640,535	2,119,655
Current Liabilities	2,831,031	4,944,715	41,802	87,603	2,872,833	5,032,318
Noncurrent Liabilities	9,832,049	6,512,408	3,721,326	3,828,985	13,553,375	10,341,393
Total Liabilities	<u>12,663,080</u>	<u>11,457,123</u>	<u>3,763,128</u>	<u>3,916,588</u>	<u>16,426,208</u>	<u>15,373,711</u>
Deferred Inflows of Resources	1,900,386	986,474	-	-	1,900,386	986,474
Net Investment in Capital Assets	31,896,142	32,374,311	2,001,819	1,980,874	33,897,961	34,355,185
Restricted	4,569,250	4,954,124	-	-	4,569,250	4,954,124
Unrestricted	<u>8,777,384</u>	<u>6,646,955</u>	<u>3,623,070</u>	<u>3,762,916</u>	<u>12,400,454</u>	<u>10,409,871</u>
Total Net Position	<u>\$ 45,242,776</u>	<u>\$ 43,975,390</u>	<u>\$ 5,624,889</u>	<u>\$ 5,743,790</u>	<u>\$ 50,867,665</u>	<u>\$ 49,719,180</u>

An additional portion of the Town of Lebanon's total net position, 8.3% or \$4,569,250, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$12,400,454 is *unrestricted net position* and may be used to meet the Town's ongoing obligations to citizens and creditors.

For governmental activities, at the end of the current fiscal year, the Town of Lebanon is able to report an increased balance in unrestricted net position and a decrease balance in net investment in capital assets and restricted net position.

For business-type activities, at the end of the current fiscal year, the Town of Lebanon reports an increase in net investment in capital assets, and a decrease in unrestricted net position.

**TOWN OF LEBANON, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2022**

**TOWN OF LEBANON CHANGES IN NET POSITION  
JUNE 30, 2022 AND 2021**

The Town of Lebanon's overall net position increased \$1,148,485 from the prior fiscal year as restated. The major changes in revenues and expenses creating this overall increase are discussed in the following sections for governmental activities and business-type activities. Governmental activities increased the Town of Lebanon's net position by \$1,267,386 and business-type activities decreased it by \$118,901.

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 1,956,318	\$ 1,289,884	\$ 58,900	\$ 195,228	\$ 2,015,218	\$ 1,485,112
Operating Grants and Contributions	10,055,989	12,271,635	-	-	10,055,989	12,271,635
Capital Grants and Contributions	1,467,857	51,200	-	-	1,467,857	51,200
General Revenues:						
Property Taxes	19,700,814	19,142,914	-	-	19,700,814	19,142,914
Grants and Contributions Not Restricted to Specific Programs	234,157	224,055	-	-	234,157	224,055
Investment Income	(15,456)	692,553	3,429	3,408	(12,027)	695,961
Miscellaneous	-	414,730	-	12,045	-	426,775
<b>Total Revenues</b>	<b>33,399,679</b>	<b>34,086,971</b>	<b>62,329</b>	<b>210,681</b>	<b>33,462,008</b>	<b>34,297,652</b>
<b>Expenses:</b>						
General Government	2,326,446	1,329,762	-	-	2,326,446	1,329,762
Public Safety Services	831,872	996,080	-	-	831,872	996,080
Public Works	2,734,913	1,720,029	-	-	2,734,913	1,720,029
Education	25,647,246	27,698,755	-	-	25,647,246	27,698,755
Health & Social	339,677	893,849	-	-	339,677	893,849
Community Preservation	236,993	214,609	-	-	236,993	214,609
Unclassified and Program	-	695,050	-	-	-	695,050
Infrastructure Depreciation	-	573,269	-	-	-	573,269
Interest Expense	15,146	12,285	94,516	96,901	109,662	109,186
Sewer Fund	-	-	86,714	190,639	86,714	190,639
<b>Total Expenses</b>	<b>32,132,293</b>	<b>34,133,688</b>	<b>181,230</b>	<b>287,540</b>	<b>32,313,523</b>	<b>34,421,228</b>
Excess (Deficiency) Before Transfers	1,267,386	(46,717)	(118,901)	(76,859)	1,148,485	(123,576)
Transfers	-	-	-	-	-	-
<b>Change in Net Position</b>	<b>1,267,386</b>	<b>(46,717)</b>	<b>(118,901)</b>	<b>(76,859)</b>	<b>1,148,485</b>	<b>(123,576)</b>
<b>Net Position - July 1</b>	<b>43,975,390</b>	<b>43,566,853</b>	<b>5,743,790</b>	<b>6,289,519</b>	<b>49,719,180</b>	<b>49,856,372</b>
Restatement	-	455,254	-	(468,870)	-	(13,616)
<b>Net Position, Restated July 1</b>	<b>-</b>	<b>44,022,107</b>	<b>-</b>	<b>5,820,649</b>	<b>-</b>	<b>49,842,756</b>
<b>Net Position - June 30</b>	<b>\$ 45,242,776</b>	<b>\$ 43,975,390</b>	<b>\$ 5,624,889</b>	<b>\$ 5,743,790</b>	<b>\$ 50,867,665</b>	<b>\$ 49,719,180</b>

**Governmental Activities**

For governmental activities, approximately 59% of the revenues were derived from property taxes, followed by 41% in all other intergovernmental revenues. These numbers reflect an increase in property tax revenue and a decrease in intergovernmental revenue as compared to the prior fiscal year where property taxes were 56.2% and other intergovernmental revenues were 43.8% of total revenues.

**TOWN OF LEBANON, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2022**

Major revenue factors included:

1. *Property tax revenues* recorded during the fiscal year 2022 reflect a .2 increase in the mill rate for the current levy and an impact of a 2.07% increase in the grand list. There was an increase of \$557,900 in property tax revenues collected over the previous year.
2. *Charges for services* were \$666,434 more than the prior year. Increases are mainly due to the prior year impact of the COVID pandemic and services getting back to normal. The most significant increases were education, general government, and public works.
3. *Operating grants* reflected a decrease of \$2,213,601 mainly due to a decrease in Education and Education on behalf, and an increase in general government.
4. *Capital grants and contributions* reflected an increase of \$1,416,657 over the previous year due to one-time grants received for school technology, the library renovation project, and Goshen Hill Road Bridge.

Overall governmental revenue decreased by \$687,292. This is mainly due to an increase in property taxes, charges for services, capital grants and contributions and a decrease in operating grants and contributions as stated above. Miscellaneous revenues also decreased \$414,730.

For governmental activities, 79.82% of the Town's expenses relate to education, 8.51% to public works, 2.59% to public safety, .74% to community preservation, .05% to interest payments on long-term debt, 7.24% to general government and 1.06% to health and social.

The overall total of governmental expenses excluding transfers decreased in the amount of \$2,001,395 with the biggest impact resulting from a decrease of \$2,051,509 in Education.

**Business-Type Activities.** Business-type activities decreased the Town of Lebanon's net position by \$118,901. Key elements of this year's activities are as follows:

- The WPCA Operating fund was restated in the June 30, 2022 financial statement to a Non-Major governmental fund. This decreased the revenues by \$148,352 and decreased the expenditures by \$106,310 compared to fiscal year 2021.

### **Financial Analysis of the Government's Funds**

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

**Governmental Funds.** The focus of the Town of Lebanon'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 of Lebanon's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a Town's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town of Lebanon's governmental funds reported combined ending fund balances of \$15,111,541, an increase of \$2,713,166 from the previous year. The largest change in fund balance was an increase in committed fund balance for Nonmajor Governmental funds, and a decrease in committed and unassigned in the General Fund. *The general fund* balance decreased by \$273,239.

**TOWN OF LEBANON, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2022**

Other components of fund balance within the governmental funds were reclassified from restricted to committed.

The overall amount of the governmental fund balances totals up to \$15,111,541. Of that amount the non-spendable fund balance is \$348,887 which includes the principal portion of its permanent funds, inventories and pre-paid expenditures. Restricted fund balance is \$1,812,335 which is restricted for a specific purpose (grants, special revenue funds, donations, housing rehabilitation fund etc.). Committed fund balance is \$7,489,127 which can only be used for a specific purpose, and the unassigned fund balance is \$5,461,192 which is the residual and is not restricted, committed or assigned to a specific purpose.

The general fund is the chief operating fund of the Town of Lebanon. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5,462,208, while total fund balance was \$5,499,548. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 18.4% of total general fund expenditures including transfers out. Total fund balance represents 18.6% of that same amount. The unassigned portion of fund balance, when compared with unassigned last year portion for the general fund had decreased by \$279,668 while the total fund balance decreased by \$995,160.

**General Fund Budgetary Highlights were:**

- Overall, the Town experienced an excess in revenues of \$363,869. The current and prior year property tax levy collections exceeded the budget by \$53,926 and interest and lien fees exceeded budget by \$13,215.
- Intergovernmental revenue for general government and education experienced an excess in revenues of 40,520.
- Charges for Services for general government and school tuition exceeded the budget by \$250,948.
- Total Expenditures were \$346,976 less than anticipated. Of this amount, \$77,381 was unexpended from General Government, \$100,271 from Public Works, \$95,080 from Contingency.

**Highlights of Other Major Funds:**

The Town of Lebanon began the construction phase of the Jonathan Trumbull Library renovation and expansion project. This project was originally voted on at referendum in 2015 and faced delays related to the legal issues with the ownership of the Town Green. Construction began in July 2021 and was completed in August 2022.

The town continued to recover from the effects of the COVID-19 pandemic which began in March 2020. In late December of 2021 through February 2022 the town experienced exceptional difficulty with hundreds of new cases over a three-month period.

**TOWN OF LEBANON, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2022**

The Town of Lebanon was awarded \$2,114,270 under the Coronavirus Local Fiscal Recovery Fund. The first tranche of these funds was received in June 2021, just prior to the start of the fiscal year. The Board of Selectmen formed a subcommittee to evaluate potential ARPA-eligible projects and hosted two public hearings to solicit public input on how to use these federal funds. The Board of Selectmen has sought to use ARPA funds primarily to make one-time investments that will not generate significant new recurring expenses in future years for government services.

On March 24, 2022, at Town Meeting several capital projects including: an outdoor basketball court, 27 breathing apparatus pack replacement and compressor, tree removal, field stone wall at a cemetery, police cruiser, additional funds for a public works truck, and phase I of an asbestos abatement project at a school, totaling \$970,000 were approved from unassigned fund balance to be transferred into the capital fund.

**Capital Asset and Debt Administration**

**TOWN OF LEBANON'S CAPITAL ASSETS  
(Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 2,228,189	\$ 2,228,189	\$ -	\$ -	\$ 2,228,189	\$ 2,228,189
Construction in Progress	4,419,249	1,020,956	-	-	4,419,249	1,020,956
Buildings	16,746,261	17,409,476	-	-	16,746,261	17,409,476
Equipment	658,519	825,454	-	-	658,519	825,454
Vehicles	2,001,814	2,251,978	-	-	2,001,814	2,251,978
Infrastructure	11,953,506	11,486,515	-	-	11,953,506	11,486,515
Amston Lake Sewage System	-	-	5,723,145	5,809,859	5,723,145	5,809,859
Total	<u>\$ 38,007,538</u>	<u>\$ 35,222,568</u>	<u>\$ 5,723,145</u>	<u>\$ 5,809,859</u>	<u>\$ 43,730,683</u>	<u>\$ 41,032,427</u>

**Capital Assets.** The Town of Lebanon's investment in capital assets for its combined governmental and business-type assets includes land, buildings and improvements, vehicles and equipment, roads, rights of way, dams, bridges and sewer lines. The total increase in the Town of Lebanon's investment in capital assets for the current fiscal year was \$2,698,256 or approximately 7.9%, with an increase of \$2,784,970 for governmental activities and a decrease of \$86,714 for business-type activities.

**TOWN OF LEBANON, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2022**

The Town's Governmental Activities type capital assets increase of \$2,784,970 is the net result of depreciation and deletions combined with the addition of the following assets:

Temporary Salt Shed – Public Works

	\$29,933
HVAC – Fire Safety Complex	78,072
Tennis Court Riteway – High School	7,490
Roof Top Unit – Middle School	14,758
Fuel Tank – Middle School	18,254
Roof – Old Fire House	18,325
Aspinall Soccer Field	15,583
Replacement Doors – Schools	28,315
Roof – Town Hall	23,588
HVAC – Town Hall	53,072
Security Cameras – Schools	17,270
F150 Pickup Truck – Public Works	36,930
Smith Road Bridge – Public Works	210,511
Chappell Road Bridge - Public Works	306,098
Goshen Hill Road Bridge - Public Works	50,550
Tobacco Street Paving – Public Works	491,412
Catch Basin replacement – High School	10,900
Tobacco Street Bridge – Construction in progress	10,980
Randall Road Bridge - Construction in progress	102,025
27 Breathing Apparatus – Construction in progress	9,834
Bleachers - Construction in progress	81,742
Fiber Installation – Construction in progress	6,164
Library Renovations Project - Construction in progress	3,660,548

Business-type activities decreased by \$86,714 due to the net effect of depreciation. There were no additional assets for Business-type Activities.

Additional information on the Town of Lebanon's capital assets can be found in Note 1G on page 28 of this report.

**Long-Term Debt.** At the end of the current fiscal year, the Town of Lebanon had total bonded debt outstanding of \$9,046,326, all of which is backed by the full faith and credit of the Town. Of this debt, \$3,721,326 is related to the sewer installation, \$2,100,000 is for Roads and Bridges, and \$3,225,000 is for the Library expansion project. The Town of Lebanon's total debt increased in the amount of \$5,325,000 for the library and road and bridges bonds.

State statutes limit the amount of general obligation debt a governmental entity may issue to 2¼ to 4½ times total tax collections including interest and lien fees and the tax relief for the elderly freeze grant. The current debt limitation for the Town of Lebanon is \$57,739,530 which is significantly in excess of the Town of Lebanon's outstanding general obligation debt.

Additional information on the Town of Lebanon's long-term debt can be found in Note 3E on pages 42-44 of this report.



**TOWN OF LEBANON, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2022**

**Economic Factors and Next Year's Budget and Rates**

The Town's elected and appointed officials considered many factors when setting the fiscal year 2023 budget. The relatively low ratio of commercial to residential property places a high burden on the residential taxpayer. The town continues to seek opportunities to relieve this burden through minimal fees and seek grant applications whenever possible.

After the second referendum, the final adopted budget was approved on June 21, 2022 for fiscal year 2022-2023 in the amount of \$27,400,832, a total increase of 4.17%. The major increases were Town Operations, and Education. Debt service also increased by \$221,859, this included the Library renovations project and Roads and Bridges. Both were bonded in fiscal year 2022, with the first principal payment due in fiscal year 2023.

The property tax revenue increase needed was 4.07% from the previous year to fund this budget. The mill rate for the Town reflected a .1 mill increase over the previous year. The 2021 Grand List increased by 3.7% due mainly in part to motor vehicle assessments increasing by up to 25 percent.

Lebanon's unemployment rate decreased from 6.3% as of June 2021 to 4.0% as of June 2022. The State of CT unemployment rate decreased from 6.7% (June 2021) to 4.0% as of June 2022.

**Requests for Information**

This financial report is designed to provide a general overview of the Town of Lebanon's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Town of Lebanon, 579 Exeter Road, Lebanon, CT 06249.

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF LEBANON, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 13,822,003	\$ 687,732	\$ 14,509,735
Investments	4,034,541	-	4,034,541
Accounts Receivable	3,344,063	21,402	3,365,465
Internal Balances	(1,087,181)	1,087,181	-
Other Assets	44,743	-	44,743
Current Portion of Assessment Receivable	-	209,284	209,284
Non-current Portion of Assessment Receivable	-	1,659,273	1,659,273
Capital Assets, Nondepreciable	6,647,438	-	6,647,438
Capital Assets, Net of Accumulated Depreciation	31,360,100	5,723,145	37,083,245
Total Assets	<u>58,165,707</u>	<u>9,388,017</u>	<u>67,553,724</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to OPEB	925,520	-	925,520
Deferred Outflows Related to Pensions	715,015	-	715,015
Total Deferred Outflows of Resources	<u>1,640,535</u>	<u>-</u>	<u>1,640,535</u>
<b>LIABILITIES</b>			
Accounts Payable	1,019,566	-	1,019,566
Accrued Liabilities	186,438	-	186,438
Accrued Interest Payable	43,581	41,802	85,383
Unearned Revenue	900,085	-	900,085
Noncurrent Liabilities, Due Within One Year	681,361	110,351	791,712
Noncurrent Liabilities, Due in More Than One Year	9,832,049	3,610,975	13,443,024
Total Liabilities	<u>12,663,080</u>	<u>3,763,128</u>	<u>16,426,208</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to OPEB	688,301	-	688,301
Deferred Inflows Related to Pensions	824,022	-	824,022
Lease Related	330,545	-	330,545
Advance Property Tax Collections	57,518	-	57,518
Total Deferred Inflows of Resources	<u>1,900,386</u>	<u>-</u>	<u>1,900,386</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	31,896,142	2,001,819	33,897,961
Restricted for:			
Permanent Fund - Nonexpendable	331,717	-	331,717
Permanent Fund - Expendable	123,680	-	123,680
Grant Programs	2,205,949	-	2,205,949
Capital Projects	1,511,129	-	1,511,129
Donations	396,775	-	396,775
Unrestricted	8,777,384	3,623,070	12,400,454
Total Net Position	<u>\$ 45,242,776</u>	<u>\$ 5,624,889</u>	<u>\$ 50,867,665</u>

See accompanying Notes to Financial Statements.

**TOWN OF LEBANON, CONNECTICUT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>							
General Government	\$ 2,326,446	\$ 270,799	\$ 221,423	\$ -	\$ (1,834,224)	\$ -	\$ (1,834,224)
Public Safety Services	831,872	200,247	-	-	(631,625)	-	(631,625)
Public Works	2,734,913	329,864	319,540	397,300	(1,688,209)	-	(1,688,209)
Education	25,647,246	1,058,686	9,395,867	70,557	(15,122,136)	-	(15,122,136)
Health & Social	339,677	90,572	90,825	1,000,000	841,720	-	841,720
Community Preservation	236,993	6,150	28,334	-	(202,509)	-	(202,509)
Interest Expense	15,146	-	-	-	(15,146)	-	(15,146)
Total Governmental Activities	<u>32,132,293</u>	<u>1,956,318</u>	<u>10,055,989</u>	<u>1,467,857</u>	<u>(18,652,129)</u>	<u>-</u>	<u>(18,652,129)</u>
<b>BUSINESS-TYPE ACTIVITIES</b>							
WPCA Assessment Fund	181,230	58,900	-	-	-	(122,330)	(122,330)
Total Business-Type Activities	<u>181,230</u>	<u>58,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(122,330)</u>	<u>(122,330)</u>
Total	<u>\$ 32,313,523</u>	<u>\$ 2,015,218</u>	<u>\$ 10,055,989</u>	<u>\$ 1,467,857</u>	<u>(18,652,129)</u>	<u>(122,330)</u>	<u>(18,774,459)</u>
General Revenues:							
Property Taxes					19,700,814	-	19,700,814
Grants and Contributions not Restricted to Specific Programs					234,157	-	234,157
Investment Income (Loss)					(15,456)	3,429	(12,027)
Total General Revenues					<u>19,919,515</u>	<u>3,429</u>	<u>19,922,944</u>
Change in Net Position					1,267,386	(118,901)	1,148,485
Net Position - Beginning of Year, as restated					<u>43,975,390</u>	<u>5,743,790</u>	<u>49,719,180</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 45,242,776</u>	<u>\$ 5,624,889</u>	<u>\$ 50,867,665</u>

See accompanying Notes to Financial Statements.

**TOWN OF LEBANON, CONNECTICUT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	General	ARPA Fund	Bonded Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 10,964,973	\$ -	\$ 2,082,703	\$ 623,879	\$ 13,671,555
Investments	799,397	-	-	3,235,144	4,034,541
Receivables	749,023	-	397,300	2,181,981	3,328,304
Prepaid Items	17,170	-	-	-	17,170
Due From Other Funds	770,208	848,789	-	4,831,590	6,450,587
Other	-	-	-	20,539	20,539
	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,539</u>	<u>20,539</u>
Total Assets	<u>\$ 13,300,771</u>	<u>\$ 848,789</u>	<u>\$ 2,480,003</u>	<u>\$ 10,893,133</u>	<u>\$ 27,522,696</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts and Other Payables	\$ 392,068	13,077	414,237	\$ 188,798	\$ 1,008,180
Accrued Liabilities	179,638	-	-	-	179,638
Due to Other Funds	6,767,560	-	157,337	612,871	7,537,768
Unearned Revenue	7,508	835,712	-	56,865	900,085
Total Liabilities	<u>7,346,774</u>	<u>848,789</u>	<u>571,574</u>	<u>858,534</u>	<u>9,625,671</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Property Taxes	293,582	-	-	-	293,582
Unavailable Revenue - Tax Interest	103,349	-	-	-	103,349
Lease Related	-	-	-	330,545	330,545
Unavailable Revenue - Sewer Receivable	-	-	-	24,430	24,430
Unavailable Revenue - Loans Receivable	-	-	-	998,838	998,838
Unavailable Revenue - Grant Receivable	-	-	397,300	579,922	977,222
Advance Property Tax Collections	57,518	-	-	-	57,518
Total Deferred Inflows of Resources	<u>454,449</u>	<u>-</u>	<u>397,300</u>	<u>1,933,735</u>	<u>2,785,484</u>
<b>FUND BALANCES</b>					
Nonspendable	17,170	-	-	331,717	348,887
Restricted	-	-	1,511,129	750,344	2,261,473
Committed	20,170	-	-	7,468,957	7,489,127
Unassigned	5,462,208	-	-	(450,154)	5,012,054
Total Fund Balances	<u>5,499,548</u>	<u>-</u>	<u>1,511,129</u>	<u>8,100,864</u>	<u>15,111,541</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 13,300,771</u>	<u>\$ 848,789</u>	<u>\$ 2,480,003</u>	<u>\$ 10,893,133</u>	<u>\$ 27,522,696</u>

See accompanying Notes to Financial Statements.

**TOWN OF LEBANON, CONNECTICUT  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2022**

Reconciliation of Balance Sheet - Governmental Funds to Statement of Net Position:

Amounts reported for governmental activities in the statement of net position (Exhibit I) are different from the governmental fund balance sheet. The details of this difference are as follows:

Total fund balances (Exhibit III)	\$	15,111,541
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$	86,458,441	
Less: accumulated depreciation		(48,450,903)	
Net Capital Assets		38,007,538	38,007,538

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

Property tax, sewer use, water assessment and community development block grant receivable - accrual basis change		396,931	
CDBG Loans receivable accrual basis change		998,838	
Grant receivable accrual basis change		977,222	
Sewer receivable accrual basis change		24,430	
Deferred outflows of resources related to OPEB		925,520	
Deferred outflows of resources related to Pensions		715,015	

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

155,055

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

Bonds payable		(5,325,000)	
Net Pension Liability		(1,258,502)	
Total OPEB Liability		(3,165,360)	
Deferred inflows of resources related to OPEB		(688,301)	
Deferred inflows of resources related to Pensions		(824,022)	
Compensated absences		(392,389)	
Accrued interest payable		(43,581)	
Financing arrangements		(171,948)	
Promissory notes payable		(200,211)	
		(5,930,213)	

Net Position of Governmental Activities (Exhibit I)	\$	45,242,776
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**TOWN OF LEBANON, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2022**

	General	ARPA Fund	Bonded Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property Taxes	\$ 19,783,484	\$ -	\$ -	\$ -	\$ 19,783,484
Intergovernmental	8,093,990	221,423	1,000,000	1,409,715	10,725,128
Charges for Services	1,463,186	-	-	408,068	1,871,254
Investment Income (Loss)	23,563	-	14,809	(54,422)	(16,050)
Other Revenues	-	-	-	60,634	60,634
Total Revenues	<u>29,364,223</u>	<u>221,423</u>	<u>1,014,809</u>	<u>1,823,995</u>	<u>32,424,450</u>
<b>EXPENDITURES</b>					
Current:					
General Government	1,788,592	59,310	-	424,044	2,271,946
Public Safety Services	629,578	81,576	-	-	711,154
Public Works	1,525,727	-	-	196,188	1,721,915
Education	22,663,355	51,742	-	1,810,307	24,525,404
Health & Social	303,734	28,795	-	180,242	512,771
Community Preservation	-	-	-	78,428	78,428
Debt Service	-	-	66,872	113,000	179,872
Capital Outlay	-	-	3,756,337	1,278,457	5,034,794
Total Expenditures	<u>26,910,986</u>	<u>221,423</u>	<u>3,823,209</u>	<u>4,080,666</u>	<u>35,036,284</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	2,453,237	-	(2,808,400)	(2,256,671)	(2,611,834)
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of Debt	-	-	5,325,000	-	5,325,000
Transfers In	-	-	260,000	2,466,476	2,726,476
Transfers Out	(2,726,476)	-	-	-	(2,726,476)
Net Other Financing Sources	<u>(2,726,476)</u>	<u>-</u>	<u>5,585,000</u>	<u>2,466,476</u>	<u>5,325,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	(273,239)	-	2,776,600	209,805	2,713,166
Fund Balances - Beginning of Year, as Restated	<u>5,772,787</u>	<u>-</u>	<u>(1,265,471)</u>	<u>7,891,059</u>	<u>12,398,375</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 5,499,548</u>	<u>\$ -</u>	<u>\$ 1,511,129</u>	<u>\$ 8,100,864</u>	<u>\$ 15,111,541</u>

See accompanying Notes to Financial Statements.

**TOWN OF LEBANON, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to Statement of Activities:

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$	2,713,166
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay		4,809,357
Depreciation expense		(2,008,861)

The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets.		(15,526)
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Change in deferred outflows related to Pensions		(379,750)
Change in deferred outflows related to OPEB		(99,370)
Change in deferred inflows related to Pensions		(478,975)
Change in deferred inflows related to OPEB		(478,821)

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:

Increase in property tax receivable - accrual basis change		(74,289)
Increase in property tax interest receivable - accrual basis change		(8,381)
Increase in CDBG Loans receivable - accrual basis change		55,653
Increase in sewer revenue - accrual basis change		24,430
Increase in grant revenue - accrual basis change		977,222

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

Issuance of bonds		(5,325,000)
Financing arrangement payments		106,422
Promissory note payments		101,517

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

Compensated absences		(6,324)
Change in accrued interest		(43,213)
Net Pension Liability - Pension expense		828,929
Total OPEB Liability - OPEB expense		561,985

The net income of the internal service funds is reported with governmental activities.		7,215
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Change in Net Position of Governmental Activities (Exhibit II)	\$	1,267,386
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See accompanying Notes to Financial Statements.



**TOWN OF LEBANON, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2022**

	Business- Type Activities Enterprise Fund	Governmental Activities
	WPCA Assessment Fund	Internal Service Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 687,732	\$ 150,448
Interest Receivable	20,437	-
Accounts Receivable	965	15,759
Due from Other Funds	1,087,181	-
Others Assets	-	7,034
Current Portion of Assessment Receivable	209,284	-
Non-current Portion of Assessment Receivable	1,659,273	-
Capital Assets, Net of Accumulated Depreciation	5,723,145	-
Total Assets	9,388,017	173,241
<b>LIABILITIES</b>		
Accounts Payable	-	11,386
Claims Payable	-	6,800
Accrued Interest Payable	41,802	-
Noncurrent Liabilities, Due Within One Year	110,351	-
Noncurrent Liabilities, Due in More Than One Year	3,610,975	-
Total Liabilities	3,763,128	18,186
<b>NET POSITION</b>		
Net Investment in Capital Assets	2,001,819	-
Unrestricted	3,623,070	155,055
Total Net Position	\$ 5,624,889	\$ 155,055

See accompanying Notes to Financial Statements.

**TOWN OF LEBANON, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**YEAR ENDED JUNE 30, 2022**

	Business- Type Activities Enterprise Fund WPCA Assessment Fund	Governmental Activities Internal Service Funds
<b>OPERATING REVENUES</b>		
Assessment Interest	\$ 58,117	\$ -
Employer Contributions	-	188,272
Employee Contributions	-	109,903
Other Income	783	-
Total Operating Revenues	<u>58,900</u>	<u>298,175</u>
<b>OPERATING EXPENSES</b>		
Employee Benefits	-	291,554
Depreciation	86,714	-
Total Operating Expenses	<u>86,714</u>	<u>291,554</u>
<b>OPERATING INCOME (LOSS)</b>	(27,814)	6,621
Nonoperating Revenue (Expenses):		
Interest Expense	(94,516)	-
Investment Income	3,429	594
Net Nonoperating Revenue (Expense)	<u>(91,087)</u>	<u>594</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>(118,901)</u>	<u>7,215</u>
<b>CHANGE IN NET POSITION</b>	(118,901)	7,215
Net Position - Beginning of Year, as restated	<u>5,743,790</u>	<u>147,840</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 5,624,889</u>	<u>\$ 155,055</u>

See accompanying Notes to Financial Statements.

**TOWN OF LEBANON, CONNECTICUT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2022**

	Business- Type Activities Enterprise Fund WPCA Assesment Fund	Governmental Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 203,384	\$ 242,288
Payments to Providers of Benefits	-	(285,523)
Net Cash Provided (Used) by Operating Activities	203,384	(43,235)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Loan Principal Payments	(107,659)	-
Interest Payments	(95,724)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(203,383)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Income	3,429	594
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	3,430	(42,641)
Cash and Cash Equivalents - Beginning of Year, as Restated	684,302	193,089
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 687,732	\$ 150,448
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating Income (Loss)	\$ (27,814)	\$ 6,621
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation Expense	86,714	-
(Increase) Decrease in Accounts Receivable	316,601	(15,759)
(Increase) Decrease in Other Assets	-	(7,034)
Increase (Decrease) in Due to/from Other Funds	(172,117)	(40,128)
Increase (Decrease) in Accounts Payable	-	6,265
Increase (Decrease) in Claims Payable	-	6,800
Net Cash Provided by Operating Activities	\$ 203,384	\$ (43,235)

See accompanying Notes to Financial Statements.

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Town of Lebanon, Connecticut (the Town), was settled in the 1690s and incorporated in 1700. The Town maintains a Board of Selectmen, Board of Finance form of government and provides the following services as authorized by its charter: general government, public safety (police and fire), public works, health and social, community preservation and education.

**B. Basis of Presentation**

The financial statements of 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 of the Town's accounting policies are described below.

Accounting principles generally accepted in the United States 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. These criteria have been considered and no organizations meet the requirements for inclusion in the financial statements.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

Government-Wide and Fund Financial Statements (Continued)

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Town reports the following major governmental funds:

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

The *ARPA Fund* accounts for revenues to be used for approved ARPA projects, funded by the federal ARPA grants.

The *Bonded Capital Projects Fund* accounts for revenues to be used for major capital asset construction and/or purchases funded by debt issuances, grants and General Fund appropriations.

The Town reports the following major proprietary fund:

The *WPCA Fund* accounts for the benefit assessments relating to the Amston lake Water Pollution Control Authority.

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

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

Additionally, the Town reports the following fund types:

The *Internal Service Funds* are used to account for the fees associated with the self-insured dental activities of the Town and Board of Education.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Sewer Fund and various other functions of the government. 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. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. The enterprise fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**C. Cash and Cash Equivalents**

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

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

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Investments**

Investments are reported at fair value.

**E. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**F. Lease Receivable**

The Entity determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statements of net position and fund financial statements.

Lease receivables represent the Entity's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guaranteed payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

The Entity has elected to recognize payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Entity has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 for equipment, \$25,000 for improvements and \$50,000 for infrastructure, and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component unit, is depreciated using the straight-line method over the following estimated useful lives.

Buildings	30 to 50 Years
Building Improvements	30 to 50 Years
Roads	30 to 50 Years
Bridges	30 to 50 Years
Water and Pollution Control Systems	75 Years
Vehicles	5 to 10 Years
Machinery and Equipment	3 to 10 Years

**H. Deferred Outflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience and investment gains or losses. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees). No deferred outflows of resources affect the governmental fund financial statements in the current year.



**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Deferred Inflows of Resources**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance property tax collections, lease receivables and deferred inflows of resources related to pension and OPEB in the government-wide statement of net position. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate 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 deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees). For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, interest on property taxes, grants, leases and long-term loans. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

**J. Compensated Absences**

Based on union contracts, certain Town and Board of Education employees may accumulate a certain amount of unused vacation and sick leave based upon length of employment. The amount recorded as a liability is based upon current salary levels. All vacation and sick pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Net Pension Liability**

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

**L. Total OPEB Liability**

The total OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of 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, consistently applied from period to period.

**M. Long-Term Obligations**

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

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

**N. Equity**

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

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

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**N. Equity (Continued)**

*Restricted Net Position* – Net position restrictions 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 investment in capital assets.”

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 the portion of a governmental fund’s resources whose use is subject to a legally binding constraint that is imposed by the Board of Finance that remains legally binding unless removed in the same manner. These constraints are set by the Board of Finance through an ordinance.

*Assigned Fund Balance* – This represents amounts constrained for the intent to be used for a specific purpose by the Board of Finance or finance director that has 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.

**O. Property Taxes**

Property taxes are assessed as of October 1 and billed the following July 1 and January 1. Interest at the rate of 1.5% per month accrues on all overdue taxes. Assessments for real and personal property, excluding motor vehicles, are computed at 70% of appraised market value. A lien is placed on the property if real estate taxes are unpaid as of June 30 following the payable date.

**TOWN OF LEBANON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. Property Taxes (Continued)**

Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The Town defines the current period to mean within 60 days after year-end. Property taxes receivable not expected to be collected during the available period are reflected in deferred revenue in the fund financial statements. The entire receivable is recorded as revenue in the government-wide financial statements. Property taxes collected prior to June 30 that are applicable to the subsequent years' assessment are reflected as advance tax collections in both the fund financial statements and the government-wide financial statements.

**P. Accounting Estimates**

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

**Q. Adoption of New Accounting Standards**

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Town adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the period of adoption.

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

The Town's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting (except in relation to teacher on-behalf payments made by the State which are not budgeted for and encumbrances) which is consistent with generally accepted accounting principles. In addition, the budget calls for certain amounts to be transferred or allocated to specific funds which have been set up by the Town for specific purposes. A portion of the budgeted revenues to be raised by the annual tax commitment are considered by the Town to be a specific revenue source which are committed to expenditure for these specified purposes. The budget calls for the revenue to be shown within the general fund and a transfer out to be shown to each of these specific funds. These specific portions of the annual tax commitment are shown within each specific special revenue and capital project fund as a transfer in rather than as property tax revenue.

Early in the second half of the prior fiscal year, the Town's selectmen, departments, boards and commissions submitted budget requests for the year beginning July 1. The operating budgets include proposed expenditures and the means of financing them. A meeting of the inhabitants of the Town is then called for the purpose of adopting the proposed budget after public notice of the meetings had been given.

- All additional appropriations must be subject to a special town meeting. During the year ended June 30, 2022, the Town approved additional appropriations of \$980,000 from fund balance.
- The Board of Selectmen may only transfer and re-appropriate funds between the Town operating Budget line items within a given agency or department.
- The Board of Finance may authorize over-expenditures or transfers between agency or department budgets up to the limit allowed by Connecticut General Statutes and may at their discretion require Town Meeting approval for such authorizations. Transfers between agency or department budgets which exceed Connecticut General Statute limits shall require approval at a Town Meeting.
- The Board of Finance may transfer and appropriate funds from the contingency account up to the limit allowed by Connecticut General Statute and may at their discretion require Town Meeting approval for such transfers or appropriations. Transfers and appropriations from the contingency account which exceed Connecticut General Statute limits shall require approval at Town Meeting.
- The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under state law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education and special town meeting.

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**A. Budgetary Information (Continued)**

- Encumbrances are recognized as 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 reported in budgetary reports as expenditures in the current year. Generally, all unencumbered appropriations lapse at year-end, except those for the Capital Project Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. 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.

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.

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash, Cash Equivalents, and Investments (Continued)**

**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's deposit policy for custodial credit risk requires prequalification of institutions with which the Town does business. The prequalification requirements include, but are not limited to, proof of creditworthiness, five years or more of operations, evidence of adequate insurance coverage, proof of state registration, and proof of compliance with state and federal capital adequacy guidelines. 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 or up to the FDIC limit in out-of-state banks.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$12,412,647 of the Town's bank balance of \$13,662,647 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 11,046,383
Uninsured and Collateral Held by the Pledging Bank's Trust Department, not in the Town's Name	1,366,264
Total Amount Subject to Custodial Credit Risk	\$ 12,412,647

**Cash Equivalents**

At June 30, 2022, the Town's cash equivalents amounted to \$1,641,248. STIF is an investment pool of high-quality, short-term money market instruments with an average maturity of less than 60 days. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year. The State of Connecticut Short-Term Investment Fund (STIF) is rating AAAM by Standard and Poor's.

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash, Cash Equivalents, and Investments (Continued)**

**Investments**

As of June 30, 2022, the Town had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1 - 10	More than 10
Certificates of Deposit*		\$ 913,729	\$ 913,729	\$ -	\$ -
U.S. Government Securities		142,064	-	142,064	-
Corporate Bonds		129,411	9,952	100,560	18,899
<b>Total</b>		<b>1,185,204</b>	<b>\$ 923,681</b>	<b>\$ 242,624</b>	<b>\$ 18,899</b>
Other Investments:					
Mutual Funds		644,802			
Common Stock		2,204,535			
<b>Total Investments</b>		<b>\$ 4,034,541</b>			

\*Subject to coverage by Federal Depository Insurance and collateralization.

The Town categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2022:

	Fair Value	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Securities	\$ 142,064	\$ 142,064	\$ -	\$ -
Corporate Bonds	129,411	129,411	-	-
Common Stock	2,204,535	2,204,535	-	-
Mutual Funds	644,802	644,802	-	-
<b>Total Investments by Fair Value Level</b>	<b>3,120,812</b>	<b>\$ 3,120,812</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Investments measured at Fair value</b>	<b>3,120,812</b>			
Investments measured at amortized cost:				
Certificates of Deposit	913,729			
<b>Total Investments</b>	<b>\$ 4,034,541</b>			

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.



**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash, Cash Equivalents, and Investments (Continued)**

**Investments (Continued)**

Investment Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value if its investment or collateral securities that are in the possession of an outside party. The Town does not have an investment policy for custodial credit risk. The Town does not hold any uninsured or unregistered securities at June 30, 2022.

Credit Risk

The Town has no investment policy that would limit its investment choices due to credit risk other than state statutes governing investments in obligations of any state or political subdivision or in obligations of the state of Connecticut or political subdivision.

Concentration of Credit Risk

The Town places no limit on the amount invested in any one issuer. No more than 5% of the Town's investments were invested in any one issuer in which credit risk was applicable.

Interest Rate Risk

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

The Town's investment policy, in conformity with applicable Connecticut General Statutes, authorizes investment in the State Treasurer's Short-Term Investment Fund (STIF). The value of the position in the pool is the same as the value of the pool shares. Regulatory oversight for the State Treasurer's Short-Term Investment Fund is provided quarterly by the Investment Advisory Council and the Treasurer's Cash Management Board. Other authorized investments include pooled and joint investments meeting the requirements of the policy, excluding those pools investing in "derivative" securities; certificates of deposit; repurchase agreements; and obligations of the United States and agencies of the federal government.

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Receivables**

Receivables as of year-end for the Town's individual major funds and nonmajor and fiduciary funds in the aggregate are as follows:

	General	Bonded Capital Projects	Nonmajor and Other Funds	WPCA Assessment Fund	Total
Receivables:					
Taxes	\$ 417,552	\$ -	\$ -	\$ -	\$ 417,552
Tax interest	103,349	-	-	-	103,349
Leases	-	-	334,510	-	334,510
Loans	-	-	998,838	-	998,838
Assessments	-	-	-	1,868,557	1,868,557
Accounts and Other	212,005	-	26,850	21,402	260,257
Intergovernmental	73,097	397,300	821,783	-	1,292,180
Gross Receivables	<u>806,003</u>	<u>397,300</u>	<u>2,181,981</u>	<u>1,889,959</u>	<u>5,275,243</u>
Less: Allowance for					
Collection Losses	56,980	-	-	-	56,980
Net Total Receivables	<u>\$ 749,023</u>	<u>\$ 397,300</u>	<u>\$ 2,181,981</u>	<u>\$ 1,889,959</u>	<u>\$ 5,218,263</u>

**C. Capital Assets**

Capital assets activity for the year ended June 30 was as follows:

	Balance As restated	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets not Being Depreciated or Amortized:					
Land	\$ 2,228,189	\$ -	\$ -	\$ -	\$ 2,228,189
Construction in Progress	1,020,956	3,608,804	-	(210,511)	4,419,249
Total Capital Assets not Being Depreciated or Amortized	<u>3,249,145</u>	<u>3,608,804</u>	<u>-</u>	<u>(210,511)</u>	<u>6,647,438</u>
Capital Assets Being Depreciated and Amortized:					
Buildings and Improvements	37,565,210	287,393	-	-	37,852,603
Equipment	2,372,960	17,270	11,694	-	2,378,536
Vehicles	6,095,352	36,930	497,064	-	5,635,218
Infrastructure	34,010,051	858,960	1,134,876	210,511	33,944,646
Total Capital Assets Being Depreciated and Amortized	<u>80,043,573</u>	<u>1,200,553</u>	<u>1,643,634</u>	<u>210,511</u>	<u>79,811,003</u>
Less Accumulated Depreciation and Amortization for:					
Buildings and Improvements	20,155,734	950,608	-	-	21,106,342
Equipment	1,547,506	184,205	11,694	-	1,720,017
Vehicles	3,843,374	271,568	481,538	-	3,633,404
Infrastructure	22,523,536	602,480	1,134,876	-	21,991,140
Total Accumulated Depreciation and Amortization	<u>48,070,150</u>	<u>2,008,861</u>	<u>1,628,108</u>	<u>-</u>	<u>48,450,903</u>
Total Capital Assets Being Depreciated and Amortized, Net	<u>31,973,423</u>	<u>(808,308)</u>	<u>15,526</u>	<u>210,511</u>	<u>31,360,100</u>
Governmental Activities Capital Assets, Net	<u>\$ 35,222,568</u>	<u>\$ 2,800,496</u>	<u>\$ 15,526</u>	<u>\$ -</u>	<u>\$ 38,007,538</u>
Business-Type Activities:					
Capital Assets Being Depreciated:					
Amston Lake Sewage System	\$ 6,503,574	\$ -	\$ -	\$ -	\$ 6,503,574
Total Capital Assets Being Depreciated	<u>6,503,574</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,503,574</u>
Less Accumulated Depreciation for:					
Amston Lake Sewage System	693,715	86,714	-	-	780,429
Total Accumulated Depreciation	<u>693,715</u>	<u>86,714</u>	<u>-</u>	<u>-</u>	<u>780,429</u>
Total Capital Assets Being Depreciated, Net	<u>5,809,859</u>	<u>(86,714)</u>	<u>-</u>	<u>-</u>	<u>5,723,145</u>
Business-Type Activities Capital Assets, Net	<u>\$ 5,809,859</u>	<u>\$ (86,714)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,723,145</u>

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets (Continued)**

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

Governmental Activities:	
General Government	\$ 22,703
Public Safety	185,790
Public Works	774,413
Health & Social	93,215
Education	<u>932,740</u>
Total Depreciation and Amortization Expense - Governmental Activities	<u><u>\$ 2,008,861</u></u>
Business-Type Activities:	
Sewer	<u>\$ 86,714</u>
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 86,714</u></u>

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**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets (Continued)**

Construction Commitments

The Town has active construction projects as of June 30, 2022. The projects include new construction. At year-end, the government's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
Outdoor Basketball Court	\$ -	\$ 65,000
Aspinall Property - Field 2	3,890	4,110
Aspinall Soccer Field	198,270	1,730
Library Renovations	8,660	1,340
Senior Van	64,759	441
Public Safety Police Car	5,670	64,330
Public Safety - Emergency Services Reserve	-	69,458
Public Safety Bunker Gear	56,020	3,981
Public Safety - 27 Breathing Apparatus, RITs, Compressor	9,834	435,166
Fire Safety Complex - Passage Doors	-	2,000
Highway Paving	491,412	424,077
Oliver Road Bridge	206,325	3,675
DPW - Over the Rail Mower	-	125,000
DPW - Plow truck	195,598	4,402
DPW - Lease/Purchase 2016 International Plow Truck	151,390	6,050
DPW - Jet Truck	-	10,000
DPW - Wood Chip Box	-	10,000
DPW - Town Tree Maintenance	46,505	53,577
DPW - Temporary Salt Shed	29,934	55,066
DPW - Pickup Truck	36,930	8,070
DPW - Backhoe	108,184	1,196
DPW - Two 1/Ton Pickup Trucks with V-Plow	79,693	307
Public Works Building Committee	112,128	17,872
2018 Rain Storm	370,571	629,429
Cemetery Repairs	80,710	2,260
Cemetery Road Development - Synagogue	20,222	578
North Lebanon Cemetery Field Stone Wall	-	30,000
Open Space	102,605	147,165
Open Space - Soft Costs	51,240	89,000
BOE - School Improvement Plan	124,834	25,610
BOE - LES/LMS Asbestos Abatement	-	160,000
BOE - Technology	69,848	50,382
BOE - Athletic Facilities	30,000	-

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets (Continued)**

Construction Commitments

The commitments for Capital assets generally are through the approved budget process and/or transfers from surplus funds. Other major construction projects are financed through general obligation bonds.

**D. Interfund Receivables, Payables, and Transfers**

Interfund loans were generally used to transfer monies as a result of issuing bonds. The composition of interfund balances as of June 30 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 612,871
General Fund	Bonded Capital Projects	157,337
ARPA Fund	General Fund	848,789
Nonmajor Governmental Funds	General Fund	4,831,590
WPCA Assessment Fund	General Fund	1,087,181
		<u>\$ 7,537,768</u>

All balances are expected to be repaid within a year.

Interfund transfers are generally used to supplement revenues of other funds. The transfers that occurred during the year are as follows:

	<u>Transfers In</u>		<u>Total Transfers Out</u>
	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	
Transfers Out: General Fund	<u>\$ 260,000</u>	<u>\$ 2,466,476</u>	<u>\$ 2,726,476</u>
Total Transfers In	<u>\$ 260,000</u>	<u>\$ 2,466,476</u>	<u>\$ 2,726,476</u>

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Debt**

Changes in Long-Term Liabilities

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

	Beginning Balance As Restated	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
<b>Bonds and Notes Payable:</b>					
General Obligation Bonds	\$ -	\$ 5,325,000	\$ -	\$ 5,325,000	\$ 355,000
Promissory Notes	301,728	-	101,517	200,211	-
<b>Total Bonds and Notes Payable</b>	<b>301,728</b>	<b>5,325,000</b>	<b>101,517</b>	<b>5,525,211</b>	<b>355,000</b>
Financing Arrangement	278,370	-	106,422	171,948	107,901
Net Pension Liability	2,087,431	-	828,929	1,258,502	-
Total OPEB Liability	3,727,345	-	561,985	3,165,360	120,363
Compensated Absences	386,065	10,888	4,564	392,389	98,097
<b>Total Governmental Activities     Long-Term Liabilities</b>	<b>\$ 6,780,939</b>	<b>\$ 5,335,888</b>	<b>\$ 1,603,417</b>	<b>\$ 10,513,410</b>	<b>\$ 681,361</b>
<b>Business-Type Activities:</b>					
Direct Placement Bond	\$ 3,828,985	\$ -	\$ 107,659	\$ 3,721,326	\$ 110,351
<b>Total Business-Type Activities     Long-Term Liabilities</b>	<b>\$ 3,828,985</b>	<b>\$ -</b>	<b>\$ 107,659</b>	<b>\$ 3,721,326</b>	<b>\$ 110,351</b>

For the governmental activities, compensated absences are generally liquidated by the General Fund, and the Total OPEB liability is generally liquidated by the General Fund.

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities.

General obligation bonds are direct obligations of the Town for which full faith and credit are pledged and are payable from taxes levied on all taxable properties located within the Town.

General obligation bonds and long-term notes currently outstanding are as follows:

Description	Date of Issue	Maturity	Interest Rate (%)	Amount of Original Issue	Annual Principal	Balance Outstanding June 30, 2022
<b>General Purpose:</b>						
General Obligation	7/8/21	7/8/36	2.25	\$ 2,100,000	\$ 140,000	\$ 2,100,000
General Obligation	4/6/22	4/1/35	2.56	3,225,000	215,000	3,225,000
<b>Total General Purpose</b>				<b>5,325,000</b>		<b>5,325,000</b>
<b>Total Outstanding</b>				<b>\$ 5,325,000</b>		<b>\$ 5,325,000</b>

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Debt (Continued)**

General Obligation Bonds (Continued)

Annual debt service requirements to maturity for general obligation bonds and long-term notes are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Direct Placement Bonds</u>		<u>Direct Placement Bond</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 355,000	\$ 126,859	\$ 110,351	\$ 93,033
2024	355,000	119,581	113,110	90,274
2025	355,000	110,927	115,698	87,686
2026	355,000	102,273	118,829	84,555
2027	355,000	93,619	121,800	81,584
2028-2032	1,775,000	338,285	655,986	360,934
2033-2037	1,775,000	121,935	742,117	274,803
2038-2042	-	-	839,867	177,053
2043-2047	-	-	903,568	66,638
Total	<u>\$ 5,325,000</u>	<u>\$ 1,013,479</u>	<u>\$ 3,721,326</u>	<u>\$ 1,316,560</u>

Promissory Note Payable

The Town signed a \$500,000 promissory note in November 2019 to finance a portion of the Library expansion project. The principal amount along with all interest accrued on the unpaid balance is due in November 2024. Interest on the outstanding principal balance is accrued at a rate of 1.59% and compounded annually. The principal and interest is forgivable by the note holder, and during the year ended June 30, 2022 principal of \$101,517 and interest of \$4,797 were forgiven by the note holder.

Financing Arrangement

During 2019 the Town entered into a financing arrangement to purchase a fire truck. This agreement runs through January 2024 with monthly payments of \$9,417 which includes interest at a rate of 4.15%.

The future minimum payments on the financing arrangement as of June 30, 2022 were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 107,901	\$ 5,099
2024	64,047	879
Total	<u>\$ 171,948</u>	<u>\$ 5,978</u>

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Debt (Continued)**

Bond Anticipation Notes

On July 9, 2020, the Town issued \$2,000,000 of bond anticipation notes for town roads and bridges projects, which carried interest at 1.49% and were due and paid on July 8, 2021. The bond anticipation note activity for the year ended June 30, 2022 is summarized as follows:

Outstanding - Beginning of Year	\$	2,000,000
New Borrowings		-
Repayments		2,000,000
		2,000,000
Outstanding - End of Year	\$	-

Statutory Debt Limitation

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 Limitation	Net Indebtedness	Balance
General Purpose	\$ 43,304,648	\$ 5,325,000	\$ 37,979,648
Schools	86,609,295	-	86,609,295
Sewers	72,174,413	-	72,174,413
Urban Renewal	62,551,158	-	62,551,158
Pension Deficit	57,739,530	-	57,739,530

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$134,725,570. All long-term debt obligations are retired through General Fund appropriations. The indebtedness reflected above includes bonds and notes outstanding in addition to the amounts of bonds authorized and unissued against which bond anticipation notes are issued and outstanding.



**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 4 FUND BALANCE**

The components of fund balance for the government funds at June 30 are as follows:

	General Fund	ARPA Fund	Bonded Capital Projects	Nonmajor Governmental Funds	Total
Fund Balances:					
Nonspendable:					
Prepaid items and Inventory	\$ 17,170	\$ -	\$ -	\$ -	\$ 17,170
Permanent Fund Principal	-	-	-	331,717	331,717
Restricted for:					
Capital Projects	-	-	1,511,129	-	1,511,129
Unspent Donations	-	-	-	392,314	392,314
Unspent Grant Proceeds	-	-	-	229,889	229,889
Scholarships	-	-	-	128,141	128,141
Committed to:					
Dog Fund	1,519	-	-	-	1,519
Recreation Commission	10,134	-	-	-	10,134
Emergency Management	8,517	-	-	-	8,517
Historic Buildings	-	-	-	10,922	10,922
Cemeteries	-	-	-	22,767	22,767
Library	-	-	-	2,054,516	2,054,516
Community Center	-	-	-	1,028,504	1,028,504
Summer Dance Festival	-	-	-	17,834	17,834
Senior Vans	-	-	-	132,082	132,082
Student Activities	-	-	-	225,945	225,945
School Lunch	-	-	-	327,272	327,272
Sewer Operations	-	-	-	402,796	402,796
Capital Projects	-	-	-	3,246,319	3,246,319
Unassigned	5,462,208	-	-	(450,154)	5,012,054
Total Fund Balances	<u>\$ 5,499,548</u>	<u>\$ -</u>	<u>\$ 1,511,129</u>	<u>\$ 8,100,864</u>	<u>\$ 15,111,541</u>

**NOTE 5 EMPLOYEE RETIREMENT PLANS**

**A. Municipal Employees' Retirement System**

Plan Description

All full-time employees participate in the Municipal Employees' Retirement System (MERS). MERS is a cost-sharing multiple-employer public employee retirement system established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits to employees of participating municipalities. Chapters 7-425 to 7-451 of the State of Connecticut General Statutes, which can be amended by legislative action, establishes MERS benefits, member contribution rates and other plan provisions. MERS is considered to be part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports can be obtained at [www.ct.gov](http://www.ct.gov).

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 5 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**A. Municipal Employees' Retirement System (Continued)**

Benefit Provisions

The plan provides retirement, disability and death benefits and annual cost-of-living adjustments to plan members and their beneficiaries. Employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active aggregate service or 25 years of aggregate service. In addition, compulsory retirement is at age 65 for police and fire members. Employees under the age of 55 are eligible to retire with 25 years of service.

Normal Retirement

For members not covered by social security, retirement benefits are calculated as 2% of the average of the three highest paid years of service times the years of service. For members covered by social security, retirement benefits are calculated as 1½% of the average of the three highest paid years of service not in excess of the year's breakpoint plus 2% of average of the three highest paid years of service in excess of the year's breakpoint, times years of service. The year's breakpoint is defined as \$10,700 increased by 6.0% each year after 1982, rounded to the nearest multiple of \$100. Maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually.

Early Retirement

Members must have 5 years of continuous or 15 years of active aggregate service. Benefits are calculated as a service retirement allowance on the basis of the average of the three highest paid years of service to the date of termination. Benefits are deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

Disability Retirement – Service Connected

This applies to employees who are totally and permanently disabled, and such disability has arisen out of and in the course of employment with the municipality. Disability due to heart and hypertension in the case of fire and police, who began employment prior to July 1, 1996, is presumed to have been suffered in the line of duty. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability with a minimum benefit (including workers' compensation benefits) of 50% of compensation at the time of disability.

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 5 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**A. Municipal Employees' Retirement System (Continued)**

Disability Retirement – Non-Service Connected

This applies to employees who have 10 years of service and are totally and permanently disabled. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability.

Pre-Retirement Death Benefit

The plan offers a lump-sum return of contributions with interest or if vested and married, the surviving spouse will receive a lifetime benefit.

Contributions

*Member*

Contributions for members not covered by social security are 5% of compensation; for members covered by social security, 2¼% of compensation up to the social security taxable wage base plus 5%, if any, in excess of such base.

*Employer*

Participating employers make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment, which covers the liabilities of MERS not met by member contributions. In addition, there is also an annual administrative fee per active and retired member.

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

At June 30, 2022, the Town reports a liability of \$1,258,502 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at June 30, 2021. The actuarial assumptions used in the June 30, 2021 valuation were based on results of an actuarial experience study for the period July 1, 2012 through June 30, 2017. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2022, the Town's proportion was 0.177%. The decrease in proportion from the prior year was 0.355%.

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 5 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**A. Municipal Employees' Retirement System (Continued)**

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

For the year ended June 30, 2022, the Town recognized pension expense of \$302,209. At June 30, 2022, the Town reported deferred outflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Town Contributions After the Measurement Date	\$ 260,083	\$ -
Differences Between Expected and Actual Experience	109,553	183,937
Differences Between Expected and Actual Investment Return	-	539,157
Change in Proportion	176,091	100,928
Changes of Assumptions	169,288	-
Total	<u>\$ 715,015</u>	<u>\$ 824,022</u>

Amounts reported as deferred outflows of resources related to Town contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Amounts reported as deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2023	\$ 88,818
2024	(166,745)
2025	(118,304)
2026	(172,859)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement period:

Inflation	2.50%
Salary Increase	3.50% - 10.00%, Including Inflation
Investment Rate of Return	7.00% Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on:

RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees.

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 5 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**A. Municipal Employees' Retirement System (Continued)**

Actuarial Assumptions (Continued)

RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for Police and Fire.

For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.

Future cost-of-living adjustments for members who retire on or after January 1, 2002 are 60% of the annual increase in the CPI up to 6%. The minimum annual COLA is 2.5%; the maximum is 6%.

The long-term expected rate of return on pension plan investments was determined using a statistical 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. Best estimates of arithmetic real rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	20.0%	5.3%
Developed market international	11.0%	5.1%
Emerging market international	9.0%	7.4%
Core fixed income	16.0%	1.6%
Inflation linked bond fund	5.0%	1.3%
Emerging market debt	5.0%	2.9%
High yield bond	6.0%	3.4%
Real estate	10.0%	4.7%
Private equity	10.0%	7.3%
Alternative investments	7.0%	3.2%
Liquidity fund	1.0%	0.9%
Total	<u>100.0%</u>	

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 5 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**A. Municipal Employees' Retirement System (Continued)**

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. 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 employer 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 following presents the Town's proportionate share of the net pension liability, calculated using the current discount rate, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Town's Proportionate Share of the Net Pension Liability	\$ 2,122,204	\$ 1,258,502	\$ 510,129

**B. 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 multiemployer 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](http://www.ct.gov).

Benefit Provisions

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

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 5 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**B. Connecticut Teachers Retirement System – Pension (Continued)**

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, 2022, the amount of "on-behalf" contributions made by the state was \$2,423,868 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

**Employees**

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

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

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 5 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**B. Connecticut Teachers Retirement System – Pension (Continued)**

**Employees (Continued)**

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

At June 30, 2022, 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		28,947,248
Total		\$ 28,947,248

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as June 30, 2020. At June 30, 2022, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2022, the Town recognized pension expense and revenue of \$1,868,612 in Exhibit II.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increase	3.00% - 6.50%, Including Inflation
Investment Rate of Return	6.90% Net of Pension Plan Investment Expense, Including Inflation

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



**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 5 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**B. Connecticut Teachers Retirement System – Pension (Continued)**

Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2019.

Assumption changes since the prior year are as follows:

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

Benefit changes since the prior year are as follows:

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

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 LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 5 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**B. Connecticut Teachers Retirement System – Pension (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	5.60 %	20.00 %
Developed Market Intl. Stock Fund	6.00	11.00
Emerging Market Intl. Stock Fund	7.90	9.00
Core Fixed Income Fund	2.10	16.00
Inflation Linked Bond Fund	1.10	5.00
Emerging Market Debt Fund	2.70	5.00
High Yield Bond Fund	4.00	6.00
Real Estate Fund	4.50	10.00
Private Equity	7.30	10.00
Alternative Investments	2.90	7.00
Liquidity Fund	0.40	1.00
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 LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 5 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**B. 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](http://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 6 OTHER POSTEMPLOYMENT BENEFIT PLANS**

**Other Postemployment Benefits**

**A. Plan Description**

The Board of Education of the Town provides a single employer defined benefit healthcare plan (the Plan) to its employees upon retirement in the form of the ability to be part of the health insurance and dental plan while paying the full amount of the premium charged for active employees and receiving no physical subsidy from the Town. As a result, the Town does not have an explicit liability for these post-employment benefits because retirees pay the full health insurance and dental premium. However, the Town does have an implicit rate subsidy that recognizes the expected higher health and dental costs attributed to retirees. The provisions of the Plan were established by the Board of Education along with the respective bargaining units of each group in conjunction with all applicable state statutes. The Plan therefore would be amended through the action of these same groups. These benefits will continue for the life of the retiree and the retiree's spouse once they are a part of the Plan. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

The OPEB Plan provides a benefit for retired teachers and administrators. Non-certified Board employees are eligible to participate in the Plan upon reaching age 55 with at least 5 years of service or upon 25 years of service. Cafeteria workers are not included. Both the retiree and the retiree's spouse are eligible to participate in the Plan and they must pay 100% of the cost for medical and dental coverage. A number of different plan coverages are available. Certified Board employees are eligible to participate in the Plan upon reaching age 50 with at least 25 years of service, age 55 with at least 20 years of service or age 60 with at least 10 years of service. Both the retiree and the retiree's spouse are eligible to participate in the Plan and they must pay 100% of the cost for medical and dental coverage. A number of different plan coverages are available. Surviving spouses are permitted to continue coverage after the death of the retiree but are responsible for continuing to pay the same monthly premium amount or percentage that was being paid while the retiree was alive. The funding and payment for these postemployment benefits are accounted for within the Board of Education budget within the general fund of the Town on a pay-as-you-go basis.

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**A. Plan Description (Continued)**

Membership in the plan consisted of the following at July 1, 2020:

Retired Members and Spouses of	
Retired Members	13
Active Plan Members	134
Total	147

**B. Funding Policy**

The OPEB Plan provides a benefit for retired teachers and administrators. Non-certified Board employees are eligible to participate in the Plan upon reaching age 55 with at least 5 years of service or upon 25 years of service. Cafeteria workers are not included. Both the retiree and the retiree’s spouse are eligible to participate in the Plan and they must pay 100% of the cost for medical and dental coverage. A number of different plan coverages are available. Certified Board employees are eligible to participate in the Plan upon reaching age 50 with at least 25 years of service, age 55 with at least 20 years of service or age 60 with at least 10 years of service. Both the retiree and the retiree’s spouse are eligible to participate in the Plan and they must pay 100% of the cost for medical and dental coverage. A number of different plan coverages are available. Surviving spouses are permitted to continue coverage after the death of the retiree but are responsible for continuing to pay the same monthly premium amount or percentage that was being paid while the retiree was alive. The funding and payment for these postemployment benefits are accounted for within the Board of Education budget within the general fund of the Town on a pay-as-you-go basis.

**C. Total OPEB Liability**

The Town’s total OPEB liability of \$3,165,360 was measured as of June 30, 2022, which was rolled forward from an actuarial valuation as of July 1, 2020.

**D. Actuarial Assumptions and Other Inputs**

The total OPEB liability in the July 1, 2020 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%, Average, Including Inflation
Investment Rate of Return	3.54%
Healthcare Cost Trend Rates	6.50% in 2020, Reducing 0.2% Each Year to a Final 4.4% in 2031 and Later

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

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**D. Actuarial Assumptions and Other Inputs (Continued)**

Mortality rates for Teachers and Administrators were based on Pub-2010 Mortality Table for Employees with separate tables for non-annuitants and annuitants, projected to valuation date with Scale MP-2020.

The actuarial assumptions used in the July 1, 2020 valuation were based on the standard tables modified for certain plan features such as eligibility, where applicable and input from the plan sponsor.

**E. Changes in the Total OPEB Liability**

	Increase (Decrease)
	Total OPEB Liability
	(a)
Balances as of July 1, 2021	\$ 3,727,345
Changes for the Year:	
Service Cost	39,936
Interest on Total OPEB Liability	80,081
Differences Between Expected and Actual Experience	(36,453)
Changes in Assumptions	(525,186)
Benefit Payments	(120,363)
Net Changes	(561,985)
Balances as of June 30, 2022	\$ 3,165,360

As of June 30, 2022, the Town increased the discount rate from 2.16% to 3.54%.

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

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

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 3,533,377	\$ 3,165,360	\$ 2,853,294

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefits – Town of Coventry (Continued)**

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

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

	1% Decrease Healthcare Cost Trend Rates	Current Rate Healthcare Cost Trend Rates	1% Increase Healthcare Cost Trend Rates
Total OPEB Liability	\$ 2,852,885	\$ 3,165,360	\$ 3,535,642

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

For the year ended June 30, 2022, the Town recognized OPEB expense of \$118,043. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 499,077	\$ 177,865
Changes of Assumptions	426,443	510,436
Total	\$ 925,520	\$ 688,301

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

Year Ending June 30,		
2023	\$	224,712
2024		226,790
2025		231,679
2026		73,662
2027		56,817
Thereafter		159,175

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

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

Any member who is currently participating in Medicare Parts A and 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 and B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental 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 Supplemental 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 LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**B. Other Postemployment Benefit – Connecticut State Teachers Retirement Plan  
(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 \$110 monthly subsidy or participate in the TRB-Sponsored Medicare Supplemental 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 LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**B. 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, 2022, the amount of "on-behalf" contributions made by the state was \$57,038 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, 2022, 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:

<u>Year Ending June 30,</u>	
2023	\$ 224,712
2024	226,790
2025	231,679
2026	73,662
2027	56,817
Thereafter	159,175

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**B. 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, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2020. At June 30, 2022, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2022, the Town recognized OPEB expense of (\$116,458) in Exhibit II.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Health Care Costs Trend Rate	5.125% for 2020, Decreasing to an Ultimate Rate of 4.50% by 2023
Salary Increases	3.00-6.50%, Including Inflation
Investment Rate of Return	2.17% Net of OPEB Plan Investment Expense, Including Inflation
Year Fund Net Position Will be Depleted	2023

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, 2020; valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019.

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

- Discount rate changed from 2.21% to 2.17%.
- Expected annual per capita claims costs were updated to better reflect anticipated Medicare and prescription drug claim experience based on scheduled premium increases through calendar year 2024.

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

- There were no changes to benefit terms in the two years preceding the measurement date.

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

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

Actuarial Assumptions (Continued)

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 (0.42%).

Discount Rate

The discount rate used to measure the total OPEB liability was 2.17%. 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, 2020.

In addition to the actuarial methods and assumptions of the June 30, 2020, actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

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

Based on those assumptions, the plan's fiduciary net position was projected to be depleted in 2023 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

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

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](http://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 7 OTHER INFORMATION**

**A. Risk Management**

The Town is exposed to various risks of loss related to public officials and police liability; Board of Education liability; torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The Town purchases commercial insurance for all risks of loss. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2022. There have been no significant reductions in insurance coverage during the year.

**B. Contingent Liabilities**

The Town is periodically the subject of litigation by a variety of plaintiffs. The Town's management, based on the advice of counsel, believes that such amounts claimed by these plaintiffs, net of the applicable insurance coverage, are immaterial.

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

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

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 8 RESTATEMENTS**

The Town previous reported activities for the funds and opinion units listed in the following table. These funds and opinion units were restated to correct errors, change the reporting entity, address a change in accounting principle and to record other items based upon management's preference.

**A. Correction of an Error**

During the year ended June 30, 2022, the Town identified the following errors in the prior issued financial statements. The compensated absences liability for the governmental activities opinion unit was understated, and the net position was overstated by \$268,531. Fund balance was overstated for the Capital Projects fund, and Net position for Governmental activities was overstated by \$268,159, for invoices that should have been accrued as accounts payable as of June 30, 2021. Fund balance was overstated, and unearned revenue was understated in the ARPA fund by \$1,057,136. Unearned revenue was overstated, and net position was understated for the governmental activities by \$234,366. Liabilities were understated and net position was overstated by \$97,858 in the governmental activities, due to the inclusion of liability accounts within the General Fund as separate special revenue funds. Additionally, as these liabilities were shown as nonmajor governmental funds, the fund balance and assets of the nonmajor governmental funds were overstated by the same \$111,219. The funds reported as custodial funds for the year ended June 30, 2021, were reassessed and determined to be appropriately reported as part of the internal service fund for \$9,864, and as a nonmajor governmental fund for \$121,904. The general fund and the governmental activities assets and fund balance / net position were overstated by \$13,361. The Dog fund, the Lebanon Recreation Commission fund and the Emergency Management fund were incorrectly reported as special revenue funds. As a result of this identification, as of June 30, 2021, the fund balance and assets of the General fund were understated, and the fund balance and assets of the nonmajor governmental funds were overstated by \$24,254.

**B. Changes to the Reporting Entity**

The Town reassessed the Volunteer Fire Department, which has been included as a discretely presented component unit as of June 30, 2021. This reassessment determined that the Volunteer Fire Department was not a component unit of the Town, and it has been removed as a component of the reporting entity.

**C. Changes in Accounting Principle**

The Town has changed how it recognizes the small cities loan receivables, and now recognizes the funds as revenue when the funds are measurable and available. This change resulted in the fund balance being decreased and the unavailable revenue being increased for the Small Cities Program fund by \$943,185 as of June 30, 2021.

**TOWN OF LEBANON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 8 RESTATEMENTS (CONTINUED)**

**D. Other Items**

The Town made numerous changes to how funds are displayed in the financial statements as identified in the following table. Additionally, the Town identified that a transfer approved in a prior year should have been reported as a transfer at that time. As a result of this, as of June 30, 2021, fund balance and assets of the General fund were overstated by \$732,814, and the fund balance and assets of the nonmajor governmental funds were understated by \$732,814.

Governmental Funds	Governmental	Business-Type	Component Unit	General	Town	Town	Small Cities	ARPA Fund	Enterprise	Custodial Funds	Internal Service	Nonmajor
	Activities	Activities	Volunteer		Capital	Investment						
	Net	Net	Fire Department	Fund	Funds	Funds	Program Fund	Fund Balance	Funds	Fund Balance	Fund Balance	Fund Balance
	Position	Position	Net Position	Fund Balance	Fund Balance	Fund Balance	Fund Balance	Fund Balance	Fund Balance	Fund Balance	Fund Balance	Fund Balance
Balance as Previously Reported June 30, 2021	\$ 43,530,136	\$ 6,212,660	\$ 1,225,361	\$ 6,464,708	\$ 419,654	\$ 2,879,204	\$ 1,053,980	\$ -	\$ 6,212,660	\$ 131,768	\$ 137,976	\$ 3,339,754
<b>Adjustments</b>												
<b>Correction of an error</b>												
The Compensated Absence Liability was restated to properly reflect a BOC sick time liability	(268,531)	-	-	-	-	-	-	-	-	-	-	-
Prior year Capital Projects fund accounts payable is now reported	-	-	-	-	(288,159)	-	-	-	-	-	-	-
ARPA Fund Grants are now reported as unearned revenue	-	-	-	-	-	-	(1,057,156)	-	-	-	-	-
To adjust prior year government wide unearned revenue	234,366	-	-	-	-	-	-	-	-	-	-	-
Town Clerk Inmate Document Fees account is now reported as a liability in the General Fund	(23,369)	-	-	-	-	-	-	-	-	-	-	(23,369)
Town Clerk MERS Document Fees account is now reported as a liability in the General Fund	(10,990)	-	-	-	-	-	-	-	-	-	-	(10,990)
Town Clerk LOCOP Surcharge account is now reported as a liability in the General Fund	(25,021)	-	-	-	-	-	-	-	-	-	-	(25,021)
Rain to Trails Funds account is now reported as a liability in the General Fund	(14,262)	-	-	-	-	-	-	-	-	-	-	(14,262)
Affordable Housing Grant account is now reported as a liability in the General Fund	(473)	-	-	-	-	-	-	-	-	-	-	(473)
The Nonmajor capital project fund is now reported as a liability in the General Fund	(13,743)	-	-	(13,743)	-	-	-	-	-	-	-	(13,743)
Tax Accrued Property collected in prior years was written off in the General Fund	(13,361)	-	-	-	-	-	-	-	-	-	-	-
Retiree Health Portion of the Custodial Funds are now reported in the Internal Service Fund	9,864	-	-	-	-	-	-	-	(9,864)	9,864	-	-
Student Activity Portion of the Custodial Funds are now reported in the Student Activity Special Revenue Fund	121,904	-	-	-	-	-	-	-	(121,904)	-	-	121,904
The Dog Fund is now reported in the General Fund	-	-	-	2,200	-	-	-	-	-	-	-	(2,200)
The Lebanon Recreation Commission Fund is now reported in the General Fund	-	-	-	14,198	-	-	-	-	-	-	-	(14,198)
The Emergency Management Fund is now reported in the General Fund	-	-	-	7,356	-	-	-	-	-	-	-	(7,356)
<b>Changes to the reporting entity</b>												
The Town reassessed the Volunteer Fire Department component unit, and it is no longer included in the FS	-	-	(1,225,361)	-	-	-	-	-	-	-	-	-
<b>Changes in accounting principal</b>												
Small Cities Loans Receivable now reported as unavailable revenue	-	-	-	-	-	-	(943,185)	-	-	-	-	-
<b>Reevaluation of Existing Funds</b>												
Library Portion now reported in the Jonathan Tumbull Library Special Revenue Fund	-	-	-	-	-	(1,889,720)	-	-	-	-	-	1,889,720
Community Center Portion now reported in the Adams Community Center Special Revenue Fund	-	-	-	-	-	(989,484)	-	-	-	-	-	989,484
Small Cities Program Fund is now reported as a Nonmajor Special Revenue Fund	-	-	-	-	-	-	(110,795)	-	-	-	-	110,795
COVID-19 State ARPA Grant Fund is now reported in the ARPA Fund	-	-	-	-	-	-	1,057,156	-	-	-	-	(1,057,156)
The WPCA Operating Fund was reassessed and is now reported as a Nonmajor Special Revenue Fund	468,870	(468,870)	-	-	-	-	-	-	(468,870)	-	-	468,870
The Town reassessed a 2018 appropriation and now reports this as a prior year transfer to the CNR fund	-	-	-	(732,814)	-	-	-	-	-	-	-	732,814
The Capital & Reopening Fund was reassessed and is now reported as an individual Nonmajor Fund	-	-	-	-	(884,439)	-	-	-	-	-	-	884,439
The School Capital Fund was reassessed and is now reported as an individual Nonmajor Fund	-	-	-	-	(410,648)	-	-	-	-	-	-	410,648
The Communication Infrastructure Fund was reassessed and is now reported as an individual Nonmajor Fund	-	-	-	-	(21,870)	-	-	-	-	-	-	21,870
Balance as Restated July 1, 2021	\$ 43,076,265	\$ 5,743,790	\$ -	\$ 5,772,287	\$ (1,269,611)	\$ -	\$ -	\$ -	\$ 5,743,790	\$ 137,868	\$ 147,880	\$ 2,891,659

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF LEBANON, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES--  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
FOR YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Property Taxes:				
Current	\$ 19,556,643	\$ 19,556,643	\$ 19,392,928	\$ (163,715)
Back Taxes	-	-	217,341	217,341
Interest	150,000	150,000	154,349	4,349
Liens & Fees	2,000	2,000	5,192	3,192
Suspense	8,000	8,000	13,674	5,674
Total Property Taxes	<u>19,716,643</u>	<u>19,716,643</u>	<u>19,783,484</u>	<u>66,841</u>
Intergovernmental:				
Town Aid Roads	280,035	280,035	281,195	1,160
Municipal Revenue Sharing	30,427	30,427	36,789	6,362
Misc - State of Connecticut	162,740	162,740	162,740	-
In Lieu of Taxes	14,807	14,807	17,902	3,095
Veteran Exemption	-	-	2,471	2,471
Disabled Exemption	-	-	391	391
Mashentucket - Pequot	13,139	13,139	13,139	-
Total Intergovernmental	<u>501,148</u>	<u>501,148</u>	<u>514,627</u>	<u>13,479</u>
Intergovernmental - Education:				
Education Cost Sharing	4,578,589	4,578,589	4,589,593	11,004
Vocational Agricultural	299,300	299,300	315,337	16,037
Total Intergovernmental - Education	<u>4,877,889</u>	<u>4,877,889</u>	<u>4,904,930</u>	<u>27,041</u>
Investment Income:				
Investment Income	18,000	18,000	23,092	5,092
Care Cemetery	-	-	468	468
Total Investment Income	<u>18,000</u>	<u>18,000</u>	<u>23,560</u>	<u>5,560</u>
Tuition:				
School Tuition	779,106	779,106	818,206	39,100
Total Tuition	<u>779,106</u>	<u>779,106</u>	<u>818,206</u>	<u>39,100</u>



**TOWN OF LEBANON, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES—  
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)  
FOR YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Local - Charges for Services:				
Sport Licenses	\$ 100	\$ 100	\$ 84	\$ (16)
Marriage Licenses	450	450	400	(50)
Other Revenue	-	-	1,170	1,170
MERS - General	14,000	14,000	37,164	23,164
MERS - Exception	4,000	4,000	5,632	1,632
Conveyance Tax	70,000	70,000	117,919	47,919
Dog License Town Clerk Fees	600	600	703	103
Burial Permits - Town Clerk	100	100	75	(25)
Certified Copy of Vital Records	4,300	4,300	6,070	1,770
Certifications - Town Clerk	100	100	54	(46)
Lease Water Storage Tank NPU	30,855	30,855	31,074	219
Utilities District	30,000	30,000	22,486	(7,514)
Misc Selectman	3,500	3,500	8,325	4,825
Raffle & Bazaar Fees	-	-	165	165
Land Record Fees	16,000	16,000	24,445	8,445
Copies	8,000	8,000	10,177	2,177
Books and Ordinances	50	50	15	(35)
Filing Maps	300	300	220	(80)
Assessors	500	500	96	(404)
Police	3,000	3,000	32,833	29,833
Police - State of CT	-	-	5,665	5,665
Fire Marshal	1,000	1,000	2,733	1,733
Building Official Fees	90,000	90,000	145,678	55,678
Fire Safety	1,000	1,000	550	(450)
Solid Waste Facility	110,000	110,000	121,760	11,760
Sexton Fees	7,500	7,500	7,800	300
PZC Fees	5,000	5,000	10,000	5,000
ZBA Fees	1,500	1,500	3,400	1,900
IWC Fees	2,000	2,000	2,200	200
Misc Revenue Board of Education	-	-	10,682	10,682
Misc Revenue Town	6,000	6,000	12,183	6,183
Passport Processing	1,000	1,000	945	(55)
Total Local - Charges for Services	<u>410,855</u>	<u>410,855</u>	<u>622,703</u>	<u>211,848</u>
Total Revenues and Other Financing Sources	<u>\$ 26,303,641</u>	<u>\$ 26,303,641</u>	<u>\$ 26,667,510</u>	<u>\$ 363,869</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.	\$ 2,423,868
State of Connecticut on-behalf contributions the Connecticut State Teachers OPEB System for Town teachers are not budgeted.	57,038
The Town does not budget for Dog Fund revenues	2,290
The Town does not budget for Recreation Commission Fund revenues	19,990
The Board of Education does not budget for certain intergovernmental grants that are credited against education expenditures for budgetary reporting; these amounts are recorded as revenues and expenditures for financial reporting purposes.	<u>193,527</u>

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

\$ 29,364,223

**TOWN OF LEBANON, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES – BUDGET AND ACTUAL  
(BUDGETARY BASIS)  
YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>General Government:</b>				
Legal Counsel	\$ 50,000	\$ 74,538	\$ 74,538	\$ -
Selectmen	155,330	155,330	150,689	4,641
Elections	34,079	34,092	34,092	-
Probate Court	2,414	2,414	2,414	-
Board of Finance	2,000	2,000	1,771	229
Finance Office	156,109	156,109	153,610	2,499
Tax Collector	76,561	76,561	64,840	11,721
Board of Assessment Appeals	1,275	1,275	-	1,275
Town Clerk	103,068	103,068	96,520	6,548
Assessor	82,205	82,205	78,940	3,265
Auditor	25,000	25,000	25,000	-
Town Report	1,000	1,000	640	360
Computer Services	157,842	157,842	131,435	26,407
Town Hall	87,583	87,583	69,593	17,990
Insurance	124,018	124,018	121,572	2,446
Total General Government	1,058,484	1,083,035	1,005,654	77,381
<b>Public Safety</b>				
Police Services	326,179	354,905	354,905	-
Lebanon Volunteer Fire Department	200,000	200,000	200,000	-
Fire Marshall	25,194	25,194	18,019	7,175
Burning Official	3,654	3,654	2,165	1,489
Building Department	38,085	38,085	37,620	465
Fire Safety Complex	35,355	35,355	29,418	5,937
Total Public Safety	628,467	657,193	642,127	15,066
<b>Public Works:</b>				
Department of Public Works	870,000	870,000	788,245	81,755
Buildings and Grounds	165,043	165,043	150,418	14,625
Snow Removal	246,375	246,375	246,014	361
Street Lights	3,900	3,900	1,997	1,903
Solid Waste Facility	190,000	201,632	201,632	-
Water Pollution Control	2,000	2,000	893	1,107
Cemetery Commission	17,801	17,801	17,281	520
Total Public Works	1,495,119	1,506,751	1,406,480	100,271
<b>Health and Social:</b>				
Health Department	49,866	49,866	49,865	1
Human Services	34,283	34,283	32,121	2,162
WCMH Paramedic Program	35,300	35,300	28,349	6,951
United Services	5,116	5,116	5,116	-
Dispatch Switch Board	15,200	15,200	15,189	11
Special Events	1,300	1,311	1,311	-
Senior Center Operations	86,140	86,140	77,730	8,410
Total Health and Social	227,205	227,216	209,681	17,535

**TOWN OF LEBANON, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES – BUDGET AND ACTUAL  
(BUDGETARY BASIS) (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Community Preservation:				
Planning and Zoning	\$ 158,758	\$ 158,758	\$ 150,315	\$ 8,443
Zoning Board of Appeals	4,500	4,500	3,180	1,320
Economic Development Commission	2,000	2,000	2,000	-
Inland Wetlands	3,700	3,700	2,052	1,648
Conservation Commission	250	250	68	182
Total Community Preservation	<u>169,208</u>	<u>169,208</u>	<u>157,615</u>	<u>11,593</u>
Unclassified and Program:				
Social Security	134,914	134,914	122,871	12,043
Medical Life Dental Insurance	385,892	385,892	342,070	43,822
Pension Plan	220,692	220,692	236,439	(15,747)
Unemployment Compensation	5,500	5,500	1,231	4,269
Contingency	160,000	95,080	-	95,080
Total Unclassified and Program	<u>906,998</u>	<u>842,078</u>	<u>702,611</u>	<u>139,467</u>
Education	<u>20,000,000</u>	<u>20,000,000</u>	<u>19,988,922</u>	<u>11,078</u>
Total Expenditures	24,485,481	24,485,481	24,113,090	372,391
Other Financing Uses:				
Transfers Out:	<u>\$ 1,818,160</u>	<u>\$ 2,798,160</u>	<u>\$ 2,823,575</u>	<u>\$ (25,415)</u>
Total Other Financing Uses	<u>1,818,160</u>	<u>2,798,160</u>	<u>2,823,575</u>	<u>(25,415)</u>
Total Expenditures and Other Financing Uses	<u>\$ 26,303,641</u>	<u>\$ 27,283,641</u>	<u>\$ 26,936,665</u>	<u>\$ 346,976</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	\$ 2,423,868
State of Connecticut on-behalf contributions the Connecticut State Teachers OPEB System for Town teachers are not budgeted.	57,038
The Town does not budget for Dog Fund expenditures	25,071
The Town does not budget for Recreation Commission Fund expenditures	94,053
The Town does not budget for Emergency Management Fund expenditures	4,339
The Town budgets for certain transfers that are netted with other funds for GAAP purposes	(97,099)
The Board of Education does not budget for certain intergovernmental grants that are credited against education expenditures for budgetary reporting; these amounts are recorded as revenues and expenditures for financial reporting purposes.	<u>193,527</u>

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

\$ 29,637,462

**TOWN OF LEBANON, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**MUNICIPAL EMPLOYEES RETIREMENT SYSTEM**  
**LAST EIGHT FISCAL YEARS\***

	2022	2021	2020	2019	2018	2017	2016	2015
Town's Proportion of the Net Pension Liability	0.18%	0.53%	0.46%	0.55%	0.51%	0.51%	0.48%	0.48%
Town's Proportionate Share of the Net Pension Liability	\$ 1,258,502	\$ 2,087,431	\$ 1,697,224	\$ 2,096,705	\$ 848,408	\$ 1,007,396	\$ 656,951	\$ 465,732
Town's Covered Payroll	\$ 1,540,885	\$ 1,482,294	\$ 1,308,427	\$ 1,428,633	\$ 1,395,698	\$ 1,330,633	\$ 1,250,271	\$ 1,234,868
Town's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	81.67%	140.82%	129.71%	146.76%	60.79%	75.71%	52.54%	37.72%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.59%	71.18%	72.69%	73.60%	91.68%	88.29%	92.72%	90.48%

## \*Notes:

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

**TOWN OF LEBANON, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM  
LAST EIGHT FISCAL YEARS\***

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 260,083	\$ 221,603	\$ 186,058	\$ 167,721	\$ 163,855	\$ 151,426	\$ 142,281	\$ 147,937
Contributions in Relation to the Actuarially Determined Contribution	260,083	221,603	186,058	167,721	163,855	151,426	142,281	147,937
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 1,540,885	\$ 1,482,294	\$ 1,308,427	\$ 1,428,633	\$ 1,395,698	\$ 1,330,633	\$ 1,250,271	\$ 1,234,868
Contributions as a Percentage of Covered Payroll	16.88%	14.95%	14.22%	11.74%	11.74%	11.38%	11.38%	11.98%

**Notes to Schedule**

Valuation date: June 30, 2021  
 Measurement date: June 30, 2021  
 Actuarially determined contribution rates are calculated as of June 30, each biennium for the fiscal years ending two and three years after the valuation date.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Single equivalent amortization period	20 years
Asset valuation method	5-years smoothed market
Inflation	2.50%
Salary increases	3.50% - 10.00%, including inflation
Investment rate of return	7.00%, net of investment-related expense

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

	2022	2021	2020	2019	2018	2017	2016	2015
Town's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's Proportionate Share of the Net Pension Liability	-	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability Associated with the Town	<u>\$ 28,947,248</u>	<u>\$ 36,549,165</u>	<u>\$ 34,078,497</u>	<u>\$ 26,276,501</u>	<u>\$ 23,087,407</u>	<u>\$ 24,357,391</u>	<u>\$ 21,730,557</u>	<u>\$ 20,085,545</u>
Total	<u>\$ 28,947,248</u>	<u>\$ 36,549,165</u>	<u>\$ 34,078,497</u>	<u>\$ 26,276,501</u>	<u>\$ 23,087,407</u>	<u>\$ 24,357,391</u>	<u>\$ 21,730,557</u>	<u>\$ 20,085,545</u>
Town's Covered Payroll	\$ 9,025,052	\$ 8,441,927	\$ 8,762,096	\$ 8,626,240	\$ 7,317,885	\$ 7,053,387	\$ 8,077,364	\$ 7,785,412
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%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

Notes to Schedule

Changes in Benefit Terms	None
Changes of Assumptions	None
Actuarial Cost Method	Entry age
Amortization Method	Level percent of pay, closed, grading to a level dollar amortization method for the June 30, 2024 valuation
Single Equivalent Amortization Period	30 years
Asset Valuation Method	Four-year smoothed market
Inflation	2.50%
Salary Increase	3.25%-6.50%, including inflation
Investment Rate of Return	6.90%, net of investment-related expense

Notes:

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

**TOWN OF LEBANON, CONNECTICUT**  
**OPEB**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**LAST FIVE FISCAL YEARS\***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability:					
Service Cost	\$ 39,936	\$ 69,719	\$ 50,453	\$ 72,682	\$ 72,176
Interest	80,081	67,206	91,815	123,385	115,194
Differences Between Expected and Actual Experience	(36,453)	611,229	(13,615)	(184,483)	(17,430)
Changes of Benefit Terms	-	-	-	(536,637)	-
Changes of Assumptions	(525,186)	79,711	400,482	74,460	(103,082)
Benefit Payments	<u>(120,363)</u>	<u>(142,724)</u>	<u>(103,685)</u>	<u>(95,519)</u>	<u>(98,183)</u>
Net Change in Total OPEB Liability	(561,985)	685,141	425,450	(546,112)	(31,325)
Total OPEB Liability - Beginning	<u>3,727,345</u>	<u>3,042,204</u>	<u>2,616,754</u>	<u>3,162,866</u>	<u>3,194,191</u>
Total OPEB Liability - Ending	3,165,360	3,727,345	3,042,204	2,616,754	3,162,866
Covered Payroll	\$ 10,866,409	\$ 10,611,728	\$ 10,521,286	\$ 10,254,665	\$ 8,420,700
Total OPEB Liability as a Percentage of Covered Payroll	29.13%	35.12%	28.91%	25.52%	37.56%

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's Proportion of the Net OPEB Liability	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>3,153,750</u>	<u>5,451,309</u>	<u>5,314,734</u>	<u>5,252,871</u>	<u>5,942,421</u>
Total	<u>\$ 3,153,750</u>	<u>\$ 5,451,309</u>	<u>\$ 5,314,734</u>	<u>\$ 5,252,871</u>	<u>\$ 5,942,421</u>
Town's Covered Payroll	\$ 9,025,052	\$ 8,441,927	\$ 8,762,096	\$ 8,626,240	\$ 7,317,885
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%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	6.11%	2.50%	2.08%	1.49%	1.79%

Notes to Schedule

Changes in Benefit Terms

None

Changes of Assumptions

Based on the procedure described in GASB 75, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2021 was updated to equal the Municipal Bond Index Rate as of June 30, 2021;  
Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience based on scheduled premium increases through calendar year 2024

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

2.75%

Notes:

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

- The measurement date is one year earlier than the employer's reporting date.



**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

**TOWN OF LEBANON, CONNECTICUT  
GENERAL FUND  
COMBINING BALANCE SHEET SCHEDULE  
JUNE 30, 2022**

<b>ASSETS</b>	<u>General</u>	<u>Dog Fund</u>	<u>Recreation Commission Fund</u>	<u>Emergency Management Fund</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 10,951,302	\$ -	\$ 13,671	\$ -	\$ 10,964,973
Investments	799,397	-	-	-	799,397
Receivables	749,023	-	-	-	749,023
Prepaid Items	17,170	-	-	-	17,170
Due from Other Funds	748,619	1,519	11,553	8,517	770,208
<b>Total Assets</b>	<b>\$ 13,265,511</b>	<b>\$ 1,519</b>	<b>\$ 25,224</b>	<b>\$ 8,517</b>	<b>\$ 13,300,771</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts and Other Payables	\$ 384,486	\$ -	\$ 7,582	\$ -	\$ 392,068
Accrued Liabilities	179,638	-	-	-	179,638
Due to Other Funds	6,767,560	-	-	-	6,767,560
Unearned Revenue	-	-	7,508	-	7,508
<b>Total Liabilities</b>	<b>7,331,684</b>	<b>-</b>	<b>15,090</b>	<b>-</b>	<b>7,346,774</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Property Taxes	293,582	-	-	-	293,582
Unavailable Revenue - Tax Interest	103,349	-	-	-	103,349
Advance Property Tax Collections	57,518	-	-	-	57,518
<b>Total Deferred Inflows of Resources</b>	<b>454,449</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>454,449</b>
<b>FUND BALANCES</b>					
Nonspendable	17,170	-	-	-	17,170
Committed	-	1,519	10,134	8,517	20,170
Unassigned	5,462,208	-	-	-	5,462,208
<b>Total Fund Balances</b>	<b>5,479,378</b>	<b>1,519</b>	<b>10,134</b>	<b>8,517</b>	<b>5,499,548</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 13,265,511</b>	<b>\$ 1,519</b>	<b>\$ 25,224</b>	<b>\$ 8,517</b>	<b>\$ 13,300,771</b>

**TOWN OF LEBANON, CONNECTICUT  
GENERAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2022**

	General	Dog Fund	Recreation Commission Fund	Emergency Management Fund	Eliminations	Total
<b>REVENUES</b>						
Property Taxes	19,783,484	\$ -	\$ -	\$ -	\$ -	\$ 19,783,484
Intergovernmental	8,093,990	-	-	-	-	8,093,990
Charges for Services	1,440,909	2,290	19,987	-	-	1,463,186
Investment Income	23,560	-	3	-	-	23,563
Other Revenues	-	-	-	-	-	-
Total Revenues	<u>29,341,943</u>	<u>2,290</u>	<u>19,990</u>	<u>-</u>	<u>-</u>	<u>29,364,223</u>
<b>EXPENDITURES</b>						
Current:						
General Government	1,784,253	-	-	4,339	-	1,788,592
Public Safety Services	604,507	25,071	-	-	-	629,578
Public Works	1,525,727	-	-	-	-	1,525,727
Education	22,663,355	-	-	-	-	22,663,355
Health & Social	209,681	-	94,053	-	-	303,734
Community Preservation	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Total Expenditures	<u>26,787,523</u>	<u>25,071</u>	<u>94,053</u>	<u>4,339</u>	<u>-</u>	<u>26,910,986</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	2,554,420	(22,781)	(74,063)	(4,339)	-	2,453,237
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers-In	-	22,100	69,999	5,000	(97,099)	-
Transfers-Out	(2,823,575)	-	-	-	97,099	(2,726,476)
Net Other Financing Sources (Uses)	<u>(2,823,575)</u>	<u>22,100</u>	<u>69,999</u>	<u>5,000</u>	<u>-</u>	<u>(2,726,476)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(269,155)	(681)	(4,064)	661	-	(273,239)
Fund Balances - Beginning of Year, AS Restated	<u>5,748,533</u>	<u>2,200</u>	<u>14,198</u>	<u>7,856</u>	<u>-</u>	<u>5,772,787</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 5,479,378</u>	<u>\$ 1,519</u>	<u>\$ 10,134</u>	<u>\$ 8,517</u>	<u>\$ -</u>	<u>\$ 5,499,548</u>

**NONMAJOR GOVERNMENTAL FUNDS**

**TOWN OF LEBANON, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2022**

	Special Revenue Funds								
	Historic Buildings Fund	Cemetery Lots Fund	Jonathan Trumbull Library Fund	Adams Community Center Fund	Small Cities Program Fund	Unimproved Town Roads Grant Fund	Social Services Donations Fund	Summer Dance Festival Fund	Trumbull Donations Fund
<b>ASSETS</b>									
Cash	\$ 10,922	\$ 20,067	\$ -	\$ -	\$ 66,470	\$ -	\$ -	\$ -	\$ -
Investments	-	-	1,798,227	941,577	-	-	-	-	-
Receivables	-	-	-	-	998,838	-	-	-	-
Due From Other Funds	-	2,700	269,335	88,280	-	76,536	150,391	17,919	220,897
Other	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 10,922</b>	<b>\$ 22,767</b>	<b>\$ 2,067,562</b>	<b>\$ 1,029,857</b>	<b>\$ 1,065,308</b>	<b>\$ 76,536</b>	<b>\$ 150,391</b>	<b>\$ 17,919</b>	<b>\$ 220,897</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts and Other Payables/Due to State	\$ -	\$ -	\$ 13,046	\$ 1,353	\$ -	\$ -	\$ 3,112	\$ 85	\$ 2,617
Due to Other Funds	-	-	-	-	15,040	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	24,000
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>13,046</b>	<b>1,353</b>	<b>15,040</b>	<b>-</b>	<b>3,112</b>	<b>85</b>	<b>26,617</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable Revenue - Sewer Receivable	-	-	-	-	-	-	-	-	-
Unavailable Revenue - Grants Receivable	-	-	-	-	-	-	-	-	-
Unavailable Revenue - Loans Receivable	-	-	-	-	998,838	-	-	-	-
Lease Receivable	-	-	-	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>998,838</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	51,430	76,536	147,279	-	194,280
Committed	10,922	22,767	2,054,516	1,028,504	-	-	-	17,834	-
Unassigned	-	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>10,922</b>	<b>22,767</b>	<b>2,054,516</b>	<b>1,028,504</b>	<b>51,430</b>	<b>76,536</b>	<b>147,279</b>	<b>17,834</b>	<b>194,280</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 10,922</b>	<b>\$ 22,767</b>	<b>\$ 2,067,562</b>	<b>\$ 1,029,857</b>	<b>\$ 1,065,308</b>	<b>\$ 76,536</b>	<b>\$ 150,391</b>	<b>\$ 17,919</b>	<b>\$ 220,897</b>

**TOWN OF LEBANON, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2022**

	Special Revenue Funds								
	Senior Vans Program Fund	Special Purpose Fund	EL Reichard Nursing Scholarship Fund	School Scholarship Fund	COVID-19 Fund	Educational Grants Fund	Student Activity Fund	School Lunch Program Fund	WPCA Operating Fund
<b>ASSETS</b>									
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,665	\$ 214,788	\$ 269,147	\$ 100
Investments	-	-	688	51,764	-	-	11,157	-	-
Receivables	-	-	-	-	-	697,902	-	123,881	26,850
Due From Other Funds	137,678	33,426	-	-	79,981	-	-	-	479,666
Other	-	-	-	-	-	-	-	20,539	-
<b>Total Assets</b>	<b>\$ 137,678</b>	<b>\$ 33,426</b>	<b>\$ 688</b>	<b>\$ 51,764</b>	<b>\$ 79,981</b>	<b>\$ 726,567</b>	<b>\$ 225,945</b>	<b>\$ 413,567</b>	<b>\$ 506,616</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts and Other Payables/Due to State	\$ 5,596	\$ 972	\$ -	\$ -	\$ 7,682	\$ 471	\$ -	\$ 86,295	\$ 46,525
Due to Other Funds	-	-	66	-	-	595,312	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	32,865
<b>Total Liabilities</b>	<b>5,596</b>	<b>972</b>	<b>66</b>	<b>-</b>	<b>7,682</b>	<b>595,783</b>	<b>-</b>	<b>86,295</b>	<b>79,390</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable Revenue - Sewer Receivable	-	-	-	-	-	-	-	-	24,430
Unavailable Revenue - Grants Receivable	-	-	-	-	-	579,922	-	-	-
Unavailable Revenue - Loans Receivable	-	-	-	-	-	-	-	-	-
Lease Receivable	-	-	-	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>579,922</b>	<b>-</b>	<b>-</b>	<b>24,430</b>
<b>FUND BALANCES</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	32,454	622	51,764	72,299	-	-	-	-
Committed	132,082	-	-	-	-	-	225,945	327,272	402,796
Unassigned	-	-	-	-	-	(449,138)	-	-	-
<b>Total Fund Balances</b>	<b>132,082</b>	<b>32,454</b>	<b>622</b>	<b>51,764</b>	<b>72,299</b>	<b>(449,138)</b>	<b>225,945</b>	<b>327,272</b>	<b>402,796</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 137,678</b>	<b>\$ 33,426</b>	<b>\$ 688</b>	<b>\$ 51,764</b>	<b>\$ 79,981</b>	<b>\$ 726,567</b>	<b>\$ 225,945</b>	<b>\$ 413,567</b>	<b>\$ 506,616</b>

**TOWN OF LEBANON, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2022**

	Capital Projects Funds					Permanent Funds			
	Capital & Nonrecurring Fund	Town Improvement Fund	BOE Non-Lapsing Fund	Communication Infrastructure Fund	Mary Chase Library Fund	Town School Prizes Fund	Lathrop Senior Vans Donation Fund	Lathrop Senior Center Donation Fund	Flegert Ausberger Library Fund
<b>ASSETS</b>									
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	10,476	2,335	3,411	13,645	3,338
Receivables	-	-	-	334,510	-	-	-	-	-
Due From Other Funds	2,577,460	306,611	332,933	46,394	1,996	445	621	424	711
Other	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,577,460</b>	<b>\$ 306,611</b>	<b>\$ 332,933</b>	<b>\$ 380,904</b>	<b>\$ 12,472</b>	<b>\$ 2,780</b>	<b>\$ 4,032</b>	<b>\$ 14,069</b>	<b>\$ 4,049</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts and Other Payables/Due to State	\$ 17,954	\$ 3,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>17,954</b>	<b>3,090</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable Revenue - Sewer Receivable	-	-	-	-	-	-	-	-	-
Unavailable Revenue - Grants Receivable	-	-	-	-	-	-	-	-	-
Unavailable Revenue - Loans Receivable	-	-	-	-	-	-	-	-	-
Lease Receivable	-	-	-	330,545	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>330,545</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>									
Nonspendable	-	-	-	-	-	-	2,580	10,319	1,000
Restricted	-	-	-	-	12,472	2,780	1,452	3,750	3,049
Committed	2,559,506	303,521	332,933	50,359	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>2,559,506</b>	<b>303,521</b>	<b>332,933</b>	<b>50,359</b>	<b>12,472</b>	<b>2,780</b>	<b>4,032</b>	<b>14,069</b>	<b>4,049</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 2,577,460</b>	<b>\$ 306,611</b>	<b>\$ 332,933</b>	<b>\$ 380,904</b>	<b>\$ 12,472</b>	<b>\$ 2,780</b>	<b>\$ 4,032</b>	<b>\$ 14,069</b>	<b>\$ 4,049</b>

**TOWN OF LEBANON, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2022**

	Permanent Funds								
	Cummings Scholarship Fund	George Lyman Scholarship Fund	Oliver and Lucille Manning Fund	Cemetery Perpetual Care Fund	Helen Rodgers Scholarship Fund	Waterman Wilson Library Fund	Lebanon School Prizes Fund	Flora Williams Library Fund	Flora Williams Scholarship Fund
<b>ASSETS</b>									
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	257,125	55,725	19,433	13,756	12,240	12,165	8,351	9,134	-
Receivables	-	-	-	-	-	-	-	-	-
Due From Other Funds	-	-	3,252	-	-	-	1,997	-	-
Other	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 257,125</u>	<u>\$ 55,725</u>	<u>\$ 22,685</u>	<u>\$ 13,756</u>	<u>\$ 12,240</u>	<u>\$ 12,165</u>	<u>\$ 10,348</u>	<u>\$ 9,134</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts and Other Payables/Due to State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	584	126	-	550	31	1,120	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	584	126	-	550	31	1,120	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable Revenue - Sewer Receivable	-	-	-	-	-	-	-	-	-
Unavailable Revenue - Grants Receivable	-	-	-	-	-	-	-	-	-
Unavailable Revenue - Loans Receivable	-	-	-	-	-	-	-	-	-
Lease Receivable	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-
<b>FUND BALANCES</b>									
Nonspendable	197,045	42,705	10,000	10,541	10,000	8,360	6,400	7,000	-
Restricted	59,496	12,894	12,685	2,665	2,209	2,685	3,948	2,134	-
Committed	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>256,541</u>	<u>55,599</u>	<u>22,685</u>	<u>13,206</u>	<u>12,209</u>	<u>11,045</u>	<u>10,348</u>	<u>9,134</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 257,125</u>	<u>\$ 55,725</u>	<u>\$ 22,685</u>	<u>\$ 13,756</u>	<u>\$ 12,240</u>	<u>\$ 12,165</u>	<u>\$ 10,348</u>	<u>\$ 9,134</u>	<u>\$ -</u>



**TOWN OF LEBANON, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2022**

	Permanent Funds							Eliminations	Total Nonmajor Governmental Funds
	Elizabeth Grant Scholarship Fund	William Taylor Cemetery Fund	Royal O. Woodard Scholarship Fund	Town Deposit Fund	Dorothy Hinckley Scholarship Fund	Local School Fund	Vernon Boothby Library Fund		
<b>ASSETS</b>									
Cash	\$ -	\$ -	\$ -	\$ 6,564	\$ 6,156	\$ -	\$ 1,000	\$ -	\$ 623,879
Investments	3,259	1,305	6,033	-	-	-	-	-	3,235,144
Receivables	-	-	-	-	-	-	-	-	2,181,981
Due From Other Funds	-	-	-	-	-	1,937	-	-	4,831,590
Other	-	-	-	-	-	-	-	-	20,539
<b>Total Assets</b>	<b>\$ 3,259</b>	<b>\$ 1,305</b>	<b>\$ 6,033</b>	<b>\$ 6,564</b>	<b>\$ 6,156</b>	<b>\$ 1,937</b>	<b>\$ 1,000</b>	<b>\$ -</b>	<b>\$ 10,893,133</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts and Other Payables/Due to State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 188,798
Due to Other Funds	19	-	23	-	-	-	-	-	612,871
Unearned Revenue	-	-	-	-	-	-	-	-	56,865
<b>Total Liabilities</b>	<b>19</b>	<b>-</b>	<b>23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>858,534</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable Revenue - Sewer Receivable	-	-	-	-	-	-	-	-	24,430
Unavailable Revenue - Grants Receivable	-	-	-	-	-	-	-	-	579,922
Unavailable Revenue - Loans Receivable	-	-	-	-	-	-	-	-	998,838
Lease Receivable	-	-	-	-	-	-	-	-	330,545
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,933,735</b>
<b>FUND BALANCES</b>									
Nonspendable	4,216	1,000	6,050	6,564	5,000	1,937	1,000	-	331,717
Restricted	-	305	-	-	1,156	-	-	-	750,344
Committed	-	-	-	-	-	-	-	-	7,468,957
Unassigned	(976)	-	(40)	-	-	-	-	-	(450,154)
<b>Total Fund Balances</b>	<b>3,240</b>	<b>1,305</b>	<b>6,010</b>	<b>6,564</b>	<b>6,156</b>	<b>1,937</b>	<b>1,000</b>	<b>-</b>	<b>8,100,864</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 3,259</b>	<b>\$ 1,305</b>	<b>\$ 6,033</b>	<b>\$ 6,564</b>	<b>\$ 6,156</b>	<b>\$ 1,937</b>	<b>\$ 1,000</b>	<b>\$ -</b>	<b>\$ 10,893,133</b>

**TOWN OF LEBANON, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds								
	Historic Buildings Fund	Cemetery Lots Fund	Jonathan Trumbull Library Fund	Adams Community Center Fund	Small Cities Program Fund	Unimproved Town Roads Grant Fund	Social Services Donations Fund	Summer Dance Festival Fund	Trumbull Donations Fund
<b>REVENUES</b>									
Intergovernmental	\$ -	\$ -	\$ 2,575	\$ -	\$ -	\$ 38,345	\$ -	\$ -	\$ -
Charges for Services	-	6,150	1,252	-	-	-	-	-	-
Investment Income (Loss)	5	17	(34,935)	(18,639)	-	-	-	-	-
Other	-	-	12,437	-	-	-	45,177	3,020	-
<b>Total Revenues</b>	<b>5</b>	<b>6,167</b>	<b>(18,671)</b>	<b>(18,639)</b>	<b>-</b>	<b>38,345</b>	<b>45,177</b>	<b>3,020</b>	<b>-</b>
<b>EXPENDITURES</b>									
Current									
General Government	-	-	351,403	-	-	-	-	-	-
Public Safety Services	-	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-
Health & Social	-	-	-	-	59,365	-	22,464	-	1
Community Preservation	-	-	-	26,426	-	-	-	909	44,968
Debt Service	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	16,865	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>351,403</b>	<b>26,426</b>	<b>59,365</b>	<b>16,865</b>	<b>22,464</b>	<b>909</b>	<b>44,969</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>5</b>	<b>6,167</b>	<b>(370,074)</b>	<b>(45,065)</b>	<b>(59,365)</b>	<b>21,480</b>	<b>22,713</b>	<b>2,111</b>	<b>(44,969)</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers-In	-	-	302,961	100	-	-	-	-	-
Transfers-Out	-	-	-	-	-	-	-	-	-
<b>Net Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>302,961</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>5</b>	<b>6,167</b>	<b>(67,113)</b>	<b>(44,965)</b>	<b>(59,365)</b>	<b>21,480</b>	<b>22,713</b>	<b>2,111</b>	<b>(44,969)</b>
Fund Balances - Beginning of Year, as Restated	10,917	16,600	2,121,629	1,073,469	110,795	55,056	124,566	15,723	239,249
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 10,922</b>	<b>\$ 22,767</b>	<b>\$ 2,054,516</b>	<b>\$ 1,028,504</b>	<b>\$ 51,430</b>	<b>\$ 76,536</b>	<b>\$ 147,279</b>	<b>\$ 17,834</b>	<b>\$ 194,280</b>

**TOWN OF LEBANON, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds								
	Senior Vans Program Fund	Special Purpose Fund	EL Reichard Nursing Scholarship Fund	School Scholarship Fund	COVID-19 Fund	Educational Grants Fund	Student Activity Fund	School Lunch Program Fund	WPCA Operating Fund
<b>REVENUES</b>									
Intergovernmental	\$ 32,597	\$ 29,059	\$ -	\$ -	\$ -	\$ 549,453	\$ -	\$ 687,129	\$ -
Charges for Services	1,645	7,054	-	-	-	-	210,698	19,100	130,114
Investment Income (Loss)	-	-	(18)	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>34,242</b>	<b>36,113</b>	<b>(18)</b>	<b>-</b>	<b>-</b>	<b>549,453</b>	<b>210,698</b>	<b>706,229</b>	<b>130,114</b>
<b>EXPENDITURES</b>									
Current									
General Government	-	-	-	-	72,641	-	-	-	-
Public Safety Services	-	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	196,188
Education	-	-	-	-	-	1,034,516	235,399	528,944	-
Health & Social	95,995	-	500	-	-	-	-	-	-
Community Preservation	-	6,125	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>95,995</b>	<b>6,125</b>	<b>500</b>	<b>-</b>	<b>72,641</b>	<b>1,034,516</b>	<b>235,399</b>	<b>528,944</b>	<b>196,188</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(61,753)</b>	<b>29,988</b>	<b>(518)</b>	<b>-</b>	<b>(72,641)</b>	<b>(485,063)</b>	<b>(24,701)</b>	<b>177,285</b>	<b>(66,074)</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers-In	70,000	-	-	-	-	-	-	-	-
Transfers-Out	-	-	-	-	-	-	-	-	-
<b>Net Other Financing Sources (Uses)</b>	<b>70,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>8,247</b>	<b>29,988</b>	<b>(518)</b>	<b>-</b>	<b>(72,641)</b>	<b>(485,063)</b>	<b>(24,701)</b>	<b>177,285</b>	<b>(66,074)</b>
Fund Balances - Beginning of Year, as Restated	123,835	2,466	1,140	51,764	144,940	35,925	250,646	149,987	468,870
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 132,082</b>	<b>\$ 32,454</b>	<b>\$ 622</b>	<b>\$ 51,764</b>	<b>\$ 72,299</b>	<b>\$ (449,138)</b>	<b>\$ 225,945</b>	<b>\$ 327,272</b>	<b>\$ 402,796</b>

**TOWN OF LEBANON, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

	Capital Project Funds				Permanent Funds				
	Capital & Nonrecurring Fund	Town Improvement Fund	BOE Non-Lapsing Fund	Communication Infrastructure Fund	Mary Chase Library Fund	Town School Prizes Fund	Lathrop Senior Vans Donation Fund	Lathrop Senior Center Donation Fund	Flegert Ausberger Library Fund
<b>REVENUES</b>									
Intergovernmental	\$ 70,557	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	10,498	-	-	21,557	-	-	-	-	-
Investment Income (Loss)	-	-	-	8,808	(207)	(45)	(68)	(269)	(66)
Other	-	-	-	-	-	-	-	-	-
Total Revenues	81,055	-	-	30,365	(207)	(45)	(68)	(269)	(66)
<b>EXPENDITURES</b>									
Current									
General Government	-	-	-	-	-	-	-	-	-
Public Safety Services	-	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-
Health & Social	-	-	-	-	-	-	-	1,917	-
Community Preservation	-	-	-	-	-	-	-	-	-
Debt Service	113,000	-	-	-	-	-	-	-	-
Capital Outlay	1,093,802	62,775	103,130	1,885	-	-	-	-	-
Total Expenditures	1,206,802	62,775	103,130	1,885	-	-	-	1,917	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(1,125,747)	(62,775)	(103,130)	28,480	(207)	(45)	(68)	(2,186)	(66)
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers-In	2,068,000	100,000	25,415	-	-	-	-	-	-
Transfers-Out	(100,000)	-	-	-	-	-	-	-	-
Net Other Financing Sources (Uses)	1,968,000	100,000	25,415	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	842,253	37,225	(77,715)	28,480	(207)	(45)	(68)	(2,186)	(66)
Fund Balances - Beginning of Year, as Restated	1,717,253	266,296	410,648	21,879	12,679	2,825	4,100	16,255	4,115
<b>FUND BALANCES - END OF YEAR</b>	\$ 2,559,506	\$ 303,521	\$ 332,933	\$ 50,359	\$ 12,472	\$ 2,780	\$ 4,032	\$ 14,069	\$ 4,049

**TOWN OF LEBANON, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

	Permanent Funds								
	Cummings Scholarship Fund	George Lyman Scholarship Fund	Oliver and Lucille Manning Fund	Cemetery Perpetual Care Fund	Helen Rodgers Scholarship Fund	Waterman Wilson Library Fund	Lebanon School Prizes Fund	Flora Williams Library Fund	Flora Williams Scholarship Fund
<b>REVENUES</b>									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-	-	-	-
Investment Income (Loss)	(5,090)	(1,103)	(386)	(700)	(242)	(619)	(165)	(465)	12
Other	-	-	-	-	-	-	-	-	-
Total Revenues	(5,090)	(1,103)	(386)	(700)	(242)	(619)	(165)	(465)	12
<b>EXPENDITURES</b>									
Current									
General Government	-	-	-	-	-	-	-	-	-
Public Safety Services	-	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-
Education	8,047	1,744	-	-	500	-	-	-	157
Health & Social	-	-	-	-	-	-	-	-	-
Community Preservation	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	8,047	1,744	-	-	500	-	-	-	157
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(13,137)	(2,847)	(386)	(700)	(742)	(619)	(165)	(465)	(145)
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers-In	-	-	-	-	-	-	-	-	-
Transfers-Out	-	-	-	-	-	-	-	-	-
Net Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	(13,137)	(2,847)	(386)	(700)	(742)	(619)	(165)	(465)	(145)
Fund Balances - Beginning of Year, as Restated	269,678	58,446	23,071	13,906	12,951	11,664	10,513	9,599	145
<b>FUND BALANCES - END OF YEAR</b>	\$ 256,541	\$ 55,599	\$ 22,685	\$ 13,206	\$ 12,209	\$ 11,045	\$ 10,348	\$ 9,134	\$ -

**TOWN OF LEBANON, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

	Permanent Funds							Eliminations	Total Nonmajor Governmental Funds
	Elizabeth Grant Scholarship Fund	William Taylor Cemetery Fund	Royal O. Woodard Scholarship Fund	Town Deposit Fund	Dorothy Hinckley Scholarship Fund	Local School Fund	Vernon Boothby Library Fund		
<b>REVENUES</b>									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,409,715
Charges for Services	-	-	-	-	-	-	-	-	408,068
Investment Income (Loss)	(63)	(66)	(118)	-	-	-	-	-	(54,422)
Other	-	-	-	-	-	-	-	-	60,634
Total Revenues	(63)	(66)	(118)	-	-	-	-	-	1,823,995
<b>EXPENDITURES</b>									
Current									
General Government	-	-	-	-	-	-	-	-	424,044
Public Safety Services	-	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	196,188
Education	500	-	500	-	-	-	-	-	1,810,307
Health & Social	-	-	-	-	-	-	-	-	180,242
Community Preservation	-	-	-	-	-	-	-	-	78,428
Debt Service	-	-	-	-	-	-	-	-	113,000
Capital Outlay	-	-	-	-	-	-	-	-	1,278,457
Total Expenditures	500	-	500	-	-	-	-	-	4,080,666
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(563)	(66)	(618)	-	-	-	-	-	(2,256,671)
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers-In	-	-	-	-	-	-	-	(100,000)	2,466,476
Transfers-Out	-	-	-	-	-	-	-	100,000	-
Net Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	2,466,476
<b>NET CHANGE IN FUND BALANCES</b>	(563)	(66)	(618)	-	-	-	-	-	209,805
Fund Balances - Beginning of Year, as Restated	3,803	1,371	6,628	6,564	6,156	1,937	1,000	-	7,891,059
<b>FUND BALANCES - END OF YEAR</b>	\$ 3,240	\$ 1,305	\$ 6,010	\$ 6,564	\$ 6,156	\$ 1,937	\$ 1,000	\$ -	\$ 8,100,864

## **SCHEDULES**

**TOWN OF LEBANON, CONNECTICUT  
GENERAL FUND  
REPORT OF TAX COLLECTOR  
YEAR ENDED JUNE 30, 2022**

Grand List Year	Uncollected Taxes July 1, 2021	Current Levy	Lawful Corrections		Transfers to Suspense	Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2022
			Additions	Deductions			Taxes	Interest and Lien Fees	Total	
2005	\$ 202	\$ -	\$ -	\$ -	\$ -	\$ 202	\$ -	\$ -	\$ -	\$ 202
2006	214	-	-	-	-	214	-	-	-	214
2007	-	-	-	-	-	-	-	-	-	-
2008	405	-	-	-	-	405	-	-	-	405
2009	421	-	-	-	-	421	-	-	-	421
2010	247	-	-	-	-	247	-	-	-	247
2011	255	-	-	-	-	255	-	-	-	255
2012	259	-	-	-	-	259	-	-	-	259
2013	314	-	-	-	-	314	-	-	-	314
2014	319	-	-	-	-	319	-	-	-	319
2015	322	-	-	-	-	322	-	-	-	322
2016	17,610	-	-	822	243	16,545	5,506	4,153	9,659	11,039
2017	36,867	-	1,895	-	355	38,407	20,269	11,949	32,218	18,138
2018	125,922	-	-	8,834	27,434	89,654	50,658	20,876	71,534	38,996
2019	264,290	-	1,083	12,798	1,776	250,799	157,462	37,846	195,308	93,337
Total Prior Years	447,647	-	2,978	22,454	29,808	398,363	233,895	74,824	308,719	164,468
2020	-	19,687,669	16,747	57,205	1,214	19,645,997	19,392,913	71,022	19,463,935	253,084
Total	\$ 447,647	\$ 19,687,669	\$ 19,725	\$ 79,659	\$ 31,022	\$ 20,044,360	\$ 19,626,808	\$ 145,846	\$ 19,772,654	\$ 417,552



**TOWN OF LEBANON, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF DEBT LIMITATION  
YEAR ENDED JUNE 30, 2022**

Total Tax Collections (Including Interest and Lien Fees) for the Year Ended June 30, 2021	<u>\$ 19,246,510</u>
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Base for Debt Limitation Computation	<u><u>\$ 19,246,510</u></u>
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	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation:					
2 1/4 Times Base	\$ 43,304,648	\$ -	\$ -	\$ -	\$ -
4 1/2 Times Base	-	86,609,295	-	-	-
3 3/4 Times Base	-	-	72,174,413	-	-
3 1/4 Times Base	-	-	-	62,551,158	-
3 Times Base	-	-	-	-	57,739,530
	<u>43,304,648</u>	<u>86,609,295</u>	<u>72,174,413</u>	<u>62,551,158</u>	<u>57,739,530</u>
Total Debt Limitation					
Indebtedness:					
Bonds Payable	<u>5,325,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Indebtedness (1) (2)	<u>5,325,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Indebtedness	<u><u>\$ 37,979,648</u></u>	<u><u>\$ 86,609,295</u></u>	<u><u>\$ 72,174,413</u></u>	<u><u>\$ 62,551,158</u></u>	<u><u>\$ 57,739,530</u></u>

(1) The total of the above net indebtedness amounts to:	<u><u>\$ 5,325,000</u></u>
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In no event shall total indebtedness exceed seven times the base for debt limitation computation:	<u><u>\$ 134,725,570</u></u>
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(2) There is no overlapping debt.