

**TOWN OF LEBANON,  
CONNECTICUT**

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2023**

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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, 2023, 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

#### **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 financial statements and other 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 financial statements and other 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 March 26, 2024, 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**

West Hartford, Connecticut  
March 26, 2024

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

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, 2023. 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 \$51,220,646 (net position). Of this amount, \$12,447,770 (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 \$352,981. Governmental and business-type activity expenses were \$34,938,151 while revenues were \$35,291,599.
- The total cost of all Town services for fiscal year 2023 was \$34,938,151 of which \$34,759,644 was for governmental services and \$178,507 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 \$15,543,022, an increase of \$431,481 from the prior fiscal year. Of the total fund balance as of June 30, 2023, \$5,773,569 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 \$6,109,653 an increase of \$610,105 over the prior fiscal year. Unassigned fund balance for the general fund was \$6,004,308 or 19.45% 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, 2023**

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.

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

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

The Town of Lebanon maintains 29 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 26 governmental funds are combined into a single, aggregated presentation under the caption "non-major governmental funds." Nonmajor governmental funds include Small Cities, 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, Special Purpose Fund, Town Grants, 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 28 of this report.

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

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 81 of this report.

**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 \$51,220,646 (net position) at the close of the most recent fiscal year.

By far, the largest portion of the Town of Lebanon's net position \$35,269,063 (68.9%) 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.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 20,756,420	\$ 20,158,169	\$ 3,572,187	\$ 3,664,872	\$ 24,328,607	\$ 23,823,041
Capital Assets	38,429,561	38,007,538	5,636,431	5,723,145	44,065,992	43,730,683
Total Assets	59,185,981	58,165,707	9,208,618	9,388,017	68,394,599	67,553,724
Deferred Outflows of Resources	1,837,394	1,640,535	-	-	1,837,394	1,640,535
Current Liabilities	3,040,874	2,831,031	40,562	41,802	3,081,436	2,872,833
Noncurrent Liabilities	9,469,560	9,832,049	3,610,975	3,721,326	13,080,535	13,553,375
Total Liabilities	12,510,434	12,663,080	3,651,537	3,763,128	16,161,971	16,426,208
Deferred Inflows of Resources	2,849,376	1,900,386	-	-	2,849,376	1,900,386
Net Investment in Capital Assets	33,243,607	31,896,142	2,025,456	2,001,819	35,269,063	33,897,961
Restricted	3,503,813	4,569,250	-	-	3,503,813	4,569,250
Unrestricted	8,916,145	8,777,384	3,531,625	3,623,070	12,447,770	12,400,454
Total Net Position	<u>\$ 45,663,565</u>	<u>\$ 45,242,776</u>	<u>\$ 5,557,081</u>	<u>\$ 5,624,889</u>	<u>\$ 51,220,646</u>	<u>\$ 50,867,665</u>

An additional portion of the Town of Lebanon's total net position, 6.8% or \$3,503,813, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$12,447,770 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, an increase in net investment in capital assets and a decrease in 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, 2023**

The Town of Lebanon's overall net position increased \$352,981 from the prior fiscal year. 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 \$420,789 and business-type activities decreased by \$67,808.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 2,583,485	\$ 1,956,318	\$ 103,897	\$ 58,900	\$ 2,687,382	\$ 2,015,218
Operating Grants and Contributions	11,237,260	10,055,989	-	-	11,237,260	10,055,989
Capital Grants and Contributions	24,000	1,467,857	-	-	24,000	1,467,857
General Revenues:						
Property Taxes	20,501,917	19,700,814	-	-	20,501,917	19,700,814
Grants and Contributions Not Restricted to Specific Programs	378,083	234,157	-	-	378,083	234,157
Investment Income	441,426	(15,456)	6,802	3,429	448,228	(12,027)
Miscellaneous	14,262	-	-	-	14,262	-
<b>Total Revenues</b>	<b>35,180,433</b>	<b>33,399,679</b>	<b>110,699</b>	<b>62,329</b>	<b>35,291,132</b>	<b>33,462,008</b>
<b>Expenses:</b>						
General Government	2,709,076	2,326,446	-	-	2,709,076	2,326,446
Public Safety Services	954,387	831,872	-	-	954,387	831,872
Public Works	2,959,313	2,734,913	-	-	2,959,313	2,734,913
Education	27,335,700	25,647,246	-	-	27,335,700	25,647,246
Health & Social	337,488	339,677	-	-	337,488	339,677
Community Preservation	390,757	236,993	-	-	390,757	236,993
Interest Expense	72,923	15,146	91,793	94,516	164,716	109,662
Sewer Fund	-	-	86,714	86,714	86,714	86,714
<b>Total Expenses</b>	<b>34,759,644</b>	<b>32,132,293</b>	<b>178,507</b>	<b>181,230</b>	<b>34,938,151</b>	<b>32,313,523</b>
Change in Net Position	420,789	1,267,386	(67,808)	(118,901)	352,981	1,148,485
Net Position - July 1	45,242,776	43,975,390	5,624,889	5,743,790	50,867,665	49,719,180
Net Position - June 30	<u>\$ 45,663,565</u>	<u>\$ 45,242,776</u>	<u>\$ 5,557,081</u>	<u>\$ 5,624,889</u>	<u>\$ 51,220,646</u>	<u>\$ 50,867,665</u>

**Governmental Activities**

For governmental activities, approximately 58.3% of the revenues were derived from property taxes, followed by 41.7% in all other intergovernmental revenues. These numbers reflect a decrease in property tax revenues and an increase in intergovernmental revenue as compared to the prior fiscal year where property taxes were 59% and other intergovernmental revenues were 41% of total revenues.

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

Major revenue factors included:

1. *Property tax revenues* recorded during fiscal year 2023 reflect a .1 increase in the mill rate for the current levy and an impact of a 3.69% increase in the grand list. There was an increase of \$801,103 in property tax revenues collected over the previous year.
2. *Charges for services* were \$627,167 more than the prior year. The most significant increases were general government, public safety services and education.
3. *Operating grants* reflected an increase of \$1,181,271 mainly due to an increase in educational grants.
4. *Capital grants and contributions* reflected a decrease of \$1,443,857 over the previous year due to one-time grants received for Goshen Hill Road Bridge, school technology, and the library renovation project.

Overall governmental revenues increased by \$1,780,754. This is mainly due to increased revenues in charges for services, operating grants and contributions, property taxes, and investment income and a decrease in capital grants and contributions.

For governmental activities, 78.64% of the Town's expenses relate to education, 8.51% to public works, 2.75% to public safety, 1.12% to community preservation, .02% to interest payments on long-term debt, 8.01% to general government and .97% to health and social.

The overall total of governmental expenses excluding transfers increased in the amount of \$2,627,351 with the biggest impacts resulting from an increase of \$1,688,454 in Education followed by \$382,630 in general government and \$224,400 in public works.

**Business-Type Activities.** Business-type activities revenue increased by \$48,370 for charges for services and interest expense decreased by \$2,723.

### **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.

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

As of the end of the current fiscal year, the Town of Lebanon's governmental funds reported combined ending fund balances of \$15,543,022, an increase of \$431,481 from the previous year. The largest change in fund balance was a decrease in restricted fund balance for bonded capital projects, and an increase in unassigned in the General Fund and nonmajor governmental funds. *The general fund* balance increased by \$610,105.

The overall amount of the governmental fund balances totals up to \$15,543,022. Of that amount the non-spendable fund balance is \$398,518 which includes the principal portion of its permanent funds, inventories, and pre-paid expenditures. Restricted fund balance is \$1,896,310 which is restricted for a specific purpose (grants, special revenue funds, donations, housing rehabilitation fund etc.). Committed fund balance is \$7,474,625 which can only be used for a specific purpose, and the unassigned fund balance is \$5,773,569 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 \$6,004,308, while total fund balance was \$6,109,653. 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 19.45% of total general fund expenditures including transfers out. Total fund balance represents 19.79% of that same amount. The unassigned portion of fund balance, when compared with unassigned last year portion for the general fund had increased by \$542,100 while the total fund balance increased by \$610,105.

**General Fund Budgetary Highlights were:**

- Overall the Town experienced an excess in revenues of \$900,112. Property tax collections were \$108,827 less than budgeted.
- Intergovernmental revenue for general government and education experienced an excess in revenues of \$138,324.
- Investment income exceeded the budget by \$252,692.
- Educational tuition also exceeded the budget by \$123,642.
- Charges for Services for general government and police services exceeded the budget by \$486,038.
- Total Expenditures were \$441,619 less than anticipated. Of this amount, \$71,811 was unexpended from General Government, \$191,776 from Public Works, \$40,905 from employee benefits, and \$112,255 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.

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

The Town of Lebanon was awarded \$2,114,270 under the Coronavirus Local Fiscal Recovery Fund. The Board of Selectmen has sought to use ARPA funds primarily to make one-time investments in government services that will not generate significant new recurring expenses in future years. Some of those major projects include: Town wide radio upgrades, Town Hall Fiber installation, bleachers at the high school, HVAC for the town hall and fire safety complex, social services assistance, farmers market assistance, affordable senior housing feasibility study, updated phone systems, pavement management study, basketball court reconstruction, senior center efficiency lighting, financial software upgrade, fire safety complex roof fasteners and door replacements, community center renovations, and asbestos abatement at town hall.

Unassigned fund balance was utilized for two projects that were approved at Town Meetings in fiscal year 2023. Tree removal of \$300,000 was approved on November 14, 2022, and a new ambulance for \$450,000 was approved on February 6, 2023.

**Capital Asset and Debt Administration**

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

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 2,228,189	\$ 2,228,189	\$ -	\$ -	\$ 2,228,189	\$ 2,228,189
Construction in Progress	51,971	4,419,249	-	-	51,971	4,419,249
Buildings	20,972,734	16,746,261	-	-	20,972,734	16,746,261
Equipment	1,427,166	658,519	-	-	1,427,166	658,519
Vehicles	1,916,409	2,001,814	-	-	1,916,409	2,001,814
Infrastructure	11,833,092	11,953,506	-	-	11,833,092	11,953,506
Amston Lake Sewage System	-	-	5,636,431	5,723,145	5,636,431	5,723,145
Total	<u>\$ 38,429,561</u>	<u>\$ 38,007,538</u>	<u>\$ 5,636,431</u>	<u>\$ 5,723,145</u>	<u>\$ 44,065,992</u>	<u>\$ 43,730,683</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 \$335,309 or approximately .77%, with an increase of \$422,023 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, 2023**

The Town's Governmental Activities type capital assets increase of \$422,023 is the net result of depreciation and deletions combined with the addition of the following assets:

Pavilion Roof – Aspinall Field	\$ 15,565
Basketball Court – Aspinall Field	105,478
Fiber – Town Hal	25,400
VOIP Phone System – Town Hall	10,180
Financial Software – Town Hall and BOE (Construction In Progress)	5,663
Guard Shack – Transfer Station	6,952
Roof – Community Center	16,288
Library Renovations (Balance)	785,429
Body Cameras – Police	37,758
Police Vehicle	61,349
VOIP Phone System – Fire Safety Complex	14,527
Roof Fastener Replacement – Fire Safety Complex (Construction In Progress)	10,815
27 Breathing Apparatus and RIT's (Balance) – Fire Department	347,935
Compressor for SCBA – Fire Department	86,477
Lucas Device w/Accessories – Ambulance	18,830
Over the Rail Mower – Public Works	100,994
Cirus Devices in DPW trucks	15,459
Guiderrails – Public Works	51,965
Randall Road Bridge – Public Works	88,367
Smith Road Culvert – Public Works	12,984
Chappell Road – Public Works	18,188
Tobacco Street Bridge – Public Works	3,213
Goshen Hill Bridge (Balance) – Public Works	16,477
Wood Chip Box - Public Works	10,000
Temporary Salt Shed (balance) – Public Works	7,807
Bucket Truck – Public Works	87,375
Improvements to Sewer System – WPCA	32,379
North Lebanon Cemetery Stonewall	30,000
Exhaust Fan replacement – LMHS	5,103
Scissor Lift – BOE	11,809
Pave Walkway to Bleachers – LMHS	8,500
Asbestos Abatement - BOE	21,300
Computers – BOE	149,465
Smartboards – BOE	13,825
Scoreboard – LMHS	7,714
Security Cameras – BOE	25,352
Water Heater Replacement – LES	8,750
Baseboard Heating – LES	5,196
Roof Top Unit Replacement – LMS	9,673
Bleachers – LMHS	18,258
Aerator – Walk Behind Dual Hydro with Stringer Ride on Sulky – BOE	5,701
Spreader with Super Seeder – BOE	5,805
60" Vertex Stand on Mower – BOE	10,480
Lancaster Pole Building – BOE	64,372
Curriculum Software – BOE	13,205
Hobart Dishwasher – BOE	42,983
Horizon Software Terminals – BOE	12,807



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

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 3C on pages 41-44 of this report.

**Long-Term Debt.** At the end of the current fiscal year, the Town of Lebanon had total bonded debt outstanding of \$8,580,975, all of which is backed by the full faith and credit of the Town. Of this debt, \$3,610,975 is related to the sewer installation, \$2,100,000 is for Roads and Bridges, and \$3,225,000 is for the Library expansion project.

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 \$59,317,962 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 45-47 of this report.

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

The Town's elected and appointed officials considered many factors when setting the fiscal year 2024 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.

The final adopted budget was approved at the Annual Town Meeting on May 1, 2023, for fiscal year 2023-2024 in the amount of \$28,747,242, a total increase of 4.91%. The major increases were Town Operations, Capital and Non-Recurring, and Education.

The property tax revenue increase needed was 5.04% from the previous year to fund this budget. The mill rate for the Town reflected a .5 mill increase over the previous year. The 2022 Grand List increased by 3.2% due mainly in part to personal property assessments increasing up to 22%.

Lebanon's unemployment rate decreased from 4.0% as of June 2022 to 3.3% as of June 2023. The State of CT unemployment rate decreased from 4.0% (June 2022) to 3.4% as of June 2023.

### **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, 2023**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 12,974,368	\$ 1,444,533	\$ 14,418,901
Investments	5,679,424	-	5,679,424
Accounts Receivable	2,441,439	47,381	2,488,820
Internal Balances	(445,693)	445,693	-
Other Assets	106,882	-	106,882
Current Portion of Assessment Receivable	-	208,434	208,434
Non-current Portion of Assessment Receivable	-	1,426,146	1,426,146
Capital Assets, Nondepreciable	2,280,160	-	2,280,160
Capital Assets, Net of Accumulated Depreciation	36,149,401	5,636,431	41,785,832
Total Assets	<u>59,185,981</u>	<u>9,208,618</u>	<u>68,394,599</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to OPEB	826,150	-	826,150
Deferred Outflows Related to Pensions	1,011,244	-	1,011,244
Total Deferred Outflows of Resources	<u>1,837,394</u>	<u>-</u>	<u>1,837,394</u>
<b>LIABILITIES</b>			
Accounts Payable	513,529	-	513,529
Accrued Liabilities	115,855	-	115,855
Accrued Interest Payable	41,313	40,562	81,875
Unearned Revenue	1,822,021	-	1,822,021
Noncurrent Liabilities, Due Within One Year	548,156	113,110	661,266
Noncurrent Liabilities, Due in More Than One Year	9,469,560	3,497,865	12,967,425
Total Liabilities	<u>12,510,434</u>	<u>3,651,537</u>	<u>16,161,971</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to OPEB	1,764,315	-	1,764,315
Deferred Inflows Related to Pensions	188,685	-	188,685
Lease Related	308,988	-	308,988
Advance Property Tax Collections	587,388	-	587,388
Total Deferred Inflows of Resources	<u>2,849,376</u>	<u>-</u>	<u>2,849,376</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	33,243,607	2,025,456	35,269,063
Restricted for:			
Permanent Fund - Nonexpendable	331,717	-	331,717
Permanent Fund - Expendable	133,907	-	133,907
Grant Programs	1,532,601	-	1,532,601
Capital Projects	1,086,902	-	1,086,902
Donations	418,686	-	418,686
Unrestricted	8,916,145	3,531,625	12,447,770
Total Net Position	<u>\$ 45,663,565</u>	<u>\$ 5,557,081</u>	<u>\$ 51,220,646</u>

See accompanying Notes to Financial Statements.

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

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	\$ 2,709,076	\$ 363,547	\$ 208,073	\$ -	\$ (2,137,456)	\$ -	\$ (2,137,456)
Public Safety Services	954,387	413,413	-	-	(540,974)	-	(540,974)
Public Works	2,959,313	349,037	319,178	-	(2,291,098)	-	(2,291,098)
Education	27,335,700	1,341,448	10,614,020	-	(15,380,232)	-	(15,380,232)
Health & Social	337,488	111,040	78,852	24,000	(123,596)	-	(123,596)
Community Preservation	390,757	5,000	17,137	-	(368,620)	-	(368,620)
Interest Expense	72,923	-	-	-	(72,923)	-	(72,923)
Total Governmental Activities	34,759,644	2,583,485	11,237,260	24,000	(20,914,899)	-	(20,914,899)
<b>BUSINESS-TYPE ACTIVITIES</b>							
WPCA Assessment Fund	178,507	103,897	-	-	-	(74,610)	(74,610)
Total Business-Type Activities	178,507	103,897	-	-	-	(74,610)	(74,610)
Total	\$ 34,938,151	\$ 2,687,382	\$ 11,237,260	\$ 24,000	(20,914,899)	(74,610)	(20,989,509)
General Revenues:							
Property Taxes					20,501,917	-	20,501,917
Grants and Contributions not Restricted to Specific Programs					378,083	-	378,083
Investment Income (Loss)					441,426	6,802	448,228
Miscellaneous					14,262	-	14,262
Total General Revenues					21,335,688	6,802	21,342,490
Change in Net Position					420,789	(67,808)	352,981
Net Position - Beginning of Year					45,242,776	5,624,889	50,867,665
<b>NET POSITION - END OF YEAR</b>					<b>\$ 45,663,565</b>	<b>\$ 5,557,081</b>	<b>\$ 51,220,646</b>

See accompanying Notes to Financial Statements.

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

	General	ARPA Fund	Bonded Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 11,229,118	\$ -	\$ 705,607	\$ 901,955	\$ 12,836,680
Investments	2,376,055	-	-	3,303,369	5,679,424
Receivables	689,111	-	1,779	1,750,549	2,441,439
Prepaid Items	66,801	12,600	-	-	79,401
Due From Other Funds	507,696	1,715,753	387,979	4,707,361	7,318,789
Other	-	-	-	27,481	27,481
<b>Total Assets</b>	<b>\$ 14,868,781</b>	<b>\$ 1,728,353</b>	<b>\$ 1,095,365</b>	<b>\$ 10,690,715</b>	<b>\$ 28,383,214</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts and Other Payables	\$ 349,128	33,890	8,463	\$ 115,499	\$ 506,980
Accrued Liabilities	108,555	-	-	-	108,555
Due to Other Funds	7,256,786	-	-	507,696	7,764,482
Unearned Revenue	2,230	1,694,463	-	107,129	1,803,822
<b>Total Liabilities</b>	<b>7,716,699</b>	<b>1,728,353</b>	<b>8,463</b>	<b>730,324</b>	<b>10,183,839</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Property Taxes	347,089	-	-	-	347,089
Unavailable Revenue - Tax Interest	107,952	-	-	-	107,952
Lease Related	-	-	-	308,988	308,988
Unavailable Revenue - Sewer Receivable	-	-	-	29,150	29,150
Unavailable Revenue - Loans Receivable	-	-	-	1,014,353	1,014,353
Unavailable Revenue - Grant Receivable	-	-	-	261,433	261,433
Advance Property Tax Collections	587,388	-	-	-	587,388
<b>Total Deferred Inflows of Resources</b>	<b>1,042,429</b>	<b>-</b>	<b>-</b>	<b>1,613,924</b>	<b>2,656,353</b>
<b>FUND BALANCES</b>					
Nonspendable	66,801	-	-	331,717	398,518
Restricted	-	-	1,086,902	809,408	1,896,310
Committed	38,544	-	-	7,436,081	7,474,625
Unassigned	6,004,308	-	-	(230,739)	5,773,569
<b>Total Fund Balances</b>	<b>6,109,653</b>	<b>-</b>	<b>1,086,902</b>	<b>8,346,467</b>	<b>15,543,022</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 14,868,781</b>	<b>\$ 1,728,353</b>	<b>\$ 1,095,365</b>	<b>\$ 10,690,715</b>	<b>\$ 28,383,214</b>

See accompanying Notes to Financial Statements.

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

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)	\$	15,543,022
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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	\$	87,994,048
Less: accumulated depreciation		<u>(49,564,487)</u>
Net Capital Assets		38,429,561

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		455,041
CDBG Loans receivable accrual basis change		1,014,353
Grant receivable accrual basis change		261,433
Sewer receivable accrual basis change		29,150
Deferred outflows of resources related to OPEB		826,150
Deferred outflows of resources related to Pensions		1,011,244

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.		105,640
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Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable		(4,970,000)
Net Pension Liability		(2,525,199)
Total OPEB Liability		(1,956,777)
Deferred inflows of resources related to OPEB		(1,764,315)
Deferred inflows of resources related to Pensions		(188,685)
Compensated absences		(358,249)
Accrued interest payable		(41,313)
Financing arrangements		(64,047)
Promissory notes payable		<u>(143,444)</u>

Net Position of Governmental Activities (Exhibit I)	\$	<u><u>45,663,565</u></u>
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**TOWN OF LEBANON, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	General	ARPA Fund	Bonded Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property Taxes	\$ 20,443,807	\$ -	\$ -	\$ -	\$ 20,443,807
Intergovernmental	8,724,514	198,384	397,300	2,214,500	11,534,698
Charges for Services	2,034,079	-	-	486,369	2,520,448
Investment Income (Loss)	277,695	-	-	163,242	440,937
Other Revenues	-	-	-	72,579	72,579
Total Revenues	<u>31,480,095</u>	<u>198,384</u>	<u>397,300</u>	<u>2,936,690</u>	<u>35,012,469</u>
<b>EXPENDITURES</b>					
Current:					
General Government	1,918,604	132,387	-	431,386	2,482,377
Public Safety Services	718,984	33,880	-	-	752,864
Public Works	1,497,725	-	-	193,088	1,690,813
Education	23,566,684	18,258	-	2,086,661	25,671,603
Health & Social	334,369	13,859	-	182,111	530,339
Community Preservation	-	-	-	61,021	61,021
Debt Service	481,859	-	-	113,000	594,859
Capital Outlay	-	-	821,527	1,975,585	2,797,112
Total Expenditures	<u>28,518,225</u>	<u>198,384</u>	<u>821,527</u>	<u>5,042,852</u>	<u>34,580,988</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	2,961,870	-	(424,227)	(2,106,162)	431,481
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	2,351,765	2,351,765
Transfers Out	(2,351,765)	-	-	-	(2,351,765)
Net Other Financing Sources	<u>(2,351,765)</u>	<u>-</u>	<u>-</u>	<u>2,351,765</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	610,105	-	(424,227)	245,603	431,481
Fund Balances - Beginning of Year	<u>5,499,548</u>	<u>-</u>	<u>1,511,129</u>	<u>8,100,864</u>	<u>15,111,541</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 6,109,653</u>	<u>\$ -</u>	<u>\$ 1,086,902</u>	<u>\$ 8,346,467</u>	<u>\$ 15,543,022</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, 2023**

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)	\$	431,481
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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		2,464,151
Depreciation expense		(2,035,535)

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.		(6,593)
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Change in deferred outflows related to Pensions		296,229
Change in deferred outflows related to OPEB		(99,370)
Change in deferred inflows related to Pensions		635,337
Change in deferred inflows related to OPEB		(1,076,014)

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		53,507
Increase in property tax interest receivable - accrual basis change		4,603
Increase in CDBG Loans receivable - accrual basis change		15,515
Increase in sewer revenue - accrual basis change		4,720
Increase in grant revenue - accrual basis change		(715,789)

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:

Bond payments		355,000
Financing arrangement payments		107,901
Promissory note payments		56,767

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		34,140
Change in accrued interest		2,268
Net Pension Liability - Pension expense		(1,266,697)
Total OPEB Liability - OPEB expense		1,208,583

The net loss of the internal service funds is reported with governmental activities.		<u>(49,415)</u>
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Change in Net Position of Governmental Activities (Exhibit II)	\$	<u><u>420,789</u></u>
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**TOWN OF LEBANON, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2023**

	Business- Type Activities Enterprise Fund	Governmental Activities
	WPCA Assessment Fund	Internal Service Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,444,533	\$ 137,688
Interest Receivable	46,416	-
Accounts Receivable	965	-
Due from Other Funds	445,693	-
Current Portion of Assessment Receivable	208,434	-
Non-current Portion of Assessment Receivable	1,426,146	-
Capital Assets, Net of Accumulated Depreciation	5,636,431	-
Total Assets	9,208,618	137,688
<b>LIABILITIES</b>		
Accounts Payable	-	6,549
Claims Payable	-	7,300
Unearned Revenue	-	18,199
Accrued Interest Payable	40,562	-
Noncurrent Liabilities, Due Within One Year	113,110	-
Noncurrent Liabilities, Due in More Than One Year	3,497,865	-
Total Liabilities	3,651,537	32,048
<b>NET POSITION</b>		
Net Investment in Capital Assets	2,025,456	-
Unrestricted	3,531,625	105,640
Total Net Position	\$ 5,557,081	\$ 105,640

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, 2023**

	Business- Type Activities Enterprise Fund WPCA Assessment Fund	Governmental Activities Internal Service Funds
<b>OPERATING REVENUES</b>		
Assessment Interest	\$ 103,129	\$ -
Employer Contributions	-	152,664
Employee Contributions	-	110,216
Other Income	768	-
Total Operating Revenues	<u>103,897</u>	<u>262,880</u>
<b>OPERATING EXPENSES</b>		
Employee Benefits	-	312,784
Depreciation	86,714	-
Total Operating Expenses	<u>86,714</u>	<u>312,784</u>
<b>OPERATING INCOME (LOSS)</b>	17,183	(49,904)
Nonoperating Revenue (Expenses):		
Interest Expense	(91,793)	-
Investment Income	6,802	489
Net Nonoperating Revenue (Expense)	<u>(84,991)</u>	<u>489</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>(67,808)</u>	<u>(49,415)</u>
<b>CHANGE IN NET POSITION</b>	(67,808)	(49,415)
Net Position - Beginning of Year	<u>5,624,889</u>	<u>155,055</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 5,557,081</u>	<u>\$ 105,640</u>

See accompanying Notes to Financial Statements.

**TOWN OF LEBANON, CONNECTICUT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2023**

	Business- Type Activities Enterprise Fund	Governmental Activities
	WPCA Assessment Fund	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 953,383	\$ 303,872
Payments to Providers of Benefits	-	(317,121)
Net Cash Provided (Used) by Operating Activities	953,383	(13,249)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Loan Principal Payments	(110,351)	-
Interest Payments	(93,033)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(203,384)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Income	6,802	489
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	756,801	(12,760)
Cash and Cash Equivalents - Beginning of Year	687,732	150,448
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,444,533	\$ 137,688
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating Income (Loss)	\$ 17,183	\$ (49,904)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation Expense	86,714	-
(Increase) Decrease in Accounts Receivable	207,998	15,759
Increase (Decrease) in Due to/from Other Funds	641,488	7,034
Increase (Decrease) in Accounts Payable	-	(4,837)
Increase (Decrease) in Claims Payable	-	500
Increase (Decrease) in Unearned Revenue	-	18,199
Net Cash Provided by Operating Activities	\$ 953,383	\$ (13,249)

See accompanying Notes to Financial Statements.

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

**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, 2023**

**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, and proprietary funds. 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 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 Assessment 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, 2023**

**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 Fund* is 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 WPCA Assessment 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, 2023**

**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, 2023**

**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, 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.

Property, plant, and equipment of the primary government 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, 2023**

**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, 2023**

**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, 2023**

**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, 2023**

**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/expenditures during the reporting period. Actual results could differ from those estimates.

**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.

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

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

**A. Budgetary Information (Continued)**

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, 2023, the Town approved additional appropriations of \$750,000 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 approval and be subject to a special town meeting.
- 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.
- The Town does not legally adopt a budget for the ARPA Fund.

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

**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.

**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.

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

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

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

**Deposits (Continued)**

Deposit Custodial Credit Risk (Continued)

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$9,934,294 of the Town's bank balance of \$11,265,345 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$	8,807,759
Uninsured and Collateral Held by the Pledging Bank's Trust Department, not in the Town's Name		1,126,535
Total Amount Subject to Custodial Credit Risk	\$	9,934,294

**Cash Equivalents**

At June 30, 2023, the Town's cash equivalents amounted to \$5,250,832. 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.

**Investments**

As of June 30, 2023, the Town had the following investments:

Investment Type	Fair Value	Investment Maturities (Years)		
		Less Than 1	1 - 10	More than 10
Certificates of Deposit*	\$ 2,573,820	\$ 2,573,820	\$ -	\$ -
U.S. Government Securities	136,188	-	131,316	4,872
Corporate Bonds	138,850	41,222	66,264	31,364
Total	2,848,858	\$ 2,615,042	\$ 197,580	\$ 36,236
Other Investments:				
Mutual Funds	1,087,255			
Common Stock	1,743,311			
Total Investments	\$ 5,679,424			

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

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

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

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

**Investments (Continued)**

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

	Fair Value	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Securities	\$ 136,188	\$ 136,188	\$ -	\$ -
Corporate Bonds	138,850	138,850	-	-
Common Stock	1,743,311	1,743,311	-	-
Mutual Funds	1,087,255	1,087,255	-	-
Total Investments by Fair Value Level	3,105,604	\$ 3,105,604	\$ -	\$ -
Investments Measured at Amortized Cost:				
Certificates of Deposit	2,573,820			
Total Investments	\$ 5,679,424			

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

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, 2023.

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.



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

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

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

**Investments (Continued)**

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.

**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	\$ 482,959	\$ -	\$ -	\$ -	\$ 482,959
Tax Interest	107,952	-	-	-	107,952
Leases	-	-	316,463	-	316,463
Loans	-	-	1,014,353	-	1,014,353
Assessments	-	-	-	1,634,580	1,634,580
Accounts and Other	159,413	-	32,650	47,381	239,444
Intergovernmental	1,730	1,779	387,083	-	390,592
Gross Receivables	<u>752,054</u>	<u>1,779</u>	<u>1,750,549</u>	<u>1,681,961</u>	<u>4,186,343</u>
Less: Allowance for					
Collection Losses	62,943	-	-	-	62,943
Net Total Receivables	<u>\$ 689,111</u>	<u>\$ 1,779</u>	<u>\$ 1,750,549</u>	<u>\$ 1,681,961</u>	<u>\$ 4,123,400</u>

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

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

**C. Capital Assets**

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities:</b>					
Capital Assets not Being Depreciated or Amortized:					
Land	\$ 2,228,189	\$ -	\$ -	\$ -	\$ 2,228,189
Construction in Progress	4,419,249	40,991	-	(4,408,269)	51,971
Total Capital Assets not Being Depreciated or Amortized	6,647,438	40,991	-	(4,408,269)	2,280,160
Capital Assets Being Depreciated and Amortized:					
Buildings and Improvements	37,852,603	943,394	29,224	4,255,270	43,022,043
Equipment	2,378,536	951,245	512,092	15,998	2,833,687
Vehicles	5,635,218	164,184	387,228	5,670	5,417,844
Infrastructure	33,944,646	364,337	-	131,331	34,440,314
Total Capital Assets Being Depreciated and Amortized	79,811,003	2,423,160	928,544	4,408,269	85,713,888
Less Accumulated Depreciation and Amortization for:					
Buildings and Improvements	21,106,342	965,598	22,631	-	22,049,309
Equipment	1,720,017	198,596	512,092	-	1,406,521
Vehicles	3,633,404	255,259	387,228	-	3,501,435
Infrastructure	21,991,140	616,082	-	-	22,607,222
Total Accumulated Depreciation and Amortization	48,450,903	2,035,535	921,951	-	49,564,487
Total Capital Assets Being Depreciated and Amortized, Net	31,360,100	387,625	6,593	4,408,269	36,149,401
Governmental Activities Capital Assets, Net	<u>\$ 38,007,538</u>	<u>\$ 428,616</u>	<u>\$ 6,593</u>	<u>\$ -</u>	<u>\$ 38,429,561</u>
<b>Business-Type Activities:</b>					
Capital Assets Being Depreciated:					
Amston Lake Sewage System	\$ 6,503,574	\$ -	\$ -	\$ -	\$ 6,503,574
Total Capital Assets Being Depreciated	6,503,574	-	-	-	6,503,574
Less Accumulated Depreciation for:					
Amston Lake Sewage System	780,429	86,714	-	-	867,143
Total Accumulated Depreciation	780,429	86,714	-	-	867,143
Total Capital Assets Being Depreciated, Net	5,723,145	(86,714)	-	-	5,636,431
Business-Type Activities Capital Assets, Net	<u>\$ 5,723,145</u>	<u>\$ (86,714)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,636,431</u>

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

**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	\$ 36,459
Public Safety	204,550
Public Works	775,206
Health & Social	93,557
Education	<u>925,763</u>
Total Depreciation and Amortization Expense - Governmental Activities	<u><u>\$ 2,035,535</u></u>
Business-Type Activities:	
WPCA Assessment	<u>\$ 86,714</u>
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 86,714</u></u>

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

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

**C. Capital Assets (Continued)**

Construction Commitments

The Town has active construction projects as of June 30, 2023. The projects include new construction. At year-end, the government's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
Aspinall Property - Field 2	\$ 3,890	\$ 4,110
Aspinall Soccer Field	199,120	880
Library Renovations	8,660	1,340
Revaluation	28,704	51,296
Public Safety Police Car	67,019	2,981
Public Safety Ambulance	-	450,000
Public Safety Bunker Gear	56,020	3,981
Public Safety - 27 Breathing Apparatus, RITs, Compressor	444,247	753
Fire Safety Complex - Passage Doors	-	2,000
Highway Paving	605,468	810,021
DPW - Over the Rail Mower	100,994	24,006
DPW - Plow truck	-	55,000
DPW - Jet Truck	-	10,000
DPW - Town Tree Maintenance	390,280	9,802
DPW - Temporary Salt Shed	37,741	2,193
DPW - Pickup Truck	37,118	7,882
DPW - Bucket Truck	87,375	12,625
2018 Rain Storm	413,688	586,312
Cemetery Road Development - Synagogue	20,655	145
Open Space	122,674	177,097
Open Space - Soft Costs	52,053	88,187
BOE - School Improvement Plan	230,639	19,805
BOE - LES/LMS Asbestos Abatement	21,300	138,700
BOE - Technology	209,518	712
BOE - Athletic Facilities	8,409	21,591

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.

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

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

**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, 2023 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 507,696
Bonded Capital Projects	General Fund	387,979
ARPA Fund	General Fund	1,715,753
Nonmajor Governmental Funds	General Fund	4,707,361
WPCA Assessment Fund	General Fund	445,693
		<u>\$ 7,764,482</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>	
	Nonmajor Governmental Funds	Total Transfers Out
Transfers Out:		
General Fund	\$ 2,351,765	\$ 2,351,765
Total Transfers In	<u>\$ 2,351,765</u>	<u>\$ 2,351,765</u>

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

**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, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds and Notes Payable:					
General Obligation Bonds	\$ 5,325,000	\$ -	\$ 355,000	\$ 4,970,000	\$ 355,000
Promissory Notes	200,211	-	56,767	143,444	-
Total Bonds and Notes Payable	<u>5,525,211</u>	<u>-</u>	<u>411,767</u>	<u>5,113,444</u>	<u>355,000</u>
Financing Arrangement	171,948	-	107,901	64,047	64,047
Net Pension Liability	1,258,502	1,266,697	-	2,525,199	-
Total OPEB Liability	3,165,360	-	1,208,583	1,956,777	39,547
Compensated Absences	392,389	-	34,140	358,249	89,562
Total Governmental Activities Long-Term Liabilities	<u>\$ 10,513,410</u>	<u>\$ 1,266,697</u>	<u>\$ 1,762,391</u>	<u>\$ 10,017,716</u>	<u>\$ 548,156</u>
<b>Business-Type Activities:</b>					
Direct Placement Bond	\$ 3,721,326	\$ -	\$ 110,351	\$ 3,610,975	\$ 113,110
Total Business-Type Activities Long-Term Liabilities	<u>\$ 3,721,326</u>	<u>\$ -</u>	<u>\$ 110,351</u>	<u>\$ 3,610,975</u>	<u>\$ 113,110</u>

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.

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

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

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

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, 2023
General Purpose:						
General Obligation	7/8/21	7/8/36	2.25	\$ 2,100,000	\$ 140,000	\$ 1,960,000
General Obligation	4/6/22	4/1/35	2.56	3,225,000	215,000	3,010,000
Total General Purpose				<u>5,325,000</u>		<u>4,970,000</u>
Total Outstanding				<u>\$ 5,325,000</u>		<u>\$ 4,970,000</u>

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

Year Ending June 30,	Governmental Activities		Business-Type Activities	
	Direct Placement Bonds		Direct Placement Bond	
	Principal	Interest	Principal	Interest
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	355,000	84,965	124,846	78,538
2029-2033	1,775,000	295,015	672,238	344,683
2034-2038	1,420,000	80,240	760,840	256,081
2039-2043	-	-	860,863	156,057
2044-2047	-	-	722,751	44,051
Total	<u>\$ 4,970,000</u>	<u>\$ 886,620</u>	<u>\$ 3,610,975</u>	<u>\$ 1,223,509</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, 2023 principal of \$56,767 and interest of \$3,233 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%.

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

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

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

Financing Arrangement (Continued)

The future minimum payments on the financing arrangement as of June 30, 2023 were as follows:

<u>Fiscal Year Ending June 30,</u>	Governmental Activities	
	Principal	Interest
2024	\$ 64,047	\$ 879
Total	\$ 64,047	\$ 879

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	\$ 44,488,472	\$ 4,970,000	\$ 39,518,472
Schools	88,976,943	-	88,976,943
Sewers	74,147,453	-	74,147,453
Urban Renewal	64,261,126	-	64,261,126
Pension Deficit	59,317,962	-	59,317,962

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$138,408,578. 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, 2023**

**NOTE 4 FUND BALANCE**

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

	General Fund	ARPA Fund	Bonded Capital Projects	Nonmajor Governmental Funds	Total
Fund Balances:					
Nonspendable:					
Prepaid Items and Inventory	\$ 66,801	\$ -	\$ -	\$ -	\$ 66,801
Permanent Fund Principal	-	-	-	331,717	331,717
Restricted for:					
Capital Projects	-	-	1,086,902	-	1,086,902
Unspent Donations	-	-	-	418,562	418,562
Unspent Grant Proceeds	-	-	-	256,815	256,815
Scholarships	-	-	-	134,031	134,031
Committed to:					
Dog Fund	1,655	-	-	-	1,655
Recreation Commission	27,569	-	-	-	27,569
Emergency Management	9,320	-	-	-	9,320
Historic Buildings	-	-	-	10,922	10,922
Cemeteries	-	-	-	18,092	18,092
Library	-	-	-	2,077,866	2,077,866
Community Center	-	-	-	1,060,568	1,060,568
Summer Dance Festival	-	-	-	17,241	17,241
Senior Vans	-	-	-	121,354	121,354
Student Activities	-	-	-	264,277	264,277
School Lunch	-	-	-	330,546	330,546
Sewer Operations	-	-	-	365,993	365,993
Capital Projects	-	-	-	3,169,222	3,169,222
Unassigned	6,004,308	-	-	(230,739)	5,773,569
	<u>6,004,308</u>	<u>-</u>	<u>-</u>	<u>(230,739)</u>	<u>5,773,569</u>
Total Fund Balances	<u>\$ 6,109,653</u>	<u>\$ -</u>	<u>\$ 1,086,902</u>	<u>\$ 8,346,467</u>	<u>\$ 15,543,022</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, 2023**

**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.

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.

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

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

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

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. Effective July 1, 2019, member contribution rates are set to increase by 0.5% of compensation each year for six years.

*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 CMERS not met by member contributions. In addition, there is also an annual administrative fee per active and retired member. The Town's required contribution rate for the year ended June 30, 2023, was 17.55% of annual payroll. Contributions to the pension plan from the Town were \$252,144 for the year ended June 30, 2023.

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

At June 30, 2023, the Town reports a liability of \$2,525,199 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at June 30, 2022. The actuarial assumptions used in the June 30, 2022, 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, 2023, the Town's proportion was 0.18%. There was no change in proportion from the prior year.

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

**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, 2023, the Town recognized pension expense of \$586,247. At June 30, 2023, 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	\$ 252,144	\$ -
Differences Between Expected and Actual Experience	189,748	106,591
Differences Between Expected and Actual Investment Return	371,677	
Change in Proportion	197,675	82,094
Changes of Assumptions	-	-
Total	\$ 1,011,244	\$ 188,685

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>	
2024	\$ 87,225
2025	144,009
2026	85,464
2027	253,717

Actuarial Assumptions

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

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

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

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

Actuarial Assumptions (Continued)

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.

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37 %	6.9 %
Public Credit	2	2.9
Core Fixed Income	13	0.4
Liquidity Fund	1	(0.4)
Risk Mitigation	5	0.1
Private Equity	15	11.2
Private Credit	10	6.2
Real Estate	10	6.3
Infrastructure and Natural Resources	7	7.7
Total	<u>100 %</u>	

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

**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	\$ 3,491,750	\$ 2,525,199	\$ 1,714,551

**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 using the three years of highest salary).

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

**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, 2023, the amount of "on-behalf" contributions made by the state was \$2,888,309 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, 2023**

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

Town's Proportionate Share of the Net Pension Liability	\$	-
State's Proportionate Share of the Net Pension Liability Associated with the Town		36,633,752
Total		\$ 36,633,752

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

For the year ended June 30, 2023, the Town recognized pension expense and revenue of \$3,540,693 in Exhibit II.

Actuarial Assumptions

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

Inflation	2.50%
Salary 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, 2023**

**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 ended June 30, 2019.

Assumption changes since the prior year are as follows:

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

Benefit changes since the prior year are as follows:

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

Cost-of-Living Allowance

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

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

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

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

**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:

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

Discount Rate

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

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

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

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

**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.

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

**NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)**

**Other Postemployment Benefits (Continued)**

**A. Plan Description (Continued)**

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

Retired Members and Spouses of Retired Members	7	
Active Plan Members	128	
Total	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black;">135</td> </tr> </table>	135
135		

**B. Funding Policy**

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 \$1,956,777 was measured as of June 30, 2023, which was rolled forward from an actuarial valuation as of July 1, 2022.

**D. Actuarial Assumptions and Other Inputs**

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

Inflation	2.40%
Salary Increases	2.40%, Average, Including Inflation
Investment Rate of Return	3.65%
Healthcare Cost Trend Rates	6.50% in 2022, 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, 2023**

**NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)**

**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-2021.

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

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

	Increase (Decrease)
	Total OPEB Liability As of June 30, 2023
Balances as of July 1, 2022	\$ 3,165,360
Changes for the Year:	
Service Cost	31,814
Interest on Total OPEB Liability	111,433
Differences Between Expected and Actual Experience	(941,784)
Changes in Assumptions	(310,502)
Benefit Payments	(99,544)
Net Changes	(1,208,583)
Balances as of June 30, 2023	\$ 1,956,777

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	\$ 2,160,291	\$ 1,956,777	\$ 1,781,101

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

**NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)**

**Other Postemployment Benefits (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	\$ 1,809,487	\$ 1,956,777	\$ 2,128,613

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

For the year ended June 30, 2023, the Town recognized OPEB expense of \$38,546. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 443,001	\$ 1,028,661
Changes of Assumptions	383,149	735,654
Total	\$ 826,150	\$ 1,764,315

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,	
2024	\$ (76,902)
2025	(67,134)
2026	(60,617)
2027	(60,617)
2028	(60,617)
Thereafter	(612,278)
Total	\$ (938,165)

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

**NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLANS (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 \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute. A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$440 per month towards coverage under a local school district plan.

Any member who is currently participating in Medicare Parts A and B is eligible to either continue 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, 2023**

**NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLANS (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 \$220 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, 2023**

**NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLANS (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, 2023, the amount of "on-behalf" contributions made by the state was \$40,852 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

*Employees/Retirees*

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

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

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

Town's Proportionate Share of the Net OPEB Liability	\$	-
State's Proportionate Share of the Net OPEB Liability Associated with the Town		3,208,276
Total	\$	3,208,276

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

**NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLANS (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, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2022. At June 30, 2023, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2023, the Town recognized OPEB expense of \$193,387 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	Known Increases Until Calendar Year 2024 then General Trend Decreasing to an Ultimate Rate of 4.50% by 2031
Salary Increases	3.00-6.50%, Including Inflation
Investment Rate of Return	3.53% Net of OPEB Plan Investment Expense, Including Inflation
Year Fund Net Position Will be Depleted	2027

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

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

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

- Discount rate changed from 2.17% to 3.53%;
- Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;
- The assumed age-related annual percentage increases in expected annual per capita health care claim costs were updated;
- Long-term health care cost trend rates were updated; and
- The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated to better reflect anticipated plan experience.

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

**NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)**

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

Actuarial Assumptions (Continued)

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

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

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

Discount Rate

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

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

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

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

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

**NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLANS (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, 2023. 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.

**REQUIRED SUPPLEMENTARY INFORMATION**

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
Property Taxes:				
Current	\$ 20,378,921	\$ 20,378,921	\$ 20,038,957	\$ (339,964)
Back Taxes	-	-	231,137	231,137
Interest	155,000	155,000	152,876	(2,124)
Liens and Fees	3,500	3,500	4,740	1,240
Suspense	7,000	7,000	16,097	9,097
Total Property Taxes	<u>20,544,421</u>	<u>20,544,421</u>	<u>20,443,807</u>	<u>(100,614)</u>
Intergovernmental:				
Town Aid Roads	281,194	281,194	280,877	(317)
Municipal Revenue Sharing	30,427	30,427	178,375	147,948
Misc - State of Connecticut	162,740	162,740	162,739	(1)
In Lieu of Taxes	25,714	25,714	20,244	(5,470)
Veteran Exemption	-	-	1,796	1,796
Disabled Exemption	-	-	410	410
Mashentucket - Pequot	13,139	13,139	13,139	-
Total Intergovernmental	<u>513,214</u>	<u>513,214</u>	<u>657,580</u>	<u>144,366</u>
Intergovernmental - Education:				
Education Cost Sharing	4,578,589	4,578,589	4,572,577	(6,012)
Vocational Agricultural	364,911	364,911	364,911	-
Total Intergovernmental - Education	<u>4,943,500</u>	<u>4,943,500</u>	<u>4,937,488</u>	<u>(6,012)</u>
Investment Income:				
Investment Income	25,000	25,000	277,216	252,216
Care Cemetery	-	-	476	476
Total Investment Income	<u>25,000</u>	<u>25,000</u>	<u>277,692</u>	<u>252,692</u>
Tuition:				
School Tuition	929,447	929,447	1,053,089	123,642
Total Tuition	<u>929,447</u>	<u>929,447</u>	<u>1,053,089</u>	<u>123,642</u>

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
Local - Charges for Services:				
Sport Licenses	\$ 100	\$ 100	\$ 103	\$ 3
Marriage Licenses	450	450	512	62
Other Revenue	-	-	799	799
MERS - General	14,000	14,000	7,716	(6,284)
MERS - Exception	4,000	4,000	1,984	(2,016)
Conveyance Tax	75,000	75,000	234,022	159,022
Dog License Town Clerk Fees	600	600	982	382
Burial Permits - Town Clerk	100	100	125	25
Certified Copy of Vital Records	4,300	4,300	6,030	1,730
Certifications - Town Clerk	100	100	76	(24)
Lease Water Storage Tank NPU	30,200	30,200	30,467	267
Utilities District	25,000	25,000	34,240	9,240
Misc Selectman	8,000	8,000	10,270	2,270
Raffle and Bazaar Fees	-	-	120	120
Land Record Fees	17,350	17,350	18,808	1,458
Copies	8,000	8,000	6,058	(1,942)
Books and Ordinances	50	50	15	(35)
Filing Maps	300	300	500	200
Assessors	200	200	29	(171)
Police	12,000	12,000	154,200	142,200
Police - State of CT	-	-	9,465	9,465
Fire Marshal	1,000	1,000	2,956	1,956
Building Official Fees	110,000	110,000	228,113	118,113
Fire Safety	500	500	2,650	2,150
Solid Waste Facility	110,000	110,000	123,325	13,325
Sexton Fees	7,500	7,500	4,850	(2,650)
PZC Fees	6,000	6,000	9,850	3,850
ZBA Fees	1,500	1,500	800	(700)
IWC Fees	2,000	2,000	2,918	918
Misc Revenue Board of Education	-	-	12,236	12,236
Misc Revenue Town	6,000	6,000	25,782	19,782
Passport Processing	1,000	1,000	1,287	287
Total Local - Charges for Services	<u>445,250</u>	<u>445,250</u>	<u>931,288</u>	<u>486,038</u>
Total Revenues and Other Financing Sources	<u>\$ 27,400,832</u>	<u>\$ 27,400,832</u>	<u>\$ 28,300,944</u>	<u>\$ 900,112</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.	\$ 2,888,309
State of Connecticut on-behalf contributions the Connecticut State Teachers OPEB System for Town teachers are not budgeted.	40,852
The Town does not budget for Dog Fund revenues	2,835
The Town does not budget for Recreation Commission Fund revenues	46,870
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>200,285</u>

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

\$ 31,480,095

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>General Government:</b>				
Legal Counsel	\$ 55,000	\$ 64,876	\$ 64,876	\$ -
Selectmen	153,002	153,002	146,760	6,242
Elections	34,370	35,771	35,771	-
Probate Court	2,718	2,718	2,718	-
Board of Finance	1,500	1,500	757	743
Finance Office	163,860	163,860	156,393	7,467
Tax Collector	66,852	66,852	64,776	2,076
Board of Assessment Appeals	1,275	1,275	143	1,132
Town Clerk	105,120	105,120	101,176	3,944
Assessor	91,386	91,386	84,216	7,170
Auditor	55,000	65,000	65,000	-
Town Report	1,000	1,000	530	470
Computer Services	168,172	168,172	149,077	19,095
Town Hall	89,827	89,827	85,313	4,514
Insurance	138,349	138,349	119,391	18,958
Total General Government	1,127,431	1,148,708	1,076,897	71,811
<b>Public Safety:</b>				
Police Services	366,000	393,405	393,405	-
Lebanon Volunteer Fire Department	235,120	235,120	235,120	-
Fire Marshall	25,644	25,644	23,846	1,798
Burning Official	3,610	3,610	2,312	1,298
Building Department	38,685	40,748	40,748	-
Fire Safety Complex	39,611	40,733	40,733	-
Total Public Safety	708,670	739,260	736,164	3,096
<b>Public Works:</b>				
Department of Public Works	900,000	900,000	809,616	90,384
Buildings and Grounds	180,143	180,143	158,462	21,681
Snow Removal	250,000	250,000	178,739	71,261
Street Lights	3,700	3,700	1,840	1,860
Solid Waste Facility	206,371	207,249	207,249	-
Water Pollution Control	2,000	2,000	2,000	-
Cemetery Commission	20,891	20,891	14,301	6,590
Total Public Works	1,563,105	1,563,983	1,372,207	191,776
<b>Health and Social:</b>				
Health Department	49,866	49,866	49,865	1
Human Services	40,598	40,598	38,316	2,282
WCMH Paramedic Program	35,300	35,300	29,750	5,550
United Services	5,143	5,143	5,143	-
Dispatch Switch Board	18,465	18,465	18,444	21
Special Events	3,100	3,100	2,631	469
Senior Center Operations	85,480	85,480	81,132	4,348
Total Health and Social	237,952	237,952	225,281	12,671



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

	Original Budget	Final Budget	Actual	Variance with Final Budget
Community Preservation:				
Planning and Zoning	\$ 162,614	\$ 162,614	\$ 161,036	\$ 1,578
Zoning Board of Appeals	4,500	4,500	474	4,026
Economic Development Commission	2,000	2,000	1,715	285
Inland Wetlands	3,764	3,764	3,579	185
Conservation Commission	250	250	175	75
Total Community Preservation	<u>173,128</u>	<u>173,128</u>	<u>166,979</u>	<u>6,149</u>
Unclassified and Program:				
Social Security	138,052	138,052	124,694	13,358
Medical Life Dental Insurance	389,232	389,232	378,215	11,017
Pension Plan	263,422	263,422	252,144	11,278
Unemployment Compensation	5,500	5,500	248	5,252
Contingency	165,000	112,255	-	112,255
Total Unclassified and Program	<u>961,206</u>	<u>908,461</u>	<u>755,301</u>	<u>153,160</u>
Education	<u>20,500,000</u>	<u>20,440,195</u>	<u>20,437,239</u>	<u>2,956</u>
Total Expenditures	25,271,492	25,211,687	24,770,068	441,619
Other Financing Uses:				
Transfers Out:	<u>\$ 2,129,340</u>	<u>\$ 2,939,145</u>	<u>\$ 2,939,145</u>	<u>\$ -</u>
Total Other Financing Uses	<u>2,129,340</u>	<u>2,939,145</u>	<u>2,939,145</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u><u>\$ 27,400,832</u></u>	<u><u>\$ 28,150,832</u></u>	<u><u>\$ 27,709,213</u></u>	<u><u>\$ 441,619</u></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. \$ 2,888,309
- State of Connecticut on-behalf contributions the Connecticut State Teachers OPEB System for Town teachers are not budgeted. 40,852
- The Town does not budget for Dog Fund expenditures 23,568
- The Town does not budget for Recreation Commission Fund expenditures 109,087
- The Town does not budget for Emergency Management Fund expenditures 4,197
- The Town budgets for certain transfers that are netted with other funds for GAAP purposes (105,521)
- 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. 200,285

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV \$ 30,869,990

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's Proportion of the Net Pension Liability	0.18%	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	\$ 2,525,199	\$ 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	\$ 1,582,122	\$ 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	159.61%	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	68.71%	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 NINE FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 252,144	\$ 260,083	\$ 221,603	\$ 186,058	\$ 167,721	\$ 163,855	\$ 151,426	\$ 142,281	\$ 147,937
Contributions in Relation to the Actuarially Determined Contribution	<u>252,144</u>	<u>260,083</u>	<u>221,603</u>	<u>186,058</u>	<u>167,721</u>	<u>163,855</u>	<u>151,426</u>	<u>142,281</u>	<u>147,937</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 1,582,122	\$ 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	15.94%	16.88%	14.95%	14.22%	11.74%	11.74%	11.38%	11.38%	11.98%

**Notes to Schedule**

Valuation Date: June 30, 2022  
 Measurement Date: June 30, 2022

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
Change in Assumptions:	In 2019, the latest experience study for the System updated most of the actuarial assumptions utilized in the June 30, 2020 valuation to include: rates of inflation, real investment return mortality, withdrawal, disability, retirement and salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2017.

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's Proportionate Share of the Net Pension Liability	-	-	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability Associated with the Town	\$ 36,633,752	\$ 28,947,248	\$ 36,549,165	\$ 34,078,497	\$ 26,276,501	\$ 23,087,407	\$ 24,357,391	\$ 21,730,557	\$ 20,085,545
<b>Total</b>	<b>\$ 36,633,752</b>	<b>\$ 28,947,248</b>	<b>\$ 36,549,165</b>	<b>\$ 34,078,497</b>	<b>\$ 26,276,501</b>	<b>\$ 23,087,407</b>	<b>\$ 24,357,391</b>	<b>\$ 21,730,557</b>	<b>\$ 20,085,545</b>
Town's Covered Payroll	\$ 9,219,023	\$ 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%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

Notes to Schedule

Changes in Benefit Terms	Legislation was passed restoring the 25% wear down of Plan N benefits to vested members as of June 30, 2019.
Changes of Assumptions	None
Actuarial Cost Method	Entry Age
Amortization Method	Level percent of pay, closed, grading to a level dollar amortization method for the June 30, 2024 valuation.
Single Equivalent Amortization Period	27.8 Years
Asset Valuation Method	Four-Year Smoothed Market
Inflation	2.50%
Salary Increase	3.00%-6.50%, Including Inflation
Investment Rate of Return	6.90%, Net of Investment-Related Expense

Notes:

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

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

	2023	2022	2021	2020	2019	2018
Total OPEB Liability:						
Service Cost	\$ 31,814	\$ 39,936	\$ 69,719	\$ 50,453	\$ 72,682	\$ 72,176
Interest	111,433	80,081	67,206	91,815	123,385	115,194
Differences Between Expected and Actual Experience	(941,784)	(36,453)	611,229	(13,615)	(184,483)	(17,430)
Changes of Benefit Terms	-	-	-	-	(536,637)	-
Changes of Assumptions	(310,502)	(525,186)	79,711	400,482	74,460	(103,082)
Benefit Payments	(99,544)	(120,363)	(142,724)	(103,685)	(95,519)	(98,183)
Net Change in Total OPEB Liability	(1,208,583)	(561,985)	685,141	425,450	(546,112)	(31,325)
Total OPEB Liability - Beginning	3,165,360	3,727,345	3,042,204	2,616,754	3,162,866	3,194,191
Total OPEB Liability - Ending	1,956,777	3,165,360	3,727,345	3,042,204	2,616,754	3,162,866
Covered Payroll	\$ 9,043,947	\$ 9,368,884	\$ 9,149,301	\$ 10,521,286	\$ 10,254,665	\$ 8,420,700
Total OPEB Liability as a Percentage of Covered Payroll	21.64%	33.79%	40.74%	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 SIX FISCAL YEARS\***

	<u>2023</u>	<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%	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>3,208,276</u>	<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><u>\$ 3,208,276</u></u>	<u><u>\$ 3,153,750</u></u>	<u><u>\$ 5,451,309</u></u>	<u><u>\$ 5,314,734</u></u>	<u><u>\$ 5,252,871</u></u>	<u><u>\$ 5,942,421</u></u>
Town's Covered Payroll	\$ 9,219,023	\$ 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%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

Notes to Schedule

Changes in Benefit Terms  
Changes of Assumptions

There was a change in the maximum monthly subsidy amounts offered to retirees and their dependents from \$110/\$220 to \$220/\$440. Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2022 was updated to equal the SEIR of 3.53% as of June 30, 2022; expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience; the assumed age-related annual percentage increases in expected annual per capita health care claims costs were updated; long-term health care cost trend rates were updated; and the percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated to better reflect anticipated plan experience.

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

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

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

**TOWN OF LEBANON, CONNECTICUT  
GENERAL FUND  
COMBINING BALANCE SHEET SCHEDULE  
JUNE 30, 2023**

	General	Dog Fund	Recreation Commission Fund	Emergency Management Fund	Eliminations	Total
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 11,211,537	\$ -	\$ 17,581	\$ -	\$ -	\$ 11,229,118
Investments	2,376,055	-	-	-	-	2,376,055
Receivables	688,011	-	1,100	-	-	689,111
Prepaid Items	66,801	-	-	-	-	66,801
Due from Other Funds	507,696	1,655	18,829	9,320	(29,804)	507,696
	<u>507,696</u>	<u>1,655</u>	<u>18,829</u>	<u>9,320</u>	<u>(29,804)</u>	<u>507,696</u>
Total Assets	<u>\$ 14,850,100</u>	<u>\$ 1,655</u>	<u>\$ 37,510</u>	<u>\$ 9,320</u>	<u>\$ (29,804)</u>	<u>\$ 14,868,781</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts and Other Payables	\$ 341,417	\$ -	\$ 7,711	\$ -	\$ -	\$ 349,128
Accrued Liabilities	108,555	-	-	-	-	108,555
Due to Other Funds	7,286,590	-	-	-	(29,804)	7,256,786
Unearned Revenue	-	-	2,230	-	-	2,230
	<u>-</u>	<u>-</u>	<u>2,230</u>	<u>-</u>	<u>-</u>	<u>2,230</u>
Total Liabilities	7,736,562	-	9,941	-	(29,804)	7,716,699
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue - Property Taxes	347,089	-	-	-	-	347,089
Unavailable Revenue - Tax Interest	107,952	-	-	-	-	107,952
Advance Property Tax Collections	587,388	-	-	-	-	587,388
	<u>587,388</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>587,388</u>
Total Deferred Inflows of Resources	1,042,429	-	-	-	-	1,042,429
<b>FUND BALANCES</b>						
Nonspendable	66,801	-	-	-	-	66,801
Committed	-	1,655	27,569	9,320	-	38,544
Unassigned	6,004,308	-	-	-	-	6,004,308
	<u>6,004,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,004,308</u>
Total Fund Balances	<u>6,071,109</u>	<u>1,655</u>	<u>27,569</u>	<u>9,320</u>	<u>-</u>	<u>6,109,653</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 14,850,100</u>	<u>\$ 1,655</u>	<u>\$ 37,510</u>	<u>\$ 9,320</u>	<u>\$ (29,804)</u>	<u>\$ 14,868,781</u>



**TOWN OF LEBANON, CONNECTICUT  
GENERAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2023**

	General	Dog Fund	Recreation Commission Fund	Emergency Management Fund	Eliminations	Total
<b>REVENUES</b>						
Property Taxes	\$ 20,443,807	\$ -	\$ -	\$ -	\$ -	\$ 20,443,807
Intergovernmental	8,724,514	-	-	-	-	8,724,514
Charges for Services	1,984,377	2,835	46,867	-	-	2,034,079
Investment Income	277,692	-	3	-	-	277,695
Other Revenues	-	-	-	-	-	-
Total Revenues	<u>31,430,390</u>	<u>2,835</u>	<u>46,870</u>	<u>-</u>	<u>-</u>	<u>31,480,095</u>
<b>EXPENDITURES</b>						
Current:						
General Government	1,914,407	-	-	4,197	-	1,918,604
Public Safety Services	695,416	23,568	-	-	-	718,984
Public Works	1,497,725	-	-	-	-	1,497,725
Education	23,566,684	-	-	-	-	23,566,684
Health & Social	225,282	-	109,087	-	-	334,369
Debt Service	481,859	-	-	-	-	481,859
Total Expenditures	<u>28,381,373</u>	<u>23,568</u>	<u>109,087</u>	<u>4,197</u>	<u>-</u>	<u>28,518,225</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	3,049,017	(20,733)	(62,217)	(4,197)	-	2,961,870
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers-In	-	20,869	79,652	5,000	(105,521)	-
Transfers-Out	(2,457,286)	-	-	-	105,521	(2,351,765)
Net Other Financing Sources (Uses)	<u>(2,457,286)</u>	<u>20,869</u>	<u>79,652</u>	<u>5,000</u>	<u>-</u>	<u>(2,351,765)</u>
<b>NET CHANGE IN FUND BALANCES</b>	591,731	136	17,435	803	-	610,105
Fund Balances - Beginning of Year	<u>5,479,378</u>	<u>1,519</u>	<u>10,134</u>	<u>8,517</u>	<u>-</u>	<u>5,499,548</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 6,071,109</u>	<u>\$ 1,655</u>	<u>\$ 27,569</u>	<u>\$ 9,320</u>	<u>\$ -</u>	<u>\$ 6,109,653</u>

**NONMAJOR GOVERNMENTAL FUNDS**

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

	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	\$ 18,092	\$ -	\$ -	\$ 28,415	\$ -	\$ -	\$ -	\$ -
Investments	-	-	1,834,140	960,382	-	-	-	-	-
Receivables	-	-	167	-	1,014,353	-	119	-	-
Due From Other Funds	-	-	258,050	101,112	-	106,949	161,759	17,901	191,172
Other	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 10,922</b>	<b>\$ 18,092</b>	<b>\$ 2,092,357</b>	<b>\$ 1,061,494</b>	<b>\$ 1,042,768</b>	<b>\$ 106,949</b>	<b>\$ 161,878</b>	<b>\$ 17,901</b>	<b>\$ 191,172</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts and Other Payables/Due to State	\$ -	\$ -	\$ 14,491	\$ 926	\$ -	\$ -	\$ 2,376	\$ 660	\$ 1,617
Due to Other Funds	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>14,491</b>	<b>926</b>	<b>-</b>	<b>-</b>	<b>2,376</b>	<b>660</b>	<b>1,617</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable Revenue - Sewer Receivable	-	-	-	-	-	-	-	-	-
Unavailable Revenue - Grants Receivable	-	-	-	-	-	-	-	-	-
Unavailable Revenue - Loans Receivable	-	-	-	-	1,014,353	-	-	-	-
Lease Receivable	-	-	-	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,014,353</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	28,415	106,949	159,502	-	189,555
Committed	10,922	18,092	2,077,866	1,060,568	-	-	-	17,241	-
Unassigned	-	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>10,922</b>	<b>18,092</b>	<b>2,077,866</b>	<b>1,060,568</b>	<b>28,415</b>	<b>106,949</b>	<b>159,502</b>	<b>17,241</b>	<b>189,555</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 10,922</b>	<b>\$ 18,092</b>	<b>\$ 2,092,357</b>	<b>\$ 1,061,494</b>	<b>\$ 1,042,768</b>	<b>\$ 106,949</b>	<b>\$ 161,878</b>	<b>\$ 17,901</b>	<b>\$ 191,172</b>

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

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 340,081	\$ 253,113	\$ 243,668	\$ 100
Investments	-	-	225	51,764	-	-	11,164	-	-
Receivables	11,226	-	-	-	-	274,779	-	101,078	32,364
Due From Other Funds	114,285	44,184	-	-	72,299	-	-	-	408,092
Other	-	6,188	-	-	-	-	-	21,293	-
<b>Total Assets</b>	<b>\$ 125,511</b>	<b>\$ 50,372</b>	<b>\$ 225</b>	<b>\$ 51,764</b>	<b>\$ 72,299</b>	<b>\$ 614,860</b>	<b>\$ 264,277</b>	<b>\$ 366,039</b>	<b>\$ 440,556</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts and Other Payables/Due to State	\$ 4,157	\$ -	\$ -	\$ -	\$ -	\$ 3,127	\$ -	\$ 35,493	\$ 12,642
Due to Other Funds	-	-	68	-	-	505,144	-	-	-
Unearned Revenue	-	-	-	-	-	74,358	-	-	32,771
<b>Total Liabilities</b>	<b>4,157</b>	<b>-</b>	<b>68</b>	<b>-</b>	<b>-</b>	<b>582,629</b>	<b>-</b>	<b>35,493</b>	<b>45,413</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable Revenue - Sewer Receivable	-	-	-	-	-	-	-	-	29,150
Unavailable Revenue - Grants Receivable	-	-	-	-	-	261,433	-	-	-
Unavailable Revenue - Loans Receivable	-	-	-	-	-	-	-	-	-
Lease Receivable	-	-	-	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>261,433</b>	<b>-</b>	<b>-</b>	<b>29,150</b>
<b>FUND BALANCES</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	50,372	157	51,764	72,299	-	-	-	-
Committed	121,354	-	-	-	-	-	264,277	330,546	365,993
Unassigned	-	-	-	-	-	(229,202)	-	-	-
<b>Total Fund Balances</b>	<b>121,354</b>	<b>50,372</b>	<b>157</b>	<b>51,764</b>	<b>72,299</b>	<b>(229,202)</b>	<b>264,277</b>	<b>330,546</b>	<b>365,993</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 125,511</b>	<b>\$ 50,372</b>	<b>\$ 225</b>	<b>\$ 51,764</b>	<b>\$ 72,299</b>	<b>\$ 614,860</b>	<b>\$ 264,277</b>	<b>\$ 366,039</b>	<b>\$ 440,556</b>

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

	Special Revenue Funds		Capital Projects Funds			Permanent Funds			
	Town Grants Fund	Capital and 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
<b>ASSETS</b>									
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	10,685	2,381	3,479	13,917
Receivables	-	-	-	-	316,463	-	-	-	-
Due From Other Funds	16,488	2,582,540	261,374	287,183	70,660	2,327	519	729	855
Other	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 16,488</b>	<b>\$ 2,582,540</b>	<b>\$ 261,374</b>	<b>\$ 287,183</b>	<b>\$ 387,123</b>	<b>\$ 13,012</b>	<b>\$ 2,900</b>	<b>\$ 4,208</b>	<b>\$ 14,772</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts and Other Payables/Due to State	\$ -	\$ 18,468	\$ 12,471	\$ 8,973	\$ 98	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>18,468</b>	<b>12,471</b>	<b>8,973</b>	<b>98</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	-	-	-	-	308,988	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>308,988</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>									
Nonspendable	-	-	-	-	-	-	-	2,580	10,319
Restricted	16,488	-	-	-	-	13,012	2,900	1,628	4,453
Committed	-	2,564,072	248,903	278,210	78,037	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>16,488</b>	<b>2,564,072</b>	<b>248,903</b>	<b>278,210</b>	<b>78,037</b>	<b>13,012</b>	<b>2,900</b>	<b>4,208</b>	<b>14,772</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 16,488</b>	<b>\$ 2,582,540</b>	<b>\$ 261,374</b>	<b>\$ 287,183</b>	<b>\$ 387,123</b>	<b>\$ 13,012</b>	<b>\$ 2,900</b>	<b>\$ 4,208</b>	<b>\$ 14,772</b>

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

	Permanent Funds								
	Flegert Ausberger Library Fund	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
<b>ASSETS</b>									
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	3,404	262,262	56,838	19,820	14,030	12,373	12,408	8,518	9,317
Receivables	-	-	-	-	-	-	-	-	-
Due From Other Funds	817	-	-	3,868	-	-	-	2,261	-
Other	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 4,221</u>	<u>\$ 262,262</u>	<u>\$ 56,838</u>	<u>\$ 23,688</u>	<u>\$ 14,030</u>	<u>\$ 12,373</u>	<u>\$ 12,408</u>	<u>\$ 10,779</u>	<u>\$ 9,317</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	-	605	131	-	549	33	1,120	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	-	605	131	-	549	33	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	1,000	197,045	42,705	10,000	10,541	10,000	8,360	6,400	7,000
Restricted	3,221	64,612	14,002	13,688	2,940	2,340	2,928	4,379	2,317
Committed	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>4,221</u>	<u>261,657</u>	<u>56,707</u>	<u>23,688</u>	<u>13,481</u>	<u>12,340</u>	<u>11,288</u>	<u>10,779</u>	<u>9,317</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,221</u>	<u>\$ 262,262</u>	<u>\$ 56,838</u>	<u>\$ 23,688</u>	<u>\$ 14,030</u>	<u>\$ 12,373</u>	<u>\$ 12,408</u>	<u>\$ 10,779</u>	<u>\$ 9,317</u>

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

	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	\$ -	\$ -	\$ 1,000	\$ -	\$ 901,955
Investments	2,929	1,331	5,846	-	6,156	-	-	-	3,303,369
Receivables	-	-	-	-	-	-	-	-	1,750,549
Due From Other Funds	-	-	-	-	-	1,937	-	-	4,707,361
Other	-	-	-	-	-	-	-	-	27,481
<b>Total Assets</b>	<b>\$ 2,929</b>	<b>\$ 1,331</b>	<b>\$ 5,846</b>	<b>\$ 6,564</b>	<b>\$ 6,156</b>	<b>\$ 1,937</b>	<b>\$ 1,000</b>	<b>\$ -</b>	<b>\$ 10,690,715</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts and Other Payables/Due to State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,499
Due to Other Funds	21	-	25	-	-	-	-	-	507,696
Unearned Revenue	-	-	-	-	-	-	-	-	107,129
<b>Total Liabilities</b>	<b>21</b>	<b>-</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>730,324</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable Revenue - Sewer Receivable	-	-	-	-	-	-	-	-	29,150
Unavailable Revenue - Grants Receivable	-	-	-	-	-	-	-	-	261,433
Unavailable Revenue - Loans Receivable	-	-	-	-	-	-	-	-	1,014,353
Lease Receivable	-	-	-	-	-	-	-	-	308,988
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,613,924</b>
<b>FUND BALANCES</b>									
Nonspendable	4,216	1,000	6,050	6,564	5,000	1,937	1,000	-	331,717
Restricted	-	331	-	-	1,156	-	-	-	809,408
Committed	-	-	-	-	-	-	-	-	7,436,081
Unassigned	(1,308)	-	(229)	-	-	-	-	-	(230,739)
<b>Total Fund Balances</b>	<b>2,908</b>	<b>1,331</b>	<b>5,821</b>	<b>6,564</b>	<b>6,156</b>	<b>1,937</b>	<b>1,000</b>	<b>-</b>	<b>8,346,467</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 2,929</b>	<b>\$ 1,331</b>	<b>\$ 5,846</b>	<b>\$ 6,564</b>	<b>\$ 6,156</b>	<b>\$ 1,937</b>	<b>\$ 1,000</b>	<b>\$ -</b>	<b>\$ 10,690,715</b>

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

	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	\$ -	\$ -	\$ 3,203	\$ -	\$ 14,485	\$ 38,301	\$ -	\$ -	\$ 24,000
Charges for Services	-	5,000	889	-	-	-	-	-	-
Investment Income (Loss)	-	-	93,482	48,595	-	-	-	-	-
Other	-	-	5,024	-	-	-	38,222	15,071	-
Total Revenues	-	5,000	102,598	48,595	14,485	38,301	38,222	15,071	24,000
<b>EXPENDITURES</b>									
Current									
General Government	-	9,675	414,248	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-
Health & Social	-	-	-	-	37,500	-	25,999	-	918
Community Preservation	-	-	-	16,631	-	-	-	15,664	27,807
Debt Service	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	7,888	-	-	-
Total Expenditures	-	9,675	414,248	16,631	37,500	7,888	25,999	15,664	28,725
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	(4,675)	(311,650)	31,964	(23,015)	30,413	12,223	(593)	(4,725)
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers-In	-	-	335,000	100	-	-	-	-	-
Net Other Financing Sources (Uses)	-	-	335,000	100	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	-	(4,675)	23,350	32,064	(23,015)	30,413	12,223	(593)	(4,725)
Fund Balances - Beginning of Year	10,922	22,767	2,054,516	1,028,504	51,430	76,536	147,279	17,834	194,280
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 10,922</u>	<u>\$ 18,092</u>	<u>\$ 2,077,866</u>	<u>\$ 1,060,568</u>	<u>\$ 28,415</u>	<u>\$ 106,949</u>	<u>\$ 159,502</u>	<u>\$ 17,241</u>	<u>\$ 189,555</u>



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

	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	\$ 33,679	\$ 30,487	\$ -	\$ -	\$ -	\$ 1,483,643	\$ -	\$ 577,013	\$ -
Charges for Services	2,787	2,180	-	-	-	-	237,014	39,109	156,285
Investment Income (Loss)	-	-	35	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenues	<u>36,466</u>	<u>32,667</u>	<u>35</u>	<u>-</u>	<u>-</u>	<u>1,483,643</u>	<u>237,014</u>	<u>616,122</u>	<u>156,285</u>
<b>EXPENDITURES</b>									
Current									
General Government	-	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	193,088
Education	-	-	-	-	-	1,263,707	198,682	612,848	-
Health & Social	117,194	-	500	-	-	-	-	-	-
Community Preservation	-	919	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Capital Outlay	-	13,830	-	-	-	-	-	-	-
Total Expenditures	<u>117,194</u>	<u>14,749</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>1,263,707</u>	<u>198,682</u>	<u>612,848</u>	<u>193,088</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(80,728)	17,918	(465)	-	-	219,936	38,332	3,274	(36,803)
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers-In	70,000	-	-	-	-	-	-	-	-
Net Other Financing Sources (Uses)	<u>70,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(10,728)	17,918	(465)	-	-	219,936	38,332	3,274	(36,803)
Fund Balances - Beginning of Year	132,082	32,454	622	51,764	72,299	(449,138)	225,945	327,272	402,796
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 121,354</u>	<u>\$ 50,372</u>	<u>\$ 157</u>	<u>\$ 51,764</u>	<u>\$ 72,299</u>	<u>\$ (229,202)</u>	<u>\$ 264,277</u>	<u>\$ 330,546</u>	<u>\$ 365,993</u>

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

	Special Revenue Funds		Capital Project Funds			Permanent Funds			
	Town Grants Fund	Capital and 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
<b>REVENUES</b>									
Intergovernmental	\$ 9,689	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	13,195	-	-	29,910	-	-	-	-
Investment Income (Loss)	-	-	-	-	-	540	120	176	703
Other	14,262	-	-	-	-	-	-	-	-
Total Revenues	23,951	13,195	-	-	29,910	540	120	176	703
<b>EXPENDITURES</b>									
Current									
General Government	7,463	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-
Health & Social	-	-	-	-	-	-	-	-	-
Community Preservation	-	-	-	-	-	-	-	-	-
Debt Service	-	113,000	-	-	-	-	-	-	-
Capital Outlay	-	1,702,489	134,618	114,528	2,232	-	-	-	-
Total Expenditures	7,463	1,815,489	134,618	114,528	2,232	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	16,488	(1,802,294)	(134,618)	(114,528)	27,678	540	120	176	703
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers-In	-	1,806,860	80,000	59,805	-	-	-	-	-
Net Other Financing Sources (Uses)	-	1,806,860	80,000	59,805	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	16,488	4,566	(54,618)	(54,723)	27,678	540	120	176	703
Fund Balances - Beginning of Year	-	2,559,506	303,521	332,933	50,359	12,472	2,780	4,032	14,069
<b>FUND BALANCES - END OF YEAR</b>	\$ 16,488	\$ 2,564,072	\$ 248,903	\$ 278,210	\$ 78,037	\$ 13,012	\$ 2,900	\$ 4,208	\$ 14,772

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

	Permanent Funds								
	Flegert Ausberger Library Fund	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
<b>REVENUES</b>									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-	-	-	-
Investment Income (Loss)	172	13,272	2,876	1,003	275	631	243	431	183
Other	-	-	-	-	-	-	-	-	-
Total Revenues	<u>172</u>	<u>13,272</u>	<u>2,876</u>	<u>1,003</u>	<u>275</u>	<u>631</u>	<u>243</u>	<u>431</u>	<u>183</u>
<b>EXPENDITURES</b>									
Current									
General Government	-	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-
Education	-	8,156	1,768	-	-	500	-	-	-
Health & Social	-	-	-	-	-	-	-	-	-
Community Preservation	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>8,156</u>	<u>1,768</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	172	5,116	1,108	1,003	275	131	243	431	183
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers-In	-	-	-	-	-	-	-	-	-
Net Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	172	5,116	1,108	1,003	275	131	243	431	183
Fund Balances - Beginning of Year	4,049	256,541	55,599	22,685	13,206	12,209	11,045	10,348	9,134
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 4,221</u>	<u>\$ 261,657</u>	<u>\$ 56,707</u>	<u>\$ 23,688</u>	<u>\$ 13,481</u>	<u>\$ 12,340</u>	<u>\$ 11,288</u>	<u>\$ 10,779</u>	<u>\$ 9,317</u>

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

	Permanent Funds							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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,214,500
Charges for Services	-	-	-	-	-	-	-	486,369
Investment Income (Loss)	168	26	311	-	-	-	-	163,242
Other	-	-	-	-	-	-	-	72,579
Total Revenues	168	26	311	-	-	-	-	2,936,690
<b>EXPENDITURES</b>								
Current								
General Government	-	-	-	-	-	-	-	431,386
Public Works	-	-	-	-	-	-	-	193,088
Education	500	-	500	-	-	-	-	2,086,661
Health & Social	-	-	-	-	-	-	-	182,111
Community Preservation	-	-	-	-	-	-	-	61,021
Debt Service	-	-	-	-	-	-	-	113,000
Capital Outlay	-	-	-	-	-	-	-	1,975,585
Total Expenditures	500	-	500	-	-	-	-	5,042,852
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(332)	26	(189)	-	-	-	-	(2,106,162)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers-In	-	-	-	-	-	-	-	2,351,765
Net Other Financing Sources (Uses)	-	-	-	-	-	-	-	2,351,765
<b>NET CHANGE IN FUND BALANCES</b>	(332)	26	(189)	-	-	-	-	245,603
Fund Balances - Beginning of Year	3,240	1,305	6,010	6,564	6,156	1,937	1,000	8,100,864
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 2,908</u>	<u>\$ 1,331</u>	<u>\$ 5,821</u>	<u>\$ 6,564</u>	<u>\$ 6,156</u>	<u>\$ 1,937</u>	<u>\$ 1,000</u>	<u>\$ 8,346,467</u>

## **SCHEDULES**

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

Grand List Year	Uncollected Taxes July 1, 2022	Current Levy	Lawful Corrections		Transfers to Suspense	Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2023
			Additions	Deductions			Taxes	Interest and Lien Fees	Total	
2006	\$ 214	\$ -	\$ -	\$ -	\$ 214	\$ -	\$ -	\$ -	\$ -	\$ -
2007	-	-	-	-	-	-	-	-	-	-
2008	405	-	-	-	405	-	-	-	-	-
2009	421	-	-	-	421	-	-	-	-	-
2010	247	-	-	-	247	-	-	-	-	-
2011	255	-	-	-	255	-	-	-	-	-
2012	259	-	-	-	259	-	-	-	-	-
2013	314	-	-	-	314	-	-	-	-	-
2014	319	-	-	-	319	-	-	-	-	-
2015	322	-	-	-	322	-	-	-	-	-
2016	11,039	-	-	-	1,699	9,340	1,395	738	2,133	7,945
2017	18,138	-	-	-	2,945	15,193	5,233	4,055	9,288	9,960
2018	38,996	-	-	132	3,955	34,909	18,617	8,977	27,594	16,292
2019	93,337	-	-	809	22,764	69,764	44,812	19,156	63,968	24,952
2020	253,084	-	365	3,484	4,619	245,346	154,625	36,702	191,327	90,721
Total Prior Years	417,350	-	365	4,425	38,738	374,552	224,682	69,628	294,310	149,870
2021	-	20,379,087	43,486	105,251	2,463	20,314,859	19,981,770	74,031	20,055,801	333,089
Total	\$ 417,350	\$ 20,379,087	\$ 43,851	\$ 109,676	\$ 41,201	\$ 20,689,411	\$ 20,206,452	\$ 143,659	\$ 20,350,111	\$ 482,959

**TOWN OF LEBANON, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF DEBT LIMITATION  
YEAR ENDED JUNE 30, 2023**

Total Tax Collections (Including Interest and Lien Fees) for the Year Ended June 30, 2022	<u>\$ 19,772,654</u>
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Base for Debt Limitation Computation	<u><u>\$ 19,772,654</u></u>
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	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation:					
2 1/4 Times Base	\$ 44,488,472	\$ -	\$ -	\$ -	\$ -
4 1/2 Times Base	-	88,976,943	-	-	-
3 3/4 Times Base	-	-	74,147,453	-	-
3 1/4 Times Base	-	-	-	64,261,126	-
3 Times Base	-	-	-	-	59,317,962
	<u>44,488,472</u>	<u>88,976,943</u>	<u>74,147,453</u>	<u>64,261,126</u>	<u>59,317,962</u>
<b>Total Debt Limitation</b>	<u>44,488,472</u>	<u>88,976,943</u>	<u>74,147,453</u>	<u>64,261,126</u>	<u>59,317,962</u>
Indebtedness:					
Bonds Payable	4,970,000	-	-	-	-
Net Indebtedness (1) (2)	<u>4,970,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Indebtedness	<u>\$ 39,518,472</u>	<u>\$ 88,976,943</u>	<u>\$ 74,147,453</u>	<u>\$ 64,261,126</u>	<u>\$ 59,317,962</u>

(1) The total of the above net indebtedness amounts to:	<u><u>\$ 4,970,000</u></u>
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In no event shall total indebtedness exceed seven times the base for debt limitation computation:	<u><u>\$ 138,408,578</u></u>
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(2) There is no overlapping debt.