# Town of
# Lebanon
# Connecticut




# Annual Report
# 2013 - 2014

# Town of
# Lebanon
# Connecticut




# Annual Report
# 2013 - 2014

TABLE OF CONTENTS


| | |
|---|---|
| Title Page | 1 |
| Table of Contents | 2 |
| List of Elected Officials | 3 |
| Board of Selectmen Report | 6 |
| Town Clerk Report | 7 |
| Tax Collector Report | 8 |
| Board of Finance Report | 9 |
| Wages of Town Employees & Elected Officials | 10 |
| Land Use Department | 11 |
| Zoning Board of Appeals | 14 |
| Planning & Zoning Commission Report | 15 |
| Inland Wetlands Commission Report | 17 |
| Conservation & Agriculture Commission Report | 18 |
| Solid Waste Commission Report | 19 |
| Cemetery Commission Report | 20 |
| Jonathan Trumbull Library Report | 21 |
| Resident State Trooper Report | 22 |
| Volunteer Fire Department Report | 23 |
| Fire Marshall Report | 25 |
| Burning Official Report | 26 |
| Commission on Aging Report | 27 |
| Lebanon Public Schools Report | 28 |
| Lebanon Board of Education Budget Status Report | 30 |
| Public Schools Enrollments | 31 |
| Lebanon Public Schools Wage Report | 32 |
| Graduation Class of 2014 | 38 |
| Uncollected Taxes | 39 |
| Town of Lebanon's State & Federal Compliance Audit Report as of June 30, 2014 | 1 thru 87 |

# TOWN OF LEBANON
# ELECTED OFFICIALS
# 2013 – 2014

| Office | Town Officer's Name |
|---|---|
| First Selectman | Joyce R. Okonuk |
| Selectman | Linda R. Finelli |
| Selectman | John A. Bendoraitis Jr. |
| Town Clerk | Susan C. Coutu |
| Treasurer | James Forrest |
| Tax Collector | Joyce A. Hofmann |
| **Board of Finance** | |
| | Elizabeth S. Charron |
| | Meghan Bruce |
| | Philip R. Johnson |
| | Gregg J. Lafontaine |
| | Betsy Petrie |
| | David A. Scata |
| **Board of Finance Alternates** | |
| | Diane Malozzi |
| | Joan Merritt |
| | Edward W. Tytor |
| **Board of Education** | |
| | Stephen J. Nelson |
| | Berthier R. Bosse |
| | Lori A. Jahoda |
| | James Mello |
| | Donna R. Skaats |
| | Sandra J. Tremblay |
| | Stephen J. Nelson |
| | Albert B. Vertefeuille |
| | Keith Wentworth |
| **Board of Assessment Appeals** | |
| | T. Allan Palmer |
| | Jan J. Van Woerkom |
| | Donna L. Wallace |

# TOWN OF LEBANON
# ELECTED OFFICIALS
# 2013– 2014

## Planning and Zoning Commission

James W. Jahoda
Robin A. Chesmer
David H. Fields
Keith L. LaPorte
Francis Malozzi
Oliver J. Manning
Kathleen L. Smith

## Planning and Zoning Commission Alternates

Wayne M. Budney
Lanny P. Clouser
Brian Henry Grabber

## Zoning Board of Appeals

Jeffrey T. Walsh
Kenyon Gardner
Joyce Godere
Michael E. Ninteau
Michael A. Okonuk

## Zoning Board of Appeals Alternates

Kathy Marie Dunnett
Keith A. Sczurek
Jerome Walsh

## Registrars of Voters

Catherine L. McCall
Mary Beth Yarmac

## Library Board of Trustees

Catherine L. McCall
Kathryn Chesmer
Michelle A. Kersey
Diane L. McCall
Maureen D. McCall
Berkeley C. Nowosad
Judith Vertefeuille
Alicia Wayland
Mary B. Withey

**TOWN OF LEBANON**
**ELECTED OFFICIALS**
**2013 – 2014**

## Justice of the Peace
**(1/7/2013 thru 1/2/2017)**

Loretta K. Anderson
Mary P. Anderson
Raymond F. Andrews
Ellen L. Bauwens
Pierre A. Belisle
Kevin R. Blakeslee
Russell G. Blakeslee
Nancy A. Brouillet
Susan C. Coutu
Sandra D. Dearborn
Gregory Scott Deshefy
Mark C. Favrow
Linda R. Finelli
Matthew Flegert
Kenyon D. Gardner
Robert M. Gentes
Melissa Hofmann
Najat Jeannotte
Bonnie L. LeBlanc
Robert A. Leone
Oliver J. Manning
Daniel M. McGuire
Patricia McKelvey
Raymond S. Milvae
Joyce R. Okonuk
Michael A. Okonuk
T. Allan Palmer
Arthur Barton Richardson
Nancy Ann Roberts-Schweitzer
Robert M. Slate
Edward Tytor
Jerome E. Walsh
Michael P. Wallace
Frederick W. Wright

Board of Selectmen
Annual Report 2014

Over 150 residents turned out to the Annual Town Meeting on May 6th with an overwhelming majority approving a $23,519,526 budget with a resulting mil rate of 23.9 mils, which was a 0.3 mil increase (1.4%) increase over last year. Some additional state aid and a modest increase in the town's grand list helped off-set the expense side of the Budget. The budget was voted on at Town Meeting for the first time in well over a decade.

The State of Connecticut Department of Energy & Environmental Protection (DEEP) announced in August that the Lebanon Volunteer Fire Department (LVFD) has been awarded a $2,500 Volunteer Fire Assistance Grant to assist in the purchase of a portable generator, fire hose, wild land fire fighting clothing and other miscellaneous gear. Congratulations to the LVFD and thanks to all members of the fire service and emergency responders – we appreciate what you do to keep our town safe!

Lebanon voters turned out in high numbers in the November municipal elections with 1,689 people coming out to cast their ballots, representing 36% of the town's registered voters. Several boards and commissions experienced changes in membership and newly elected members will be taking their seats on November 19th. Thanks to the board members who have dedicated time and energy to serve on our elected boards.

With the retirement of long-time Public Works Foreman Tom Conley on September 1st, applicants were interviewed for the newly created position of Public Works Director-Town Engineer. The unanimous choice was life-long resident, Brandon Handfield, PE Director-Town Engineer. In addition, Veronica Calvert, who worked for the town as a financial consultant, was the choice of the Selectmen when hiring her as the town's full-time Finance Director. In January the town welcomed new Resident State Trooper Colin Konow to head the Lebanon Police Department.

Based on the recommendation of Lebanon's Charter Study Committee, the Board of Selectmen is created a Charter Commission charged with drafting Lebanon's first Town Charter—a document that spells out the jurisdiction of town governance including the purposes and responsibilities of all boards, commissions and staff. The draft charter will be prepared and presented at various public hearings before it is presented to the Selectmen for their review and action.

The towns of Lebanon and Columbia worked together with Solarize Connecticut to offer residents discounted solar systems through a unique state-town sponsored program, with competitively selected solar installers. Many property owners participated in this program and are now enjoying the benefits of reduced electrical costs.

Town Officials worked with Norwich Public Utilities (NPU) for over three years on an NPU proposal to build a one million gallon water storage tank on one acre of town-owned land on Camp Mooween Road. NPU committed to all project costs and town meeting approved the rental of the town land involved. Lease terms include a minimum project value of $1.6 million dollars with a 2% annual depreciation. The anticipated project completion and lease payments are expected in 2015.

Legion Post 180 designed and fund-raised for a beautiful Veteran's Memorial Walk that was installed on the lawn at Town Hall. Donated funds completed the magnificent monument honoring Lebanon veterans. Dedication is being scheduled for Veterans Day.

Selectmen worked closely with staff to maintain our roads and bridges, making public safety and public building maintenance our priority. We appreciate the support and contributions made by all the volunteers on our boards and commissions and realize that we could not make all of this happen without you. Thank you for the opportunity to serve you.

Joyce R. Okonuk, First Selectman

**TOWN OF LEBANON**
**TOWN CLERK REPORT**
Fiscal Year July 1, 2013 – June 30, 2014

The majority of the duties of the Town Clerk are governed by Connecticut General Statutes, State departments and agencies. The recording of all documents affecting land in the town, inquiries concerning land records for attorneys, title searchers and the public are all completed in this office. All maps, including subdivisions, are received and filed in this office.

The Town Clerk is also registrar of Vital Statistics. All records pertaining to births, marriages and deaths are processed here. As an agent for the State of Connecticut, all dog, sport and liquor licenses are processed in this office.

The Town Clerk's Office is also responsible for all elections, and the safekeeping of all town ordinances, veteran discharge filings, town boards/commissions meeting agendas and minutes, trade name and notary registrations.

We continue to participate in the historical preservation grant program run yearly through the State Library's Public Records Administrator's office. This year's $4,000 preservation grant funds were used to up-date our Land Record Management software and equipment, including Indexing and Imaging, Dog Licensing, Marriage Licensing and Vital Statistic programs. This has provided us with a more efficient means to manage the Indexing and Imaging of our documents, and to produce extensive and timely reports, which enables us to better serve our customers and municipality.

As always, it is an honor and privilege to serve as Lebanon's Town Clerk.

Respectfully submitted,

Susan C. Coutu CCTC
Lebanon Town Clerk

**Town of Lebanon**
**Report of Tax Collector**

**COLLECTIONS**
**Fiscal year 2013 – 2014**

The Tax Collector is responsible for the administration and participation of the collection of taxes, in conformity with Connecticut State Statutes, ordinances and established policy. The Lebanon Tax Collector is also the agent for the Flood and Erosion Control Board and the collector for the Amston Lake Water Pollution Control Authority.

We strive for a professional atmosphere in the Tax Office. The Tax Collector is a member of the Connecticut Tax Collector's Association and the New London County Tax Collector's Association. These associations hold regular meetings for professional development. I attend these conferences for continuing education credits essential for certification.

We are pleased to report that the tax bills are on line.
You may go to www.lebanontownhall.org to download bills open and paid and you may pay on line from this site. It is my pleasure to serve you.

| | |
|---|---|
| Taxes | $ 15,895,663.96 |
| Interest | 153,401.15 |
| Lien | 3,838.00 |
| Fees | 31,546.91 |
| Suspense | 11,311.85 |
| Suspense Interest | 10,908.49 |
| Suspense fees | 228.70 |
| WPCA Use | 155,221.59 |
| WPCA Use Interest | 662.15 |
| WPCA Assessments | 1,000,642.43 |
| WPCA Interest | 3,391.02 |
| WPCA Borrowed Interest | 147,957.67 |
| FECB | 884.03 |
| FECB Lien | 120.00 |
| FECB borrowed Interest | 35.92 |
| Total | $17,415,813.87 |

Respectfully Submitted,
Joyce A. Hofmann CCMC

Town of Lebanon Board of Finance
2013 – 2014 Annual Report

The primary duties of the Board of Finance (BOF) as stated in the Connecticut General Statutes are:

- Preparing and controlling the town budget
- Setting the property tax rate to support the budget
- Approving special budget appropriations and transfers
- Determining how town financial records are to be kept
- Arranging for the annual audit of town accounts
- Publishing the annual town report

The 2013 – 14 budget audited in this report required a tax rate of 23.9 mils and was approved at a Town Meeting on May 6, 2013. The approved budget represented an overall 1.4% increase in the mil rate.

The approved budget continued the approach to capital expenditures that the BOF introduced in the prior fiscal year. This approach establishes a schedule over the years of needed expenditures and schedules those purchases in the appropriate year. This allows us to purchase needed capital items each year and put them to use rather than saving annually for each item until the full purchase price has been saved. We also continued utilize leasing agreements so we could purchase multiple pieces of equipment in a given year and pay for these purchases over 3 to 5 years. This approach requires more planning on our part and a commitment to fund the lease agreements with future capital budgets. We also continued the funding of three capital sub-accounts for our schools: the School Improvement Plan (SIP), Technology, and Athletic Facilities. This has enabled the BOE to make significant progress in the repairs and improvements needed for our schools.

The Town achieved an unmodified audit opinion on the 2013-2014 audit report.

The BOF would like to take this opportunity to thank the elected officials, town agencies, boards, commissions and town employees for the cooperation and support we have received in the past year and for the good work they have done in managing their budgets.

Respectfully submitted,
David Scata, Chairman

Members as of June 2014: Liz Charron (Chairman), Betsy Petrie (Vice-Chairman), Meghan Bruce (Secretary), Phil Johnson, Gregg Lafontaine and David Scata. Alternates: Diane Malozzi, Joan Merritt and Ed Tyter.

# TOWN OF LEBANON
# TREASURER'S REPORT OF WAGES PAID TO TOWN EMPLOYEES AND ELECTED OFFICIALS
# 2013-2014

| | | |
|---|---|---|
| M | Angell | 2,239 |
| C | Avery | 6,397 |
| D | Battye | 11,540 |
| J | Bendoraitis | 5,948 |
| B | Bennett | 6,400 |
| J | Blevins | 146 |
| C | Brashears | 4,413 |
| A | Brewster | 822 |
| J | Brewster | 164 |
| S | Brigham | 149 |
| J | Burleigh | 363 |
| R | Cady | 175 |
| V | Calvert | 74,630 |
| K | Chapman | 159 |
| P | Chester | 75,731 |
| E | Clark | 46,251 |
| P | Clesowich | 155 |
| T | Conley | 32,610 |
| S | Coutu | 51,376 |
| J | Culp | 49,716 |
| S | Dearborn | 68 |
| M | DeCaprio | 2,942 |
| J | Dolan | 34,953 |
| J | Dudek | 14,439 |
| C | Dunnack | 7,990 |
| L | Epler | 4,943 |
| L | Finelli | 5,948 |
| J | Forrest | 1,031 |
| J | Gaal | 1,047 |
| A | Gendron | 1,495 |
| K | Greene | 557 |
| N | Gustafson | 13,257 |
| D | Hale | 397 |
| B | Handfield | 59,981 |
| P | Handy | 41,855 |
| C | Harkness | 5,376 |
| J | Hofmann | 51,099 |
| M | Hofmann | 7,993 |
| B | Ives | 3,293 |
| S | Kane | 835 |
| J | Kochiss | 11,302 |
| A | Kolar | 23,062 |
| C | Konow | 2,421 |
| D | Kotomski | 2,335 |
| S | Krause | 122 |
| E | Kuzel | 311 |
| H | Laurie | 17,075 |
| S | Lemire | 61 |
| B | Lennox | 180 |
| J | Leone | 55,244 |
| J | Lyon | 55,183 |
| N | Lyon | 415 |
| C | McCall | 3,915 |
| D | McCall | 151 |
| M | McGuire | 267 |
| S | McKinney | 12,028 |
| D | Mahue | 24,259 |
| L | Malone | 238 |
| H | Marien | 2,208 |
| C | Martin | 9,235 |
| B | Mullen | 7,616 |
| C | Nichols | 3,813 |
| B | Nowosad | 128 |
| D | O'Hearn | 1,656 |
| J | Okonuk | 55,063 |
| B | Padewski | 21,945 |
| M | Page | 135 |
| H | Pianka | 44,668 |
| K | Plante | 10,722 |
| J | Pomerleau | 665 |
| J | Prescott | 17,819 |
| V | Pudlo | 55,708 |
| W | Riley | 2,098 |
| D | Roberts | 8,000 |
| A | Robitaille | 57,145 |
| M | Rubera | 6,646 |
| L | Russo | 130 |
| J | Russiniello Gobe | 258 |
| C | Santa Lucia | 688 |
| J | Sasse | 68 |
| M | Schuett | 9,402 |
| S | Schuett | 12,231 |
| J | Sellick | 432 |
| L | Slate | 37,145 |
| J | Smith | 51,513 |
| N | Sorenson | 7,905 |
| P | Spedaliere | 15,108 |
| B | Steele | 9,062 |
| M | Steele | 9,804 |
| D | Stevens | 90 |
| J | Sweet | 5,210 |
| T | Tanganelli | 74,829 |
| H | Tarbox | 3,434 |
| M | Tarbox | 506 |
| E | Tollmann | 398 |
| S | Tremblay | 17,343 |
| M | Verizzi | 7,944 |
| L | Wallace | 130 |
| D | Wengloski | 30,660 |
| M | Wieczorek | 36,723 |
| J | Wood, Jr | 55,235 |
| B | Woodward | 53,640 |
| H | Worthington | 262 |
| M | Yarmac | 8,156 |
| P | Zvingilas | 21,282 |
| PW | Zvingilas | 1,406 |

# Town of Lebanon

## Annual Report for Fiscal Year 2014
## 7/1/2013 - 6/30/2014
## Land Use Office

## Permits Issued:

| Building Department | Permit Count | Fees Collected | Est. Value of Construction |
|---|---|---|---|
| Accessory Structure - Other | 7 | $1,119.67 | $104,500.00 |
| Addition | 7 | $6,906.54 | $413,600.00 |
| Alterations/Repairs | 134 | $19,729.74 | $1,298,035.50 |
| Deck | 7 | $863.35 | $24,500.00 |
| Demolition | 8 | $2,792.65 | $184,510.00 |
| Electrical | 170 | $13,433.01 | $1,018,963.71 |
| Fuel Tank | 2 | $68.87 | $3,350.00 |
| Garage | 1 | $333.82 | $16,305.00 |
| Mechanical | 84 | $5,639.96 | $272,190.50 |
| New Dwelling Year Round Residential | 6 | $12,636.83 | $771,090.00 |
| Plumbing | 30 | $642.64 | $31,720.00 |
| Porch | 2 | $374.94 | $19,000.00 |
| Seasonal Conversion Application | 28 | $1,400.00 | N/A |
| Shed/Barn | 10 | $2,232.85 | $90,618.50 |
| Swimming Pool Above Ground | 2 | $225.78 | $3,000.00 |
| Swimming Pool Inground | 1 | $443.61 | $23,500.00 |
| Tent | 2 | $0.00 | N/A |
| Violation (Building) | 5 | $0.00 | N/A |
| Woodstove | 21 | $687.24 | $39,826.00 |
| **Total Building Department** | **527** | **$69,531.50** | **$4,314,709.21** |

| Health Department | Permit Count | Fees Collected | Est. Value of Construction |
|---|---|---|---|
| Food Service License - Annual | 4 | $75.00 | N/A |
| Food Service License - Temporary | 23 | $600.00 | N/A |
| Septic - New | 4 | $480.00 | N/A |
| Septic - Repair | 10 | $1,080.00 | N/A |
| Soil Test/Site Testing | 18 | $1,830.00 | N/A |
| Water Supply Well Permits | 13 | $780.00 | N/A |
| **Total Health Department** | **72** | **$4,845.00** | **N/A** |

| Inland Wetlands Commission | Permit Count | Fees Collected | Est. Value of Construction |
|---|---|---|---|
| Wetlands As of Right | 14 | $0.00 | N/A |
| Wetlands Buffer | 9 | $990.00 | N/A |
| Wetlands Regular | 6 | $700.00 | N/A |
| **Total Inland Wetlands Commission** | **29** | **$1,690.00** | **N/A** |

| Land Use Office | Permit Count | Fees Collected | Est. Value of Construction |
|---|---|---|---|
| Copies | 28 | $166.00 | N/A |
| **Total Land Use Office** | **28** | **$166.00** | **N/A** |

| Planning & Zoning Commission | Permit Count | Fees Collected | Est. Value of Construction |
|---|---|---|---|
| Accessory Living Unit | 1 | $360.00 | N/A |
| Accessory Living Unit - Renewal | 2 | $200.00 | N/A |
| Certificate of Zoning Compliance | 12 | $600.00 | N/A |
| Earth Excavation | 1 | $760.00 | N/A |
| Home Occupation | 2 | $220.00 | N/A |
| Re-subdivision | 2 | $1,070.00 | N/A |
| Sign | 1 | $25.00 | N/A |
| Site Plan Approval/Modification | 4 | $3,080.00 | N/A |
| Special Permit | 1 | $960.00 | N/A |
| Temporary Use | 3 | $150.00 | N/A |
| **Total Planning & Zoning Commission** | **29** | **$7,425.00** | **N/A** |

| Public Works | Permit Count | Fees Collected | Est. Value of Construction |
|---|---|---|---|
| Driveway | 11 | $5,000.00 | N/A |
| **Total Public Works** | **11** | **$5,000.00** | **N/A** |

| WPCA | Permit Count | Fees Collected | Est. Value of Construction |
|---|---|---|---|
| Electrical | 205 | $4,149.88 | $191,905.00 |
| Plumbing | 222 | $4,661.67 | $227,625.00 |
| Septic - Removal | 222 | $0.00 | N/A |
| **Total WPCA** | **649** | **$8,811.55** | **$419,530.00** |

| Zoning | Permit Count | Fees Collected | Est. Value of Construction |
|---|---|---|---|
| Zoning | 50 | $340.00 | $1,500.00 |
| **Total Zoning** | **50** | **$340.00** | **$1,500.00** |

| Zoning Board of Appeals | Permit Count | Fees Collected | Est. Value of Construction |
|---|---|---|---|
| Variance | 9 | $4,140.00 | N/A |
| **Total Zoning Board of Appeals** | **9** | **$4,140.00** | **N/A** |

| **Total Permits** | **1404** | **$101,949.05** | **$4,735,739.21** |
|---|---|---|---|

## Inspections Completed

| Building Department | Completed |
|---|---|
| Backfill | 7 |
| Electrical | 188 |
| Electrical - Sewer | 212 |
| Final Certificate of Occupancy/Compliance | 248 |
| Footing | 37 |
| Framing | 45 |
| Gas Piping/Pressure Test | 52 |
| Insulation | 21 |
| Mechanical | 55 |
| Plumbing | 36 |
| Plumbing - Interior Sewer | 1 |
| Seasonal Conversion | 29 |
| Trench/Conduit | 19 |
| Violation/Building Code | 5 |

| Building Department | Completed |
|---|---|
| **Total Building Department** | **955** |
| **Fire Marshal** | **Completed** |
| Final Certificate of Occupancy/Compliance | 4 |
| Gas Piping/Pressure Test | 6 |
| Trench/Conduit | 5 |
| **Total Fire Marshal** | **15** |
| **Health Department** | **Completed** |
| Food Service | 12 |
| Plumbing - Sewer | 201 |
| Seasonal Conversion | 24 |
| Septic Abandonment Final | 199 |
| Septic Final | 12 |
| Septic Strip | 7 |
| Soil Test B100 | 10 |
| **Total Health Department** | **465** |
| **Public Works** | **Completed** |
| Driveway Apron Final | 5 |
| Highway Excavation Final | 1 |
| **Total Public Works** | **6** |
| **Zoning** | **Completed** |
| Final Certificate of Occupancy/Compliance | 66 |
| **Total Zoning** | **66** |
| **Total Inspections** | **1507** |

Respectfully submitted:

Peter Zvingilas, Building Official
Scott Schuett, Fire Marshal
Holli Pianka, Land Use Secretary
Brandon Handfield, Public Works Director
N. Reed Gustafson, Registered Sanitarian
Philip Chester, Town Planner/Zoning Officer

# *ZONING BOARD OF APPEALS*
## *Town of Lebanon*
*579 Exeter Road, Lebanon, Connecticut 06249*
*(860) 642-6028, Fax (860) 642-2022*


## ANNUAL REPORT

**July 1, 2013 – June 30, 2014**

The Zoning Board of Appeals collected $4,140.00 in fees for FY 2013-2014 and received nine (9) applications requesting a variance.

Zoning Board of Appeals Members include:
Jeffrey Walsh, Chairman
Joyce Godere,Vice Chairman
Kenyon Gardner
Michael Ninteau
Michael Okonuk
Kathy Dunnett, Alternate
Keith Sczurek, Alternate
Jerome Walsh, Alternate

Office Staff: Holli Pianka, Recording Secretary

Respectfully Submitted,

Jeffrey Walsh, Chairman

# Planning and Zoning Commission

## Town of Lebanon

579 Exeter Road, Lebanon, CT 06249
(860) 642-2006, Fax (860) 642-2022


## ANNUAL REPORT
## FISCAL YEAR 2013 - 2014

For the year ending June 30, 2014 the Commission held 12 public meetings. Development data processed by the Planning and Zoning Commission was as follows:

42 Zoning Permits
7 Zoning Enforcement Actions
4 Public Hearings
4 Site Plan Approvals or Modifications
2 Resubdivisions
12 Certificates of Zoning Compliance
3 CGS Sec. 8-24 Reports
1 Earth Excavation Permit
2 Home Occupation Permits
1 Special Permit
3 Accessory Living Units & Renewals
2 Sign Permits
2 Temporary Use Permits

Lebanon's Planning and Zoning Commission has the powers and duties prescribed in the Connecticut General Statutes (Chapters 124 and 126) and other applicable General Special Acts of the General Assembly. In summary these include:

- ✓ To prepare, adopt, or amend the *Plan of Conservation and Development.*
- ✓ To establish, change, or repeal zoning and subdivision regulations and zoning districts.
- ✓ To hear, consider, and decide upon applications for approval of subdivision or resubdivision plans, site plans, and special permits.
- ✓ To provide for the manner in which the zoning regulations are to be enforced and to take appropriate actions to enforce them.
- ✓ To review and make recommendations on proposed municipal improvements, i.e., streets, bridges, schools, parks, utilities, sidewalks, public housing, etc.
- ✓ To prepare and file surveys, maps, or plans of proposed streets.
- ✓ To approve or disapprove municipal applications to DEEP for grants-in-aid of programs established to preserve open space lands.

The Planning Office works to implement Lebanon's *Plan of Conservation and Development* (POCD). The POCD or Master Plan identifies goals and makes recommendations relative to guiding future land use development. All Town Boards and Commissions are expected to rely heavily on the POCD when making short and long term decisions.

This was the first full year of Village District Zoning implementation around the Green. Village District Zoning helps to preserve the rural character and scale of the Green while at the same time permitting homes around Town Hall to be converted to business use under architectural design guidelines. The Commission's Design Review Board now reviews proposals for development in this district.

The Commission continues to support Lebanon's land preservation efforts. The Planning Office works with property owners interested in land development and land conservation projects. In addition to preserving and growing the town's agriculture base which helps ease the local tax burden, the Planning Office has been working on several other economic development initiatives, including working with property owners at the Route 2 interchange to help promote economic development and looking to fulfill a need for additional senior housing near the Senior Center.

Lebanon's Zoning and Subdivision Regulations, Plan of Conservation and Development, and development applications are available online at www.lebanon.ct.gov. If you have ideas you wish to convey to the Planning and Zoning Commission please contact us through Town Planner, Philip Chester, 579 Exeter Road, 642-2006 or attend a Commission meeting. The Commission holds regular meetings on the third Monday of each month at 7:00 p.m. in Town Hall. All Commission meetings are open to the public.

Commission Members

James Jahoda, Chair
David Fields, Secretary
Robin Chesmer
Keith LaPorte
Francis Malozzi
Oliver Manning
Kathleen Smith
Wayne Budney, Alt.
Lanny Closer, Alt.
Brian Grabber, Alt.

Commission Staff

Philip Chester, Town Planner
Holli Pianka, Land Use Secretary

Respectfully submitted,

James Jahoda, Chair

# Inland Wetlands Commission

Town of Lebanon

579 Exeter Road, Lebanon, Connecticut 06249

(860) 642-6028, Fax (860) 642-2022


## ANNUAL REPORT
## JULY 1, 2013 - JUNE 30, 2014

The Lebanon Inland Wetlands Commission (regulating agency) shall enforce all provisions of the Inland Wetlands and Watercourses Act and shall issue, issue with modification, or deny permits for all regulated activities on Wetlands and within 100 feet of Wetlands in the Town of Lebanon pursuant to Section 22a-36 through 45, inclusive, of the Connecticut General Statutes, as amended.

As defined in the Town of Lebanon Inland Wetlands Regulations, a regulated activity means any operation within or use of a wetland or watercourse, including but not limited to, removal or deposition of materials, or any obstruction, construction, alteration or pollution, of such wetland or watercourses, but shall not include the specific activities in Section 4 of the Inland Wetlands Regulations. Furthermore, any clearing, grubbing, filling, grading, paving, excavating, constructing, depositing or removing of material and discharging of storm water on the land within one-hundred (100) feet from the boundary of any wetlands or watercourse is a regulated activity. Therefore, any activity affecting inland wetlands and watercourses within the Town are prohibited, except as may be permitted by the Inland Wetlands Commission or its Agent.

The Inland Wetlands Commission meets the first Monday of each month at 7:00 p.m. in Town Hall.

During the period of July 1, 2013 – June 30, 2014, the Inland Wetlands Commission conducted 10 regular meetings, 2 show cause hearings, and 7 special meetings (5 of these for the purpose of conducting site walks). Of the 27 applications, 25 were approved and 2 were withdrawn.

The Commission collected $1,690.00 in fees for FY 2013-2014 and received 27 applications for the following activities:

| | |
|---|---|
| Inland Wetlands Regular Permit | 6 |
| As-of-Right Permit | 12 |
| Buffer Permit | 9 |

Respectfully submitted:

| | | |
|---|---|---|
| James McCaw, Chairman | James Bender | James Hallene |
| Robert Slate, Secretary | John Drum | Dennis Latchum |
| Carl Bender | Dean Gustafson | David Martin |

Staff: Philip Chester, Town Planner and Holli Pianka, Inland Wetlands Clerk

# Conservation and Agriculture Commission

## Town of Lebanon

579 Exeter Road, Lebanon, Connecticut 06249
(860) 642-2006, Fax (860) 642-2022

**ANNUAL REPORT**
**FISCAL YEAR 2013 - 2014**

On March 5, 2012 the Conservation and Agriculture Commission was established by Town Ordinance at a Town Meeting which authorizes in part that:

> *The Commission shall extol the role of Lebanon's natural resources and agriculture as major contributors to the Town's quality of life and the economy. The Commission will advocate for conservation and agricultural issues before non-profit agencies, civic organizations, municipal boards and commissions, elected officials and residents.*

The Commission is made up of 10 residents appointed by the Board of Selectmen. The Commission works to:

- inventory and map Lebanon's natural resources;
- develop open space funding resources to assist land owners interested in preserving their property;
- assist farmers with land use issues;
- form relationships with organizations such as Joshua's Land Trust, CT Forest & Parks, CT Farmland Trust, CT Dept. of Agriculture, CT Dept. of Energy and Environmental Protection and USDA to help preserve Lebanon's landscape; and
- conduct community outreach to educate residents in the importance of agriculture and land preservation.

In 2014 the town completed the preservation of the 350-acre Williams Farm on Trumbull Highway and Goshen Hill Road. 2014 also saw the preservation of the 157-acre McCaw Farm on Lebanon Green. Thanks to the ongoing work of the Town's Rails to Trails Committee, 2014 also saw the completion of the 7.5 mile Air Line Trail. The Conservation and Agriculture Commission was awarded by Joshua's Trust its Group Conservation Award for its work in Lebanon and inspiration for other towns to plan for and invest in land preservation.

The Commission meets the first Monday of each month at 4:30 at Town Hall where the public is invited to participate. We regularly rate properties for preservation when applications are made to us and are always available to townspeople as a resource on matters of protecting our community's rich agricultural heritage and natural resources. The Commission is committed to assuring that the Town's natural, historical and agricultural resources are preserved for current and future generations. You may email us at *ConservationComm@lebanontownhall.org* or contact us through Town Planner Philip Chester at 860-642-2006.

Respectfully submitted,

Marc Lang, Chair
Jan Fitter, Vice Chair
Alton Blodgett
Emery Gluck
Keith LaPorte
Jon Slate
Howard Wayland
Oliver Manning, Alternate
Paul Trubey, Alternate
Antoinette Willard, Alternate

Staff: Philip Chester, Town Planner

Solid Waste Coordinator
Town Hall
Lebanon, CT 06249

# Annual Report
# 2013-2014

The Solid Waste Commission holds regular meetings at 7:00 PM in Town Hall. Lebanon residents are encouraged to attend and participate in the meetings.

The Commission oversees the operation of the Lebanon Solid Waste Facility and the maintenance of the closed landfill. The Solid Waste Facility includes a transfer station for waste and recyclable materials. The transfer station and landfill are located on Route 207. The Commission continued the required ground water monitoring program at the landfill during the year.

The Solid Waste Facility is open on Wednesdays and Saturdays, 8-5 during daylight savings time and 8-4 during Standard time. During the 2013-2014 fiscal year approximately 560 tons of municipal solid waste, 366 tons of bulky waste, and various amounts of recyclable materials were accumulated at the transfer station and shipped off site for treatment, disposal, or reuse. A detailed summary of the wastes and recyclable materials handled during the year is shown below.

| | | |
|---|---|---|
| Municipal Solid Waste | 560 | tons |
| Bulky Waste | 366 | tons |
| Co-mingled Containers | 94 | tons |
| Corrugated Cardboard | 73 | tons |
| Newspaper/Mixed Paper | 88 | tons |
| Lead Acid Batteries | .9 | tons |
| Scrap Metal | 46 | tons |
| Leaves, Grass & Brush | 152 | tons |
| Used Oil | 2325 | gallons |
| Antifreeze | 350 | gallons |
| Tires | 13 | tons |
| Fluorescent Light Bulbs | 351 | lbs. |
| Rechargeable batteries | 132 | lbs. |
| Electronics and Freon containing .appliances | 20 | tons |

The Town collects user fees at the Solid Waste Facility from residents who deposit certain wastes and recyclable materials. During the year, user fees totaling $110,936 were collected from residents. Other Town departments deposited materials with a total unfunded fee cost of $1,173.50 at the facility.

The Solid Waste Commission in cooperation with a number of other local communities sponsored several household hazardous waste collection days for residents during the year. There are no user fees associated with the household hazardous waste services provided. Residents are encouraged to make use of this important service.

Respectfully submitted by,

Dennis Roberts
Solid Waste Coordinator

# 2013/2014

## Cemetery Commission Annual Report

The Cemetery Commission is responsible for the management and maintenance of all town cemeteries in accordance with Town Ordinances and State Statutes. The commission also provides direction to the Town Sexton who is responsible for the day to day operation of the cemeteries, including interment, exhuming, sale of plots and setting of grave stones.

Maintenance included cleaning the boundary of Liberty Hill and New Lebanon Cemeteries with alternative incarceration personnel help and the stone wall around Trumbull Cemetery with prison help. The trees on the back side of Trumbull were migrating into the cemetery and were removed by the "Good Old Boys" Tree Service. They will also be removing the larger trees around the remainder of the boundary when weather permits. This is because prison helpers are not permitted to use chain saws.

We held a work party at Goshen in preparation for a walk by The Lebanon Historical Society and the Connecticut Gravestone Network. The cemetery was cleaned of debris and five stones were repaired.

The Sexton reported that she had 38 burials of which 30 were cremations. She sold 2 double lots and 2 cremation lots.

The Cemetery Commission members are:

Howard Wayland, Chairman
Marc Lang
Keith LaPorte
Paul Maffiolini
Sean McCarthy
Robert Parker
Keith Wentworth
Marsha Schuett, Sexton



# *Jonathan Trumbull Library*

580 Exeter Road • P.O. Box 145 • Lebanon, CT 06249
Tel. 860 642-7763 • Fax 860 642-4880

**Jonathan Trumbull Library**
**Annual Report 2013-2014**

Library Board Members:
Cathe McCall, Chairman
Alicia Wayland, Vice-Chairman
Maureen McCall, Secretary
Judy Vertefeuille
Kathy Chesmer
Michele Kersey
Diane McCall
Berkeley Nowasad
Mary Withey

From 7/1/13 to 6/30/14 the Library circulated 79,891 items, including 2,600 electronic items. 4,045 people attended a total of 193 programs at the Library during that period. The Library was open 38 hours per week: Monday 9-8, Tuesday 1-8, Wednesday 10-6, Thursday 1-8 and Saturday 9-2. The Library was closed on Fridays and Sundays. There were 2,507 registered borrowers. Any resident of Lebanon is eligible for a free library card. The Library participates in the Connecticard program. This allows any Connecticut resident with a valid library card to use our library, and allows Lebanon cardholders to use all other Connecticut public libraries.

The Jonathan Trumbull Library had a collection of 53,550 books, magazines, audiobooks, videotapes, DVDs, music CDs and puppets. The Library has a website at www.lebanonctlibrary.org with online access to our catalog, including reserves and renewals. eBooks and audiobooks may be downloaded for loan from the Jonathan Trumbull Library because of our participation in OverDrive through Bibliomation, our nonprofit library consortium. A total of 5,454 e-books and 1,996 downloadable audios are available through OverDrive. There are six computer workstations with internet access and Microsoft Office 2010 software available to the public. Wireless internet access available throughout the Library. 26 licensed databases are available at the Library or remotely with a library card barcode at www.iconn.org. The Library offers several other electronic resources: Ancestry Library Edition, Consumer Reports Online, and Scholastic Flix. Interlibrary loan is readily available for materials that the Library does not own. Other library services include book discussions, story hours, early literacy programs, adult's and children's programs, and discounted passes to area cultural attractions which are a gift of the Friends of Jonathan Trumbull Library. The generosity of the Friends, the Adams Town Memorial Trust, the Lebanon Lions' Club, and Lebanon Kids allows the Library to provide services that would not otherwise be available. We gratefully acknowledge their support.

The Jonathan Trumbull Library strives to provide convenient access to information that can enhance the lives of Lebanon residents of all ages. The Library emphasizes current, popular materials, provides programs of general interest to the community, and encourages children's interest in reading and learning.

Respectfully submitted,

Julie Culp
Library Director

## Annual Report for the Town Lebanon Resident Trooper Office

## Fiscal Year 2013-2014

During the fiscal year of 2012-2013 the Resident State Trooper program remained in place in the Town of Lebanon. TFC Collin Konow served as the town's Resident State Trooper for the second half of the fiscal year. The town was also served by the three part time Officers of the Lebanon Police Department. The Lebanon Police Officers supplement coverage by working additional patrols during mainly evening and weekend hours as well as at special events. Additional patrol coverage provided by State Troopers from Troop K ensured non-stop police presence in town throughout the entire fiscal year.

The Resident Trooper and Town of Lebanon police officers provide consistent day and evening police coverage of the town to ensure we are available to serve the vast majority of the citizens needs in town. Our office is located at 23 Goshen Hill Rd in the Fire Safety Complex.

The Resident Trooper's office continues its emphasis on proactive community policing. This allows us to deter crime in both the residential and commercial areas of the town while simultaneously establishing a strong relationship with the community. The Resident Trooper and Town of Lebanon officers work closely with members of the community and town officials to ensure the needs of the town are being met.

As a reminder, ALL emergency calls should be directed to 911. It is the safest and fastest way to get a police response to your location. If you are in doubt that it is an emergency, use 911 as it is better to err on the side of caution. It is important to remember that the Resident Trooper office is NOT manned 24/7 and that we are usually out on patrol. Contact us by calling one of the below listed numbers if you stop at the office and we are not there.

PERFORMANCE INDICATORS FOR THE RESIDENT TROOPERS OFFICE:

| Town of Lebanon | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|
| Total calls for service | 5549 | 5103 | 4962 |
| Motor vehicle accidents with injury | 9 | 12 | 5 |
| Motor vehicle accidents without injury | 87 | 82 | 87 |
| Fatal motor vehicle accidents | 1 | 0 | 0 |
| Alarm responses | 229 | 172 | 193 |
| Assist to citizen calls | 145 | 318 | 297 |
| Assist to motorist calls | 233 | 254 | 329 |
| Traffic stops | 1953 | 1931 | 1551 |
| Burglaries | 28 | 17 | 25 |
| Larcenies | 37 | 17 | 21 |
| Disturbances | 75 | 42 | 35 |
| DWI arrests | 23 | 24 | 26 |
| Narcotics Violations | 3 | 14 | 17 |
| Tickets//Warnings | 1413//541 | 1524//616 | 1220//440 |

Resident Trooper's office.....860-642-7730 Troop K.....860-465-5400

**Lebanon Volunteer Fire Department, Inc.**
23 Goshen Hill Road • P.O. Box 51
Lebanon, Connecticut 06249
Phone: 860-642-7546 • Fax: 860-642-3429

# ANNUAL REPORT
# July 2013- June 2014

The mission of the Lebanon Volunteer Fire Department is to provide Fire, Emergency Medical, Hazardous Material and Mutual Aid services for the preservation and protection of life, property and the environment from fire, medical and environmental emergencies within the Town of Lebanon and surrounding areas.

The Lebanon Volunteer Fire Department Inc. has over 50 active, reserve, probationary, and cadet members to provide Fire, Rescue, and Emergency Medical Services to the citizens of Lebanon.

The members of the Lebanon Volunteer Fire Department Inc. are proud to provide a professional, cost effective, volunteer service to the Town of Lebanon and their fellow citizens. Recent calculations from the National Volunteer Fire Council, when applied to the statistics from our town, identify a savings to the Town of Lebanon of over 1.5 million dollars when compared to a career department.

Department Executive Officers elected at the September 2013 annual meeting for a 2 year term (September 2013- September 2015) were, President Mark Elliott, Vice President Todd Kulman, Secretary Margaret McCaw, Treasurer Brian Green.

Between July 1, 2013 and June 30, 2014, the Lebanon Volunteer Fire Department responded to a total of 546 incidents, slightly below last fiscal years' 608 responses. Fires, including buildings (7), chimneys (5), vehicles (5), outside brush grass or rubbish (13), and others, accounted for 32, or 5.86%, of the total incidents. Rescue and Emergency Medical Services responses, which include medical emergencies and motor vehicles accidents, accounted for 425 or 77.84% of the total incidents. Other hazardous conditions responded to were, wires down (2), carbon monoxide alarms (4), and electrical problems (4). The remainder of the calls were a variety of Service Calls (22), Good Intent Calls (29), Alarms without fires (28), lightning strike (1), and other weather related Calls.

In October of 2013 the Department took delivery of a new Rescue truck. This replaced a 26 year old vehicle that was overloaded with today's compliment of rescue equipment. Several years in the planning, the Town can be proud of the work the Department did in getting the best value for the Town in this purchase.

In September 2010 the Department was awarded a multi-year federal grant to pay for activities to recruit, train, and retain firefighters and emergency medical personnel. We have been busy working on several projects related to this. Classes offered thru this grant have to have regional

impact, and have been offered to surrounding communities. Departments throughout Windham, New London and Middlesex Counties have sent members to classes hosted by The Lebanon Volunteer Fire Department, paid for by this Federal Grant. Locally, our members have been able to take part in Firefighter I & II, Fire Officer, EMT, EMR as well as several other programs provided for with grant funds. Additionally, several Officers have had the opportunity to attend the National Fire Academy in Maryland to participate in classes.

The Department has been fortunate to have been offered the use of a town owned building at 491 Exeter Rd for a training facility. We have converted this former single family house to accommodate training for our, and surrounding Departments. Multiple Firefighter classes have used this building for training, as well as on the State level, the Connecticut Army National Guard Fire Department. We would like to thank the Town and the Board of Selectman for this opportunity to use this property.

If responding to the emergency incidents and attending required training doesn't tax the men and women of the Department enough, members also spend many hours per year ensuring the emergency equipment is maintained in a constant state of readiness. Weekly inspections of the vehicles and all portable equipment are done to ensure they are ready for whatever incident may occur. All Department fire hose, fire pumps, fire extinguishers and ground ladders are tested annually in accordance with National Fire Protection Association (NFPA) standards. SCBAs are tested monthly in accordance with NFPA and OSHA standards.

To the men and women of the Lebanon Volunteer Fire Department, we commend and thank each and every one of you for your time and dedication in fulfilling our mission to the citizens of our community. To the citizens of the Town, thank you for your words of appreciation and for your continued support.

Respectfully submitted,

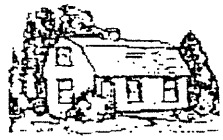
John Lyon, Chief

Lebanon Volunteer Fire Department

Mark Elliott, President

Lebanon Volunteer Fire Department

# Town of Lebanon



FIRE MARSHAL
P.O. Box 184 Lebanon, Connecticut 06249
Telephone: 860-208-6089 Fax: 860-642-7716
E-mail: Schuett_FM106@Juno.com

The War Office, Lebanon, Connecticut
Site of over 1100 meetings of
The Connecticut Council of Safety
1775-1783

## FIRE MARSHAL'S ANNUAL REPORT

The primary responsibility of the Fire Marshal is to protect public safety. As such, your Fire Marshal and his Deputy work very closely with the Building Inspector, Police and Fire Department personnel to help assure your safety. Their areas of training and expertise include fire prevention and education, building safety and hazardous material control.

Fire prevention and education begins with our children. This year's theme focused on the most basic tool of life safety, the smoke detector. The theme, "Working Smoke Alarm Save Lives: Test Yours Every Month", reminds us of the basic necessity of having functional smoke detectors in our homes. Special thanks go to the Lebanon Volunteer Fire Department for their terrific assistance with our elementary school program. In addition, special thanks go to Lebanon Area businesses that once again provided much needed financial support to underwrite the cost of materials sent home with the children.

Building safety is often misunderstood and underappreciated. The Life Safety Code establishes **minimal** safety standards for all public buildings and private residences before human occupancy is permitted in the building. Local group homes, schools and public buildings are inspected to assure public safety.

Hazardous materials includes blasting permits, fireworks, Underground Tank installations and removal inspections. During the past fiscal year no blasting permits were issued for construction and road improvements. The only fireworks permit was for the Lebanon Meet Your Neighbor Day on the Green.

During the past fiscal year there were 3 major structure fires totaling damages in excess of $8,500. The total number of Structure Fires was 9. There were a total of 26 false alarms to which the Fire Department responded. There was only one Fire Department injury reported while there were no Civilian deaths or injuries reported.

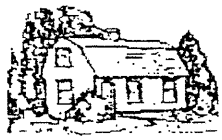
In conclusion, I give special thanks to the fire department for their prompt and professional response to all our emergencies. I also join with them in thanking the wonderful citizens of Lebanon for their continued support of all our emergency services.

Respectfully Submitted,

Scott R. Schuett
Lebanon Fire Marshal

Dan O'Hearn
Deputy Fire Marshal

# Town of Lebanon



FIRE MARSHAL
P.O. Box 184 Lebanon, Connecticut 06249
Telephone: 860-208-6089 Fax: 860-642-7716
E-mail: Schuett_FM106@Juno.com

The War Office, Lebanon, Connecticut
Site of over 1100 meetings of
The Connecticut Council of Safety
1775-1783

## BURNING OFFICIAL'S REPORT

In 1972, the State of Connecticut enacted legislation to regulate open burning. The purpose of the legislation was to abate air pollution and wildfires. As such, the Town of Lebanon does its part to maintain air quality and to lessen the risk of wildfires by local regulation of burning. For fiscal year July 1, 2013 – June 30, 2014, a total of 143 burning permits were issued to Lebanon residents. Of those, 112 were residential permits, while 31 were Agricultural permits issued to local farmers. Three permits were not issued for various reasons. A total of 12 open burning investigations were also carried out to ensure compliance.

In 2010, the Town of Lebanon updated our Open Burning Ordinance. Those wishing to read the Ordinance are able to do so by going to the Town Website at www.lebanontownhall.org, click on the "Resources" button and then click on the "Documents and Forms" button. The Ordinance is titled, "Ordinance Regarding Outside Burning Rev. 2010". Additional information about Open Burning in Connecticut may be found at the DEEP Website under Air and Water Quality.

In 2014 DEEP, the governing State Agency responsible for Open Burning, completely revamped their educational program and permitting process. Your Open Burning Officials were part of the pilot training module intended to give Burning Officials more extensive training. In addition, there are separate permits for Residential, Agricultural, Disease Control, Disaster, Fire Department Training and maintenance of non-state owned properties such as Joshua's Trust. The vast majority of permits issued in Lebanon are either Residential or Agricultural.

Applications for Residential Burning Permits are kept at the Town Clerk's Office and are available during her normal business hours. All other burning permits are available from the Burning Official himself. No verbal permits are issued. Extensions of time will be considered as long as the original material is being burned, and the existing permit has not yet expired. Only one verbal extension will be granted. For any other questions about Open Burning, residents are urged to call 208-6089.

It has been an honor and privilege to serve the good people of Lebanon for the past year.

Respectfully Submitted,

Scott R. Schuett
Lebanon Burning Official

Lee Schuett
Deputy Burning Official

Dan O'Hearn
Deputy Burning Official

**Town of Lebanon**
**Commission on Aging**
**Annual Report 2013-2014**

The purpose of the Commission on Aging is to be aware and to assist in the needs and conditions of Lebanon's Aging in both the public and private sectors, in relation to housing, economics, transportation, health, social services, recreation and other matters. The COA shall, also, develop and implement programs to meet the needs and improve the conditions of the aging and shall make recommendations to the Board of Selectmen and the Annual Town Meeting regarding services to the Aging.

The COA sponsors Senior and Handicapped transportation, Lebanon Senior Center, Municipal Agent for the Town of Lebanon, Meals on Wheels and Jr/Sr. Travelers. The COA partners with AARP and the VNA to offer many diverse services to our Lebanon Seniors.

Our Senior Transportation program transports seniors and disabled persons to doctor's appointments, to work, grocery shopping and personal errands. A Wellness trip is offered several times a month to encourage socialization and exploring something new. The program is funded with local dollars as well as a matching state grant which requires quarterly reporting.

The Senior Center offers many programs for good health as well as socialization to our seniors. Whether it's a heart healthy exercise class, a spirited game of cards, or a delicious lunch on a Tuesday our seniors utilize the center every day of the week.

We have many volunteers that make all the programs sponsored by the COA a great success, we'd like to recognize them here and give them a great big "THANK YOU".

Our seniors and town are most fortunate to have a dedicated group of people on the COA. I personally wish to express my appreciation to each of them for their time and efforts contributed to the Lebanon Seniors. If you have any suggestions for us to enhance programs for the seniors, please do not hesitate to contact the COA. Member: Ellen Bauwens, Russ Blakeslee, Jane Cady, Jim Donnelly, Darlene Hathaway, Donna Lafontaine, Bonnie LeBlanc, Marion Russo, and Geri McCaw.

Respectfully submitted: Geri McCaw

## LEBANON PUBLIC SCHOOLS

Mission Statement: The Lebanon Public School District is a community of learners which values an active partnership with families, school and community. Our goal is to prepare students to succeed in a global world by providing a quality and challenging education in a safe environment.

The Lebanon Public School district, as a provider of comprehensive academic opportunities, prepares students with the knowledge and skills needed to succeed in an evolving world. To this end, the school district is committed to providing learning environments that promote personal competence and social responsibility.

The Lebanon Public School District consists of three schools: Lebanon Elementary School, Lebanon Middle School, and Lyman Memorial High School. A wing of Lyman Memorial High School is dedicated to an Agricultural Science and Technology Program. In each of the schools, academic excellence is stressed, citizenship is promoted, and community service is expected.

The district continues to make great strides. Lyman Memorial High School completed their self-study, participated in a NEASC visit last spring, and has earned re-accreditation. The Lebanon Elementary School is currently in the process of earning re-accreditation from NAEYC for its pre-kindergarten and kindergarten programs.

Data collection is paramount in the district. Students are assessed three times a year using the NWEA-MAP test. This test identifies the strengths and areas of focus in the areas of reading and mathematics for each student allowing teachers to frame lessons to meet individual needs and enrich strengths. It also allows for personalized learning. Through flexible grouping and scientifically researched based interventions, students are achieving at higher levels. This past spring, students also participated in the Smarter Balanced Test for the first time. All of these are online tests.

The revision of curricula has been a focus. Teachers, under the guidance and in collaboration with the Director of Curriculum, Instruction, and Assessment, have worked hard to embed the newly revised state standards and create meaningful, authentic, higher-order units of study. These units of study are being implemented in the classrooms.

Enhancing technology is a district goal. By applying for and receiving an award of a CSDE Technology Grant, we were able to double the amount of laptops and desktop computers we were able to purchase and use in classrooms and labs. This allows for more global learning for students.

The School Climate Plans have been revised to enhance the educational setting. Students are acknowledged for positive actions and feel appreciated and safe in their environment.

A new online Educator (administrator and teacher) District Evaluation and Support Plan was implemented in the district. It is both comprehensive and objective. Observations and data is collected electronically and calculated by a CSDE formula, identifying an individual's status: Below Standard, Developing, Proficient, or Exemplary, on each portion of the evaluation, resulting in one overall score.

Parents and the community take pride in their district schools and volunteer to work in the buildings in a variety of capacities. In addition, they attend numerous school functions, including concerts, plays, and speaker presentations.

The school and town community work as a collaborative unit to provide the best education possible for the children of Lebanon.

Respectfully submitted,

Janet M. Tyler
Superintendent of Schools

# Lebanon Board of Education
## Budget Status Report FY 2013-14
### as of June 30, 2014

| Account Description | Revised Budget | Expenses | Amount Remaining |
|---|---|---|---|
| Salaries | 9,821,017 | 9,789,540 | 31,477 |
| Employee Benefits | 3,211,348 | 3,072,228 | 139,120 |
| Purchased Services | 542,588 | 476,953 | 65,635 |
| Maintenance & Operations | 556,309 | 641,946 | (85,637) |
| Other Purchased Services | 2,587,573 | 2,709,102 | (121,529) |
| Utilities | 580,219 | 602,368 | (22,149) |
| Supplies | 415,350 | 399,548 | 15,802 |
| Capital/Equipment | 188,665 | 184,407 | 4,258 |
| Dues & Fees | 41,285 | 35,060 | 6,225 |
| GENERAL FUND | 17,944,353 | 17,911,152 | 33,201 |

## LEBANON PUBLIC SCHOOLS

### ENROLLMENT
### 2013-2014

| GRADE | ENROLLMENT |
|---|---|
| **Pre-K** | 47 |
| **K** | 48 |
| **1** | 80 |
| **2** | 68 |
| **3** | 66 |
| **4** | 83 |
| **Total Elementary School** | **392** |
| | |
| **5** | 86 |
| **6** | 78 |
| **7** | 93 |
| **8** | 104 |
| **Total Middle School** | **361** |
| | |
| **9** | 96 |
| **10** | 105 |
| **11** | 100 |
| **12** | 106 |
| **Total High School** | **407** |
| | |
| **Total Enrollment** | **1,160** |

| | |
|---|---|
| **Received in District** (included in grade level totals) | **61** |

| | |
|---|---|
| ADAMS, BRYAN R. | $2,180 |
| ANASTASIO, ELIZABETH | $74,774 |
| ANDREWS, CHRISTOPHER T. | $59,111 |
| ANGELASTRO, ANNE P. | $19,601 |
| APICELLI, JAMES | $123,000 |
| ARCHER, BARBARA E. | $73,424 |
| ASHCOM, SHARON K. | $6,731 |
| AXTON-JONES, ANNE | $88,269 |
| AYER, DIANE J. | $68,764 |
| BAGDASARIAN, VICTORIA G. | $35,442 |
| BALL, PATRICIA J. | $45,357 |
| BARLOW, LARRY W. | $69,079 |
| BARNETT, GEORGIA M. | $6,247 |
| BELISLE, SANDRA | $41,243 |
| BENDER, JOANNA L. | $4,098 |
| BERGERON, AMY E. | $68,764 |
| BESSETTE, JOSHUA A. | $16,977 |
| BESSETTE, NORMAN | $570 |
| BIEKERT, CHERYL J. | $102,092 |
| BIRRELL, ANN | $110,063 |
| BLANCHARD, EMILY A. | $25,857 |
| BLECHARCZYK, RYAN J. | $420 |
| BLESSO, SHERI | $121 |
| BOADA, BETHANY J. | $49,897 |
| BOISVERT, KIM | $956 |
| BONK, JENNIFER A. | $55,496 |
| BOONE, TAMMY A. | $1,945 |
| BRAUNHARDT, LYNETTE | $79,070 |
| BRITT, ELIZABETH H.R. | $492 |
| BROADBENT, ROBERT S | $7,261 |
| BROWNSON, NICOLE D. | $1,885 |
| BURELLE, CHRISTINE | $74,774 |
| BURNETT, BETTY | $16,152 |
| BUSH, HERBERT J. | $280 |
| CALAMO, ANITAMARIE | $73,424 |
| CALANO, ANNA N. | $6,635 |
| CARTA, KRISTINA M. | $16,820 |
| CASTILLO, JESSICA A. | $6,474 |
| CAVANAUGH, ANGELA | $980 |
| CHALIFOUX, CHRISTINE | $33,912 |
| CHAMBERLAIN, KEITH | $2,804 |
| CHAMBERLAIN, VIRGINIA | $21,222 |
| CHATELLE, ROBIN H. | $385 |
| CLIFFORD, ELLEN | $27,978 |
| COLEMAN, ADAM | $43,496 |
| COLLINS, KAREN A. | $61,539 |
| CORNELL, ABIGAIL R. | $33,516 |
| COTE, JOHN W | $61,539 |

| | |
|---|---|
| COTE, KATHERINE A. | $917 |
| COX, EMMA K. | $40,786 |
| CRETELLA, LINDA A. | $1,856 |
| CROSS, GWENDOLYN | $22,126 |
| CRUZ, JESSICA | $2,497 |
| CZAJKA, RICHARD M. | $33,549 |
| DANIELS, ANDREA L. | $24,713 |
| DAVIDSON, LAURA L. | $3,069 |
| DAVIS, SUSAN BRETT | $415 |
| DEFFLEY, MONICA A. | $35,300 |
| DELONG, VIRGINIA A. | $56,973 |
| DEMARS, BRITA I. | $625 |
| DIBELLA, LOUANNE | $1,240 |
| DOELLER, CLAIRE | $74,774 |
| DUBE, DENISE | $17,371 |
| DUDAR, NANCY | $182 |
| DUFF, VICKI F | $14,659 |
| DUHAIME, LORI J. | $18,959 |
| DUNN, JUNE K. | $43,754 |
| ELLIOTT, LINDA M. | $9,116 |
| ELLIOTT, SCOTT A. | $73,424 |
| ESCOTT, LIZA | $74,372 |
| EVANS, DANIELLE L. | $40,786 |
| EWEN, SALLY J. | $18,816 |
| FABRY, CHRISTOPHER G. | $64,766 |
| FABRY, RYAN R. | $74,678 |
| FAUSTMAN, CAROL A. | $65,380 |
| FELLOWS, SHIRLEY A. | $9,694 |
| FERRI, MAY | $39,386 |
| FLANNERY, REBECCA | $47,403 |
| FRANSON, CRISTYN | $5,160 |
| FREE, JULIANNE | $74,888 |
| GAGNON, ALESIA | $2,345 |
| GAMACHE, LISA ANN | $74,774 |
| GAUCHER, ERIN C. | $74,774 |
| GAUCHER, JEFFREY P. | $74,678 |
| GERVAIS, JAN M. | $73,424 |
| GIBSON, RENEE | $74,774 |
| GIRARD, CHRISTA A. | $14,331 |
| GIRASOLI, BRIAN C. | $36,665 |
| GLODE, JEAN | $50,396 |
| GODAIRE, JANICE | $74,774 |
| GOMEZ, MARTIN | $74,774 |
| GONZALEZ, ANDREW | $115,626 |
| GOODRICH, MARGARET A. | $6,648 |
| GOUGH-YETISHEFSKY, DIANA C. | $2,879 |
| GRATTON, MARIA T. | $1,398 |
| GRAY, GEORGE | $74,888 |

| | |
|---|---|
| GROGAN, MEGAN E. | $54,595 |
| GUPTA, RUMA | $74,888 |
| GUSTAFSON, DEBORAH M. | $18,355 |
| HALBARDIER, TERESA | $74,774 |
| HALBROOKS, JF G. | $69,080 |
| HAMILTON-BRODIE, KEVIN S | $77,699 |
| HAMMOND, TAYLOR K. | $420 |
| HARTNETT, MICHAEL T. | $29,382 |
| HARTNETT, SONIA | $20,978 |
| HARTZELL, MARY LYNN | $74,744 |
| HEATHERLY, LINDA G. | $924 |
| HERMANN, LORI-ANN | $19,116 |
| HERNANDEZ, JOSE L. | $36,888 |
| HISMAN, RICHARD R. | $4,830 |
| HODGE, CYNTHIA | $7,874 |
| HOGG, PATRICIA A. | $79,190 |
| HOPKINS, PAULA C. | $74,678 |
| HOWARD, HEIDI L. | $68,764 |
| IENI, DEBRA A | $74,262 |
| INGRAM, JUDITH J. | $74,774 |
| JAHODA, JENELLE L. | $700 |
| JAQUITH, JUSTIN | $10,688 |
| JARVIS IV, JOHN L. | $36,595 |
| JARVIS, NATHANIEL | $1,003 |
| JOHNSON, CHRISTINE G. | $64,766 |
| JOHNSON, ELAINE | $13,126 |
| JOHNSON, LYN K. | $19,271 |
| KANSLER, MATTHEW D. | $32,406 |
| KING, DAVID G. | $700 |
| KINSTLER, LISA P. | $20,990 |
| KLOSOWSKI, JOHN | $74,678 |
| KNOWLES, JAIME L. | $41,886 |
| KONOW, KAREN L. | $19,450 |
| KOWALYSHYN, KAREN | $6,968 |
| LADEGARD, JASON T. | $61,539 |
| LADEGARD, JENNIFER M. | $31,443 |
| LAKE, JULIE L. | $19,170 |
| LANE, STEPHANIE L. | $5,245 |
| LANGDON, MARIE F. | $73,424 |
| LAPLANTE, TONYA R. | $40,782 |
| LAPORTE, AARON T. | $4,855 |
| LAPORTE, KEITH | $38,659 |
| LARSEN, CHARLOTTE T. | $80 |
| LARSON, PETER | $26,086 |
| LASKARZEWSKI, ROBERT M. | $120,677 |
| LASKOW, DENISE | $18,709 |
| LATHROP, BONNIE A. | $3,870 |
| LATHROP, MOLLY L. | $74,888 |

| | |
|---|---|
| LAZUR, BARBARA | $74,774 |
| LAZUR, EVAN P | $11,465 |
| LEARNED, CAROL | $18,069 |
| LEBLANC, BONNIE | $15,472 |
| LECLERC, VALERIE L. | $770 |
| LEE, BARBARA J. | $74,774 |
| LEONARD, JESSICA | $43,313 |
| LEONARD, MARIA | $16,466 |
| LEONE, CASSANDRA L. | $205 |
| LESTON, MARIANNE C. | $9,453 |
| LIEBSKIND, SHAUN C. | $12,063 |
| LLONTOP, CESAR | $9,601 |
| LUCAS, LUCY | $17,127 |
| LUCAS, SHAWN | $47,759 |
| LUND, DAVID W. | $37,815 |
| LURETTE, RICHARD J. | $37,738 |
| LYON-MILES, HEATHER M. | $49,552 |
| MACKEWICZ, MARISSA L. | $6,012 |
| MAGNAN, TAMELA J. | $33,650 |
| MAIORANO, HOLLIS L. | $20,350 |
| MANDEVILLE, RACHEL N. | $2,350 |
| MANLEY, LISA M. | $4,248 |
| MARTINEAU, LINDSAY | $17,508 |
| MCCARTHY, LINDSAY M. | $7,505 |
| MCCARTHY, MARISSA | $6,976 |
| MCCARTHY, SAMANTHA G. | $35,442 |
| MCCORKLE JR, ELLIOT R. | $37,144 |
| MCCORKLE, NANCY A. | $19,916 |
| MCLARNEY, NICOLE L. | $1,458 |
| MCLEAN, CHRISTOPHER S. | $74,687 |
| MCNEILL, PAULA | $18,099 |
| MEAKEM, MAEGAN | $51,810 |
| MEYER, SVEA | $22,109 |
| MICHELE, NICOLE L. | $17,774 |
| MILLERD, ASHLEY E. | $51,810 |
| MITCHELL, KAREN D. | $36,361 |
| MORELLO, MARK | $74,774 |
| MOTYKA, JAMES B. | $74,774 |
| MULLER, PATRICIA | $74,774 |
| MUNROE, SALLY | $7,538 |
| NANOS, JILL | $18,313 |
| NARITA, KYOTARO J. | $64,766 |
| NEEL, DONALD | $21,875 |
| NORMAN, BEA | $74,774 |
| NOWOSAD, GENEVIEVE | $219 |
| NOWOSAD, JOANNE | $74,774 |
| O'HEARN, CANDIS A. | $21,409 |
| OLSEN, JENNIFER C. | $9,959 |

| | |
|---|---|
| ORGA, ERIN M | $68,764 |
| ORLANDO, MELISSA E. | $49,552 |
| ORSINI, PAUL J. | $32,406 |
| ORTEGON, KRISTIN M. | $25,423 |
| PARENT, JANET | $11,473 |
| PARKER, HOLLY A. | $39,148 |
| PARLA, STACY | $18,424 |
| PAYER, PATRICIA M. | $19,469 |
| PEEL, STEPHANIE S. | $14,127 |
| PERRY, PIA V. | $41,886 |
| PESTEY, BRITTANY | $4,295 |
| PETERSON, LINDA JOYCE | $21,987 |
| PETRIE, CYNTHIA D. | $74,774 |
| PICARD, GEOFFREY | $49,951 |
| PICARD, JEANNETTE | $79,071 |
| PIROLLI, ANDREA | $1,715 |
| PROULX, JACQUELINE M. | $20 |
| PROVOST, CAROLYN | $74,774 |
| RACKLIFFE, MARGARET | $74,774 |
| REALE, LUCIANO S. | $26 |
| REYNOLDS, ADAM C. | $56,669 |
| REYNOLDS, AMY | $59,110 |
| REYNOLDS, DONNA M. | $245 |
| RICCIUTTI, REBEKAH | $45,357 |
| RICE, LORETTA L. | $689 |
| ROACH, PETER | $5,061 |
| RUBEGA, PATRICIA A. | $68,764 |
| RUCKDESCHEL, LEIGH H. | $79,070 |
| RUSSO, LINDA | $79,070 |
| RUSSOLINO, SHEILA K. | $77,699 |
| RYCHLING, MARIAN | $13,690 |
| SAUCIER, DEBORAH | $29,697 |
| SCORSO, JESSICA | $72,948 |
| SCZUREK, JOANNE | $41,243 |
| SERRENHO, KAREN | $79,070 |
| SHAVER, WESLEY | $81,840 |
| SHUMAN, ERIN D. | $61,539 |
| SMAKULA, JACQUELYN A. | $16,700 |
| SMITH, BERIAH C. | $70 |
| SMITH, KATHLEEN L. | $74,774 |
| SMITH, REBECCA L. | $21,063 |
| SNOW, KEITH A. | $980 |
| SOLARI, GAYLE T. | $77,699 |
| SOLARI, JOYE A. | $425 |
| SPEDALIERE, SANDRA A. | $18,069 |
| SPENCER, EVE | $67,514 |
| STALLINGS, EMILY | $43,200 |
| STANTON, SCOTT A. | $61,876 |

| | |
|---|---|
| STROHM, LARRY | $74,774 |
| STUDENSKI, ANDREW P. | $280 |
| SWANSON, ADREANNE A. | $6,920 |
| SYLVESTER, MARYLIN G. | $21,477 |
| TARRYK, KATHY M. | $193 |
| TEDESCO, DAVID M. | $75,454 |
| TELLIER, MARY R. | $554 |
| TOLLMANN, HEATHER | $4,955 |
| TOROCKIO, HALLE S. | $68,764 |
| TRUAX, LINDA J. | $13,017 |
| TYLER, JANET M. | $150,340 |
| VALLIERE-PEAY, DENISE | $31,297 |
| VIELE, LISA M. | $18,738 |
| VIOLETTE, CYNTHIA M. | $68,764 |
| VON EDWINS, SCOTT A. | $29,748 |
| VONEDWINS, CAROL | $19,561 |
| WADJA, DONNA | $17,358 |
| WALDRON, JOANNE | $52,748 |
| WALSH, TIMOTHY J. | $10,525 |
| WENTWORTH, DIANA T. | $39,324 |
| WHITE, CARRIE | $695 |
| WHITE, CHELSEY | $15,908 |
| WHITTY, DEBRA J. | $5,332 |
| WILDES, BRENDA | $61,315 |
| WILHELM, MELISSA B. | $38,298 |
| WILLIAMS, CHELSEA D. | $8,794 |
| WILSON, SHERI C. | $74,888 |
| WORTHINGTON, HEIDI J. | $1,191 |
| WOZNIAK, MICHELLE | $54,179 |
| WYREBEK, JILLIAN B. | $26,030 |
| ZUCKERMAN, DIANA | $70,688 |

# THE CLASS OF 2014

Gregory Vincent Allen
Kofi Agyapong Amankwah
Brenna Nichole Anderson **NHS +**
Michael Richard Anselmo
Megan Sapphire Arndt
Katherine Nicole Audet* **NHS +**
Amanda Marie Ausburger
Matthew Wesley Baltz
Ingrid Emily Bass
Mason Arthur Battye
Mackenzie Lynn Baum
Jennifer Lynn Bennett* **NHS**
Jacob Thomas Berentsen
Brittany Megan Berube
Saxon Drewe Billiot
Lillian Delia Blakeslee **NHS**
Melissa Angeline Bragg
Krystal Michelle Buckley-Byram
Faith Alexandra Burns
Zachary Edward Caler **NHS**
Jacob Christopher Calvin
Owen Elias Caraballo
Elizabeth Kennerly Chandler
Kayla Charron
Carolyn Marie Churchill
Mitchell Alan Clang
Dylan Michael Conley
Abby Lee Couto
Aubrey Mae Coutu* **NHS +**
Mallory-Ann Davis **NHS**
Brandon Michael Dominique
Ellerie Lauren Field
Sara Emily Fontaine
Ellie Frankinburger +
Lilly Frankinburger
Jacqueline Rosemary Gaal
Joseph Deveny Gamache
Sydney Theresa Giuliano* **NHS +**
Richard Edward Goldstein
Stephen Henry Grabber
Devon Willard Grace
Rachel Alexandra Gural
Alexis Michelle Hayden
Aurora Ellensee Hooper
Corrie Sandra Hoyt
Janel Barbara Huband
Andrea Nicole Hubley
William Thomas Jones
Kyle Dakota Judd
Jacob Carl Judge
Jessica Lynn Kokoszka +
Madeline Pianta Kollegger **NHS +**
Christopher John Konow* **NHS +**
Antonio K Kuang
Rachel Morgan Lambert
Emily Renee Lataille
Brandy Lynn Lausier
Allison Marie Lenkiewicz
Mikayla Anne Luft
Alicia Morgan Mackewicz **NHS**
Mason Phil Madison
Kaitlynne Sierra McComiskey
Reilly Anne McKnerney
William Joseph Meese* **NHS +**
Dalton Allyn Miller
Nicholas Michael Miller
Nicole Marguerite Monce +
Ian Michael Montgomery
Dustin Andrew Olmo
Briana Faye Padewski +
Sarah Marie Pavlich* **NHS +**
Elizabeth Marie Peay* **NHS +**
Ashley Elizabeth Pitcher
Alexandra Nicole Poppiti +
Daniel Thomas Potter
Jessica Stannard Quimby
Lucas Bay Riley
Samantha Michelle Roberto
Barbara Dale Rowland
Adam Victor Schmidt
Eben Thomas Schwinn
Steven Kenneth Shenkle
Kaitlyn Elisabeth Sidman* **NHS +**
Holt Aarne Sihvonen **NHS +**
Jocelyn Davis Skaff
Emily Rose Smith
Ethan Roland Smith
Chrystal Aline Sparks **NHS +**
Joshua Stephen Spaulding
Molly Marie Stanavage **NHS +**
Kylene Neva Sterling
Alyssa Elinor Tacchi* **NHS +**
Emma Rose Teed
Benjamin Howard Treiss
Michelle Lillian Valliere **NHS**
Benjamin Glen Walker
Sierra Horizon Weum
Natalie Tess Wieczorek **NHS +**
Daniel Christopher Zemantic
Jacquelyn Marie Zerio +

* Top Ten
**NHS** National Honor Society
\+ Honors Senior Project

## Town of Lebanon
## Uncollected Taxes
## as of June 30, 2014

| | |
|---|---|
| List of 10/01/00 Real Estate | |
| Lowney, Jeremiah J & Virginia | 143.40 |
| Pomprowicz, Edward M & Kna | 253.23 |
| List of 10/01/01 Real Estate | |
| Lowney, Jeremiah J. & Virginia | 141.18 |
| Pomprowicz, Edward M & Kna | 248.99 |
| List of 10/01/02 Real Estate | |
| Lowney, Jeremiah J. & Virginia | 139.81 |
| Pomprowicz, Edward M & Kna | 246.31 |
| List of 10/01/03 Real Estate | |
| Lowney, Jeremiah J. & Virginia | 248.73 |
| Pomprowicz, Edward M & Kna | 555.79 |
| List of 10/01/04 Real Estate | |
| Lowney, Jeremiah J. & Virginia | 242.93 |
| Pomprowicz, Edward M. & Knapp | 541.57 |
| List of 10/01/05 Real Estate | |
| Lowney, Jeremiah J. & Virginia | 237.78 |
| Pomprowicz, Edward M. & Knapp | 528.75 |
| List of 10/01/06 Real Estate | |
| Jones, Richard R. | 1,537.18 |
| Lowney, Jeremiah J & Virgi | 234.44 |
| Pomprowicz, Edward M. & Knapp | 520.16 |
| List of 10/01/07 Real Estate | |
| Jones, Richard R. | 3,604.39 |
| Lowney, Jeremiah J & Virgi | 221.31 |
| List of 10/01/08 Real Estate | |
| Jones, Richard R. | 2,991.88 |
| Lowney, Jeremiah J & Virgi | 224.00 |
| Unknown | 818.46 |

## Town of Lebanon
## Uncollected Taxes
## as of June 30, 2014

List of 10/01/09 Real Estate

| | |
|---|---|
| Jackson, Emily K | 3,936.75 |
| Jones, Richard | 2,820.56 |
| Lowney, Jeremiah J & Virginia | 212.43 |
| Unknown | 772.60 |

List of 10/01/10 Real Estate

| | |
|---|---|
| Anderson, Carl R & Loretta | 3,233.24 |
| Cieri, Mary Jane | 566.81 |
| Elwell Windfield H & Pame | 376.41 |
| Gaucher, Cindy L | 3,493.14 |
| Jackson, Emily K | 5,081.22 |
| Jones, Richard R | 2,617.38 |
| Lazur, Barbara A | 1,243.98 |
| Lombardo, Kathryn | 591.44 |
| Lowney, Jeremiah J & Virginia | 198.75 |
| Prussia, William | 1,524.60 |
| Unknown | 418.72 |

List of 10/01/11 Real Estate

| | |
|---|---|
| Anderson, Carl R & Loretta | 5,986.12 |
| Andrews, Lorraine Et Al | 388.63 |
| Andrews, Lorraine Et Al | 44.39 |
| Andrews, Lorraine Et Al | 6,390.26 |
| Archer, William L & Barbara E | 24.00 |
| Blakeslee, Donald H & Deborah | 1,072.65 |
| Burski, Julia | 603.51 |
| Cerberus Holdings Corp | 1,191.23 |
| Chasing Sunsets Lke Cottages LLC | 39.43 |
| Cieri, Mary Jane | 522.68 |
| Cobb, Dawn T | 652.69 |
| Andrew Patrick Rigazio- Connely Trust | 4,267.27 |
| Durand, Cheryl E | 278.91 |
| Elwell Windfield H & Pame | 347.74 |
| Furbush, Robert H | 150.56 |
| Gaal, Arapad | 1,861.49 |
| Gaucher, Cindy L | 3,912.07 |
| Graus, John | 318.91 |
| Harmon, Alma | 39.71 |
| Harper, Patricia | 1,198.22 |
| Hilsdon, Michael J | 7,939.54 |
| Hobbs, Emerald J & | 3,706.97 |
| Hobbs, Emerald J & | 2,278.36 |
| Ives, Wesley | 285.91 |

## Town of Lebanon
## Uncollected Taxes
## as of June 30, 2014

List of 10/01/11 Real Estate

| | |
|---|---|
| Jackson, Emily K | 4,669.79 |
| Jones, Richard R | 2,556.36 |
| Lazur, Barbara A | 4,269.32 |
| Lewis, Daniel L | 847.09 |
| Lombardo, Kathryn | 2,206.51 |
| Lowney, Jeremiah J & Virginia | 184.52 |
| Marrotte, Gordon E Jr & Robin L | 194.64 |
| Micowski, Alonzo & Mary | 53.50 |
| Pestey, Michael E | 6,511.59 |
| Postemski, Carolyn | 154.48 |
| Prescott, James H | 154.36 |
| Prussia, William | 7,733.10 |
| Radican, James P & Thomasi | 1,716.05 |
| Reed, Paula L & John H | 979.40 |
| Rogers, Judy | 560.87 |
| Rogers, Judy | 1,908.40 |
| Rogers, Judy | 38.52 |
| Sledjeski, Robert & Barbara | 2,359.78 |
| Stoll, Harry R Est | 2,534.68 |
| Stoll, Harry R Est | 167.76 |
| Thompson, Teresa L | 3,192.28 |
| Unknown | 386.61 |
| Wohlstrom, Alan | 1,895.00 |

List of 10/01/12 Real Estate

| | |
|---|---|
| Anderson, Carl R & Loretta | 5,296.56 |
| Andrews, Lorraine Et Al | 346.45 |
| Andrews, Lorraine Et Al | 42.12 |
| Andrews, Lorraine Et Al | 5,659.45 |
| Bauer, Annalyn N | 3,110.69 |
| Berube, Kirk T & Mia E | 3,832.24 |
| Blakeslee, Donald H & Deborah | 1,699.94 |
| Brockett, Joseph & Shelly | 4,597.14 |
| Budney, Wayne M | 53.18 |
| Budney, Wayne M | 38.43 |
| Budney, Wayne M | 60.85 |
| Budney, Wayne M | 8,253.56 |
| Budney, Wayne M | 375.49 |
| Budney, Wayne M | 52.87 |
| Budney, Wayne M | 35.36 |
| Budney, Wayne M | 55.33 |
| Budney, Wayne M | 204.80 |
| Budney Wayne Trustee | 316.22 |
| Burski, Julia | 3,849.13 |
| Cerberus Holdings Corp | 4,782.08 |

## Town of Lebanon
## Uncollected Taxes
## as of June 30, 2014

List of 10/01/12 Real Estate

| | |
|---|---|
| Chalifoux, Lorene | 3,220.56 |
| Chasing Sunsets Lke Cottages LLC | 440.10 |
| Cieri, Mary Jane | 464.99 |
| Cobb, Dawn T | 579.97 |
| Colavolpe, Anne M | 3,311.10 |
| Andrew Patrick Rigazio- Connely Trust | 5,982.92 |
| Cormier, Patricia M | 136.53 |
| Deschesne, Helen B | 578.80 |
| Durand, Cheryl E | 1,472.92 |
| Durand, Roger | 2,440.22 |
| Elwell Windfield H & Pame | 310.29 |
| Furbush, Robert H | 255.16 |
| Gaal, Arapad | 1,648.95 |
| Gatchek, Patricia M | 2,014.95 |
| Gaucher, Cindy L | 3,462.38 |
| Giants Lane LLC | 6,999.83 |
| Gilbert, Jean C | 721.94 |
| Grassi, T | 1,045.53 |
| Grassi, T | 756.47 |
| Graus, John | 1,877.76 |
| Green, Harold L | 1,023.68 |
| Hamlin, David C | 200.93 |
| Harmon, Alma | 581.16 |
| Harper, Patricia | 3,968.84 |
| Hazlett, George R Jr Est | 3,190.62 |
| Hilsdon, Michael J | 7,024.03 |
| St Germain, Autumn C & | 3,281.01 |
| St Germain, Autumn C & | 2,017.63 |
| Ingersoll, Constance A | 1,762.76 |
| Insalaco,Philip J | 335.19 |
| Insalaco,Philip J | 2,454.75 |
| Insalaco,Philip J | 6,387.45 |
| Ives, Wesley | 2,137.95 |
| Jackson, Emily K | 4,132.44 |
| Jensen, Robert D & Jensen | 1,252.42 |
| Jensen, Helen A | 168.94 |
| Jones, Richard R | 2,106.84 |
| Kokoszka, Deanna J | 2,638.43 |
| Lathrop, Charles L IV & An | 109.54 |
| Laws, Carl E & Nola J | 1,217.88 |
| Lazur, Barbara A | 3,778.30 |
| Leden, Norma | 1,119.16 |
| Lenkiewicz Construction C | 689.03 |
| Lewis, Daniel L | 3,088.06 |
| Lombardo, Kathryn | 1,821.43 |
| Lowney, Jeremiah J & Virginia | 165.95 |

**Town of Lebanon**
**Uncollected Taxes**
**as of June 30, 2014**

List of 10/01/12 Real Estate

| | |
|---|---|
| Mackewicz, Michael & Karen | 3,151.41 |
| Marrotte, Gordon E Jr & Robin L | 573.17 |
| Micowski, Alonzo & Mary | 317.71 |
| Mills, Jean R | 2,001.53 |
| O'Neill, Alfred P Jr | 1,103.87 |
| Pearson, David W | 824.70 |
| Pestey, Michael E | 5,761.23 |
| Petro, Ronald A & Mary W | 1,590.98 |
| Postemski, Carolyn | 2,976.94 |
| Postemski, Carolyn | 4,234.09 |
| Prescott, James H | 2,560.84 |
| Prussia, William | 6,841.47 |
| Radican, James P & Thomasi | 2,219.14 |
| Reed, Natasha | 65.61 |
| Reed, Paula L & John H | 6,997.96 |
| Risley, Paul J | 44.88 |
| Risley, Paul J | 5,071.32 |
| Risley, Paul J | 229.69 |
| Rogers, Judy | 498.77 |
| Rogers, Judy | 1,690.44 |
| Rogers, Judy | 36.90 |
| Morsey, Cathy L | 6,115.11 |
| Sledjeski, Robert & Barbar | 2,089.64 |
| Stoll, Harry R Est | 9,808.34 |
| Stoll, Harry R Est | 286.59 |
| Suarez, Marilyn | 99.79 |
| Neumann, Helen K | 1,511.00 |
| Terwilliger, Marilou | 143.95 |
| Terwilliger, Marilou | 3,729.99 |
| Thompson, Teresa L | 3,777.41 |
| Trevorrow, William B III | 908.51 |
| Tubbs, Deborah A & Leonard | 1,672.23 |
| Tubbs, Leonard C & Debra A | 125.97 |
| Tubbs, Leonard C & Debra A | 153.45 |
| Unknown | 344.66 |
| Wengloski, Dennis M Jr & R | 2,288.15 |
| Wohlstrom, Alan | 1,846.63 |
| Yerkes, Shane | 2,593.17 |

# *Stephen T. Hopkins, CPA, PC*

Auditing, Accounting, and Consulting Services

*214 Holmes Road / Scarborough, Maine 04074 / Phone: (207) 885 - 5038 / Fax: (207) 470 - 5050*


Independent Auditors' Report

Board of Finance
Board of Selectmen
Town of Lebanon, Connecticut

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Lebanon, Connecticut, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Single Audit Act (C.G.S. Sections 4-230 to 236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

**Unmodified Opinions**

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Lebanon, Connecticut, as of June 30, 2014, and the respective changes in financial position thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lebanon, Connecticut's basic financial statements. The accompanying combining and individual fund financial statements, the schedule of debt limitation, the schedule of property taxes levied, collections and outstanding balances, the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by the State Single Audit Act are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying combining and individual fund financial statements, the schedule of debt limitation, the schedule of property taxes levied, collections and outstanding balances, the schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 auditing standards generally accepted in the United States of America. In our opinion, the information described above is 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 February 9, 2015, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Lebanon, Connecticut's internal control over financial reporting and compliance.

Stephen T. Hopkins, CPA, PC

Stephen T. Hopkins, CPA, PC

Scarborough, Maine
February 9, 2015

Our discussion and analysis of the Town of Lebanon, Connecticut's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2014. Please read this analysis in conjunction with the basic financial statements, notes to the basic financial statements, and required supplementary information of the Town. This management discussion and analysis is being presented for the current fiscal year with a focus on the comparative analysis of the information for the governmental and business-type activities of the Town as found in the government-wide financial statements.

**Financial Highlights - Government-wide financial statements - Governmental activities**

- The Town's total assets exceeded its total liabilities by $40,328,150 (net position) as of the end of the current fiscal year. This compares to the prior fiscal year when total assets exceeded total liabilities by $40,373,256. This represents an unfavorable decrease of $45,106 or approximately .10%.

- The Town's net investment in capital assets net position balance is used to account for the total capital assets of the Town reduced by the total accumulated depreciation on those assets, reduced by the total outstanding debt incurred to purchase those assets. The total net investment in capital assets net position balance of the Town was $32,297,864 as of the end of the current fiscal year. This compares to the prior fiscal year balance of $33,482,744. This represents a decrease of approximately 3.54% which is the result of a decrease in the related long-term debt of $601,529, current depreciation in the amount of $1,645,707 and current net capital asset additions in the amount of $1,646,363. In addition, during the current fiscal year the Amston Lake sewer construction project was substantively completed and as a result the related capital assets in the amount of $6,503,574 and the related bond payable in the amount of $5,105,000 were transferred from the governmental activities of the Town to the business-type activities of the Town and more specifically to the benefit assessment proprietary fund.

- The Town's restricted net position is used to account for funds received with constraints imposed by creditors, grantors, contributors, or other rules and regulations as imposed by other governments or enabling legislation. This net position ***cannot*** be used to finance the day-to-day activities and operations of the Town. The total restricted net position balance of the Town was $4,326,740 as of the end of the current fiscal year. This compares to the prior fiscal year balance of $4,108,386 as adjusted. This represents an increase of approximately 5.31%. This increase is due in large part to an increase in the fair value of restricted investments within the Trumbull investments fund of $342,972.

- The Town's unrestricted net position balance is the component of net position which is used to finance the day-to-day activities and operations without constraints imposed by creditors, grantors, contributors, or other rules and regulations as imposed by other governments or enabling legislation. The total unrestricted net position balance of the Town was $3,703,546 as of the end of the current fiscal year. This compares to the prior fiscal year balance of $2,782,126 as adjusted. This represents a favorable increase of approximately 33.12%. Unrestricted net position is calculated by subtracting the known net investment in capital assets balance and the restricted net position balance from the known total net position balance. Therefore, the change in this balance is a direct correlation of the changes in the other two components.

- The Town's total revenues for its governmental activities were $27,398,024 for the current fiscal year. This compares to the prior fiscal year balance of $27,988,253. This represents a decrease of $590,229 or approximately 2.11%. This is due to a number of increases in revenue categories which are offset in large part by the net transfer of the capital assets and bond payable to the business-type activities as described in item number two above which was a negative transfer in the amount of $1,398,574.

- The cost of the Town's governmental activities was $27,443,130 for the current fiscal year. The amount of these costs ultimately financed by general revenues of the Town, however, was only $15,837,444 due to a portion of these costs being paid for by individuals receiving certain benefits through charges for services in the amount of $1,152,138 and through operating and capital grants received from the State (state and federal dollars) in the amount of $10,453,548. This amounts to approximately 57.71% of the cost of these governmental activities actually being financed by the general revenues of the Town. This compares to approximately 56.81% of the cost of the governmental activities of the Town being financed by the general revenues of the town for the prior fiscal year. The individual breakdown of how these charges for services and operating and capital grants where received by department for the current fiscal year is shown on Statement B on page 12 and 13.

- The Board of Education and the related programs of the Town received approximately $1,384,791 in grant dollars from a number of sources including State grant funds and Federal pass-through grant funds to assist in a number of educational programs and projects from the school lunch program to improving basic programs. This compares to approximately $1,057,324 in the prior fiscal year. These revenue amounts represent the amounts recorded by the Town in the fund financial statements. The amounts shown in the government-wide financial statements have been adjusted for unearned amounts which are recorded as unearned revenues on the Statement of net position.

**Financial Highlights - Government-wide financial statements - Business-type activities**

- The Town established two internal funds to account for the operations of the Amston Lake Water Pollution Control Authority (the Authority). During the current fiscal year the town substantively completed construction on the Lebanon Amston Lake Sewer District. This project was being account for as part of the town construction projects major fund within the fund financial statements and in turn was included in the governmental activities balances within the government wide financial statements. The benefit assessment proprietary fund which is shown as a business-type activity in both the fund financial statements and the government-wide financial statements is now responsible for the related capital assets of the project, debt repayment and benefit assessment collections. As a result, the governmental activities fund of the town transferred the year to date recorded capital assets relating to the project in the amount of $6,503,574 and the outstanding bond payable in the amount of $5,105,000 to the business-type activities of the town for a net transfer of $1,398,574 which is shown on the statement of activities as a transfer out of the government activities and a transfer into the business-type activities.

- During the current fiscal year, a benefit assessment was levied on all of the three hundred and six assessable lots located along the Lebanon Amston Lake Sewer District. The amount of these benefit assessments levied totaled $5,105,001 with the related current fiscal year borrowed interest assessment due totaling $162,173 for a total assessment revenue amount of $5,267,174. Current fiscal year collections relating to the current benefit assessment levy totaled $999,946 leaving an outstanding benefit assessment due amount of $4,105,055. This balance is made up of delinquent benefit installments of $30,256, a current portion of $94,487 and a long-term portion of $3,980,312. Current fiscal year collections relating to the current borrowed interest assessment totaled $144,729 leaving an outstanding borrowed interest assessment of $17,444. The current fiscal year user fee billings totaled $122,982 with collections of those billings totaling $117,915 leaving and outstanding user fee billings receivable amount due of $5,067.

**Using this annual report**

This annual report consists of a series of financial statements. The government-wide financial statements consist of the Statement of net position and the Statement of activities which are shown on pages 11 through 13 and which provide information about the governmental and business-type activities of the Town as a whole and present a longer-view of the Town's finances. The fund financial statements consist of the Balance sheet and the Statement of revenues, expenditures, and changes in fund balances which are shown on pages 14 and 16 and tell how the services of the Town were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide financial statements by providing information about the Town's most significant funds. Budget to actual information is reported in these fund financial statements for the general fund on pages 18 and 19. The proprietary fund financial statements consist of a Statement of net position, a Statement of revenues, expenses and changes in net position and a Statement of cash flows which are shown on pages 20 through 22. The proprietary activities of the Town are accounted for within two enterprise funds which are used to account for the activities of the Amston Lake Water Pollution Control Authority and an internal service fund which is used to account for the self funding dental plan of the Town. The fiduciary fund financial statements consist of a Statement of fiduciary net position and a Statement of changes in fiduciary net position which are shown on page 23. The fiduciary activities of the Town are those for which the Town acts solely as a trustee or agent for the benefit of groups outside of the Town. These statements relate to agency funds for which the Town is acting in a purely custodial capacity for student and other groups and for private purpose trust funds when amounts have been given to the Town for specific purposes.

**Reporting the Town as a whole**

Our analysis of the Town as a whole begins on page 11 with the Statement of net position. One of the most important questions asked about the Town's finances is, "Is the Town as a whole better off or worse off as a result of the current fiscal years activities?" The statement of net position and the statement of activities report information about the Town as a whole and about its activities in a way that helps answer this question. The statement of net position includes all of the non-fiduciary assets and liabilities of the Town using the accrual basis of accounting. This basis of accounting is similar to the accounting policies and procedure utilized by most private-sector (for profit) companies. All of the current fiscal year revenues and expenses are taken into account regardless of when cash is received or paid in the statement of activities. The statement of activities presents the operations of the governmental and business-type activities of the primary government of the Town and the discretely presented component unit of the Town for the fiscal year. The operations of the Town are shown in a format which reports the net (expense) revenue of the individual functions of the Town. The purpose of this net (expense) revenue format is to report the relative financial burden of each of the Town's functions on the taxpayers. Program revenue is applied to each function based on which function generated the specific charges for services and for which functions the operating and capital grants have been received.

These two statements report the Town's net position and the changes in this net position. You can think of this net position as one way to measure the financial health and financial position of the Town. The net position balance is made up of the difference between the assets and liabilities of the Town. Over time, increases and decreases in the Town's net position is one indicator of whether its financial health is improving or deteriorating. However, you also need to consider other non-financial factors which affect the overall financial health of the Town such as changes in the property tax base, the conditions of the infrastructure of the Town, and the general economy present at the time. These two statements are divided into three different kinds of activities on the reporting level. These categories are governmental, business-type, and component units. The Authority's activities are classified as both governmental activities and business-type activities and are characterized as follows:

- Governmental activities - All of the Town's basic services are reported here, including general government, public safety, public works, health recreation and social services, community preservation, education, and other unclassified programs and activities. Property taxes, charges for services, State and Federal operating and capital grants and other funding, and other miscellaneous revenues finance most of these activities in whole or in part.

- Business-type activities - Business-type activities are reported in funds which focus on the determination of operating income, changes in net position, and cash flows. The business-type activities of the Town are accounted for within proprietary funds and more specifically enterprise funds. The Town uses two enterprise funds to account for the activities of the Amston Lake Water Pollution Control Authority which are designed to account for charges for services and other collections to be used to fund the operating activities and the repayment of long-term debt and the capital assets of the Authority.

**Reporting the Town's most significant funds**

Our analysis of the Town's major funds begins on page 14 with the Balance sheet. The fund financial statements provide detailed information about the most significant funds of the Town but not a combined picture of the Town as a whole. Some of these funds are required to be established by State law and by bond covenants. In addition, the Board of Finance of the Town has the authority to establish many other funds which it uses to help control and manage funds for particular purposes (such as the community center or recreation commission) or to show that it is meeting legal responsibilities for using certain taxes, grants, or other money (such as the grant revenue received and expended for educational grants). The Town uses governmental funds which are characterized as follows:

- Governmental funds - All of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end that are available for spending. These funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting measures cash and all other financial assets that can readily be converted into cash. The governmental fund financial statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs and activities. The relationship between governmental activities and governmental funds is presented in a reconciliation at the bottom of the fund financials.

**Reporting the Town's other funds - Proprietary funds**

Our analysis of the Town's proprietary funds begin on page 20 with the Statement of net position. The statement of net position presents the financial position of the proprietary funds at the end of the fiscal year. This statement reports the assets, liabilities, and net position of the Town. The assets and liabilities are presented in a classified format to distinguish between current and long-term assets and liabilities. In addition, the assets and liabilities are presented in the order of their relative liquidity. The statement of revenues, expenses and changes in net position is the operating statement of proprietary funds. This statement also segregates revenues and expenses between the category of operating and non-operating. Operating revenues and expenses are subtracted to come up with the operating income or loss from operations. Non-operating revenues and expenses are then shown by line item in a section following the results of the operations. The proprietary funds of the Town will also utilize a statement of cash flows. The purpose of the statement of cash flows is to provide relevant information about the cash receipts and payments made by these funds during each reporting period. The cash flow statement is broken down between different sections. The Town's proprietary funds are characterized as follows:

- Proprietary funds - Proprietary funds are both governmental and business-type activity funds which focus on the determination of operating income, changes in net position and cash flows. Proprietary funds include both enterprise funds (business-type) and internal service funds (governmental funds).

**The Town as a trustee - Fiduciary funds**

Fiduciary fund reporting focuses on net position and changes in net position. Fiduciary funds are used by the Town to report assets held in a trustee or agency capacity for other groups and therefore cannot be used to support the Town's own programs. The type of fiduciary funds for which the Town is trustee are private purpose trust funds and agency funds. Private purpose trust funds account for the assets held by the Town in a trustee capacity on behalf of the schools in the form of scholarship funds and on behalf of the library and cemeteries in similar funds. All of the resources of these funds, including any earnings on invested resources, may be used to support their activities. There is no requirement that any portion of these resources be preserved as capital. Agency funds are used to report resources held by the Town in a purely custodial capacity such as student activity accounts.

**The Town as a whole - Assets, liabilities, and net position**

The information provided below represents government-wide information for the governmental and business-type activities of the Town for the current fiscal year compared to the prior fiscal year. The current ratio compares the current assets of the Town as a whole to its current liabilities as a whole and gives an indication of the Town's ability to pay current obligations. As of the end of the current fiscal year the total current ratio of the Town was 3.20 to 1 compared to the end of the prior fiscal year when the total current ratio was 2.20 to 1. Another indication of the Town's ability to meet its current obligations with current assets is called its working capital. This is calculated by subtracting the current liabilities from the current assets of the Town as a whole. As of the end of the current fiscal year the Town's positive total working capital balance was $5,774,859. This compares to the prior fiscal year positive balance of $3,745,433.

| | Governmental activities | | Business-type activities | | Totals | |
|---|---|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Current assets | $ 7,498,576 | $ 6,854,310 | $ 905,274 | $ 442 | $ 8,403,850 | $ 6,854,752 |
| Other assets | 4,223,279 | 4,123,674 | 4,241,807 | 94,726 | 8,465,086 | 4,218,400 |
| Capital assets | 35,448,907 | 41,951,825 | 6,416,860 | - | 41,865,767 | 41,951,825 |
| | $47,170,762 | $52,929,809 | $11,563,941 | $ 95,168 | $58,734,703 | $53,024,977 |
| Current and other liabilities | $ 2,508,340 | $ 3,108,747 | $ 120,651 | $ 572 | $ 2,628,991 | $ 3,109,319 |
| Long-term liabilities | 4,334,272 | 9,447,806 | 4,823,324 | - | 9,157,596 | 9,447,806 |
| | $ 6,842,612 | $12,556,553 | $ 4,943,975 | $ 572 | $11,786,587 | $12,557,125 |
| Net position: | | | | | | |
| Net Investment capital assets | $32,297,864 | $33,482,744 | $ 1,512,755 | $ - | $33,810,619 | $33,482,744 |
| Restricted | 4,326,740 | 4,108,386 | - | - | 4,326,740 | 4,108,386 |
| Unrestricted | 3,703,546 | 2,782,126 | 5,107,211 | 94,596 | 8,810,757 | 2,876,722 |
| | $40,328,150 | $40,373,256 | $ 6,619,966 | $ 94,596 | $46,948,116 | $40,467,852 |
| Restricted net position: | | | | | | |
| Expendable: | | | | | | |
| Restricted investment funds | $ 2,584,607 | $ 2,249,585 | $ - | $ - | $ 2,584,607 | $ 2,249,585 |
| Restricted donation funds | 383,776 | 542,337 | - | - | 383,776 | 542,337 |
| Enabling legislation funds | 58,901 | 54,462 | - | - | 58,901 | 54,462 |
| Educational program funds | 152,260 | 147,534 | - | - | 152,260 | 147,534 |
| Community projects | 658,834 | 682,688 | - | - | 658,834 | 682,688 |
| Permanent funds residual | 6,885 | 4,237 | - | - | 6,885 | 4,237 |
| | 3,845,263 | 3,680,843 | - | - | 3,845,263 | 3,680,843 |
| Non-expendable: | | | | | | |
| Non-USDA inventory | 5,435 | 9,250 | - | - | 5,435 | 9,250 |
| Prepaid expenses | 153,770 | 96,021 | - | - | 153,770 | 96,021 |
| Permanent funds principal | 322,272 | 322,272 | - | - | 322,272 | 322,272 |
| | 481,477 | 427,543 | - | - | 481,477 | 427,543 |
| | $ 4,326,740 | $ 4,108,386 | $ - | $ - | $ 4,326,740 | $ 4,108,386 |

**The Town as a whole - Revenues, expenses, and changes in net position**

The information provided below represents government-wide information for the governmental and business-type activities of the Town for the current fiscal year as compared to the prior fiscal year. The revenues and expenses shown below are recorded on the accrual basis of accounting. Program revenues received by the Town specifically relating to or generated by individual departments are applied to the departmental expenditures to determine the amount of total Town expenditures actually financed by the general revenues of the Town. This amount is shown at the bottom of this schedule and should be used to give the reader an indication of how the Town's activities were financed during the current fiscal year in comparison to the prior fiscal year.

| | Governmental activities | | Business-type activities | | Totals | |
|---|---|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Program revenues | | | | | | |
| Charges for services | $ 1,152,138 | $ 1,340,504 | $ 5,390,156 | $ - | $ 6,542,294 | $ 1,340,504 |
| Operating grants | 9,659,419 | 9,216,076 | - | - | 9,659,419 | 9,216,076 |
| Capital grants | 794,129 | 781,715 | - | - | 794,129 | 781,715 |
| General revenues | | | | | | |
| Property tax revenues | 16,410,583 | 15,956,824 | - | - | 16,410,583 | 15,956,824 |
| State tax relief revenues | 67,357 | 66,180 | - | - | 67,357 | 66,180 |
| Investment fair value change | 344,447 | 300,461 | - | - | 344,447 | 300,461 |
| Interest and dividends | 90,039 | 80,995 | - | - | 90,039 | 80,995 |
| Miscellaneous | 278,486 | 345,498 | 11,213 | - | 289,699 | 345,498 |
| Transfers | -1,398,574 | -100,000 | 1,398,574 | 100,000 | - | - |
| Total revenues | 27,398,024 | 27,988,253 | 6,799,943 | 100,000 | 34,197,967 | 28,088,253 |
| Expenses | | | | | | |
| General government | 1,044,188 | 870,630 | - | - | 1,044,188 | 870,630 |
| Public safety | 515,012 | 514,520 | - | - | 515,012 | 514,520 |
| Public works | 1,289,795 | 1,172,313 | - | - | 1,289,795 | 1,172,313 |
| Health & social | 858,961 | 843,311 | - | - | 858,961 | 843,311 |
| Community preservation | 220,434 | 216,428 | - | - | 220,434 | 216,428 |
| Education | 20,345,428 | 19,712,833 | - | - | 20,345,428 | 19,712,833 |
| Education - on behalf | 1,895,902 | 1,621,947 | - | - | 1,895,902 | 1,621,947 |
| Unclassified and program | 655,529 | 629,716 | - | - | 655,529 | 629,716 |
| Capital outlay | - | - | - | - | - | - |
| Depreciation | | | | | | |
| General infrastructure | 484,067 | 474,725 | 86,714 | - | 570,781 | 474,725 |
| Debt service | | | | | | |
| Interest | 133,814 | 197,711 | 126,576 | - | 260,390 | 197,711 |
| Sewer | - | - | 61,283 | 5,404 | 61,283 | 5,404 |
| Total expenses | 27,443,130 | 26,254,134 | 274,573 | 5,404 | 27,717,703 | 26,259,538 |
| Change in net position | -45,106 | 1,734,119 | 6,525,370 | 94,596 | 6,480,264 | 1,828,715 |
| Net position - July 1 | 40,373,256 | 38,639,137 | 94,596 | - | 40,467,852 | 38,639,137 |
| Net position - June 30 | $40,328,150 | $40,373,256 | $ 6,619,966 | $ 94,596 | $46,948,116 | $40,467,852 |
| Financed by general revenues: | | | | | | |
| Total expenses | $27,443,130 | $26,254,134 | $ 274,573 | $ 5,404 | $27,717,703 | $26,259,538 |
| Less charges for services | -1,152,138 | -1,340,504 | -5,390,156 | - | -6,542,294 | -1,340,504 |
| Less operating grants | -9,659,419 | -9,216,076 | - | - | -9,659,419 | -9,216,076 |
| Less capital grants | -794,129 | -781,715 | - | - | -794,129 | -781,715 |
| | $15,837,444 | $14,915,839 | $ -5,115,583 | $ 5,404 | $10,721,861 | $14,921,243 |

**Capital assets**

The capital assets of the Town include land, land improvements, buildings, building improvements, vehicles, equipment, and infrastructure assets that are used in the operations of the Town and that have an initial useful life extending beyond a single fiscal year. Infrastructure assets are long-lived capital assets that are normally stationary in nature and can normally be preserved for a significantly greater number of years than most capital assets. The types of infrastructure assets recorded by the Town include but are not limited to improved town roads, unimproved town roads, and bridges and the Amston Lake sewage system. The Town transferred the year to date capital assets relating to the Amston Lake sewer construction project from its governmental activities to its business-type activities which is more fully described in note 4. The infrastructure assets shown below include the current and prior fiscal year expenses of the Town for improvements to roads within the Town recorded at their actual historical cost or estimated historical cost when the actual costs were not available. More detailed information on the capital assets of the Town can be found in note 1K on page 30 and note 5 on page 39.

| | Governmental Activities | | Business-type activities | | Totals | |
|---|---|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Land and improvements | $ 2,128,189 | $ 2,121,289 | $ - | $ - | $ 2,128,189 | $ 2,121,289 |
| Buildings and improvements | 36,130,017 | 35,819,680 | - | - | 36,130,017 | 35,819,680 |
| Vehicles | 3,963,064 | 4,177,029 | - | - | 3,963,064 | 4,177,029 |
| Equipment | 971,953 | 880,583 | - | - | 971,953 | 880,583 |
| Infrastructure | 27,681,426 | 27,477,834 | - | - | 27,681,426 | 27,477,834 |
| Sewage system | - | - | 6,503,574 | - | 6,503,574 | - |
| Construction in progress | 255,302 | 6,138,103 | - | - | 255,302 | 6,138,103 |
| Total historical value | 71,129,951 | 76,614,518 | 6,503,574 | - | 77,633,525 | 76,614,518 |
| Less accumulated depreciation | -35,681,044 | -34,662,693 | -86,714 | - | -35,767,758 | -34,662,693 |
| Total capital assets (net) | $35,448,907 | $41,951,825 | $ 6,416,860 | $ - | $41,865,767 | $41,951,825 |

**Debt administration**

The debt of the town includes long-term bonds, notes and capital leases payable, accrued compensated absences (accumulated vacation and sick time) and accrued landfill post-closure care costs. All long-term debt is incurred through the approval of the inhabitants of the Town in accordance with applicable state statutes. The totals of the outstanding debt shown below for the town as a whole indicates that the general make-up of the Town's different types of debt was consistent for the current fiscal year in comparison to the prior fiscal year. The Town transferred the bond payable relating to the Amston Lake sewer construction project from its governmental activities to its business-type activities which is more fully described in note 4. In addition, the Town entered into two new capital lease agreements during the current fiscal year. As a result of these new capital lease agreements and the current fiscal year principal payments made, the portions due within one year and after one year as shown below fluctuated accordingly. More detailed information on the Town debt can be found in note 6 on pages 40 and 41.

| | Governmental Activities | | Business-type activities | | Totals | |
|---|---|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Bonds, notes and capital leases: | | | | | | |
| Portion due within one year | $ 557,256 | $ 558,518 | $ 80,781 | $ - | $ 638,037 | $ 558,518 |
| Portion due after one year | 2,593,787 | 7,910,563 | 4,823,324 | - | 7,417,111 | 7,910,563 |
| Accrued compensated absences | | | | | | |
| School employees | 42,395 | 20,798 | - | - | 42,395 | 20,798 |
| Town employees | 21,659 | 33,314 | - | - | 21,659 | 33,314 |
| Accrued landfill post-closure | 66,131 | 77,631 | - | - | 66,131 | 77,631 |
| Total debt | $ 3,281,228 | $ 8,600,824 | $ 4,904,105 | $ - | $ 8,185,333 | $ 8,600,824 |

The previous sections of this management discussion and analysis have been presented for the current fiscal year with a focus on the comparative analysis of the information on the governmental and business-type activities of the Town as found in the government-wide financial statements. Comparative financial information has not been included for the fund financial statements of the Town. The following financial highlights, however, do relate to the balances and results of the activities of the Town's individual funds as found in its fund financial statements. Detailed current year information on the Town's individual funds can be found on the Balance sheet on page 14 and the Statement of revenues, expenditures, and changes in fund balances on page 16.

**Financial highlights - Fund financial statements - Governmental funds**

- The total assets of the Town's governmental funds exceeded the total liabilities by $9,412,650 which represents the fund balance of these funds as of the end of the current fiscal year. This compares to the prior fiscal year when total assets exceeded total liabilities by $8,009,965, a favorable increase of $1,402,685 or approximately 17.51%. This favorable increase is due to the positive results of the general fund of $348,591, the town construction projects fund of $235,985, the capital & non-recurring fund of $498,904, the Trumbull investment fund of $335,022 and the negative results of the non-major governmental funds of $15,817. These increases and decreases and other fund changes can be seen by reviewing Statement D on page 16 and the corresponding combining schedules and sub-schedules as shown in the table of contents.

- The total revenues of the Town's governmental funds were $28,850,178 for the current fiscal year in comparison to $28,113,766 in the prior fiscal year. This represents an increase of $736,412 or approximately 2.62%. This is due in large part to the current year change in property taxes, interest and liens revenue which was a positive increase in the amount of $421,860. This increase was due to both a higher annual commitment and a higher then anticipated collection rate. In addition, the intergovernmental other revenue current year change was a positive $128,581 while the current year change in education tuition revenue was a negative $158,022 which is due to fewer students attending school from the surrounding towns.

- The total expenditures of the Town's governmental funds were $27,835,984 for the current fiscal year in comparison to $34,320,359 in the prior fiscal year. This represents a decrease of $6,484,375 or approximately 18.89%. This decrease is made up a number of increases and decrease within the funds of the Town. The town construction fund decreased its expenditures by $7,589,318 due to the substantive completion of the Amston Lake sewer construction project and a prior year payment of a short-term bond anticipation note in the amount of $5,100,000. In addition, the general fund education expenditures increased by $520,043 and the general fund education on-behalf expenditures increased by $273,955. There were a number of other expenditure account increases and decreases from the prior fiscal year to the current fiscal year.

- The net change in fund balance (excess or deficiency of revenues over-under expenditures) for the Town's general fund was a positive $348,591 for the current fiscal year in comparison to a positive $1,072,373 for the prior fiscal year. This represents an unfavorable decrease of approximately 67.49% and relates in part to the following selected budgetary highlights from the current and prior fiscal year.

- The actual revenues received in the Town's general fund were $110,671 higher than the budgeted revenues for the current fiscal year which is a favorable variance in comparison to $322,032 higher for the prior fiscal year which was also a favorable variance. During the current fiscal year the actual school tuition revenue received was $137,888 lower than the budgeted amount in comparison to $21,254 higher for the prior fiscal year. The actual revenue amounts received from the State for education cost sharing and other related revenues were $79,563 higher than the budgeted amount in comparison to $53,105 higher for the prior fiscal year. In addition, during the current fiscal year the amount recorded for intergovernmental other revenues was $29,020 higher than the budgeted amount in comparison to $60,472 higher for the prior fiscal year.

- The actual program expenditures in the Town's general fund were $501,044 lower than the adjusted budgeted expenditures for the current fiscal year which is a favorable variance in comparison to $948,320 lower than the adjusted budgeted expenditures for the prior fiscal year which was also a favorable variance. This current fiscal year under expenditure can be attributed in large part to the board of education which was $235,686 under the original budget, the department of public works account which was $32,799 under the original budget, the water pollution control account which was $66,503 under the original budget and the medical life and dental insurance account which was $35,433 under the adjusted budget amount.

- In the current fiscal year, the inhabitants of the Town approved the use of $263,393 of its unassigned general fund balance as appropriations to be transferred to the capital non-recurring account with $103,393 to fund remaining deficit balances within the capital non-nonrecurring fund and $160,000 for technology upgrades at the school. An additional amount of $100,000 was approved for the purchase of land which has not yet occurred. This in effect is the same as budgeting for a loss due to the fact that prior year accumulated balances cannot be shown as current year revenues. In the prior fiscal year, the inhabitants of the Town approved the use of $194,241 of its unassigned fund balance in a similar manner for a number of different items.

### Business-type activities - Amston Lake Water Pollution Control Authority

The business-type activities of the Town consist of two enterprise type proprietary funds which are being used to account for both the operating activities and the benefit assessment activities of the Amston Lake Water Pollution Control Authority (the Authority). The Authority was established for the purpose of operating a sewage system located around Amston Lake within the Town. The construction of the sewage system was accounted for as a major capital project fund of the Town. Once the construction project was completed, the resulting capital assets and long-term debt obligations were transferred to the WPCA assessment enterprise fund of the Authority. The operations of the Authority are being accounted for within the WPCA operating enterprise fund with the costs being funded through the billing of user fees to those properties connected to the sewage system. Benefit assessments were assessed to all properties located along the sewage system along with a borrowed interest assessment. The revenues from these assessments will be used to fund the long-term debt principal and interest payments relating to the construction project.

### Discretely presented "component unit"

The financial reporting entity consists of the primary government and its component units, organizations for which the primary government is financially accountable or 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. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are, for financial reporting purposes, part of the primary government. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

The Town has determined that the Lebanon Volunteer Fire Department meets the definition of a component unit due to its fiscal dependence on the Town and the nature and significance of their relationship. For a legally separate entity to be considered fiscally independent it must, among other things, have the authority to determine its budget without the primary government having the authority to approve and modify that budget. The Town approves a certain amount of money on an annual basis to be appropriated to the Department to fund a portion of its operations. During the current fiscal year this amount was appropriated for the fire fighting operations of the Department. Although this amount was labeled as being appropriated for the fire fighting operations of the Department, once the amount has been received it may be physically used for any purpose the Department deems necessary for its operations as a whole. Though the Town does not directly have the authority to approve or modify the budget of the Department, it does indirectly do this by deciding the amount that it will or will not appropriate on an annual basis. In addition, the fire safety complex, fire trucks and ambulances used by the Department are purchased by the Town. This also creates a level of fiscal dependence due to the fact that the Department could not function in its current capacity without this assistance. In addition to the level of fiscal dependence between the Town and the Department, the nature and significance of the relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. This component unit has been treated as a discretely presented component unit in accordance with the provisions of GASB Statement No. 14 as amended by Statement Nos. 39 and 61. The financial information of the Department has been included in the government-wide statement of net position and statement of activities.

### Economic factors and next year's budgets and rates

The Town believes it has steadily maintained a sufficient unrestricted net position and unassigned fund balance to sustain the governmental activities and operations for an estimated two month period of time. The Town sees this trend continuing through future fiscal years. There are no currently known facts, decisions or conditions that the Town believes will significantly effect the financial position or results of the operations of the Town in the future.

### Contacting the Town's financial management

This financial report is designed to provide a general overview of the Town's finances, comply with finance-related laws and regulations, and demonstrate the Town's commitment to public accountability. If you have questions about this report or need additional financial information, contact the Town Finance Department at 579 Exeter Road, Lebanon, Connecticut 06249.

**Town of Lebanon, Connecticut**
Statement of net position
June 30, 2014

| | Primary government | | | Component unit |
|---|---|---|---|---|
| | Governmental activities | Business-type activities | Total | Volunteer fire department |
| **Assets:** | | | | |
| Current assets: | | | | |
| Cash | $ 1,660,462 | $ 758,020 | $ 2,418,482 | $ 145,153 |
| Investments | 5,068,970 | - | 5,068,970 | 464,642 |
| Accounts receivable | 591,865 | 147,254 | 739,119 | 1,104 |
| Tax acquired property | 13,361 | - | 13,361 | - |
| Inventories | 10,148 | - | 10,148 | - |
| Prepaid items | 153,770 | - | 153,770 | - |
| Total current assets | 7,498,576 | 905,274 | 8,403,850 | 610,899 |
| Capital assets | | | | |
| Non-depreciable | 2,383,491 | - | 2,383,491 | - |
| Depreciable (net) | 33,065,416 | 6,416,860 | 39,482,276 | 144,288 |
| Total capital assets | 35,448,907 | 6,416,860 | 41,865,767 | 144,288 |
| Other assets | | | | |
| Restricted cash | 820,468 | - | 820,468 | - |
| Restricted investments | 2,913,381 | - | 2,913,381 | - |
| Long-term accounts receivable | 96,599 | 3,980,312 | 4,076,911 | - |
| Notes receivable | 654,326 | - | 654,326 | - |
| Internal balances | -261,495 | 261,495 | - | - |
| Total other assets | 4,223,279 | 4,241,807 | 8,465,086 | - |
| Total Assets | $ 47,170,762 | $ 11,563,941 | $ 58,734,703 | $ 755,187 |
| **Liabilities:** | | | | |
| Accounts payable | $ 581,245 | $ 306 | $ 581,551 | $ 36,092 |
| Accrued hourly payroll | 139,772 | 321 | 140,093 | - |
| Accrued summer salaries | 902,744 | - | 902,744 | - |
| Other liabilities | 81,713 | - | 81,713 | - |
| Unearned revenues | 245,610 | 39,243 | 284,853 | - |
| Long-term debt | | | | |
| Portion due within one year | 557,256 | 80,781 | 638,037 | - |
| Portion due after one year | 2,593,787 | 4,823,324 | 7,417,111 | - |
| Accrued compensated absences | 64,054 | - | 64,054 | - |
| Accrued landfill post closure care cost | 66,131 | - | 66,131 | - |
| Other post-employment benefit liability | 1,610,300 | - | 1,610,300 | - |
| Total liabilities | 6,842,612 | 4,943,975 | 11,786,587 | 36,092 |
| **Net Position:** | | | | |
| Net Investment in capital assets | 32,297,864 | 1,512,755 | 33,810,619 | 144,288 |
| Restricted | | | | |
| Expendable | 3,845,263 | - | 3,845,263 | - |
| Non-expendable | 481,477 | - | 481,477 | - |
| Unrestricted | 3,703,546 | 5,107,211 | 8,810,757 | 574,807 |
| Total net position | 40,328,150 | 6,619,966 | 46,948,116 | 719,095 |
| Total liabilities and net position | $ 47,170,762 | $ 11,563,941 | $ 58,734,703 | $ 755,187 |

**See the accompanying notes to the basic financial statements.**

**Town of Lebanon, Connecticut**
Statement of activities
For the year ended June 30, 2014

| Primary government: | Expenses | Program Revenues: Charges for services | Program Revenues: Operating grants and contributions | Program Revenues: Capital grants and contributions |
|---|---|---|---|---|
| **Governmental activities:** | | | | |
| General government | $ -1,044,188 | $ 92,979 | $ - | $ - |
| Public safety | -515,012 | 70,743 | 4,836 | - |
| Public works | -1,289,795 | 120,837 | 344,290 | - |
| Health & social | -858,961 | 59,838 | 152,472 | - |
| Community preservation | -220,434 | 18,493 | 38,445 | - |
| Education | -20,345,428 | 788,848 | 7,085,671 | - |
| Education - on behalf | -1,895,902 | - | 1,895,902 | - |
| Unclassified and program | -655,529 | 400 | 137,803 | - |
| Capital outlay | - | - | - | 794,129 |
| Depreciation | | | | |
| General infrastructure | -484,067 | - | - | - |
| Debt service | | | | |
| Interest | -133,814 | - | - | - |
| Total governmental activities | -27,443,130 | 1,152,138 | 9,659,419 | 794,129 |
| **Business-type activities:** | | | | |
| WPCA operating fund | -61,283 | 122,982 | - | - |
| WPCA benefit assessments fund | -213,290 | 5,267,174 | - | - |
| Total business-type activities | -274,573 | 5,390,156 | - | - |
| Total primary government | $ -27,717,703 | $ 6,542,294 | $ 9,659,419 | $ 794,129 |
| **Component unit:** | | | | |
| Volunteer fire department | $ -319,849 | $ 158,114 | $ 153,421 | $ - |

| | |
|---|---|
| **General revenues:** | |
| Property tax revenues, interest, and liens | |
| State property tax relief revenues | |
| Net change in fair value of investments | |
| Interest and dividends | |
| Miscellaneous | |
| Transfers - Note 4 | |
| Total general revenues | |
| Change in net position | |
| **Net position - July 1** | |
| **Net position - June 30** | |

**See the accompanying notes to the basic financial statements.**

**Town of Lebanon, Connecticut**
Statement of activities
For the year ended June 30, 2014

| Primary government: | Net (expenses) revenues and changes in net position | | | |
|---|---|---|---|---|
| | Primary government | | | Component unit |
| | Governmental activities | Business-type activities | Total | Volunteer fire department |
| **Governmental activities:** | | | | |
| General government | $ -951,209 | $ - | $ -951,209 | $ - |
| Public safety | -439,433 | - | -439,433 | - |
| Public works | -824,668 | - | -824,668 | - |
| Health & social | -646,651 | - | -646,651 | - |
| Community preservation | -163,496 | - | -163,496 | - |
| Education | -12,470,909 | - | -12,470,909 | - |
| Education - on behalf | - | - | - | - |
| Unclassified and program | -517,326 | - | -517,326 | - |
| Capital outlay | 794,129 | - | 794,129 | - |
| Depreciation | | | | |
| General infrastructure | -484,067 | - | -484,067 | - |
| Debt service | | | | |
| Interest | -133,814 | - | -133,814 | - |
| Total governmental activities | -15,837,444 | - | -15,837,444 | - |
| **Business-type activities:** | | | | |
| WPCA operating fund | - | 61,699 | 61,699 | - |
| WPCA benefit assessments fund | - | 5,053,884 | 5,053,884 | - |
| Total business-type activities | - | 5,115,583 | 5,115,583 | - |
| Total primary government | -15,837,444 | 5,115,583 | -10,721,861 | - |
| **Component unit:** | | | | |
| Volunteer fire department | - | - | - | -8,314 |
| | 16,410,583 | - | 16,410,583 | - |
| | 67,357 | - | 67,357 | - |
| | 344,447 | - | 344,447 | - |
| | 90,039 | - | 90,039 | 2,400 |
| | 278,486 | 11,213 | 289,699 | 28,026 |
| | -1,398,574 | 1,398,574 | - | - |
| | 15,792,338 | 1,409,787 | 17,202,125 | 30,426 |
| | -45,106 | 6,525,370 | 6,480,264 | 22,112 |
| | 40,373,256 | 94,596 | 40,467,852 | 696,983 |
| | $ 40,328,150 | $ 6,619,966 | $ 46,948,116 | $ 719,095 |

See the accompanying notes to the basic financial statements.

**Town of Lebanon, Connecticut**
Balance sheet - Governmental funds
June 30, 2014

| | General fund | Town construction projects | Capital & nonrecurring fund | Trumbull investments fund | Non-major governmental funds | Totals |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Cash | $ 1,741,469 | $ - | $ - | $ - | $ 672,014 | $ 2,413,483 |
| Investments | 5,011,635 | 57,335 | - | 2,584,607 | 328,774 | 7,982,351 |
| Receivables (net of allowance) | | | | | | |
| Property taxes | 507,695 | - | - | - | 403 | 508,098 |
| Intergovernmental | 10,818 | - | - | - | 44,958 | 55,776 |
| Other | 7,781 | - | 18,743 | - | 1,467 | 27,991 |
| Notes receivable | - | - | - | - | 654,326 | 654,326 |
| Tax acquired property | 13,361 | - | - | - | - | 13,361 |
| Inventories | - | - | - | - | 10,148 | 10,148 |
| Prepaid items | 148,770 | - | - | - | 5,000 | 153,770 |
| Due from proprietary funds | 40,203 | - | - | - | - | 40,203 |
| Due from other funds | 964,564 | 203,661 | 645,290 | - | 1,080,895 | 2,894,410 |
| Total assets | $ 8,446,296 | $ 260,996 | $ 664,033 | $ 2,584,607 | $ 2,797,985 | $ 14,753,917 |
| **Liabilities** | | | | | | |
| Accounts payable | $ 459,278 | $ 18,434 | $ 7,300 | $ - | $ 92,762 | $ 577,774 |
| Accrued hourly payroll | 101,603 | - | - | - | 38,169 | 139,772 |
| Accrued summer salaries | 902,744 | - | - | - | - | 902,744 |
| Other liabilities | 77,000 | - | - | - | 4,713 | 81,713 |
| Unearned revenues | 43,125 | - | - | - | 1,353 | 44,478 |
| Due to proprietary funds | 261,495 | - | - | - | - | 261,495 |
| Due to other funds | 1,927,593 | 595,135 | - | - | 371,682 | 2,894,410 |
| Total liabilities | 3,772,838 | 613,569 | 7,300 | - | 508,679 | 4,902,386 |
| **Deferred inflows of resources** | | | | | | |
| Unavailable revenue - | | | | | | |
| Property taxes | 438,881 | - | - | - | - | 438,881 |
| Total deferred inflows of resources | 438,881 | - | - | - | - | 438,881 |
| **Fund balances** | | | | | | |
| Nonspendable | 148,770 | - | - | - | 332,707 | 481,477 |
| Restricted | - | - | - | 2,584,607 | 1,461,788 | 4,046,395 |
| Committed | 100,000 | 234,553 | 656,733 | - | 444,011 | 1,435,297 |
| Assigned | - | - | - | - | 121,431 | 121,431 |
| Unassigned | 3,985,807 | -587,126 | - | - | -70,631 | 3,328,050 |
| Total fund balances | 4,234,577 | -352,573 | 656,733 | 2,584,607 | 2,289,306 | 9,412,650 |
| Total liabilities, deferred inflows of resources and fund balances | $ 8,446,296 | $ 260,996 | $ 664,033 | $ 2,584,607 | $ 2,797,985 | $ 14,753,917 |

**See the accompanying notes to the basic financial statements.**

**Town of Lebanon, Connecticut**
Reconciliation of Statement C to Statement A
for all governmental funds and activities
June 30, 2014

| | | |
|---|---|---|
| Fund balances of governmental funds as shown on Statement C | | $ 9,412,650 |
| Amounts reported for governmental activities in the government-wide financial statements (Statement A) are different then the amounts reported in the fund financial statements (Statement C) and must therefore be modified as follows: | | |
| 1 Capital assets used in governmental activities are not financial resources and are not reported on Statement C however they are reported on Statement A and must be added in: | | |
| Cost | 71,129,951 | |
| Less accumulated depreciation | -35,681,044 | 35,448,907 |
| 2 The majority of the property tax receivable long-term asset is not available to pay for current period expenditures and therefore it is reported as deferred inflows of resources on Statement C however this amount is considered earned when billed and in turn recorded as revenue on Statement A and therefore must be added back in: | | 438,881 |
| 3 Certain state and federal grant revenues received by the Town are recorded as revenue when the amounts are available and measurable in accordance with the modified accrual basis of accounting. In addition, Codification of Governmental Accounting and Financial Reporting Standards section 1600.114 states that in regard to the modified accrual basis of accounting, material revenues received prior to the normal time of receipt should be recorded as unearned revenue. The Town records all revenues as such that are received prior to their normal period of receipt. The government-wide financial statements record revenues on the accrual basis of accounting when they have been earned and therefore these revenue amounts are unearned on Statement A and therefore they must be subtracted out: | | -201,132 |
| 4 Inter fund receivable and payable balances between governmental funds are reported on Statement C but eliminated on the Statement A with the exception of balances between the governmental activities of the Town and the business-type activities of the Town which are still shown on Statement A as internal balances: | | |
| Inter fund receivables | 2,894,410 | |
| Inter fund payables | -2,894,410 | - |
| 5 Long-term liabilities, are not due and payable in the current period and therefore are not reported on Statement C however they are reported on Statement A and therefore they must be subtracted out: | | |
| Bonds and notes payable | -2,796,197 | |
| Capital leases payable | -354,846 | |
| Accrued compensated balances | -64,054 | |
| Estimated liability for post closure landfill care | -66,131 | |
| Other post-employment benefits liability | -1,610,300 | -4,891,528 |
| 6 Delinquent interest and lien fees are recorded as revenue when received and when they become available and measurable in the fund financial statements however these amounts are recorded on Statement A due to the fact that the amounts are viewed to have been earned and therefore they must be added back in: | | 96,599 |
| 7 The assets, liabilities and net position of the internal service fund are not reported on Statement C however they are reported on Statement A and therefore the net position balance of this fund must be added back in: | | 23,773 |
| Net position of governmental activities as shown on Statement A | | $ 40,328,150 |

**See the accompanying notes to the basic financial statements.**

**Town of Lebanon, Connecticut**
Statement of revenues, expenditures, and changes in fund balances - Governmental funds
For the year ended June 30, 2014

| | General fund | Town construction projects | Capital & nonrecurring fund | Trumbull investment funds | Non-major governmental funds | Totals |
|---|---|---|---|---|---|---|
| **Revenues** | | | | | | |
| Property taxes, interest, and liens | $15,926,823 | $ - | $ - | $ - | $ 449,047 | $16,375,870 |
| Intergovernmental - education | 5,815,375 | - | - | - | 1,384,791 | 7,200,166 |
| Intergovernmental - on behalf | 1,895,902 | - | - | - | - | 1,895,902 |
| Intergovernmental - tax relief | 67,357 | - | - | - | - | 67,357 |
| Intergovernmental - other | 381,862 | 649,298 | 144,831 | - | 189,417 | 1,365,408 |
| Tuition | 591,916 | - | - | - | - | 591,916 |
| Charges for services | 297,169 | - | - | - | 263,053 | 560,222 |
| Net change in investment fair value | - | - | - | 342,972 | 1,475 | 344,447 |
| Interest and dividends | 11,965 | 132 | - | 70,510 | 7,432 | 90,039 |
| Miscellaneous | 89,603 | - | 21,243 | - | 248,005 | 358,851 |
| Total revenues | 25,077,972 | 649,430 | 166,074 | 413,482 | 2,543,220 | 28,850,178 |
| **Expenditures** | | | | | | |
| Current: | | | | | | |
| General government | 946,859 | - | 52,905 | - | 84,370 | 1,084,134 |
| Public safety | 347,089 | - | 23 | - | 8,433 | 355,545 |
| Public works | 1,123,531 | - | 31,011 | - | 29,733 | 1,184,275 |
| Health & social | 183,843 | - | - | - | 602,591 | 786,434 |
| Community preservation | 131,038 | - | 55,807 | - | 33,589 | 220,434 |
| Education | 17,708,667 | - | 121,168 | - | 1,533,436 | 19,363,271 |
| Education - on behalf | 1,895,902 | - | - | - | - | 1,895,902 |
| Unclassified and program | 511,713 | - | - | 255 | 142,101 | 654,069 |
| Capital outlay | - | 413,445 | 565,321 | - | 202,719 | 1,181,485 |
| Non-cash capital lease purchase | - | - | 388,491 | - | - | 388,491 |
| Debt service: | | | | | | |
| Principle | 416,374 | - | 171,756 | - | - | 588,130 |
| Interest | 115,941 | - | 17,873 | - | - | 133,814 |
| Total expenditures | 23,380,957 | 413,445 | 1,404,355 | 255 | 2,636,972 | 27,835,984 |
| Excess (deficiency) of revenues over (under) expenditures | 1,697,015 | 235,985 | -1,238,281 | 413,227 | -93,752 | 1,014,194 |
| Other financing sources (uses) | | | | | | |
| Non-cash capital lease proceeds | - | - | 388,491 | - | - | 388,491 |
| Transfers in | 270 | - | 1,348,694 | - | 78,507 | 1,427,471 |
| Transfers out | -1,348,694 | - | - | -78,205 | -572 | -1,427,471 |
| Total other financing sources (uses) | -1,348,424 | - | 1,737,185 | -78,205 | 77,935 | 388,491 |
| Net change in fund balance | 348,591 | 235,985 | 498,904 | 335,022 | -15,817 | 1,402,685 |
| **Fund balances - July 1** | 3,885,986 | -588,558 | 157,829 | 2,249,585 | 2,305,123 | 8,009,965 |
| **Fund balances - June 30** | $ 4,234,577 | $ -352,573 | $ 656,733 | $ 2,584,607 | $ 2,289,306 | $ 9,412,650 |

**See the accompanying notes to the basic financial statements.**

**Town of Lebanon, Connecticut**
Reconciliation of Statement D to Statement B
for all governmental funds and activities
June 30, 2014

| | | |
|---|---|---|
| Net changes in governmental fund balances as shown on Statement D | | $ 1,402,685 |
| Amounts recorded for governmental activities in the government-wide financial statements (Statement B) are different then the amounts reported in the fund financial statements (Statement D) and therefore must be modified as follows: | | |
| 1 Capital asset purchases are recorded as expenditures in Statement D and are capitalized and shown as depreciation expense over there estimated useful lives in Statement B. Therefore the following adjustments must be made: | | |
| Capital assets transferred to the business-type activities of the Town - Note 4 | -6,503,574 | |
| Current year capital asset purchases to be capitalized | 1,646,363 | |
| Current year depreciation expense on current and previous capital assets | -1,645,707 | -6,502,918 |
| 2 Property tax revenues are recognized on Statement D as described in note 1F of the notes to the financial statements however property tax revenues are recorded in the full amount of the annual levy in Statement B and therefore the current year adjustment described in note 1F must be added back in or subtracted back out: | | 42,219 |
| 3 The basis of presentation and revenue recognition is different from the government-wide financial statements shown on Statement B and the fund financial statements shown on Statement D. This difference in revenue recognition policies results in certain revenue amounts being recognized in Statement D and being recorded as unearned in Statement B: | | |
| Prior year unearned revenue amounts to be recognized | 112,839 | |
| Current year revenue amounts to be recorded as unearned | -201,132 | -88,293 |
| 4 Inter fund transfers between governmental funds are reported on Statement D but must be eliminated on Statement B with the exception of transfers between the governmental and business-type activities of the Town which are still shown on Statement B as transfers: | | |
| Transfers in | 1,427,471 | |
| Transfers out | -1,427,471 | - |
| 5 Payments on and changes in long-term liabilities are recorded as current year activities on Statement D however they are shown as increases or decreases in liability accounts in the government-wide financial statements and therefore must be adjusted accordingly: | | |
| Bond payable transferred to the business-type activities of the Town - Note 4 | 5,105,000 | |
| Bonds and notes payable principal repayment | 416,374 | |
| Capital leases payable proceeds | -388,491 | |
| Capital leases payable principal repayment | 185,155 | |
| Accrued compensated balances increase | -9,942 | |
| Estimated liability for post closure landfill care decrease | 11,500 | |
| Other post-employment benefits liability increase | -204,800 | 5,114,796 |
| 6 Estimated accounts receivable for delinquent interest and lien fees are recorded as revenue when received on Statement D and as a reduction in a recorded receivable on Statement B and therefore must not be shown as current activity: | | |
| Prior year recorded delinquent interest and lien receivable balance | -104,105 | |
| Current year recorded delinquent interest and lien receivable balance | 96,599 | -7,506 |
| 7 Net income from the internal service fund is not reported in Statement D however it is reported in Statement B and therefore must be added back in: | | -6,089 |
| Change in net position of governmental activities as shown on Statement B | | $ -45,106 |

**See the accompanying notes to the basic financial statements.**

**Town of Lebanon, Connecticut**
Statement of revenues, expenditures, and changes in fund balance
Budget and actual (Budgetary basis) - General fund
For the year ended June 30, 2014

| | Original budget | Budget revisions | Final budget | Actual | Variance |
|---|---|---|---|---|---|
| **Revenues** | | | | | |
| Property tax revenues, interest and liens | $ 16,353,168 | $ - | $ 16,353,168 | $ 16,374,950 | $ 21,782 |
| Intergovernmental - education | 5,735,812 | - | 5,735,812 | 5,815,375 | 79,563 |
| Intergovernmental - tax relief | 34,900 | - | 34,900 | 67,357 | 32,457 |
| Intergovernmental - other | 352,842 | - | 352,842 | 381,862 | 29,020 |
| Tuition | 729,804 | - | 729,804 | 591,916 | -137,888 |
| Charges for services | 252,500 | - | 252,500 | 297,169 | 44,669 |
| Interest and dividends | 12,000 | - | 12,000 | 11,965 | -35 |
| Miscellaneous | 48,500 | - | 48,500 | 89,603 | 41,103 |
| Total revenues | 23,519,526 | - | 23,519,526 | 23,630,197 | 110,671 |
| **Expenditures** | | | | | |
| General government: | | | | | |
| Legal counsel | 30,000 | 75,378 | 105,378 | 105,377 | 1 |
| Selectmen | 119,826 | - | 119,826 | 117,716 | 2,110 |
| Elections | 35,089 | - | 35,089 | 26,011 | 9,078 |
| Probate court | 2,500 | - | 2,500 | 2,070 | 430 |
| Board of finance | 2,000 | - | 2,000 | 1,308 | 692 |
| Finance office | 142,495 | - | 142,495 | 132,633 | 9,862 |
| Tax collector | 66,210 | 14,161 | 80,371 | 80,269 | 102 |
| Board of appeals | 1,000 | - | 1,000 | 859 | 141 |
| Town clerk | 91,727 | - | 91,727 | 89,663 | 2,064 |
| Assessor | 68,289 | 756 | 69,045 | 69,044 | 1 |
| Auditor | 15,000 | - | 15,000 | 13,000 | 2,000 |
| Town report | 1,000 | - | 1,000 | 925 | 75 |
| Computer service | 81,101 | 4,308 | 85,409 | 83,673 | 1,736 |
| Town hall | 56,031 | - | 56,031 | 66,237 | -10,206 |
| Insurance | 166,962 | - | 166,962 | 158,074 | 8,888 |
| | 879,230 | 94,603 | 973,833 | 946,859 | 26,974 |
| Public safety: | | | | | |
| Police services | 186,000 | - | 186,000 | 169,396 | 16,604 |
| Lebanon volunteer fire department | 97,500 | 6,248 | 103,748 | 103,748 | - |
| Fire marshall | 16,652 | - | 16,652 | 15,171 | 1,481 |
| Burning official | 3,250 | - | 3,250 | 1,985 | 1,265 |
| Building department | 22,549 | - | 22,549 | 21,557 | 992 |
| Fire safety complex | 36,000 | - | 36,000 | 35,142 | 858 |
| Tree warden | 185 | - | 185 | 90 | 95 |
| | 362,136 | 6,248 | 368,384 | 347,089 | 21,295 |
| Public works: | | | | | |
| Department of public works | 675,000 | - | 675,000 | 642,201 | 32,799 |
| Buildings and grounds | 104,242 | - | 104,242 | 112,498 | -8,256 |
| Snow removal | 150,000 | 19,043 | 169,043 | 169,042 | 1 |
| Street lights | 2,200 | - | 2,200 | 2,153 | 47 |
| Solid waste facility | 190,000 | - | 190,000 | 172,688 | 17,312 |
| Cemetery commission | 12,559 | - | 12,559 | 12,452 | 107 |
| Water pollution control | 79,000 | - | 79,000 | 12,497 | 66,503 |
| | 1,213,001 | 19,043 | 1,232,044 | 1,123,531 | 108,513 |
| Health & social: | | | | | |
| Health department | 16,865 | - | 16,865 | 15,624 | 1,241 |
| Vna | 1,000 | - | 1,000 | 1,000 | - |
| Human services | 18,388 | 797 | 19,185 | 19,185 | - |

**See the accompanying notes to the basic financial statements.**

**Town of Lebanon, Connecticut**
Statement of revenues, expenditures, and changes in fund balance
Budget and actual (Budgetary basis) - General fund
For the year ended June 30, 2014

| | Original budget | Budget revisions | Final budget | Actual | Variance |
|---|---|---|---|---|---|
| Health & social (continued): | | | | | |
| Wcmh Paramedic program | $ 40,951 | $ - | $ 40,951 | $ 36,037 | $ 4,914 |
| United services | 5,115 | - | 5,115 | 5,115 | - |
| Switch board | 48,592 | - | 48,592 | 48,592 | - |
| Special events | 1,000 | - | 1,000 | 878 | 122 |
| Senior center operations | 56,450 | 962 | 57,412 | 57,412 | - |
| | 188,361 | 1,759 | 190,120 | 183,843 | 6,277 |
| Community preservation: | | | | | |
| Planning and zoning | 136,779 | - | 136,779 | 124,098 | 12,681 |
| Zoning board of appeals | 4,060 | 143 | 4,203 | 4,203 | - |
| Economic development commission | 2,000 | - | 2,000 | 1,512 | 488 |
| Inland wetlands | 2,000 | - | 2,000 | 975 | 1,025 |
| Conservation commission | 250 | - | 250 | 250 | - |
| | 145,089 | 143 | 145,232 | 131,038 | 14,194 |
| Education | 17,944,353 | - | 17,944,353 | 17,708,667 | 235,686 |
| Unclassified and program: | | | | | |
| Social security | 105,831 | - | 105,831 | 103,810 | 2,021 |
| Medical life dental insurance | 296,320 | - | 296,320 | 260,887 | 35,433 |
| Pension plan | 143,463 | - | 143,463 | 143,762 | -299 |
| Unemployment compensation | 26,000 | - | 26,000 | 3,254 | 22,746 |
| Contingency | 150,000 | -121,796 | 28,204 | - | 28,204 |
| | 721,614 | -121,796 | 599,818 | 511,713 | 88,105 |
| Debt service: | | | | | |
| Principal | 416,374 | - | 416,374 | 416,374 | - |
| Interest | 115,941 | - | 115,941 | 115,941 | - |
| | 532,315 | - | 532,315 | 532,315 | - |
| Total expenditures | 21,986,099 | - | 21,986,099 | 21,485,055 | 501,044 |
| Excess of revenues over (under) expenditures | 1,533,427 | - | 1,533,427 | 2,145,142 | 611,715 |
| Other financing sources (uses) | | | | | |
| Utilization of unassigned fund balance | - | 263,393 | 263,393 | - | -263,393 |
| Transfers in | - | - | - | 270 | 270 |
| Transfers out | -1,533,427 | -263,393 | -1,796,820 | -1,796,821 | -1 |
| Total other financing sources (uses) | -1,533,427 | - | -1,533,427 | -1,796,551 | -263,124 |
| Net change in fund balance | - | - | - | 348,591 | 348,591 |
| Non-budgeted State on behalf revenue | | | | 1,895,902 | |
| Non-budgeted State on behalf expenditure | | | | -1,895,902 | |
| **Fund balances - July 1** | | | | 3,885,986 | |
| **Fund Balance - June 30** | | | | $ 4,234,577 | |

**See the accompanying notes to the basic financial statements.**

**Town of Lebanon, Connecticut**
Statement of net position
Proprietary funds
June 30, 2014

| | Business-type activities | | | Governmental activities |
|---|---|---|---|---|
| | Enterprise funds | | | Internal service fund |
| | WPCA operating fund | WPCA assessment fund | Total | Dental fund |
| **Assets:** | | | | |
| Current assets: | | | | |
| Cash | $ 89,428 | $ 668,592 | $ 758,020 | $ 67,447 |
| Investments | - | - | - | - |
| Accounts receivables | 5,067 | - | 5,067 | - |
| Current portion of benefit assessment notes | - | 94,487 | 94,487 | - |
| Delinquent benefit assessment notes | - | 30,256 | 30,256 | - |
| Delinquent borrowed interest receivable | - | 17,444 | 17,444 | - |
| Total assets | 94,495 | 810,779 | 905,274 | 67,447 |
| Capital assets | | | | |
| Non-depreciable | - | - | - | - |
| Depreciable (net) | - | 6,416,860 | 6,416,860 | - |
| Total capital assets | - | 6,416,860 | 6,416,860 | - |
| Other assets | | | | |
| Non-current portion of benefit assessment notes | - | 3,980,312 | 3,980,312 | - |
| Internal balances | 104,723 | 156,772 | 261,495 | - |
| Total other assets | 104,723 | 4,137,084 | 4,241,807 | - |
| Total Assets | $ 199,218 | $ 11,364,723 | $ 11,563,941 | $ 67,447 |
| **Liabilities:** | | | | |
| Accounts payable | $ 306 | $ - | $ 306 | $ 3,471 |
| Accrued hourly payroll | 321 | - | 321 | - |
| Unearned revenues | 33,197 | 6,046 | 39,243 | - |
| Due to other funds | - | - | - | 40,203 |
| Long-term debt | | | | |
| Portion due within one year | - | 80,781 | 80,781 | - |
| Portion due after one year | - | 4,823,324 | 4,823,324 | - |
| Total liabilities | 33,824 | 4,910,151 | 4,943,975 | 43,674 |
| **Net Position:** | | | | |
| Net investment in capital assets | - | 1,512,755 | 1,512,755 | - |
| Restricted | | | | |
| Expendable | - | - | - | - |
| Non-expendable | - | - | - | - |
| Unrestricted | 165,394 | 4,941,817 | 5,107,211 | 23,773 |
| Total net position | 165,394 | 6,454,572 | 6,619,966 | 23,773 |
| Total liabilities and net position | $ 199,218 | $ 11,364,723 | $ 11,563,941 | $ 67,447 |

**See the accompanying notes to the basic financial statements.**

**Town of Lebanon, Connecticut**
Statement of revenues, expenses and changes in net position
Proprietary funds
For the year ended June 30, 2014

| | Business-type activities | | | Governmental activities |
|---|---|---|---|---|
| | Enterprise funds | | | Internal service fund |
| | WPCA operating fund | WPCA assessment fund | Total | Dental fund |
| **Operating revenues:** | | | | |
| Benefits assessment | $ - | $ 5,105,001 | $ 5,105,001 | $ - |
| Borrowed interest assessment | - | 162,173 | 162,173 | - |
| User fees | 122,982 | - | 122,982 | - |
| Charges for services | - | - | - | 152,776 |
| Other operating revenues | 8,949 | 2,264 | 11,213 | - |
| Total operating revenues | 131,931 | 5,269,438 | 5,401,369 | 152,776 |
| **Operating expenses:** | | | | |
| Personal services | 30,794 | - | 30,794 | - |
| Contractual services | 978 | - | 978 | 158,865 |
| Operation and maintenance | 20,956 | - | 20,956 | - |
| Depreciation | - | 86,714 | 86,714 | - |
| Administrative costs | 8,555 | - | 8,555 | - |
| Total operating expenses | 61,283 | 86,714 | 147,997 | 158,865 |
| Total operating income (loss) | 70,648 | 5,182,724 | 5,253,372 | -6,089 |
| **Nonoperating revenues (expenses):** | | | | |
| Investment earnings | - | - | - | - |
| Fiscal charges | - | - | - | - |
| Interest expense | - | -126,576 | -126,576 | - |
| Total nonoperating revenues (expenses) | - | -126,576 | -126,576 | - |
| Total Income (loss) | 70,648 | 5,056,148 | 5,126,796 | -6,089 |
| **Contributions and transfers:** | | | | |
| Capital contributions | - | - | - | - |
| Transfers in | - | 1,398,574 | 1,398,574 | - |
| Transfers out | - | - | - | - |
| Total contributions and transfers | - | 1,398,574 | 1,398,574 | - |
| Change in net position | 70,648 | 6,454,722 | 6,525,370 | -6,089 |
| **Net position - July 1** | 94,746 | -150 | 94,596 | 29,862 |
| **Net position - June 30** | $ 165,394 | $ 6,454,572 | $ 6,619,966 | $ 23,773 |

**See the accompanying notes to the basic financial statements.**

**Town of Lebanon, Connecticut**
Statement of cash flows
Proprietary funds
For the year ended June 30, 2014

| | Business-type activities | | | Governmental activities |
|---|---|---|---|---|
| | Enterprise funds | | | Internal service fund |
| | WPCA operating fund | WPCA assessment fund | Total | Dental fund |
| **Cash flows from operating activities:** | | | | |
| Receipts from employees and town | $ - | $ - | $ - | $ 192,479 |
| Receipts from customers and users | 89,403 | 995,646 | 1,085,049 | - |
| Payments for goods and services | - | - | - | -158,608 |
| Net cash from operating activities | 89,403 | 995,646 | 1,085,049 | 33,871 |
| **Cash flows from noncapital financing activities:** | | | | |
| Transfers to or from other funds | - | - | - | - |
| Interest paid | - | - | - | - |
| Net cash from noncapital financial activities | - | - | - | - |
| **Cash flows from capital and related financing activities:** | | | | |
| Capital asset additions | - | - | - | - |
| Principal payments of long-term debt | - | -200,895 | -200,895 | - |
| Interest payments of long-term debt | - | -126,576 | -126,576 | - |
| Net cash from capital and related financing activities | - | -327,471 | -327,471 | - |
| **Cash flows from investing activities:** | | | | |
| Investment additions | - | - | - | - |
| Interest and other receipts | - | - | - | - |
| Net cash from investing activities | - | - | - | - |
| Change in cash and cash equivalents | 89,403 | 668,175 | 757,578 | 33,871 |
| **Cash and cash equivalents - July 1** | 25 | 417 | 442 | 33,576 |
| **Cash and cash equivalents - June 30** | $ 89,428 | $ 668,592 | $ 758,020 | $ 67,447 |
| **Reconciliation of operating income (loss) to net cash from operating activities:** | | | | |
| Operating income (loss) | $ 70,648 | $ 5,182,724 | $ 5,253,372 | $ -6,089 |
| Adjustments: | | | | |
| Depreciation | - | 86,714 | 86,714 | - |
| Changes in operating assets and liabilities | | | | |
| (Increase) decrease in internal balances | -9,847 | -156,922 | -166,769 | - |
| (Increase) decrease in accounts receivable | -5,067 | -4,122,499 | -4,127,566 | - |
| Increase (decrease) in other liabilities | 472 | - | 472 | -243 |
| Increase (decrease) in unearned revenues | 33,197 | 5,629 | 38,826 | - |
| Increase (decrease) in due to other funds | - | - | - | 40,203 |
| Net cash from operating activities | $ 89,403 | $ 995,646 | $ 1,085,049 | $ 33,871 |

**See the accompanying notes to the basic financial statements.**

**Town of Lebanon, Connecticut**
Statement of fiduciary net position and Statement of changes
in fiduciary net position - Fiduciary funds
As of and for the year ended June 30, 2014

| | Private purpose trusts | Agency funds | Total |
|---|---|---|---|
| **Assets:** | | | |
| Cash | $ 9,542 | $ 89,907 | $ 99,449 |
| Investments | 71,279 | 25,602 | 96,881 |
| Accounts and other receivables | 220 | - | 220 |
| Inventories and prepaid items | - | - | - |
| Due from other funds | - | - | - |
| Total assets | $ 81,041 | $ 115,509 | $ 196,550 |
| **Liabilities:** | | | |
| Accounts payable | $ - | $ - | $ - |
| Unearned revenues | - | - | - |
| Due to other funds | - | - | - |
| Due to student groups | - | 91,433 | 91,433 |
| Due to other groups | - | 24,076 | 24,076 |
| Total liabilities | - | 115,509 | 115,509 |
| **Net position:** | | | |
| Restricted | | | |
| Expendable | 81,041 | - | 81,041 |
| Non-expendable | - | - | - |
| Unrestricted | - | - | - |
| Total net position | 81,041 | - | 81,041 |
| Total liabilities and net position | $ 81,041 | $ 115,509 | $ 196,550 |
| **Additions** | | | |
| Property tax revenues | $ - | $ - | $ - |
| Intergovernmental revenues | - | - | - |
| Interest and dividends | 248 | - | 248 |
| Net change in investment fair value | - | - | - |
| Miscellaneous | - | - | - |
| Total additions | 248 | - | 248 |
| **Deductions** | | | |
| Salary and wages | - | - | - |
| Program operating costs | 1,338 | - | 1,338 |
| Capital expenditures | - | - | - |
| Total deductions | 1,338 | - | 1,338 |
| Change in net position | -1,090 | - | -1,090 |
| **Net position - July 1** | 82,131 | - | 82,131 |
| **Net position - June 30** | $ 81,041 | $ - | $ 81,041 |

**See the accompanying notes to the basic financial statements.**

The Town of Lebanon, Connecticut (the Town) is located in the central section of Connecticut. The Town is a municipal corporation which is governed by an elected Board of Selectmen and Board of Finance.

## Note 1 - Summary of significant accounting policies

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting and financial reporting. Standards of accounting and financial reporting issued by the Financial Accounting Standards Board, Accounting Principles Board Opinions, and the Accounting Research Bulletins of the American Institute of Certified Public Accountants Committee on Accounting Procedure on or before November 30, 1989, generally are followed in the government-wide financial statements, when applicable, to the extent that those standards do not conflict with or contradict pronouncements of the GASB. The basic financial statements of the Town consist of government-wide financial statements and fund financial statements. The basis of presentation, measurement focus, and basis of accounting differ for these two types of financial statements and are described separately in Section B and C below. The other following sections represent a summary of the significant accounting policies as applied by the Town.

### A. Reporting entity

The financial reporting entity consists of the primary government and its component units, organizations for which the primary government is financially accountable or 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. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are, for financial reporting purposes, part of the primary government. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

The Town has determined that the Lebanon Volunteer Fire Department meets the definition of a component unit due to its fiscal dependence on the Town and the nature and significance of their relationship. For a legally separate entity to be considered fiscally independent it must, among other things, have the authority to determine its budget without the primary government having the authority to approve and modify that budget. The Town approves a certain amount of money on an annual basis to be appropriated to the Department to fund a portion of its operations. During the current fiscal year this amount was appropriated for the fire fighting operations of the Department. Although this amount was labeled as being appropriated for the fire fighting operations of the Department, once the amount has been received it may be physically used for any purpose the Department deems necessary for its operations as a whole. Though the Town does not directly have the authority to approve or modify the budget of the Department, it does indirectly do this by deciding the amount that it will or will not appropriate on an annual basis. In addition, the fire safety complex, fire trucks and ambulances used by the Department are purchased by the Town. This also creates a level of fiscal dependence due to the fact that the Department could not function in its current capacity without this assistance. In addition to the level of fiscal dependence between the Town and the Department, the nature and significance of the relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. This component unit has been treated as a discretely presented component unit in accordance with the provisions of GASB Statement No. 14 as amended by Statement Nos. 39 and 61. The financial information of the Department has been included in the government-wide statement of net position and statement of activities.

The Department also provides ambulance services for which it receives ambulance billing revenue. This revenue is classified as "charges for services" revenue in the financial statements. This revenue is used by the Department to fund its ambulance services. A portion of this ambulance billing revenue is associated with ALS services for which the Town presently has an agreement with and pays Windham Hospital Paramedics. The Department is of the belief that the portion of their ambulance billing revenue that relates to these ALS services should be returned to the Town. The Department returned $18,743 to the Town during the current fiscal year. This amount is shown as a miscellaneous revenue item within the capital and non-recurring major fund of the Town and as an expenditure within discretely presented component unit. The Department also receives memorial and trust funds as designated by the individual donor. These funds are shown as part of the general operating fund of the Department as part of the discretely presented component unit. The Hinckley and Bender memorial funds have been internally designated by the Department to be used for items associated with the fire safety complex addition. The memorial fund trust is to be used for memorial type activities.

## B. Government-wide financial statements

### 1. Basis of presentation

The government-wide financial statements consist of a statement of net position and a statement of activities. Theses statements report information about the Town as a whole without displaying individual funds or fund types. These statements distinguish between the primary government and the discretely presented component unit as well as the governmental and business-type activities of the Town. These statements do not include information about the fiduciary activities and funds of the Town or component units which are fiduciary in nature. Fiduciary activities and funds report assets which are held by the Town in a trustee or agency capacity and which cannot be used to support the activities and programs of the Town.

The statement of net position presents the financial position of the governmental and business-type activities of the primary government of the Town and the discretely presented component unit at the end of the fiscal year. This statement reports the assets, liabilities, and net position of the Town. The assets and liabilities are presented in the order of their relative liquidity. The liquidity of assets is determined by how readily they are expected to be converted into cash and whether there are restrictions in place limiting their use by the Town. The liquidity of liabilities is determined by their maturity or by when cash will be used to liquidate them. The net position balance of the Town consists of the net investment in capital assets (total capital assets net of accumulated depreciation and reduced by the total outstanding debt incurred to purchase the assets), restricted and unrestricted amounts. Restricted net position is present when constraints are imposed externally by creditors, grantors, contributors, other governments, or by law through constitutional provisions or enabling legislation. Unrestricted net position consists of all net position balances not meeting the definition of net investment in capital assets or restricted. Internal balances between individual funds within the governmental activities are eliminated in this statement to minimize the "grossing-up" of assets and liabilities. These internal balances are also known as inter-fund receivables and payables and are shown in the fund financial statements as due to and due from other funds. Any residual amounts due between the governmental and business-type activities of the Town would be shown as an internal balance on the statement of net position which would cancel out in the total column for the primary government.

The statement of activities presents the operations of the governmental and business- type activities of the primary government of the Town and the discretely presented component unit of the Town for the fiscal year. The operations of the Town are shown in a format which reports the net (expense) revenue of the individual functions of the Town. The purpose of this net (expense) revenue format is to report the relative financial burden of each of the Town's functions on the taxpayers. Program revenue is applied to each function based on which function generated the specific charges for services and for which functions the operating and capital grants have been received. All taxes are shown as general revenues regardless of whether they where levied for a specific purpose or function. The categories of individual functions correspond to the different departments and operations of the Town. Indirect expenses which benefit the Town as a whole are not required to be allocated among the other functions of the Town and therefore they are not allocated. Depreciation expense is allocated to the specific functions (sometimes referred to as departments) of the Town based on which function purchased or benefits from the assets. Depreciation on assets shared between two or more functions is allocated based on the percentage purchased by each function. If the benefit received from these assets shifts from the function making the purchase to another function in a material amount, the depreciation amount being charged will be shifted accordingly. Depreciation on capital assets which benefit all of the functions of the Town, such as infrastructure assets, is shown as a separate line item. Internal activity between individual funds within the governmental activities are eliminated in this statement. This internal activity is also known as transfers in and out and is shown in the fund financial statements as such. The above information relating to the government-wide financial statements basis of presentation is in reference to both governmental and business-type activities. Internal activity between the governmental and business-type activities of the Town would be shown as transfers on the statement of activities which would cancel out in the total column for the primary government.

### 2. Measurement focus and basis of accounting

The statement of net position and the statement of activities are prepared using the economic resources measurement focus and the accrual basis of accounting. The accrual basis of accounting would be used for both governmental and business-type activities of the primary government of the Town and the discretely presented component unit. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. In other words, revenues and the related assets are recognized when they are earned and expenses and the related liabilities are recognized when they are incurred. The Town does not have an established policy relating to the use of restricted and unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Absent of an established policy which addresses this situation, accounting guidance states that it should consider that restricted amounts would be reduced first and then unrestricted amounts.

## C. Fund financial statements

### 1. Basis of presentation

The fund financial statements of the Town consist of a balance sheet with a reconciliation to the government-wide statement of net position, a statement of revenues, expenditures, and changes in fund balances with a reconciliation to the government-wide statement of activities, a budgetary comparison schedule for the general fund, a statement of net position - proprietary funds, a statement of revenues, expenses and changes in net position - proprietary funds, a statement of cash flows - proprietary funds, and a statement of fiduciary net position and a statement of changes in fiduciary net position. These fund financial statements are designed to report additional and more detailed information about the primary government. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts which records cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with any special regulations, restrictions, or limitations which may exist. The types of funds shown for the Town are governmental funds, proprietary funds and fiduciary funds. The focus of these fund financial statements are on major funds as defined by GASB Statement No. 34. All major funds are reported in a separate column with all non-major funds being aggregated and reported in a single column.

Governmental fund reporting focuses primarily on the sources, uses, and balances of the current financial resources of the Town. The governmental funds used by the Town include the general fund, and other non-major governmental fund types such as special revenue funds, capital project funds, and permanent funds. The general use and purpose of these individual governmental fund types are as follows. The individual names of each fund within each non-major governmental fund type can be found in the accompanying combining schedules and the purpose of the fund is generally self explanatory within each title.

a. General fund - The general fund is the general operating fund of the Town and accounts for all revenues and expenditures of the Town with the exception of those required to be accounted for in another fund. All general tax revenues and other receipts that (a) are not allocated by law, contractual agreement, governing body motion or town meeting to other funds or (b) that have not been restricted, committed, or assigned to other funds are accounted for in the general fund.

b. Special revenue funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term proceeds of specific revenue sources establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The specific restricted or committed revenues may be initially received in another fund and subsequently distributed to a special revenue fund, however, those amounts should not be recognized as revenue in the fund initially receiving them but rather be shown as revenue in the special revenue fund in which they will be expended for the specified purpose. The restricted or committed proceeds of the specific revenue sources should be expected to continue to make up a substantial portion of the resources flowing into the fund. Other financial resources such as investment income and transfers from other funds may also be reported within a special revenue fund as long as those resources are restricted, committed or assigned to the specified purpose of the fund.

c. Capital project funds - Capital project funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, such as the acquisition or construction of capital facilities and other capital assets or for the accumulation of funds for these purposes.

d. Permanent funds - Permanent funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the Town's programs and in effect the benefit of the Town or its citizens.

Proprietary and fiduciary fund reporting focuses on net position and changes in net position. The proprietary funds of the town consist of two enterprise funds which are used to account for the user fees and benefit assessments relating to the Amston Lake Water Pollution Control Authority (the Authority) and an internal service fund which is used to account for the self funding dental activities of the town. Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the programs of the Town. The fiduciary funds of the Town consist of private purpose trust funds and agency funds. Private purpose trust funds account for the assets held by the Town in a trustee capacity on behalf of the schools in the form of scholarship funds and on behalf of the library and cemeteries in similar funds. All of the resources of these funds, including any earnings on invested resources, may be used to support their activities. There is no requirement that any portion of these resources be preserved as capital. Agency funds are used to report resources held by the Town in a purely custodial capacity. Agency funds of the Town consist of the student activity accounts located at the Board of Education and funds received from Board of Education retirees to be put toward the payment of health insurance benefits.

e. Enterprise funds - Enterprise funds are used to account for those operations that are financed and operated in a manner which is similar to private business operations or where the Town has decided that the periodic determination of revenues earned, expenses incurred, and /or net income is necessary for management accountability. Enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services. However, certain instances require the use of an enterprise fund, for example, if the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs. The Town uses enterprise funds to account for both its operating activities which are funded through user fees and its benefit assessments fund which is funded through the actual benefit assessment as well as a borrowed interest assessment both of which relate to the Authority.

f. Internal service funds - Internal service funds can be used for any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis when the reporting government is the predominant participant in the activity. The Town uses an internal service fund to account for its self funding dental activities.

g. Private-purpose trust funds - All trust arrangements other then those defined as pension trust funds and investment trust funds are described as private-purpose trust funds under which the principal and income of the fund benefit individuals, private organizations, or other governments.

h. Agency funds - Agency funds represent resources held in a purely custodial capacity for individuals, private organizations, or other governments.

The balance sheet is used to report information about the current financial resources (assets, liabilities, and fund balances) of each major governmental fund and for all non-major governmental funds in the aggregate. The fund balance amounts within the governmental funds are segregated between nonspendable, restricted, committed, assigned and unassigned amounts. These balances are shown on the face of the balance sheet with a description of the meaning and purpose of each category being shown in note 1U starting on page 33. An accompanying schedule is required to reconcile the total governmental fund balance to the total net position balance of the governmental activities of the Town as shown on the government-wide statement of net position.

The statement of revenues, expenditures, and changes in fund balances is used to report information about the inflows, outflows, and balances of current financial resources of each major governmental fund and all non-major funds in the aggregate. Revenues are classified by major revenue sources while expenditures are classified by categories of individual functions corresponding to the different departments and operations of the Town. The proceeds from the issuance of long-term debt and operating transfers between individual funds are shown as other financing sources and uses. An accompanying schedule is also required to reconcile the total change in governmental fund balances to the total change in net position of the governmental activities of the Town as shown on the government-wide statement of activities.

The budgetary comparison information is required to be presented for the general fund and each major special revenue or capital project fund that has a legally adopted annual budget. This statement shows the original budget as voted on and appropriated, the changes made to each individual departmental line item within the budget, and the final budget which is compared to the actual revenue and expenditure balances to come up with the favorable or unfavorable variance numbers.

The statement of net position presents the financial position of the proprietary funds at the end of the fiscal year. This statement reports the assets, liabilities, and net position of the these funds. The assets and liabilities are presented in a classified format to distinguish between current and long-term assets and liabilities. In addition, the assets and liabilities are presented in the order of their relative liquidity. The liquidity of assets is determined by how readily they are expected to be converted into cash and whether there are restrictions in place limiting their use by the Town. The liquidity of liabilities is determined by their maturity or by when cash will be used to liquidate them. The net position balance of the Town consists of the net investment in capital assets, restricted and unrestricted amounts. Restricted net position is present when constraints are imposed externally by creditors, grantors, contributors, other governments, or by law through constitutional provisions or enabling legislation. Unrestricted net position consists of all net position balances not meeting the definition of net investment in capital assets or restricted. Capital contributions are not displayed as a separate component of net position. In addition, any designations that the Town may make of the unrestricted net position balance will not be reported on the face of the statements but will rather be disclosed in the notes to the financial statements. Internal balances between individual funds within the governmental activities are eliminated in this statement to minimize the "grossing-up" of assets and liabilities. These internal balances are also known as inter-fund receivables and payables and are shown in the fund financial statements as due to and due from other funds. Any residual amounts due between the governmental and business-type activities of the Town would be shown as an internal balance on the statement of net position which would cancel out in the total column for the primary government.

The statement of revenues, expenses and changes in fund net position is the operating statement of proprietary funds. The Town's business-type operations are accounted for as an enterprise fund which is a proprietary fund. The revenues on this statements should be reported by major sources. This statement also segregates revenues and expenses between the category of operating and non-operating. Operating revenues and expenses are subtracted to come up with the operating income or loss from operations. Non-operating revenues and expenses are then shown by line item in a section following the results of the operations. If the proprietary fund of the Town were to have any revenues from capital contributions, special or extraordinary items or transfers, they would be accounted for in a section after the non-operating results section. The results of all three of these sections would then be consolidated to come up with a changes in net position balance.

The proprietary funds of the Town also utilize a statement of cash flows. The purpose of the statement of cash flows is to provide relevant information about the cash receipts and payments made by the Town during each reporting period. The cash flow statement is broken down between different sections. These sections are an operations section, a non-capital financing transactions section, a capital and related financing transactions section and an investing section. These sections report the relevant cash flow results of each specific activity that occurred during the reporting period. A reconciliation of operating income to the net cash flows from operating activities should also be shown. This reconciliation is designed to provide information about the net affects of operating transactions and other events that effect operating income and cash flows in different periods.

The statement of fiduciary net position shows information in regard to the assets and liabilities of the fiduciary funds of the Town which consist of private-purpose trust funds and agency funds. The statement of changes in fiduciary net position shows information in regard to the additions to, subtractions from, and net increase or decrease for the year in fiduciary fund net position.

## 2. Measurement focus and basis of accounting

In regard to the governmental activities of the Town, the balance sheet and the statement of revenues, expenditures, and changes in fund balances are prepared using the current financial resources measurement focus and the modified accrual basis of accounting for all governmental and fiduciary funds. Capital assets and long-term debt are not recorded as assets or liabilities on the balance sheet of the Town. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Under the modified accrual basis of accounting revenues are recognized when they become measurable and available as net current assets. Property tax revenues are recognized when they become available. Available includes those property taxes receivable which are expected to be collected within the first sixty days after the end of the current fiscal year, when applicable. Miscellaneous revenues are recorded when received because they are generally not measurable until actually received. Intergovernmental revenues are accrued, when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available. The Town generally considers intergovernmental revenues which are received within the first sixty days after the end of the current fiscal year to be both measurable and available. Expenditures are generally recognized under this basis of accounting when the related fund liability is incurred. Exceptions to this general rule include general long-term debt principal and interest which is recognized when due.

In regard to the proprietary fund activities of the Town, the statement of net position, the statement of revenues, expenses and changes in net position and the statement of cash flows are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. In other words, revenues and the related assets are recognized when the are earned and expenses and the related liabilities are recognized when they are incurred. The Town does not have an established policy relating to the use of restricted and unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Absent of an established policy which addresses this situation, accounting guidance states that it should consider that restricted amounts would be reduced first and then unrestricted amounts.

## D. Cash and cash equivalents

Cash and cash equivalents include amounts in demand deposit accounts as well as all highly liquid short-term investments with a maturity date within three months of the date acquired by the Town. However, the Town may classify money market accounts, certificates of deposit accounts and other higher yielding accounts as investments regardless of maturity when they are used to gain a higher interest rate in order to more accurately reflect how the Town's cash balances are being used for the benefit of the Town.

### E. Investments

In accordance with GASB Statement No. 31, it is the Town's policy to value investments at their fair value as of the end of the fiscal year. Some of the types of investments authorized by the State of Connecticut include obligations of the United States Government, obligations fully insured or guaranteed by the government or governmental agency, the State local government investment pool (STIF account), and repurchase agreements. The Town does have types of investments other than those authorized by the State. However, they represent assets which have been donated to the Town and therefore are not subject to the limitations of the applicable State statutes. These donated investments are reported in the fund financial statements in the Trumbull investments fund as well as within the permanent trust funds.

### F. Revenue recognition - property taxes

The Town's property tax for the current year was levied June 10, 2013 on the grand list as of October 1, 2012, for the real, motor vehicle and personal property located in the Town at a rate of 23.9 mills. Real estate, personal property and motor vehicle taxes were due on July 1, 2013, and January 1, 2014. Supplemental motor vehicle taxes were due on January 1, 2014. Interest on unpaid taxes commenced 30 days after the aforementioned due dates, at 18% per annum or 1.50% per month. As described earlier, in the fund financial statements property tax revenues are recorded in the amount of the annual principal property tax assessment with an adjustment being made for the amount of principal expected to be collected within the first sixty days after the end of the current fiscal year. In the government-wide financial statements, only the current year principal assessment is recorded as revenue.

### G. Receivables - governmental activities and funds

All property tax, intergovernmental, and other receivables are reported net of any allowance for doubtful accounts. Fund financial statement accounts receivable balances include property tax principal amounts, intergovernmental amounts due on grant and other miscellaneous agreements, and other receivable amounts which consist primarily of school tuition and other miscellaneous amounts. On the government-wide financial statements, the current year accounts receivable balance of $591,865 is made up of general property taxes receivable of $507,695, the Lake Williams special assessment receivable of $403, state, federal and other grant receivables of $55,776 and other miscellaneous receivables of $27,991. The long-term accounts receivable balance of $96,599 is made up of the accumulated delinquent interest and fees on active property tax principal amounts. Delinquent interest and fees on suspense tax receivable principal balances are not included. The notes receivable balance of $654,326 is related to a CDBG grant and loan fund program received and entered into by the Town which is more fully described in note 9 on page 43. All of the above mentioned receivable amounts are also recorded on the fund financial statements with the exception of the accumulated delinquent interest and fees on property tax principal amounts which are only required to be reported on the government-wide financial statements. The Town will book an unbilled receivable in situations when a grant or contract has incurred expenditures which will be reimbursed by a funding source but which have not yet been fully received in cash for the amount incurred. The current allowance for doubtful accounts in relation to the above mentioned accounts receivable balances was estimated to be $0. The Town considers past experience with receivable balance collections and current aging report details when determining its calculation for an allowance for doubtful accounts. Receivables are only written off once it has been determined that all other methods of collection have been utilized without success.

### H. Sewer benefit assessment, user fees and related receivables

Properties located along the Lebanon Amston Lake Sewer District "the District" were levied a benefit assessment upon the completion of the sewage system construction project at the flat rate amount of $16,683 per assessable lot. This benefit assessment was due August 1, 2013. This assessment could have been paid in full by September 1, 2013 with no borrowed interest charges or it could be paid over a period not to exceed 20 years including borrowed interest charges at a rate of 2.50%. The benefit assessment is billed in two semi-annual installments of $543 which includes a principal and interest portion. The first installment was due August 1, 2013 with the second installment due December 1, 2013. Thereafter the semi-annual benefit assessment installments will be due April 1st and October 1st until such time that the principal portion of the benefit assessment has been paid in full. The borrowed interest portion of the semi-annual installments is the amount which is to be collected relating to the interest which will be payable on the debt which was issued to finance the construction project. The benefit assessment or any installment thereof not paid within thirty (30) days after the due date, shall be delinquent and shall be subject to interest from such due date at the rate and in the manner provided by the General Statutes for delinquent property taxes, together with attorney's fees and costs of collection. If all or any part of a property which has been levied this benefit assessment is sold or transferred, the remaining portion of the assessment may be assumed by the transferee.

During the current fiscal year, a benefit assessment was levied on all of the three hundred and six assessable lots located along the District. The amount of these benefit assessments levied totaled $5,105,001 with the related current fiscal year borrowed interest assessment due totaling $162,173 for a total assessment revenue amount of $5,267,174. Current fiscal year collections relating to the current benefit assessment levy totaled $999,946 leaving an outstanding benefit assessment due amount of $4,105,055. This balance is made up of delinquent benefit installments of $30,256, a current portion of $94,487 and a long-term portion of $3,980,312. Current fiscal year collections relating to the current borrowed interest assessment totaled $144,729 leaving an outstanding borrowed interest assessment of $17,444. The current fiscal year user fee billings totaled $122,982 with collections of those billings totaling $117,915 leaving and outstanding user fee billings receivable amount due of $5,067.

### I. Tax acquired property

Property which has been foreclosed on by the Town due to non-payment of taxes or other similar situations is classified as tax acquired property at the value of the original outstanding tax receivable amount. Interest and fees on the property are recorded at such time when the property is sold. The current value of the recorded tax acquired property of the town was $13,361 as of the end of the current fiscal year.

### J. Inventories

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used which is in accordance with the consumption method. On the fund financial statements, inventories are presented at cost on a first-in, first-out basis and are recorded as an expenditure when used. The Town currently has recorded an inventory amount of $10,148 as it relates to the school lunch program.

### K. Capital assets

Capital assets of the Town include land, land improvements, buildings, building improvements, vehicles equipment, infrastructure, and all other tangible and intangible assets which may arise that are used in operations and that have an initial useful life extending beyond a single fiscal year. Infrastructure assets and improvements thereto are long-lived capital assets that are normally stationary in nature and can normally be preserved for a significantly greater number of years than most capital assets. The types of infrastructure assets recorded by the Town include but are not limited to improved town roads, unimproved town roads, bridges and water and pollution control improvements. All improvements to infrastructure and other capital assets are capitalized which add to the value or materially extend the life of the asset. All capital assets of the Town are recorded at historical cost or estimated historical cost when the actual amount is not available. The historical cost of these assets includes not only the cost of the asset but also capitalized interest charges and other direct costs associated with placing the asset into its intended location and its intended use. The Town maintains a capitalization threshold of $5,000 for all capital assets with the exception of land purchases which are recorded regardless of amount. Donated capital assets are reported at their estimated fair value at the time of acquisition plus other direct costs associated with placing the asset into its intended location and intended use. Capital assets are only shown on the government-wide statement of net position and the proprietary funds statement of net position. The capital assets of the component unit of the Town are accounted for in the same manner.

Land and land improvements are not depreciated. All other individual capital assets of the Town are depreciated over their estimated useful lives using the straight line method. Under this method, the recorded cost of each capital asset less any estimated residual value is divided by the estimated useful life resulting in an even amount of depreciation to be taken on an annual basis. The estimated residual value is the amount that the capital asset is expected to be worth at the end of its useful life. The general estimated useful lives for specific types of capital assets are 3 - 10 years for equipment, 5 - 10 years for vehicles, 30 - 50 years for buildings and building improvements and infrastructure and 75 years for water and pollution control systems. Capital assets which are under construction but not yet completed are recorded as construction in progress. These capital assets will not begin to be depreciated until they are completed. Depreciation expense is allocated to the specific functions (sometimes referred to as departments) of the Town based on which function purchased or benefits from the assets. Depreciation on assets shared between two or more functions is allocated based on the percentage purchased by each function. If the benefit received from these assets shifts from the function making the purchase to another function in a material amount, the depreciation amount being charged will be shifted accordingly. Depreciation on capital assets which benefit all functions of the Town, such as infrastructure assets, is shown as a separate line item. Depreciation expense on capital assets is only shown on the government-wide statement of activities and related proprietary fund statements and is added to the individual function or department as described above.

## L. Prepaid items

Payments made to vendors for services and in certain circumstances goods that will benefit periods beyond the end of the fiscal year are recorded as prepaid expenses-expenditures using the consumption method by recording an asset for the prepaid amount and reflecting the expense-expenditure in the subsequent year (s) in which the services are consumed. Expenditures relatively minor in nature for insurance and similar services extending over more than one accounting period need not be allocated between or among accounting periods, but may be accounted for as expenditures of the period of acquisition. The Town considers relatively minor in nature to include aggregated similar items not exceeding $5,000. Payments made to vendors for services and in certain circumstances goods that will only benefit periods beyond the end of the fiscal year which are related to grants and other governmental fund activities are recorded as prepaid expenses-expenditures regardless of the dollar amount.

## M. Inter fund receivables and payables

Inter fund receivables and payables represent the balance of activity between the different funds of the Town. These activities include but are not limited to transfers which were not physically made but need to be recorded to keep track of the individual fund balances, a portion of the annual tax commitment applicable to certain special revenue and other funds of the Town which are shown as transfers within the annual budget document approved by the inhabitants of the Town and cash receipts which may have been deposited in the cash account of one fund but which are for the use of another fund. The actual receipt of this tax and other revenue is deposited into the general fund and accounted for as an inter fund receivable. Expenditures for one fund paid for out of another fund are also included in these balances. The balance of inter fund receivables and payables as shown on the balance sheet and other fund financial statements must equal. The inter fund balances and related activities of the governmental funds have been eliminated in the government-wide statement of net position and the statement of activities, however, the inter fund balances and related activity between the governmental and business-type activities of the Town are not eliminated on these statements.

## N. Accounts payable and other liabilities

The accounts payable balance of the town is used to account for the expenses or expenditures related to invoices for the current fiscal year which have been received but which have not yet been paid. Under both the accrual and modified accrual basis of accounting expenses and expenditures are recorded when they are incurred. The other liabilities balance as shown on both the government-wide and fund financial statements of $81,713 is made up of tax refunds issued but not yet paid of $29,911, driveway and performance bonds which have been received but not yet fulfilled and thus returned of $38,550, payroll withholding and state amounts due of $8,539 and other miscellaneous items of $4,713.

## O. Unearned revenue and Deferred inflows of resources

On the government-wide financial statements, revenue amounts which have been received in cash but not yet earned or recognized are recorded as unearned revenue. On the government-wide financial statements, the current fiscal year unearned revenue balance of the governmental activities totaled $245,610 which is made up of unearned education grant balances of $147,016and other grant balances of $53,058, amounts held in relation to a tax sale of $41,582, tax payments made for the upcoming fiscal year of $1,543 and other miscellaneous items of $2,411. The current fiscal year unearned revenue balance of the business-type activities totaled $39,243 which is made up of user fee collections for properties which had not yet been connected to the District and therefore were not yet due of $33,197 and borrowed interest collections for the amount due on the October 1st semi-annual benefit assessment installment of $6,046. On the fund financial statements, the current fiscal year unearned revenue balance totaled $44,478 which is made up of amounts held in relation to a tax sale of $41,582, tax payments made for the upcoming fiscal year of $1,543 and other miscellaneous items of $1,353. The acquisition of net position or fund balance amounts which apply to future periods will not be recognized as an inflow of resources (revenue) until that time. On the fund financial statements, property taxes receivable not expected to be received within the first 60 days after the fiscal year end (i.e. not measurable and available) are recorded as deferred inflows of resources. The current fiscal year deferred inflow of resources balance relating to these property taxes receivable is $438,881.

## P. Accrued payroll

On the government-wide and the fund financial statements, the accrued payroll balances of the town are made up of hourly and summer salary amounts. These balances represent amounts earned for hours worked or teacher salary amounts earned prior to the end of the fiscal year which were not physically paid until after the end of the fiscal year.

## Q. Long-term obligations and related costs

Long-term debt and other long-term obligations are reported as liabilities on the governmental-wide statement of net position. Bond premiums and discounts are capitalized and amortized over the life of the bonds using the straight line method, which approximates the effective interest method. The unamortized portion is presented in the government-wide Statement of Net Position as a component of bonds payable. Bond issuance costs are reported as expenses when incurred. The governmental fund financial statements recognize bond premiums and discounts, as well as bond issuance costs, during the period incurred. 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.

## R. Interest expense

The total interest expense incurred by the Town during the current fiscal year totaled $261,078 and related to the long-term bonds, notes and capital leases payable and outstanding. The entire amount of interest expense incurred was charged to expense. For the governmental activities and funds of the town, $115,941 was shown as a general fund line item, $688 was part of the general education line item and $17,873 was shown in the capital non-recurring fund relating to the capital leases of the town. For the business-type activities of the town, $126,576 was shown as part of the District benefit assessment proprietary fund.

## S. Unclassified and program expenditures

The Town uses a departmental expenditure category labeled unclassified and program to account for certain types of expenditures that they do not feel truly fall into the traditional departmental expenditure categories. The general fund classifies Town wide fringe benefits into this departmental expenditure category. In addition, the expenditures of the Town's housing rehabilitation and revolving loan fund programs and other miscellaneous programs are grouped into this departmental expenditure category.

## T. Major funds - Fund financial statements only

The focus of the governmental funds of the Town is on the major funds. The general fund of the Town must always be shown as a major fund. In addition, other governmental funds are shown as major based on the following criteria.

a. The total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, and expenditures of an individual governmental or enterprise (if present) fund are at least 10% of the corresponding totals for all funds of the governmental or enterprise (if present) fund type and
b. The total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, and expenditures of an individual governmental or enterprise (if present) fund are at least 5% of the corresponding totals for all governmental and enterprise (if present) funds combined.
c. Any other individual governmental or enterprise (if present) fund that the Town believes is particularly important to the financial statement users whether because of public interest, consistency, or other reasons.

For the purposes of the current fiscal year fund financial statements, the following individual governmental funds have been classified as major. A brief description of these funds and the activities reported within each fund is as follows. Additional financial information on these funds can be found in Sub-Schedules A through C on pages 64 through 67 of the financial statements.

d. Town construction projects - This fund is used to account for the financial resources received and expended for individual town construction projects. The current project balances within this fund relate to construction at the elementary and middle schools, construction of the fire safety complex, the senior center and the Lebanon Amston Lake Sewer District construction project. These projects were funded through annual appropriations, in some cases state revenues and bonding.
e. Capital and non-recurring fund - This fund is used to account for financial resources to be used by the Town to purchase or construct capital assets or projects. The capital assets purchased through this fund are usually more costly then those purchased and accounted for within other funds, functions, and departments. The activities within this fund are financed through annual appropriations as approved as part of the annual budget and through other miscellaneous grants and revenues.
f. Trumbull investments fund - This fund is used to account for three sets of investments donated to the town by Hugh Trumbull Adams with the interest and dividend revenue generated by these investments to be used to help fund the operations of the town library, the Adams community center, and the Jonathan Trumbull Jr. house.

**U. Fund balance classification policies and procedures - fund financial statements only**

The fund balance amounts of the governmental funds of the Town on the balance sheet are broken down between nonspendable, restricted, committed, assigned and unassigned. These fund balance classifications are described as follows:

a. Nonspendable fund balance - Nonspendable fund balance include amounts that cannot be spent because they are either (a) not in a spendable form such as inventories or prepaid expenditures or (b) they are legally or contractually required to be maintained intact such as the principal portion of a permanent fund. The nonspendable funds balance amounts as reported by the Town consist solely of the principal portion of its permanent funds and a corresponding amount for the recorded amount of inventory and prepaid expenditures, when applicable.

b. Restricted fund balances - Restricted fund balance include amounts that are restricted to a specific purpose when the restraints are placed on the use of the resources either by (a) externally imposed creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Town to assess, levy, charge or otherwise mandate payment of resources from external sources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. The restricted fund balance amounts of the Town consist of the residual fund balance amounts at the end of the fiscal year as they relate to grants received from either State, Federal or local funding sources or donations received to be spent for specific purposes. These amounts are restricted to be expended on the items outlined within the funding agreement with the Town and cannot be used for any other specified purposes. In addition, the Town has created a special revenue fund to account for and report the proceeds of funds collected by the town clerks office as mandated by the State of Connecticut in relation to historic document preservation fees and locip surcharge assessment fees. These mandated fees are considered a form of enabling legislation imposed by the State and therefore the funds collected by the Town are restricted to be expended based on the parameters of the enabling legislation. Other funds restricted by the Town include the balance of the housing rehabilitation income fund which relates to housing rehabilitation grants received by the Town, the non-principal portion of permanent funds, the student activity related accounts located at the elementary, middle and high school of the Town which are restricted for educational purposes and the remaining balance within the school lunch program which is restricted to be used within the school lunch program based on the grant revenue received as well as State statutes.

c. Committed fund balance - Committed fund balance include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision making authority. These committed amounts cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Board of Finance is considered to be the highest level of decision making authority within the Town for determining committed fund balance amounts. The Board of Finance has the final approval for the budget amounts which are presented to the citizens of the Town for approval and in turn the establishment of the related special revenue or capital project funds. The approval of the annual town budget includes amounts characterized as specific revenue sources as a portion of either the annual tax commitment or other specific revenue sources contained and voted on within the annual budget. An example of a committed fund balance amount would relate to an approved transfer to an established special revenue fund or the capital nonrecurring fund. The residual fund balance amount within these funds at the end of the fiscal year would be classified as committed fund balance. Any subsequent change in the specific purpose or use of these committed funds would need to be approved either at the annual town meeting or a special town meeting.

d. Assigned fund balance - Assigned fund balance include amounts that are constrained by the Town with the intent to be used for specific purposes, but which are neither restricted or committed. The intent to use funds for specific purposes is to be assigned by either town meeting appropriations or the Board of Finance. The First Selectman has the authority to accept funds on behalf of the Town which are specific revenue sources to be used for specific purposes and to establish special revenue or capital project funds to account and report these amounts in accordance with the direction received from the Board of Finance. Assigned special revenue and capital project funds are usually made up of small streams of specific revenue sources for specific purposes for which there is a perceived benefit to segregating and reporting the funds rather then including them within the general fund. In addition, annual budgetary encumbrances outstanding at the end of the fiscal year would be classified by the Town as assigned amounts within the general or specific special revenue or capital project funds. Subsequent fiscal year budgeted appropriations of the unassigned general fund balance would also be reported as assigned fund balance amounts of the general fund at the end of the current fiscal year.

e. Unassigned fund balance - Unassigned fund balance is the residual classification for the general fund of the Town. This classification represents fund balance amounts that have not been assigned to other funds and that have not been restricted, committed or assigned to specific purposes within the general fund. In addition, individual governmental funds whose ending fund balance is negative are also classified as unassigned within the specific fund.

The Town does not have an established policy relating to the use of unrestricted fund balance amounts as it relates to when it considers committed, assigned or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of these three unrestricted classifications could be used. Absent of an established policy which addresses this situation, accounting guidance states that it should consider that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts. In addition, restricted fund balance amounts are considered to have been spent prior to unrestricted amounts under the same circumstances. The following table is designed to provide more detailed information regarding the aggregated fund balance classifications which are included on the balance sheet.

| | General fund | Town construction projects | Capital & nonrecurring fund | Trumbull investments fund | Non-major governmental funds | Totals |
|---|---|---|---|---|---|---|
| Fund balances: | | | | | | |
| Nonspendable: | | | | | | |
| Prepaid items | $ 148,770 | $ - | $ - | $ - | $ 5,000 | $ 153,770 |
| Non-USDA inventory | - | - | - | - | 5,435 | 5,435 |
| Permanent funds principal | - | - | - | - | 322,272 | 322,272 |
| | 148,770 | - | - | - | 332,707 | 481,477 |
| Restricted: | | | | | | |
| Town grants | - | - | - | - | 53,658 | 53,658 |
| Educational grants | - | - | - | - | 147,474 | 147,474 |
| Educational programs | - | - | - | - | 63,406 | 63,406 |
| Educational activity accounts | - | - | - | - | 88,854 | 88,854 |
| Trumbull donations funds | - | - | - | 2,584,607 | 326,777 | 2,911,384 |
| Other town donation funds | - | - | - | - | 56,999 | 56,999 |
| Housing rehab income fund | - | - | - | - | 658,834 | 658,834 |
| Enabling legislation funds | - | - | - | - | 58,901 | 58,901 |
| Permanent funds non-principal | - | - | - | - | 6,885 | 6,885 |
| | - | - | - | 2,584,607 | 1,461,788 | 4,046,395 |
| Committed: | | | | | | |
| Town construction projects | - | 234,553 | - | - | - | 234,553 |
| Capital nonrecurring balances | - | - | 656,733 | - | - | 656,733 |
| Lebanon public library | - | - | - | - | 84,928 | 84,928 |
| Lebanon recreation commission | - | - | - | - | 37,553 | 37,553 |
| Jonathan Trumbull Jr. house | - | - | - | - | 36,255 | 36,255 |
| Adams community center | - | - | - | - | 43,455 | 43,455 |
| Town improvement program | - | - | - | - | 51,626 | 51,626 |
| Senior vans program | - | - | - | - | 130,263 | 130,263 |
| Lake Williams project | - | - | - | - | 59,931 | 59,931 |
| Town land purchase | 100,000 | - | - | - | - | 100,000 |
| | 100,000 | 234,553 | 656,733 | - | 444,011 | 1,435,297 |
| Assigned: | | | | | | |
| Dog fund | - | - | - | - | 5,805 | 5,805 |
| Fema storm grant funds | - | - | - | - | 85,704 | 85,704 |
| Summer dance festival | - | - | - | - | 15,312 | 15,312 |
| Cemetery lot funds | - | - | - | - | 4,433 | 4,433 |
| Historic building funds | - | - | - | - | 10,177 | 10,177 |
| | - | - | - | - | 121,431 | 121,431 |
| Unassigned: | | | | | | |
| General fund | 3,985,807 | - | - | - | - | 3,985,807 |
| Town construction projects | - | -587,126 | - | - | - | -587,126 |
| Town grants | - | - | - | - | -36,232 | -36,232 |
| Educational grants | - | - | - | - | -34,399 | -34,399 |
| | 3,985,807 | -587,126 | - | - | -70,631 | 3,328,050 |
| Total fund balances | $ 4,234,577 | $ -352,573 | $ 656,733 | $ 2,584,607 | $ 2,289,306 | $ 9,412,650 |

## V. Encumbrance accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of materials or services. For budgetary purposes, appropriations lapse at fiscal year-end. The Town does utilize encumbrance accounting. The assignment of fund balance at June 30, 2014 was $0 for the general fund as it relates to the Board of Education, and $0 for the non-major special revenue funds as they relate to the State and Federal grant programs of the Board of Education.

## W. Budget

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 is considered by the Town to be a specific revenue source which is 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. In accordance with the true accounting definition of a special revenue fund, specific revenue sources which in this case would be a portion of the annual tax commitment would be required to be shown as revenue of the specific fund. Therefore, on the Statement of revenues, expenditures and changes in fund balances (Statement D), property tax revenues have been shown for these specific special revenue funds with no transfers in or out being shown in either the general fund or the special revenue funds. On the Budget to actual statement for the general fund (Statement E) these amounts have been shown as property tax revenues for the general fund and as transfers out for the general fund in accordance with the approved budget of the Town. The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each general function of the Town. Only the Board of Finance may approve budget transfers within and between expenditure classes and individual departments in accordance with applicable State statutes. The bottom line budgeted revenue and expenditure amounts can only change upon approval of the inhabitants of the Town through a special town meeting. The procedures followed in establishing the budgetary data reflected in the financial statements are as follows:

a. Early in the second half of the last 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.
b. Hearings are then held for the submitted budget requests by functions: (1) Selectmen's budget, (2) departments, (3) boards and commissions, (4) capital and nonrecurring requests and (5) Board of Education.
c. A meeting of the inhabitants of the Town is then called for the purpose of adopting the proposed budget after public notice of the meeting had been given. The current fiscal year budget was adopted by the inhabitants of the Town on May 7, 2013.

| | Revenues and other financing sources | Expenditures and other financing uses | Net change in fund balance |
|---|---|---|---|
| Statement D - GAAP basis | $ 25,078,242 | $ -24,729,651 | $ 348,951 |
| Tax commitment for special revenue funds | 448,127 | -448,127 | - |
| State on-behalf payments | -1,895,902 | 1,895,902 | - |
| Statement E - Budgetary basis | $ 23,630,467 | $ 23,281,876 | $ 348,591 |

During the current fiscal year the town had actual departmental expenditures in excess of the approved budgeted departmental expenditures and applicable transfers for town hall in the amount of $10,206, buildings and grounds in the amount of $8,256, pension plan employee benefits in the amount of $299 and operating transfers in the amount of $1.

## X. Estimates

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

**Note 2 - Restricted cash and investments - government-wide financial statements only**

The Town breaks cash and investments down between a regular current asset and an other asset restricted on the government-wide statement of net position. The other asset restricted investment amount of $2,913,381 is made up of the balance of the investments which have been donated to the Town and whose interest and earnings are used to partially fund the operations of the Towns library, community center, and the Jonathan Trumbull Jr. house. This investments balance of $2,584,607 can also be seen on the fund financial statements balance sheet as the major fund labeled the Trumbull investments fund. In addition, the permanent funds include investments in the amount of $328,774. These investments are also shown as restricted. The other assets restricted cash balance is made up of cash balances which are restricted for a specific purpose in subsequent fiscal years. The current year amount shown on the government-wide statement of net position can be broken down as follows.

| | | |
|---|---|---|
| Community development grants and programs | $ | 4,508 |
| Unearned state, federal, and other grant program balances | | 201,132 |
| Principal balance of non-major permanent funds | | 7,564 |
| Restricted donation funds | | 383,776 |
| Enabling legislation program funds | | 58,901 |
| Educational activity accounts and program funds | | 164,587 |
| | $ | 820,468 |

**Note 3 - Deposits and investments**

**Deposits**

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a formal deposit policy for custodial credit risk beyond the requirements of State statutes. FDIC insurance covers all deposit accounts, including checking and savings accounts, money market deposit accounts and certificates of deposit. The standard insurance amount is $250,000 per depositor, per insured bank, for each account ownership category. For government accounts the ownership category is per official custodian. At year end, the carrying amount of the Town's deposits was $8,793,533 which is shown in the financial statements as cash balances of $3,338,399 and investment balances of $5,455,132 which represent money market accounts, certificates of deposit and other higher yielding accounts. The corresponding bank balances of these accounts at various financial institutions totaled $9,428,329 with the difference between the two amounts being represented by timing differences with outstanding checks, deposits in transit and cash on hand. Of these bank balances, $1,250,000 was covered by FDIC with the remaining $8,178,329 representing balances that where uninsured and collateralized, as described in the following paragraph, by securities held by the pledging financial institutions' trust department or agent but not in the Town's name.

The Town does not have a formal deposit policy for custodial credit risk beyond the requirements of State statutes. All of the Town's deposits are in qualified public institutions as defined by state statute. Under this statute, any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

The Lebanon Volunteer Fire Department is reported within the government-wide financial statements of the Town as a discretely presented component unit. The Department does not have a formal deposit policy for custodial credit risk beyond the requirements of State statutes. At year end, the carrying amount of the Department's deposits was $609,795 which is shown in the financial statements as cash balances of $145,153 and investment balances of $464,642 which represent money market accounts, certificates of deposit and other higher yielding accounts. The corresponding bank balances of these accounts at various financial institutions totaled $611,764 with the difference between the two amounts being represented by timing differences with outstanding checks and deposits in transit. Of these bank balances, $250,000 was covered by FDIC with the remaining $361,764 representing balances that where uninsured and collateralized, as described in the previous paragraph, by securities held by the pledging financial institutions' trust department or agent but not in the Department's name in accordance with applicable state statutes as described above.

## Investments

The following schedule shows the different types of investments held by the Town, the maturities of those investments and the associated credit ratings as of June 30, 2014.

| | | Maturities in years | | | | Credit ratings |
|---|---|---|---|---|---|---|
| Type | Fair value | Less than 1 year | 1 - 5 years | 6 - 10 years | More than 10 years | S & P |
| **Governmental funds:** | | | | | | |
| CT short term investment fund | $ 24,990 | $ 24,990 | $ - | $ - | $ - | AAAm |
| Preferred stocks | 9,153 | 9,153 | - | - | - | BBB+ |
| Exchange traded funds | 271,396 | 271,396 | - | - | - | not rated |
| Money market and certificates | 5,358,252 | 5,358,252 | - | - | - | not rated |
| Mutual funds fixed income | 65,906 | 65,906 | - | - | - | not rated |
| Money market ready asset funds | 2,004 | 2,004 | - | - | - | not rated |
| U.S. Treasury notes | 11,043 | - | 11,043 | - | - | AAA |
| Municipal bonds | 4,928 | - | - | - | 4,928 | AA+ |
| Corporate bonds | 9,040 | - | - | 9,040 | - | A- |
| Corporate bonds | 15,070 | - | - | - | 15,070 | AA+ |
| Corporate bonds | 6,186 | - | - | - | 6,186 | AA |
| | 5,777,968 | $5,731,701 | $ 11,043 | $ 9,040 | $ 26,184 | |
| Stock equities | 2,173,190 | | | | | |
| Mutual fund equities | 31,193 | | | | | |
| | $ 7,982,351 | | | | | |
| **Fiduciary funds:** | | | | | | |
| Money market and certificates | $ 96,881 | $ 95,682 | $ 1,199 | $ - | $ - | not rated |
| **Discretely presented component unit:** Lebanon volunteer fire department | | | | | | |
| Money market and certificates | $ 464,642 | $ 314,574 | $ 150,068 | $ - | $ - | not rated |

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. Credit Risk - The Town does not have a formal investment policy that would further limit its investment choices beyond those limited by Connecticut State statutes. The types of investments authorized to be carried by the Town are in accordance with those authorized by the State of Connecticut. These investments include obligations of the United States Government, obligations fully insured or guaranteed by the government or governmental agency, and repurchase agreements. The Town may vote to accept investments other than those authorized by the State in situations where they have been donated to the Town. Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a formal policy for custodial credit risk.

**Note 4 - Inter fund receivables, payables, and transfers**

**Inter fund receivables and payables** - The Town maintains a cash pool that is available for use by all funds. Each fund's portion of this pool is displayed on the balance sheet as "due to or from other funds" under each fund's caption. The purpose for inter fund balances is to keep track of each fund's position in this cash pool. These balances are not always expected to be repaid due to the fact that they normally represent funds collected or spent by one fund on behalf of another fund. The following information represents inter fund receivables and payables by individual major fund and non-major funds in the aggregate. Only the balances for major funds are being shown below as is required. The following fund financial statement inter fund balances are eliminated in the government-wide financial statements with the exception of the proprietary fund balances. Proprietary funds report the business-type activities of the Town and therefore these inter fund balances are shown as internal balances on the Statement of net position.

| | Receivable due from | Payable due to |
|---|---|---|
| **General fund:** | | |
| Town construction projects | $ 595,135 | $ 203,661 |
| Capital and non-recurring fund | - | 645,290 |
| Non-major special revenue funds | 328,690 | 1,015,804 |
| Non-major capital project funds | 33,874 | 60,901 |
| Non-major permanent funds | 6,865 | 1,937 |
| | 964,564 | 1,927,593 |
| Proprietary funds | 40,203 | 261,495 |
| | $ 1,004,767 | $ 2,189,088 |

**Inter fund transfers** - Transfers in and out represent budgeted transfers which are not always physically made but need to be recorded to keep track of the individual fund balances. There were no transfers made by the Town during the current fiscal year which were significant which have been deemed not to have occurred on a routine basis and which are inconsistent with the activities of the fund (s) making the transfer (s). The following information represents inter fund transfers by individual major fund and non-major funds in the aggregate. The amounts shown below for general fund transfers out represent balances recorded in accordance with GAAP and shown on Statement E. Budgeted transfers in the amount of $448,127 have been shown on Statement D as property tax revenue within the non-major governmental funds column due to the fact that the basis for special revenue funds need to be specific revenue sources of which the Town considers these amounts. The following fund financial statement inter fund transfers are eliminated in the government-wide financial statements with the exception of proprietary fund transfers. Proprietary funds report the business-type activities of the Town and therefore these inter fund transfers are shown as transfers on the Statement of net position.

| | Transfers in | Transfers out |
|---|---|---|
| **General fund:** | | |
| Capital and non-recurring fund | $ - | $ -1,348,694 |
| Non-major special revenue funds | - | -448,127 |
| Non-major permanent funds | 270 | - |
| | $ 270 | $ -1,796,821 |
| **Capital and non-recurring fund:** | | |
| General fund | $ 1,348,694 | $ - |
| **Trumbull investments fund:** | | |
| Non-major special revenue funds | $ - | $ -78,205 |

**Governmental activities to business-type activities transfers** - During the current fiscal year the town substantively completed construction on the Lebanon Amston Lake Sewer District. This project was being account for as part of the town construction projects major fund within the fund financial statements and in turn was included in the governmental activities balances within the government-wide financial statements. The benefit assessment proprietary fund which is shown as a business-type activity in both the fund financial statements and the government-wide financial statements is now responsible for the related capital assets of the project, debt repayment and benefit assessment collections. As a result, the governmental activities fund of the town transferred the year to date recorded capital assets relating to the project in the amount of $6,503,574 and the outstanding bond payable in the amount of $5,105,000 to the business-type activities of the town for a net transfer of $1,398,574 which is shown on the statement of activities as a transfer out of the government activities and a transfer into the business-type activities.

## Note 5 - Capital assets

The following schedule shows the capital asset activity for the fiscal year ended June 30, 2014. Information about the specific accounting policies of the Town in relation to capital assets can be found in item K of note 1 on page 30 of the notes to the financial statements.

| Governmental activities: | Balance 07/01/13 | Additions | Retirements | Balance 06/30/14 |
|---|---|---|---|---|
| Capital assets not being depreciated: | | | | |
| Land and improvements | $ 2,121,289 | $ 6,900 | $ - | $ 2,128,189 |
| Construction in progress | 6,138,103 | 620,773 | -6,503,574 | 255,302 |
| Total capital assets not being depreciated | 8,259,392 | 627,673 | -6,503,574 | 2,383,491 |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 35,819,680 | 310,337 | - | 36,130,017 |
| Vehicles | 4,177,029 | 413,391 | -627,356 | 3,963,064 |
| Equipment | 880,583 | 91,370 | - | 971,953 |
| Infrastructure | 27,477,834 | 203,592 | - | 27,681,426 |
| Total capital assets being depreciated | 68,355,126 | 1,018,690 | -627,356 | 68,746,460 |
| Less accumulated depreciation for: | | | | |
| Building and improvements | -13,057,123 | - | -873,514 | -13,930,637 |
| Vehicles | -2,490,120 | 627,356 | -239,522 | -2,102,286 |
| Equipment | -716,384 | - | -48,604 | -764,988 |
| Infrastructure | -18,399,066 | - | -484,067 | -18,883,133 |
| Total accumulated depreciation | -34,662,693 | 627,356 | -1,645,707 | -35,681,044 |
| Total capital assets being depreciated (net) | 33,692,433 | 1,646,046 | -2,273,063 | 33,065,416 |
| Total capital assets (net) | $ 41,951,825 | $ 2,273,719 | $ -8,776,637 | $ 35,448,907 |

Depreciation expense taken on the governmental activities capital assets of the town are charged by function or department in the government-wide financial statements. During the current fiscal year depreciation was charged to general government - $3,798, public safety - $159,467, public works - $122,364, health and social - $72,527, education - $802,024, unclassified - $1,460 and general infrastructure - $484,067 for a total current fiscal year depreciation expense amount of $1,645,707.

| Business-type activities: | Balance 07/01/13 | Additions | Retirements | Balance 06/30/14 |
|---|---|---|---|---|
| Capital assets being depreciated: | | | | |
| Lebanon Amston Lake Sewage System | $ - | $ 6,503,574 | $ - | $ 6,503,574 |
| Less accumulated depreciation | - | - | -86,714 | -86,714 |
| Total capital assets being depreciated (net) | $ - | $ 6,503,574 | $ -86,714 | $ 6,416,860 |

| Component unit: | Balance 07/01/13 | Additions | Retirements | Balance 06/30/14 |
|---|---|---|---|---|
| Capital assets being depreciated: | | | | |
| Buildings and improvements | $ 164,921 | $ - | $ - | $ 164,921 |
| Vehicles and equipment | 157,681 | 7,705 | - | 165,386 |
| | 322,602 | 7,705 | - | 330,307 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | -50,338 | - | -9,317 | -59,655 |
| Vehicles and equipment | -111,878 | - | -14,486 | -126,364 |
| | -162,216 | - | -23,803 | -186,019 |
| Total capital assets being depreciated (net) | $ 160,386 | $ 7,705 | $ -23,803 | $ 144,288 |

## Note 6 - Long-term debt and other liabilities

The long-term debt and other liabilities of the Town are made up of the following individual debt agreements and amounts. Long-term debt liabilities are shown on the government-wide financial statements as both governmental activities items and business-type activities items on the statement of net position. They are also shown within the fund financial statements of the Town on the proprietary funds statement of net position.

| | Balance 07/1/13 | Additions | Reductions | Balance 06/30/14 | Amount due within one year |
|---|---|---|---|---|---|
| **Governmental activities:** | | | | | |
| Outstanding payables: | | | | | |
| $5,750,000 bond payable | $ 3,055,000 | $ - | $ -385,000 | $ 2,670,000 | $ 385,000 |
| $5,105,000 bond payable | 5,105,000 | - | -5,105,000 | - | - |
| $486,650 note payable | 157,571 | - | -31,374 | 126,197 | 32,979 |
| $62,480 capital lease payable | 20,346 | - | -13,400 | 6,946 | 6,946 |
| $94,491 capital lease payable | - | 94,491 | -29,634 | 64,857 | 29,498 |
| $294,000 capital lease payable | - | 294,000 | -93,602 | 200,398 | 48,621 |
| $167,446 capital lease payable | 131,164 | - | -48,519 | 82,645 | 54,212 |
| Total outstanding payables | 8,469,081 | 388,491 | -5,706,529 | 3,151,043 | 557,256 |
| Other liabilities: | | | | | |
| Accrued comp. absences - school | 20,798 | 21,597 | - | 42,395 | |
| Accrued comp. absences - town | 33,314 | - | -11,655 | 21,659 | |
| Accrued landfill post-closure costs | 77,631 | - | -11,500 | 66,131 | |
| Total other liabilities | 131,743 | 21,597 | -23,155 | 130,185 | |
| Total long-term liabilities | $ 8,600,824 | $ 410,088 | $ -5,729,684 | $ 3,281,228 | $ 557,256 |
| **Business-type activities:** | | | | | |
| Outstanding payables: | | | | | |
| $5,105,000 bond payable | $ - | $ 5,105,000 | $ -200,895 | $ 4,904,105 | $ 80,781 |

The following are descriptions of the terms and conditions of the bonds and notes payable of the town as they relate to both the governmental activities and the business-type activities of the town. The business-type activities bonds of the town are shown on both the government-wide financial statements and the fund financial statements. The business-type activities bond payable of the town was previously shown as a governmental activities bond payable as it related to the Amston Lake sewer construction project. This project was, however, completed during the current fiscal year and thus the related capital assets and long-term debt liabilities were transferred from the governmental activities of the town to the business type activities of the town.

### Outstanding bonds and notes payable - Governmental activities

| | |
|---|---|
| $5,750,000 bond payable issued in August of 2005 to finance two school renovation projects and a fire safety complex project. Annual principal installments range from $385,000 to $380,000 through August of 2021. Interest on the outstanding principal balance is at a rate of 3.80%. | $ 2,670,000 |
| $486,650 note payable issued in February of 1998 to finance the purchase of property. Monthly payments are $3,212 through February of 2018 which includes interest at 5.00%. | 126,197 |
| | $ 2,796,197 |

### Outstanding bonds payable - Business-type activities

| | |
|---|---|
| $5,105,000 bond payable issued in January of 2013 to finance the Amston Lake sewer construction project. Annual principal installments are $203,384 through January of 2053. Interest on the outstanding principal balance is at a rate of 2.50%. | $ 4,904,105 |

The following is a summary of the total outstanding bond and notes payable principal and interest cash flow requirements for the aforementioned bonds and notes payable of the governmental activities and the business-type activities of the own for the fiscal years ending June 30,:

| | Governmental activities | | | Business-type activities | | |
|---|---|---|---|---|---|---|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2015 | $ 417,979 | $ 99,706 | $ 517,685 | $ 80,781 | $ 122,603 | $ 203,384 |
| 2016 | 419,666 | 83,389 | 503,055 | 82,801 | 120,583 | 203,384 |
| 2017 | 416,440 | 67,080 | 483,520 | 84,871 | 118,513 | 203,384 |
| 2018 | 402,112 | 50,908 | 453,020 | 86,993 | 116,391 | 203,384 |
| 2019 | 380,000 | 36,100 | 416,100 | 89,168 | 114,216 | 203,384 |
| 2020 - 2024 | 760,000 | 28,880 | 788,880 | 480,411 | 536,509 | 1,016,920 |
| 2025 - 2029 | - | - | - | 543,541 | 473,379 | 1,016,920 |
| 2030 - 2034 | - | - | - | 614,967 | 401,953 | 1,016,920 |
| 2035 - 2039 | - | - | - | 695,779 | 321,141 | 1,016,920 |
| 2040 - 2044 | - | - | - | 787,210 | 229,710 | 1,016,920 |
| 2045 - 2049 | - | - | - | 890,655 | 126,265 | 1,016,920 |
| 2050 - 2054 | - | - | - | 466,928 | 20,522 | 487,450 |
| | $ 2,796,197 | $ 366,063 | $ 3,162,260 | $ 4,904,105 | $ 2,701,785 | $ 7,605,890 |

**Outstanding capital leases payable - Governmental activities**

The Board of Education of the Town has a capital lease related to a lease purchase agreement for photocopiers. This lease purchase agreement runs from January of 2010 through December of 2014 with monthly payments of $1,174 which includes interest at a rate of approximately 4.00%. The gross amount of the photocopiers recorded as an equipment type capital asset is $62,480. These items are being amortized over a 7 year period and the accumulated amortization (depreciation) taken as of June 30, 2014 was $40,167. The annual payments on this lease for the next fiscal year are equal to approximately $7,044. The amount of these payments representing interest is equal to approximately $98 leaving the net present value of future minimum lease payments equaling $6,946.

The Town has a capital lease related to a lease purchase agreement for a John Deere tractor and boom mower. This lease purchase agreement runs from July of 2013 through September of 2016 with monthly payments of $2,565 which includes interest at a rate of 2.50%. The gross amount of the John Deere tractor and boom mower recorded as a vehicle type capital asset is $94,491. These items are being amortized over a 10 year period and the accumulated amortization (depreciation) taken as of June 30, 2014 was $9,449. The annual payments on this lease for the next three fiscal years is equal to approximately $30,780, $30,780 and $5,130. The amount of these payments representing interest is equal to approximately $1,833 leaving the net present value of future minimum lease payments equaling $64,857.

The Town has a capital lease related to a lease purchase agreement for a 2013 FDIC rescue truck. This lease purchase agreement runs from July of 2013 through July of 2018 with annual payments of $52,629 which includes interest at a rate of 2.00%. The gross amount of the 2013 FDIC rescue truck recorded as a vehicle type capital asset is $294,000. This item is being amortized over a 15 year period and the accumulated amortization (depreciation) taken as of June 30, 2014 was $19,600. The annual payments on this lease for the next four fiscal years is equal to approximately $55,629 per fiscal year for a total of $210,516. The amount of these payments representing interest is equal to approximately $10,118 leaving the net present value of future minimum lease payments equaling $200,398.

The Town has a capital lease related to a lease purchase agreement for a wheel loader and two plow trucks. This lease purchase agreement runs from November of 2012 through January of 2016 with monthly payments of $4,638 which includes interest at a rate of 2.50%. The gross amount of the wheel loader and two plow trucks recorded as a vehicle type capital asset is $167,446. These items are being amortized over a 10 year period and the accumulated amortization (depreciation) taken as of June 30, 2014 was $25,116. The annual payments on this lease for the next two fiscal years is equal to approximately $55,656 and $28,644. The amount of these payments representing interest is equal to approximately $1,655 leaving the net present value of future minimum lease payments equaling $82,645.

### Accrued compensated absences

Employees of the Town and the Board of Education are allowed to earn paid absences for vacations and/or sick time. The employee's right to be paid for these future vacation and sick time absences are attributable to services already performed and earned vacation and sick time balances do accumulate. Town accumulated balances are paid when an employee leaves. Therefore, the probability of these benefits being paid can be determined and a liability has been recorded in the accompanying government-wide financial statements on the statement of net position. School accumulated vacation balances are also paid when employees leave. However, school accumulated sick balances are only paid when an employee retires. Therefore, the probability of these school accumulated vacation benefits being paid can be determined and a liability has been recorded in the accompanying government-wide financial statements on the statement of net position. The probability of school accumulated sick benefits being paid cannot be determined and therefore no liability for these benefits has been recorded. As of June 30, 2014, school accumulated sick balances totaled approximately $363,513. A current portion of these recorded liabilities has not been estimated due to the fact that these benefits (accumulated sick and vacation time) may be used by the employees during the course of the fiscal year or they may be paid out upon retirement or termination. An estimate could be made based on prior year activity but the Town believes there are too many variables which could render this estimate useless.

### Accrued landfill post-closure costs

The Town of Lebanon municipal solid waste landfill was closed in October of 1993 due to new regulations imposed by the United States Environmental Protection Agency which the town was unable to meet. The cost of capping the landfill was paid for out of the Town's annual operating budget. The post-closure monitoring, which will continue for up to 30 years, will also be paid for out of the Town's annual operating budget. The Town set up a long-term liability to account for these funds being set aside for this post-closure care. In accordance with GAAP, the expense for this liability was to be recorded in each period based on the landfill capacity used to date. As of June 30, 2014 the amount outstanding for post-closure monitoring was $66,131 which is shown as a long-tem liability on the government-wide statement of net position. A current portion of this liability has not been estimated due to the fact that the price of the upcoming fiscal year monitoring, year end report and other possibly unforseen costs is unknown.

### Note 7 - Deficit fund balances

In accordance with GAAP, all deficit fund balances and their nature must be disclosed. The following individual major and non-major funds had deficit fund balances as of June 30, 2014. These deficit fund balances represent an excess of expenditures over actual revenues, appropriations, and recorded receivables. The LES building project was jointly funded by the State and the Town. The current deficit in this fund represents the Town's estimated portion to date which will be appropriated in an upcoming fiscal year less any additional amounts received from the State. The project was submitted to the State as being complete in December of 2011 and was subsequently audited and reviewed by the State which should be completed within one year from the date of submission. The majority of the remaining deficits represent state, federal and other award program balances which resulted from funds being expended either before they can or have been billed for and which are expected to be funded through future revenues or transfers.

| | | |
|---|---|---|
| Major funds: | | |
| Town construction projects | | |
| LES building project | $ | -585,232 |
| Senior center construction project | | -1,894 |
| Non-major funds: | | |
| Special revenue funds | | |
| Survey and planning grant | | -1 |
| Rails to trails grant | | -3,198 |
| School vo-ag equipment grant | | -27,749 |
| School educational grants | | -6,650 |
| Capital project funds | | |
| Town bridge projects | | -32,979 |
| Tyler field project grant | | -54 |
| | $ | 657,757 |

### Note 8 - Net position balances - net investment in capital assets

The net investment in capital assets net position balance on the government-wide statement of net position consisted of the following items as of June 30, 2014 for the primary government of the town as well as the discretely presented component unit of the town. The business-type activities balances shown below can also be found within the fund financial statements on the proprietary funds statement of net position.

| | Primary government | | | Component unit |
|---|---|---|---|---|
| | Governmental activities | Business-type activities | Total | Volunteer fire department |
| Recorded value of capital assets | $ 71,129,951 | $ 6,503,574 | $ 77,633,525 | $ 330,307 |
| Less accumulated depreciation | -35,681,044 | -86,714 | -35,767,758 | -186,019 |
| Book value of capital assets | 35,448,907 | 6,416,860 | 41,865,767 | 144,288 |
| Less capital assets related debt | -3,151,043 | -4,904,105 | -8,055,148 | - |
| | $ 32,297,864 | $ 1,512,755 | $ 33,810,619 | $ 144,288 |

### Note 9 - Net position and fund balances - restricted

The Town has received a number of housing rehabilitation CDBG grants from the U.S. Department of Housing and Urban Development. The purpose of these grants is to provide assistance to low to moderate income residents for addressing housing needs with a priority being placed on public health and safety code violations and to establish a permanent loan fund using the proceeds described as follows. Each resident receiving benefits under these grants is required to sign a deferred partially forgivable promissory note. These notes must be repaid to the Town as prescribed in the agreement with the proceeds being deposited into the aforementioned loan fund and permanently used by the Town for other similar programs. Program income including interest income earned on repaid funds before the funds are reused must be deposited into this loan fund. The principal amount of the loan will automatically be reduced by 10% on each consecutive anniversary of the note agreement for a maximum of 5 years or 50% of the original note balance. This annual forgiven portion is shown as a bad debt item and reduces the restricted net position balance in the government-wide financial statements and the restricted fund balance in the fund financial statements. As of June 30, 2014, the following balances represent the loan fund described above.

| | |
|---|---|
| Cash and restricted cash | $ 4,508 |
| Due from other funds | - |
| Notes receivable (net of allowance) | 654,326 |
| Restricted net position and restricted fund balance | -658,834 |
| | $ - |

### Note 10 - On-behalf payments

As required by accounting principles generally accepted in the United States of America (GAAP), the Town has recorded a revenue and expenditure for Connecticut State Teachers' Retirement Board Contributions made by the State of Connecticut on-behalf of the Lebanon School Department teachers for the fiscal year ended June 30, 2014. The pension contributions made by the State are determined on an actuarial reserve basis in accordance with 10-183z of the Connecticut General Statutes which reflects public act 79-436 as amended. For the fiscal year ended June 30, 2014, the Lebanon Board of Education's total covered payroll was approximately $7,647,848 and the applicable on-behalf payment percentage or appropriation for the period was 24.79%. This amount was not budgeted for in the general fund and results in a difference in reporting on a budgetary basis of accounting versus reporting under GAAP. An intergovernmental revenue in the amount of $1,895,902 and an education expenditure of $1,895,902 have been included in the general fund on Statement D (GAAP basis) and have not been reported in the detail of Statement E (budgetary basis) of the fund financial statements. There is no effect on the fund balance at the end of the fiscal year. An operating grants and contributions revenue in the amount of $1,895,902 and an expense in the governmental activities section under a separate education function line item of $1,895,902 have been included on Statement B of the government-wide financial statements. There is no effect on the net position balance at the end of the fiscal year. The above State appropriation percentage of 24.79% compares to 20.97% during the prior fiscal year. The above State on-behalf appropriation of $1,895,902 compares to $1,621,947 during the prior fiscal year.

## Note 11 - Employees' retirement plans

Municipal Employees' Retirement System - Fund B

### A. Plan description

The Connecticut Municipal Employees' Retirement System (CMERS) is a cost sharing multiple employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits for the employees of participating municipalities. CMERS is considered to be a part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. Plan provisions are set by statute of the State of Connecticut. CMERS provides retirement benefits, as well as death and disability benefits. Annual cost of living increases are applied to disabled and non-disabled retirement benefits and vary based upon member age and date of retirement. The Municipal Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the Connecticut Municipal Employees' Retirement System, 55 Elm Street - Third Floor, Office of the State Comptroller, Hartford, Connecticut 06106.

### B. Funding policy

Employees covered by social security are required by State statute to contribute 2-1/4% of earnings upon which Social Security tax is withheld plus 5% of earnings on which no social security tax is withheld. Employees not covered by social security are required to contribute 5% of all earnings. Each covered municipality is required by State statute to pay an actuarially determined percentage of covered payroll to provide for benefits based on current service and to finance the remaining costs of the plan. This percentage varies by police and fire versus general employees, and within those two groups, for populations covered by social security versus those not covered by social security. The statute also requires each municipality to pay an annual amount for benefits based on service prior to the unit's date of participation. This amount is a level dollar amortization (including interest and principal) over varying time periods depending upon the unit's date of participation and other factors. The required contribution percentages for the fiscal year ended June 30, 2014 for the Town are as follows.

| | Police and fire employees | General employees |
|---|---|---|
| With social security | 13.75% | 9.50% |
| Without social security | 13.50% | 9.50% |

### C. Contributions required and contributions made

The Town's total actual contributions for town hall and library covered employees for the years ended June 30, 2014, 2013, and 2012 were $90,188, $75,220, and $72,720, respectively. These actual contributions represent 100% of the contributions required to be made. These contributions are more fully broken down as follows:

| Town hall and library employees: | 2014 | 2013 | 2012 |
|---|---|---|---|
| Contributions | $ 78,119 | $ 63,436 | $ 61,581 |
| Fees | 2,990 | 2,645 | 2,000 |
| Amortization | 9,079 | 9,139 | 9,139 |
| | $ 90,188 | $ 75,220 | $ 72,720 |

The Town's total actual contributions for highway department covered employees for the years ended June 30, 2014, 2013, and 2012 were $66,886, $62,106, and $58,473, respectively. These actual contributions represent 100% of the contributions required to be made. These contributions are more fully broken down as follows:

| Highway department employees: | 2014 | 2013 | 2012 |
|---|---|---|---|
| Contributions | $ 60,854 | $ 56,229 | $ 52,761 |
| Fees | 1,430 | 1,265 | 1,100 |
| Amortization | 4,602 | 4,612 | 4,612 |
| | $ 66,886 | $ 62,106 | $ 58,473 |

D. Teachers

The Lebanon Board of Education participates in the Connecticut State Teacher's Retirement System which is administered by the Teachers' Retirement Board. The provisions of the Teachers' Retirement System are contained in Chapter 167a of the Connecticut General Statutes to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. Covered employees of the plan include any teacher, principal, superintendent or supervisor engaged in service of public schools, plus professional employees at State schools of higher education if they choose to be covered. The benefits of the program are funded by employee contributions, state appropriations and investment income. The Lebanon Board of Education does not contribute to the plan. Employees covered by the plan are required to contribute 7.25% of their annual earnings into the plan. Of this required employee contribution rate, 6.00% applies to each covered employees pension benefit account with the remaining 1.25% being applied to the health insurance fund. The State's required contribution percentage is determined in accordance with 10-183z which reflects public act 79-436 as amended. The required contribution percentages to the plan are made up of a percentage for the normal cost of the plan and a percentage for the unfunded accrued liability of the plan. An actuarial valuation of the plan is performed on a bi-annual basis with the most recent valuation being performed as of June 30, 2014. Based on that actuarial valuation, the contribution percentage for the normal cost of the plan was 9.73% and the contribution percentage for the accrued liability cost of the plan was 19.92% for a total required contribution percentage of 29.65%. The covered employees required contribution percentage was 6.00% leaving the required contribution percentage of the State as 23.65%. Additional information on the plan can be obtained from the Teachers' Retirement Board, 765 Asylum Avenue, Hartford, Connecticut 06105.

**Note 12 - Other Post Employment Benefits - OPEB**

Government accounting standards board (GASB) Statement No.'s 43 and 45 relate to the accounting and reporting for post-employment benefits other than pension benefits. The Town was required to implement this standard for the fiscal year beginning after December 15, 2007 which was the Town's fiscal year ended June 30, 2009. The objective of Statement No. 43 - *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, is to establish uniform standards of financial reporting by state and local governmental entities for other postemployment benefit plans (OPEB plans). OPEB plans are plans that provide post-employment healthcare benefits, either separately or through a defined benefit pension plan. The most common forms of healthcare benefits are medical, dental and vision. Other examples of benefits which are covered by this statement include life insurance, disability and long-term care benefits only when they are provided separately from a defined benefit pension plan. Paragraph 9 of this statement tells us that OPEB arise from an exchange of salaries and benefits for employee services, and it is part of the compensation that employers offer for services received.

The Board of Education provides a benefit to its employees upon retirement in the form of the ability to be part of the health insurance plan while paying the full amount of the premium charged for active employees and receiving no physical subsidy from the Schools. Under this Statement, this type of benefit is referred to as an implicit rate subsidy. An implicit rate subsidy exists in effect when a health insurance premium rate is made up of age adjusted factors covering active and retired employees. The health insurance premiums which would be charged to a group of solely retirees are most likely larger than those which would be charged to a group of solely active employees. When these two groups are merged together, a rate somewhere in the middle is charged to all of the employees, whether active or retired. The difference between the premium costs paid by the employer and what would have been paid if the rates were not blended is considered a non current cost of the employer. The difference between the premium costs paid by the retiree and what would have been paid if the rates were not blended is considered a benefit to the retiree. Hence, a very simplified description of an implicit rate subsidy. Retired town hall employees are not provided this benefit.

**Plan description**

The Board of Education of the Town maintains a single employer defined benefit OPEB Plan. The Plan provides a benefit for retired teachers and administrators in the form of the ability to maintain health insurance coverage through the Plan available to active teachers and administrators of the Board of Education. 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 eligible to participate in the plan. 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 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 coverage. A number of different plan coverages are available. 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 once they are a part of the Plan. In addition, benefits for a retirees spouse will also continue for the life of the spouse once they are a part of the Plan. Surviving spouses are permitted to continue coverage after the death of the retiree, but are responsible for continuing to pay the same monthly premium amount or percentage that was being paid while the retiree was alive. The Plan does not issue stand-alone financial statements.

**Funding policy and annual OPEB cost**

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 Board of Education does not contribute directly to this Plan but rather contributes in the form of an implicit rate subsidy. Retirees under this Plan are required to pay the full amount of the health insurance premiums that are applicable to their particular coverage option. The retiree portion is, however, reduced by an amount contributed by the State of State Retirement Board. The current amount contributed by the State for each retiree is $110 per month for a single coverage plan and $220 per month for a dual coverage plan. The State can modify the amount contributed at any time in accordance with applicable State statutes.

GASB Statement No. 45 does not mandate that a post-employment benefit liability be pre-funded by an organization it simply mandates that the liability be recorded and that certain related information be disclosed. The Board of Education of the Town currently plans to fund these benefits on a pay-as-you-go basis. As a result, no assets of the Town have been segregated and restricted to fund or provide these post-employment benefits. The annual required contribution (ARC), which is an actuarial determined amount, represents a level amount of funding, which if paid on an ongoing basis, would be projected to cover the normal cost each year and to amortize the unfunded actuarial liability over a period not to exceed thirty years.

The following table represents the OPEB costs for the Town in relation to the Board of Education OPEB plan for the current fiscal year and the annual required contribution.

| | | |
|---|---|---|
| Normal cost | $ | 105,400 |
| Amortization of unfunded actuarial accrued liability | | 216,300 |
| Interest | | 6,400 |
| Annual required contribution (ARC) | $ | 328,100 |

**Funding status**

The Town's annual OPEB cost and the net OPEB obligation as it relates to the OPEB Plan of the Board of Education of the Town for the fiscal year ending June 30, 2014 are as follows.

| | | |
|---|---|---|
| Annual required contribution (ARC) | $ | 328,100 |
| Interest on beginning NOO (B) at 4.00% | | 56,200 |
| Adjustment to ARC beginning NOO (B) divided by 17.98 | | -78,200 |
| Annual OPEB Cost | | 306,100 |
| Amount contributed | | -101,300 |
| Increase in Net OPEB Obligation | | 204,800 |
| Net OPEB Obligation as of June 30, 2013 (B) | | 1,405,500 |
| Net OPEB Obligation as of June 30, 2014 | $ | 1,610,300 |

### Actuarial methods and assumptions

The projections of benefits associated with the Plan are based on the substantive Plan (this is the plan as it is understood by the employer and the plan members) and include the types of benefits available at the valuation date and the pattern of sharing the cost of these benefits between the Board of Education of the Town and the members of the Plan. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets. Significant methods and assumptions made in making the applicable actuarial calculations are as follows.

| | |
|---|---|
| Actuarial valuation date | 07/01/12 |
| Actuarial cost method | Projected unit credit |
| Amortization method | 30 years, level dollar, open |
| Asset valuation method | None |
| | |
| Actuarial assumptions | |
| Interest | 4.00% |
| Projected salary increases | N/A |
| Healthcare inflation rate | 9.00% for 2012, decreasing .50% per year, to an ultimate rate of 5.00% for 2020 and later |

### Schedule of funding progress

Actuarial valuations involve a number of estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions based on actual results as compared to past expectations and new estimates based on expected future events and conditions. The required schedule of funding progress presented below provides multi-year trend information intended to show whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

| Actuarial valuation date | Actuarial value of plan assets (a) | Actuarial accrued liability (AAL) entry age (b) | Unfunded AAL (UAAL) (a - b) | Funded ratio (a / b) | Covered payroll (c) | UAAL as a percentage of covered payroll ((b - a) / c) |
|---|---|---|---|---|---|---|
| 07/01/08 | $ - | $ 4,998,000 | $ 4,998,000 | 0.00% | $ 9,850,000 | 50.70% |
| 07/01/10 | $ - | $ 5,448,000 | $ 5,448,000 | 0.00% | $ 10,213,000 | 53.30% |
| 07/01/12 | $ - | $ 3,815,000 | $ 3,815,000 | 0.00% | $ 9,120,600 | 41.80% |

### Schedule of employer contributions

The following schedule shows the Board of Educations annual OPEB cost, its annual contributions, the percentage of the annual OPEB costs contributed and the Net OPEB Obligation.

| Fiscal year ending | Annual OPEB cost (AOC) | Actual contributions | Percentage of AOC contributed | Net OPEB Obligation (NOO) |
|---|---|---|---|---|
| 06/30/12 | $ 468,000 | $ 107,700 | 23.00% | $ 1,199,900 |
| 06/30/13 | $ 323,900 | $ 99,600 | 30.80% | $ 1,405,500 |
| 06/30/14 | $ 328,100 | $ 101,300 | 30.90% | $ 1,610,300 |

### Note 13 - Commitments and contingencies - Operating leases

The Town and Board of Education of the Town lease a number of photocopiers under lease agreements which are classified as operating leases. For these leases to be classified as capital leases they must meet at least one of the following four criteria: 1)The lease passes title to the lessee by the end of the lease term, 2) the lease contains a bargain purchase option, 3) the lease term is at least 75% of the property's estimated economic life, or 4) the present value of the minimum lease payments is at least 90% of the property's fair value. According to the terms of the lease agreements, the first and second criteria are not met. For criteria three and four, the estimate is that at the end of the lease term the copiers will be refurbished by the lessor and leased in another capacity and payment amount to another lessee. The first lease agreement is for a period of five years through June of 2018 with monthly payments of $2,219 which equals annual payments of $26,628. The second lease agreement is for a period of five years through December of 2016 with monthly payments of $357 which equals annual payments of $4,284. The third lease agreement is for a period of five years through April of 2018 with monthly payments of $208 which equals annual payments of $2,496. The Town and the Board of Education have a number of other immaterial operating type lease agreements which have not been included here.

### Note 14 - Risk management, commitments and contingencies - Other

The Town is at risk of loss due to items such as lawsuits, automobile claims, and theft. The Town has purchased commercial insurance coverage for any of these types of loss which may occur. The Town believes the amounts of coverage in force are adequate and in compliance with all applicable laws, rules, and regulations. The Town has not had any significant reductions in insurance coverage from the prior fiscal year by major category of risk. The amount of settlements have not exceeded insurance coverage during any of the previous three fiscal years. However, during the current fiscal year the Town did pay a settlement in the amount of $75,000 which was in excess of the insurance coverage in place. The Town participates in numerous Federal and State grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Town has not complied with the rules and regulations governing the grants, refunds of any monies received as of and through June 30, 2014 may be impaired. In the opinion of the management of the Town, there are no unrecorded significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants, therefore, no provision has been recorded in the accompanying basic financial statements for such possible contingencies. In addition, the Town occasionally books unbilled accounts receivable representing earned or recognized grant or contract dollars which have not yet been billed or received. Any subsequent modification or amendments to these grants or contracts could result in a loss to the Town. However, in the opinion of the management of the Town there are no unrecorded significant contingent liabilities in regard to these unbilled accounts receivable.

The Town and the Board of Education have entered into a number of maintenance and service agreements which extend beyond the end of the current fiscal year. The Board of Education entered into a three year contract for a working facilities manager and a general maintenance technician through June 30, 2017 at annual costs of $252,534, $255,066 and $257,616, respectively. The Board of Education entered into a bus transportation agreement for the purpose of providing transportation services for the school children of the Town of Lebanon in compliance with local policies and legal requirements. This agreement includes both type I and type II buses as outlined in the agreement and runs from July 1, 2013 through June 30, 2018. Payment terms are based on specific daily and hourly rates for regular route hours and trips and non-route hours and trips, however, the base annual contact amounts included in the agreement are $733,658, $757,418, $777,557, $797,990 and $820,159, respectively. The Town has entered into a two year mowing and trimming contract through June 30, 2016 for its recreational fields for a total amount of $13,776 plus additional costs for additional services. The Town has entered into a two year cemetery maintenance contract through December 31, 2016 at an annual rate of $16,500. The Town has entered into a snow removal contract and a site restoration contract through April 15, 2015 and May 1, 2015, respectively at a rate of $79,650 to be paid in five equal installments and $7,200 to be paid in one lump sum. The Town has entered into a two year lawn care maintenance agreement through October 31, 2016 at an annual rate of $19,717. The Town has entered into a cleaning services contract for the town hall through October 31, 2015 at an annual rate of $22,100. The Town has also entered into a cleaning services agreement for the senior center through June 30, 2015 at an annual rate of $9,750. The Town and Board of Education have a number of other smaller contracts and maintenance and service agreements. These agreements are considered individually immaterial. Additional information on these contracts and other agreements can be found at the administrative offices of both the Town and the Board of Education.

### Note 15 - Subsequent events

The Town has evaluated subsequent events through February 9, 2015, the date to which the financial statements were available to be issued. There were no recognized subsequent events that would require adjustments to the financial statements and there were no non-recognized subsequent events that would require disclosure in the notes to the financial statements.

**Town of Lebanon, Connecticut**
Combining Balance sheet and combining Statement of revenues,
expenditures and changes in fund balances - Non-major governmental funds
As of and for the year ended June 30, 2014

| | Non-major special revenue funds | Non-major capital project funds | Non-major permanent funds | Totals |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash | $ 664,450 | $ - | $ 7,564 | $ 672,014 |
| Investments | - | - | 328,774 | 328,774 |
| Accounts and other receivables | 700,751 | 403 | - | 701,154 |
| Inventories and prepaid items | 15,148 | - | - | 15,148 |
| Due from other funds | 1,018,057 | 60,901 | 1,937 | 1,080,895 |
| Total assets | 2,398,406 | 61,304 | 338,275 | 2,797,985 |
| **Liabilities** | | | | |
| Accounts payable | 92,762 | - | - | 92,762 |
| Other liabilities | 43,832 | 403 | - | 44,235 |
| Due to other funds | 328,690 | 33,874 | 9,118 | 371,682 |
| Total liabilities | 465,284 | 34,277 | 9,118 | 508,679 |
| **Fund balance** | | | | |
| Nonspendable | 10,435 | - | 322,272 | 332,707 |
| Restricted | 1,454,774 | 129 | 6,885 | 1,461,788 |
| Committed | 384,080 | 59,931 | - | 444,011 |
| Assigned | 121,431 | - | - | 121,431 |
| Unassigned | -37,598 | -33,033 | - | -70,631 |
| Total fund balance | 1,933,122 | 27,027 | 329,157 | 2,289,306 |
| Total liabilities and fund balance | $ 2,398,406 | $ 61,304 | $ 338,275 | $ 2,797,985 |
| **Revenues** | | | | |
| Property tax revenues | $ 448,127 | $ 920 | $ - | $ 449,047 |
| Intergovernmental revenues | 1,536,635 | 37,573 | - | 1,574,208 |
| Interest and dividends | 241 | - | 8,666 | 8,907 |
| Charges for services | 263,053 | - | - | 263,053 |
| Miscellaneous | 247,885 | 120 | - | 248,005 |
| Total revenues | 2,495,941 | 38,613 | 8,666 | 2,543,220 |
| **Expenditures** | | | | |
| Salary and wages | 848,565 | - | - | 848,565 |
| Program operating costs | 1,576,892 | 3,350 | 5,446 | 1,585,688 |
| Capital expenditures | 202,719 | - | - | 202,719 |
| Total expenditures | 2,628,176 | 3,350 | 5,446 | 2,636,972 |
| Excess (deficiency) of revenues over (under) expenditures | -132,235 | 35,263 | 3,220 | -93,752 |
| Other financing sources (uses) | | | | |
| Transfers in | 78,507 | - | - | 78,507 |
| Transfers out | - | - | -572 | -572 |
| Total other financing sources (uses) | 78,507 | - | -572 | 77,935 |
| Net change in fund balance | -53,728 | 35,263 | 2,648 | -15,817 |
| **Fund balance - July 1** | 1,986,850 | -8,236 | 326,509 | 2,305,123 |
| **Fund balance - June 30** | $ 1,933,122 | $ 27,027 | $ 329,157 | $ 2,289,306 |

**Town of Lebanon, Connecticut**
Combining Balance sheet and combining Statement of revenues,
expenditures and changes in fund balances - Non-major special revenue funds
As of and for the year ended June 30, 2014

| | Lebanon public library | Krause library donations | Lebanon recreation commission | Jonathan Trumbull Jr. house | Adams community center |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash | $ - | $ - | $ 5,666 | $ 39,597 | $ - |
| Investments | - | - | - | - | - |
| Accounts and other receivables | - | - | - | - | - |
| Inventories and prepaid items | - | - | - | - | - |
| Due from other funds | 97,633 | 10,000 | 48,268 | 305 | 45,557 |
| Total assets | 97,633 | 10,000 | 53,934 | 39,902 | 45,557 |
| **Liabilities** | | | | | |
| Accounts payable | 4,293 | - | 14,011 | 1,512 | 2,102 |
| Other liabilities | 8,412 | - | 2,370 | 2,135 | - |
| Due to other funds | - | - | - | - | - |
| Total liabilities | 12,705 | - | 16,381 | 3,647 | 2,102 |
| **Fund balance** | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | - | 10,000 | - | - | - |
| Committed | 84,928 | - | 37,553 | 36,255 | 43,455 |
| Assigned | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| Total fund balance | 84,928 | 10,000 | 37,553 | 36,255 | 43,455 |
| Total liabilities and fund balance | $ 97,633 | $ 10,000 | $ 53,934 | $ 39,902 | $ 45,557 |
| **Revenues** | | | | | |
| Property tax revenues | $ 262,309 | $ - | $ 40,000 | $ - | $ 100 |
| Intergovernmental revenues | 2,302 | - | - | - | - |
| Interest and dividends | - | - | - | 93 | - |
| Charges for services | - | - | 42,308 | - | 3,400 |
| Miscellaneous | 11,344 | - | - | - | - |
| Total revenues | 275,955 | - | 82,308 | 93 | 3,500 |
| **Expenditures** | | | | | |
| Salary and wages | 173,799 | - | 34,781 | 5,266 | - |
| Program operating costs | 101,109 | - | 52,658 | 15,034 | 19,996 |
| Capital expenditures | - | - | - | - | - |
| Total expenditures | 274,908 | - | 87,439 | 20,300 | 19,996 |
| Excess (deficiency) of revenues over (under) expenditures | 1,047 | - | -5,131 | -20,207 | -16,496 |
| Other financing sources (uses) | | | | | |
| Transfers in | 34,135 | - | - | 16,708 | 27,664 |
| Transfers out | - | - | - | - | - |
| Total other financing sources (uses) | 34,135 | - | - | 16,708 | 27,664 |
| Net change in fund balance | 35,182 | - | -5,131 | -3,499 | 11,168 |
| **Fund balance - July 1** | 49,746 | 10,000 | 42,684 | 39,754 | 32,287 |
| **Fund balance - June 30** | $ 84,928 | $ 10,000 | $ 37,553 | $ 36,255 | $ 43,455 |

**Town of Lebanon, Connecticut**
Combining Balance sheet and combining Statement of revenues,
expenditures and changes in fund balances - Non-major special revenue funds
As of and for the year ended June 30, 2014

| | Town improvement program | Senior vans program | Lebanon dog fund | Trumbull donations fund | School lunch program |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash | $ - | $ 17 | $ - | $ - | $ 75,733 |
| Investments | - | - | - | - | - |
| Accounts and other receivables | - | 8,149 | 1,467 | - | 17,364 |
| Inventories and prepaid items | - | - | - | - | 10,148 |
| Due from other funds | 78,676 | 124,628 | 4,727 | 337,147 | 3,743 |
| Total assets | 78,676 | 132,794 | 6,194 | 337,147 | 106,988 |
| **Liabilities** | | | | | |
| Accounts payable | 27,050 | 310 | 389 | 4,662 | - |
| Other liabilities | - | 2,221 | - | - | 4,713 |
| Due to other funds | - | - | - | 5,708 | 33,434 |
| Total liabilities | 27,050 | 2,531 | 389 | 10,370 | 38,147 |
| **Fund balance** | | | | | |
| Nonspendable | - | - | - | - | 5,435 |
| Restricted | - | - | - | 326,777 | 63,406 |
| Committed | 51,626 | 130,263 | - | - | - |
| Assigned | - | - | 5,805 | - | - |
| Unassigned | - | - | - | - | - |
| Total fund balance | 51,626 | 130,263 | 5,805 | 326,777 | 68,841 |
| Total liabilities and fund balance | $ 78,676 | $ 132,794 | $ 6,194 | $ 337,147 | $ 106,988 |
| **Revenues** | | | | | |
| Property tax revenues | $ 65,000 | $ 55,000 | $ 22,000 | $ - | $ - |
| Intergovernmental revenues | - | 32,597 | - | - | 124,130 |
| Interest and dividends | - | - | - | - | 35 |
| Charges for services | - | 5,227 | 2,679 | - | 196,932 |
| Miscellaneous | 6,950 | - | 10,276 | 80,000 | 3,651 |
| Total revenues | 71,950 | 92,824 | 34,955 | 80,000 | 324,748 |
| **Expenditures** | | | | | |
| Salary and wages | - | 48,861 | - | - | 204,234 |
| Program operating costs | 84,112 | 43,948 | 33,581 | 40,864 | 125,581 |
| Capital expenditures | - | - | - | 202,719 | - |
| Total expenditures | 84,112 | 92,809 | 33,581 | 243,583 | 329,815 |
| Excess (deficiency) of revenues over (under) expenditures | -12,162 | 15 | 1,374 | -163,583 | -5,067 |
| Other financing sources (uses) | | | | | |
| Transfers in | - | - | - | - | - |
| Transfers out | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - |
| Net change in fund balance | -12,162 | 15 | 1,374 | -163,583 | -5,067 |
| **Fund balance - July 1** | 63,788 | 130,248 | 4,431 | 490,360 | 73,908 |
| **Fund balance - June 30** | $ 51,626 | $ 130,263 | $ 5,805 | $ 326,777 | $ 68,841 |

**Town of Lebanon, Connecticut**
Combining Balance sheet and combining Statement of revenues,
expenditures and changes in fund balances - Non-major special revenue funds
As of and for the year ended June 30, 2014

| | Historic document preservation | Locip surcharge assessment | Housing rehab income | Housing rehab grant | Survey planning grant |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash | $ - | $ - | $ 4,508 | $ 3,385 | $ - |
| Investments | - | - | - | - | - |
| Accounts and other receivables | - | - | 654,326 | - | 19,445 |
| Inventories and prepaid items | - | - | - | - | - |
| Due from other funds | 18,960 | 40,891 | - | - | - |
| Total assets | 18,960 | 40,891 | 658,834 | 3,385 | 19,445 |
| **Liabilities** | | | | | |
| Accounts payable | - | - | - | 2,900 | - |
| Other liabilities | 950 | - | - | - | - |
| Due to other funds | - | - | - | - | 19,446 |
| Total liabilities | 950 | - | - | 2,900 | 19,446 |
| **Fund balance** | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | 18,010 | 40,891 | 658,834 | 485 | - |
| Committed | - | - | - | - | - |
| Assigned | - | - | - | - | - |
| Unassigned | - | - | - | - | -1 |
| Total fund balance | 18,010 | 40,891 | 658,834 | 485 | -1 |
| Total liabilities and fund balance | $ 18,960 | $ 40,891 | $ 658,834 | $ 3,385 | $ 19,445 |
| **Revenues** | | | | | |
| Property tax revenues | $ - | $ - | $ - | $ - | $ - |
| Intergovernmental revenues | 4,000 | - | - | 78,500 | 19,445 |
| Interest and dividends | - | - | - | - | - |
| Charges for services | 2,415 | 3,468 | - | - | - |
| Miscellaneous | - | - | 40,232 | - | - |
| Total revenues | 6,415 | 3,468 | 40,232 | 78,500 | 19,445 |
| **Expenditures** | | | | | |
| Salary and wages | - | - | - | - | - |
| Program operating costs | 5,444 | - | 64,086 | 78,015 | 13,145 |
| Capital expenditures | - | - | - | - | - |
| Total expenditures | 5,444 | - | 64,086 | 78,015 | 13,145 |
| Excess (deficiency) of revenues over (under) expenditures | 971 | 3,468 | -23,854 | 485 | 6,300 |
| Other financing sources (uses) | | | | | |
| Transfers in | - | - | - | - | - |
| Transfers out | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - |
| Net change in fund balance | 971 | 3,468 | -23,854 | 485 | 6,300 |
| **Fund balance - July 1** | 17,039 | 37,423 | 682,688 | - | -6,301 |
| **Fund balance - June 30** | $ 18,010 | $ 40,891 | $ 658,834 | $ 485 | $ -1 |

**Town of Lebanon, Connecticut**
Combining Balance sheet and combining Statement of revenues,
expenditures and changes in fund balances - Non-major special revenue funds
As of and for the year ended June 30, 2014

| | Unimproved town roads grant | Agriculture viability grants | Emergency management grant | Fema storm grants | Equipment training grant |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash | $ - | $ - | $ - | $ - | $ - |
| Investments | - | - | - | - | - |
| Accounts and other receivables | - | - | - | - | - |
| Inventories and prepaid items | - | - | - | - | - |
| Due from other funds | 50,766 | 1,040 | 1,173 | 86,810 | 255 |
| Total assets | 50,766 | 1,040 | 1,173 | 86,810 | 255 |
| **Liabilities** | | | | | |
| Accounts payable | 245 | - | 995 | 1,284 | - |
| Other liabilities | - | - | - | - | - |
| Due to other funds | - | - | - | - | - |
| Total liabilities | 245 | - | 995 | 1,284 | - |
| **Fund balance** | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | 50,521 | 1,040 | - | - | 255 |
| Committed | - | - | - | - | - |
| Assigned | - | - | 178 | 85,526 | - |
| Unassigned | - | - | - | - | - |
| Total fund balance | 50,521 | 1,040 | 178 | 85,526 | 255 |
| Total liabilities and fund balance | $ 50,766 | $ 1,040 | $ 1,173 | $ 86,810 | $ 255 |
| **Revenues** | | | | | |
| Property tax revenues | $ - | $ - | $ 3,718 | $ - | $ - |
| Intergovernmental revenues | - | 15,000 | - | - | - |
| Interest and dividends | - | - | - | - | - |
| Charges for services | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - |
| Total revenues | - | 15,000 | 3,718 | - | - |
| **Expenditures** | | | | | |
| Salary and wages | - | - | 3,292 | - | - |
| Program operating costs | 26,435 | 15,000 | 995 | 4,098 | - |
| Capital expenditures | - | - | - | - | - |
| Total expenditures | 26,435 | 15,000 | 4,287 | 4,098 | - |
| Excess (deficiency) of revenues over (under) expenditures | -26,435 | - | -569 | -4,098 | - |
| Other financing sources (uses) | | | | | |
| Transfers in | - | - | - | - | - |
| Transfers out | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - |
| Net change in fund balance | -26,435 | - | -569 | -4,098 | - |
| **Fund balance - July 1** | 76,956 | 1,040 | 747 | 89,624 | 255 |
| **Fund balance - June 30** | $ 50,521 | $ 1,040 | $ 178 | $ 85,526 | $ 255 |

**Town of Lebanon, Connecticut**
Combining Balance sheet and combining Statement of revenues,
expenditures and changes in fund balances - Non-major special revenue funds
As of and for the year ended June 30, 2014

| | Energy task force grant | State aid drug abuse grant | Rails to trails grant | Vo-ag equipment grant |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash | $ - | $ - | $ - | $ - |
| Investments | - | - | - | - |
| Accounts and other receivables | - | - | - | - |
| Inventories and prepaid items | - | - | - | - |
| Due from other funds | 600 | 628 | - | - |
| Total assets | 600 | 628 | - | - |
| **Liabilities** | | | | |
| Accounts payable | - | - | - | - |
| Other liabilities | - | - | - | - |
| Due to other funds | - | - | 3,198 | 27,749 |
| Total liabilities | - | - | 3,198 | 27,749 |
| **Fund balance** | | | | |
| Nonspendable | - | - | - | - |
| Restricted | 600 | 628 | - | - |
| Committed | - | - | - | - |
| Assigned | - | - | - | - |
| Unassigned | - | - | -3,198 | -27,749 |
| Total fund balance | 600 | 628 | -3,198 | -27,749 |
| Total liabilities and fund balance | $ 600 | $ 628 | $ - | $ - |
| **Revenues** | | | | |
| Property tax revenues | $ - | $ - | $ - | $ - |
| Intergovernmental revenues | - | - | - | - |
| Interest and dividends | - | - | - | - |
| Charges for services | - | - | - | - |
| Miscellaneous | - | - | 100 | - |
| Total revenues | - | - | 100 | - |
| **Expenditures** | | | | |
| Salary and wages | - | - | - | - |
| Program operating costs | - | - | 3,298 | - |
| Capital expenditures | - | - | - | - |
| Total expenditures | - | - | 3,298 | - |
| Excess (deficiency) of revenues over (under) expenditures | - | - | -3,198 | - |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net change in fund balance | - | - | -3,198 | - |
| **Fund balance - July 1** | 600 | 628 | - | -27,749 |
| **Fund balance - June 30** | $ 600 | $ 628 | $ -3,198 | $ -27,749 |

**Town of Lebanon, Connecticut**
Combining Balance sheet and combining Statement of revenues,
expenditures and changes in fund balances - Non-major special revenue funds
As of and for the year ended June 30, 2014

| | Warm hearts donations fund | Senior center donations fund | Misc donations fund | Summer dance fest fund |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash | $ 220 | $ - | $ - | $ - |
| Investments | - | - | - | - |
| Accounts and other receivables | - | - | - | - |
| Inventories and prepaid items | - | - | - | 5,000 |
| Due from other funds | 29,550 | 12,690 | 8,698 | 15,312 |
| Total assets | 29,770 | 12,690 | 8,698 | 20,312 |
| **Liabilities** | | | | |
| Accounts payable | 599 | 45 | 3,515 | - |
| Other liabilities | - | - | - | - |
| Due to other funds | - | - | - | - |
| Total liabilities | 599 | 45 | 3,515 | - |
| **Fund balance** | | | | |
| Nonspendable | - | - | - | 5,000 |
| Restricted | 29,171 | 12,645 | 5,183 | - |
| Committed | - | - | - | - |
| Assigned | - | - | - | 15,312 |
| Unassigned | - | - | - | - |
| Total fund balance | 29,171 | 12,645 | 5,183 | 20,312 |
| Total liabilities and fund balance | $ 29,770 | $ 12,690 | $ 8,698 | $ 20,312 |
| **Revenues** | | | | |
| Property tax revenues | $ - | $ - | $ - | $ - |
| Intergovernmental revenues | - | - | - | - |
| Interest and dividends | - | - | - | - |
| Charges for services | - | - | 6,224 | - |
| Miscellaneous | 14,230 | 7,214 | 720 | 11,648 |
| Total revenues | 14,230 | 7,214 | 6,944 | 11,648 |
| **Expenditures** | | | | |
| Salary and wages | - | - | - | - |
| Program operating costs | 10,736 | 6,434 | 7,526 | 4,954 |
| Capital expenditures | - | - | - | - |
| Total expenditures | 10,736 | 6,434 | 7,526 | 4,954 |
| Excess (deficiency) of revenues over (under) expenditures | 3,494 | 780 | -582 | 6,694 |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | 1,330 | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | - | 1,330 | - |
| Net change in fund balance | 3,494 | 780 | 748 | 6,694 |
| **Fund balance - July 1** | 25,677 | 11,865 | 4,435 | 13,618 |
| **Fund balance - June 30** | $ 29,171 | $ 12,645 | $ 5,183 | $ 20,312 |

**Town of Lebanon, Connecticut**
Combining Balance sheet and combining Statement of revenues,
expenditures and changes in fund balances - Non-major special revenue funds
As of and for the year ended June 30, 2014

| | Cemetery lots fund | Historic buildings fund | Special ed excess costs grant | School educational grants |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash | $ 38,274 | $ 10,177 | $ - | $ 398,019 |
| Investments | - | - | - | - |
| Accounts and other receivables | - | - | - | - |
| Inventories and prepaid items | - | - | - | - |
| Due from other funds | - | - | - | - |
| Total assets | 38,274 | 10,177 | - | 398,019 |
| **Liabilities** | | | | |
| Accounts payable | - | - | - | 28,850 |
| Other liabilities | - | - | - | 23,031 |
| Due to other funds | 33,841 | - | - | 205,314 |
| Total liabilities | 33,841 | - | - | 257,195 |
| **Fund balance** | | | | |
| Nonspendable | - | - | - | - |
| Restricted | - | - | - | 147,474 |
| Committed | - | - | - | - |
| Assigned | 4,433 | 10,177 | - | - |
| Unassigned | - | - | - | -6,650 |
| Total fund balance | 4,433 | 10,177 | - | 140,824 |
| Total liabilities and fund balance | $ 38,274 | $ 10,177 | $ - | $ 398,019 |
| **Revenues** | | | | |
| Property tax revenues | $ - | $ - | $ - | $ - |
| Intergovernmental revenues | - | - | 528,765 | 731,896 |
| Interest and dividends | 89 | 24 | - | - |
| Charges for services | 400 | - | - | - |
| Miscellaneous | - | - | - | 6,785 |
| Total revenues | 489 | 24 | 528,765 | 738,681 |
| **Expenditures** | | | | |
| Salary and wages | - | - | - | 378,332 |
| Program operating costs | - | - | 528,765 | 242,321 |
| Capital expenditures | - | - | - | - |
| Total expenditures | - | - | 528,765 | 620,653 |
| Excess (deficiency) of revenues over (under) expenditures | 489 | 24 | - | 118,028 |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | -1,330 | - | - | - |
| Total other financing sources (uses) | -1,330 | - | - | - |
| Net change in fund balance | -841 | 24 | - | 118,028 |
| **Fund balance - July 1** | 5,274 | 10,153 | - | 22,796 |
| **Fund balance - June 30** | $ 4,433 | $ 10,177 | $ - | $ 140,824 |

**Town of Lebanon, Connecticut**
Combining Balance sheet and combining Statement of revenues,
expenditures and changes in fund balances - Non-major special revenue funds
As of and for the year ended June 30, 2014

| | LES activity accounts | LMS activity accounts | LHS activity accounts | Totals |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash | $ 14,918 | $ 34,789 | $ 39,147 | $ 664,450 |
| Investments | - | - | - | - |
| Accounts and other receivables | - | - | - | 700,751 |
| Inventories and prepaid items | - | - | - | 15,148 |
| Due from other funds | - | - | - | 1,018,057 |
| Total assets | 14,918 | 34,789 | 39,147 | 2,398,406 |
| **Liabilities** | | | | |
| Accounts payable | - | - | - | 92,762 |
| Other liabilities | - | - | - | 43,832 |
| Due to other funds | - | - | - | 328,690 |
| Total liabilities | - | - | - | 465,284 |
| **Fund balance** | | | | |
| Nonspendable | - | - | - | 10,435 |
| Restricted | 14,918 | 34,789 | 39,147 | 1,454,774 |
| Committed | - | - | - | 384,080 |
| Assigned | - | - | - | 121,431 |
| Unassigned | - | - | - | -37,598 |
| Total fund balance | 14,918 | 34,789 | 39,147 | 1,933,122 |
| Total liabilities and fund balance | $ 14,918 | $ 34,789 | $ 39,147 | $ 2,398,406 |
| **Revenues** | | | | |
| Property tax revenues | $ - | $ - | $ - | $ 448,127 |
| Intergovernmental revenues | - | - | - | 1,536,635 |
| Interest and dividends | - | - | - | 241 |
| Charges for services | - | - | - | 263,053 |
| Miscellaneous | 4,541 | 17,568 | 32,626 | 247,885 |
| Total revenues | 4,541 | 17,568 | 32,626 | 2,495,941 |
| **Expenditures** | | | | |
| Salary and wages | - | - | - | 848,565 |
| Program operating costs | 6,327 | 16,928 | 25,502 | 1,576,892 |
| Capital expenditures | - | - | - | 202,719 |
| Total expenditures | 6,327 | 16,928 | 25,502 | 2,628,176 |
| Excess (deficiency) of revenues over (under) expenditures | -1,786 | 640 | 7,124 | -132,235 |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | 78,507 |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | - | - | 78,507 |
| Net change in fund balance | -1,786 | 640 | 7,124 | -53,728 |
| **Fund balance - July 1** | 16,704 | 34,149 | 32,023 | 1,986,850 |
| **Fund balance - June 30** | $ 14,918 | $ 34,789 | $ 39,147 | $ 1,933,122 |

**Town of Lebanon, Connecticut**
Combining Balance sheet and combining Statement of revenues,
expenditures and changes in fund balances - Non-major capital project funds
As of and for the year ended June 30, 2014

| | Lake Williams project | Town bridge grants | DOT fix it first bridge grant | Tyler field project grant | Totals |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash | $ - | $ - | $ - | $ - | $ - |
| Investments | - | - | - | - | - |
| Accounts and other receivables | 403 | - | - | - | 403 |
| Inventories and prepaid items | - | - | - | - | - |
| Due from other funds | 59,931 | 841 | 129 | - | 60,901 |
| Total assets | 60,334 | 841 | 129 | - | 61,304 |
| **Liabilities** | | | | | |
| Accounts payable | - | - | - | - | - |
| Other liabilities | 403 | - | - | - | 403 |
| Due to other funds | - | 33,820 | - | 54 | 33,874 |
| Total liabilities | 403 | 33,820 | - | 54 | 34,277 |
| **Fund balance** | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | - | - | 129 | - | 129 |
| Committed | 59,931 | - | - | - | 59,931 |
| Assigned | - | - | - | - | - |
| Unassigned | - | -32,979 | - | -54 | -33,033 |
| Total fund balance | 59,931 | -32,979 | 129 | -54 | 27,027 |
| Total liabilities and fund balance | $ 60,334 | $ 841 | $ 129 | $ - | $ 61,304 |
| **Revenues** | | | | | |
| Property tax revenues | $ 920 | $ - | $ - | $ - | $ 920 |
| Intergovernmental revenues | - | - | - | 37,573 | 37,573 |
| Interest and dividends | - | - | - | - | - |
| Charges for services | - | - | - | - | - |
| Miscellaneous | 120 | - | - | - | 120 |
| Total revenues | 1,040 | - | - | 37,573 | 38,613 |
| **Expenditures** | | | | | |
| Salary and wages | - | - | - | - | - |
| Program operating costs | - | - | - | 3,350 | 3,350 |
| Capital expenditures | - | - | - | - | - |
| Total expenditures | - | - | - | 3,350 | 3,350 |
| Excess (deficiency) of revenues over (under) expenditures | 1,040 | - | - | 34,223 | 35,263 |
| Other financing sources (uses) | | | | | |
| Transfers in | - | - | - | - | - |
| Transfers out | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - |
| Net change in fund balance | 1,040 | - | - | 34,233 | 35,263 |
| **Fund balance - July 1** | 58,891 | -32,979 | 129 | -34,277 | -8,236 |
| **Fund balance - June 30** | $ 59,931 | $ -32,979 | $ 129 | $ -54 | $ 27,027 |

**Town of Lebanon, Connecticut**
Combining Balance sheet and combining Statement of revenues,
expenditures and changes in fund balances - Non-major permanent funds
As of and for the year ended June 30, 2014

| | Cummings scholarship | George Lyman fund | Cemetery perpetual care | Helen Rodgers scholarship | Waterman Wilson library fund | Flora Williams library fund |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Cash | $ - | $ - | $ - | $ - | $ - | $ - |
| Investments | 197,381 | 47,786 | 12,220 | 10,017 | 9,471 | 8,142 |
| Accounts and other receivables | - | - | - | - | - | - |
| Inventories and prepaid items | - | - | - | - | - | - |
| Due from other funds | - | - | - | - | - | - |
| Total assets | 197,381 | 47,786 | 12,220 | 10,017 | 9,471 | 8,142 |
| **Liabilities** | | | | | | |
| Accounts payable | - | - | - | - | - | - |
| Other liabilities | - | - | - | - | - | - |
| Due to other funds | - | 5,023 | 1,679 | - | 1,111 | 1,142 |
| Total liabilities | - | 5,023 | 1,679 | - | 1,111 | 1,142 |
| **Fund balance** | | | | | | |
| Nonspendable | 197,045 | 42,705 | 10,541 | 10,000 | 8,360 | 7,000 |
| Restricted | 336 | 58 | - | 17 | - | - |
| Committed | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - |
| Total fund balance | 197,381 | 42,763 | 10,541 | 10,017 | 8,360 | 7,000 |
| Total liabilities and fund balance | $ 197,381 | $ 47,786 | $ 12,220 | $ 10,017 | $ 9,471 | $ 8,142 |
| **Revenues** | | | | | | |
| Property tax revenues | $ - | $ - | $ - | $ - | $ - | $ - |
| Intergovernmental revenues | - | - | - | - | - | - |
| Interest and dividends | 4,003 | 969 | 243 | 203 | 140 | 162 |
| Net change in investment fair value | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - |
| Total revenues | 4,003 | 969 | 243 | 203 | 140 | 162 |
| **Expenditures** | | | | | | |
| Salary and wages | - | - | - | - | - | - |
| Program operating costs | 3,972 | 962 | - | 201 | - | - |
| Capital expenditures | - | - | - | - | - | - |
| Total expenditures | 3,972 | 962 | - | 201 | - | - |
| Excess (deficiency) of revenues over (under) expenditures | 31 | 7 | 243 | 2 | 140 | 162 |
| Other financing sources (uses) | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | -243 | - | -140 | -162 |
| Total other financing sources (uses) | - | - | -243 | - | -140 | -162 |
| Net change in fund balance | 31 | 7 | - | 2 | - | - |
| **Fund balance - July 1** | 197,350 | 42,756 | 10,541 | 10,015 | 8,360 | 7,000 |
| **Fund balance - June 30** | $ 197,381 | $ 42,763 | $ 10,541 | $ 10,017 | $ 8,360 | $ 7,000 |

**Town of Lebanon, Connecticut**
Combining Balance sheet and combining Statement of revenues,
expenditures and changes in fund balances - Non-major permanent funds
As of and for the year ended June 30, 2014

| | Town deposit fund | Lebanon school prizes | Royal O. Woodard scholarship | Dorothy Hinckley scholarship | Elizabeth Grant scholarship | EL Reichard nursing scholarship |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Cash | $ 6,564 | $ - | $ - | $ - | $ - | $ - |
| Investments | - | 6,612 | 6,111 | 6,068 | 4,292 | 3,005 |
| Accounts and other receivables | - | - | - | - | - | - |
| Inventories and prepaid items | - | - | - | - | - | - |
| Due from other funds | - | - | - | - | - | - |
| Total assets | 6,564 | 6,612 | 6,111 | 6,068 | 4,292 | 3,005 |
| **Liabilities** | | | | | | |
| Accounts payable | - | - | - | - | - | - |
| Other liabilities | - | - | - | - | - | - |
| Due to other funds | - | - | - | - | - | - |
| Total liabilities | - | - | - | - | - | - |
| **Fund balance** | | | | | | |
| Nonspendable | 6,564 | 6,400 | 6,050 | 5,000 | 4,285 | 3,000 |
| Restricted | - | 212 | 61 | 1,068 | 7 | 5 |
| Committed | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - |
| Total fund balance | 6,564 | 6,612 | 6,111 | 6,068 | 4,292 | 3,005 |
| Total liabilities and fund balance | $ 6,564 | $ 6,612 | $ 6,111 | $ 6,068 | $ 4,292 | $ 3,005 |
| **Revenues** | | | | | | |
| Property tax revenues | $ - | $ - | $ - | $ - | $ - | $ - |
| Intergovernmental revenues | - | - | - | - | - | - |
| Interest and dividends | 3 | 132 | 124 | 12 | 87 | 61 |
| Net change in investment fair value | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - |
| Total revenues | 3 | 132 | 124 | 12 | 87 | 61 |
| **Expenditures** | | | | | | |
| Salary and wages | - | - | - | - | - | - |
| Program operating costs | - | - | 123 | - | 87 | 61 |
| Capital expenditures | - | - | - | - | - | - |
| Total expenditures | - | - | 123 | - | 87 | 61 |
| Excess (deficiency) of revenues over (under) expenditures | 3 | 132 | 1 | 12 | - | - |
| Other financing sources (uses) | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | -3 | - | - | - | - | - |
| Total other financing sources (uses) | -3 | - | - | - | - | - |
| Net change in fund balance | - | 132 | 1 | 12 | - | - |
| **Fund balance - July 1** | 6,564 | 6,480 | 6,110 | 6,056 | 4,292 | 3,005 |
| **Fund balance - June 30** | $ 6,564 | $ 6,612 | $ 6,111 | $ 6,068 | $ 4,292 | $ 3,005 |

**Town of Lebanon, Connecticut**
Combining Balance sheet and combining Statement of revenues,
expenditures and changes in fund balances - Non-major permanent funds
As of and for the year ended June 30, 2014

| | Flora Williams scholarship | Local school fund | Vernon Boothby library | William Taylor cemetery | Oliver & Lucille Manning | Totals |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Cash | $ - | $ - | $ 1,000 | $ - | $ - | $ 7,564 |
| Investments | 2,004 | - | - | 1,163 | 14,502 | 328,774 |
| Accounts and other receivables | - | - | - | - | - | - |
| Inventories and prepaid items | - | - | - | - | - | - |
| Due from other funds | - | 1,937 | - | - | - | 1,937 |
| Total assets | 2,004 | 1,937 | 1,000 | 1,163 | 14,502 | 338,275 |
| **Liabilities** | | | | | | |
| Accounts payable | - | - | - | - | - | - |
| Other liabilities | - | - | - | - | - | - |
| Due to other funds | - | - | - | 163 | - | 9,118 |
| Total liabilities | - | - | - | 163 | - | 9,118 |
| **Fund balance** | | | | | | |
| Nonspendable | 2,000 | 1,937 | 1,000 | 1,000 | 9,385 | 322,272 |
| Restricted | 4 | - | - | - | 5,117 | 6,885 |
| Committed | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - |
| Total fund balance | 2,004 | 1,937 | 1,000 | 1,000 | 14,502 | 329,157 |
| Total liabilities and fund balance | $ 2,004 | $ 1,937 | $ 1,000 | $ 1,163 | $ 14,502 | $ 338,275 |
| **Revenues** | | | | | | |
| Property tax revenues | $ - | $ - | $ - | $ - | $ - | $ - |
| Intergovernmental revenues | - | - | - | - | - | - |
| Interest and dividends | 41 | - | 1 | 23 | 987 | 7,191 |
| Net change in investment fair value | - | - | - | - | 1,475 | 1,475 |
| Miscellaneous | - | - | - | - | - | - |
| Total revenues | 41 | - | 1 | 23 | 2,462 | 8,666 |
| **Expenditures** | | | | | | |
| Salary and wages | - | - | - | - | - | - |
| Program operating costs | 40 | - | - | - | - | 5,446 |
| Capital expenditures | - | - | - | - | - | - |
| Total expenditures | 40 | - | - | - | - | 5,446 |
| Excess (deficiency) of revenues over (under) expenditures | 1 | - | 1 | 23 | 2,462 | 3,220 |
| Other financing sources (uses) | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | -1 | -23 | - | -572 |
| Total other financing sources (uses) | - | - | -1 | -23 | - | -572 |
| Net change in fund balance | 1 | - | - | - | 2,462 | 2,648 |
| **Fund balance - July 1** | 2,003 | 1,937 | 1,000 | 1,000 | 12,040 | 326,509 |
| **Fund balance - June 30** | $ 2,004 | $ 1,937 | $ 1,000 | $ 1,000 | $ 14,502 | $ 329,157 |

**Town of Lebanon, Connecticut**
Combining Statement of fiduciary net position and Statement of changes in fiduciary net position - Private purpose trusts
As of and for the year ended June 30, 2014

| | Jared Hinckley scholarship | Kalmon Kurcinik scholarship | Mary Chase fund | Robert L. Hanover scholarship | Richard Woyasz scholarship |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash | $ - | $ - | $ 7,873 | $ - | $ - |
| Investments | 50,006 | 8,233 | - | 1,474 | 1,198 |
| Accounts and other receivables | - | - | 110 | - | - |
| Inventories and prepaid items | - | - | - | - | - |
| Due from other funds | - | - | - | - | - |
| Total assets | 50,006 | 8,233 | 7,983 | 1,474 | 1,198 |
| **Liabilities** | | | | | |
| Accounts payable | - | - | - | - | - |
| Other liabilities | - | - | - | - | - |
| Due to other funds | - | - | - | - | - |
| Total liabilities | - | - | - | - | - |
| **Net position** | | | | | |
| Restricted | | | | | |
| Expendable | 50,006 | 8,233 | 7,983 | 1,474 | 1,198 |
| Non-expendable | - | - | - | - | - |
| Unrestricted | - | - | - | - | - |
| Total net position | 50,006 | 8,233 | 7,983 | 1,474 | 1,198 |
| Total liabilities and net position | $ 50,006 | $ 8,233 | $ 7,983 | $ 1,474 | $ 1,198 |
| **Additions:** | | | | | |
| Property tax revenues | $ - | $ - | $ - | $ - | $ - |
| Intergovernmental revenues | - | - | - | - | - |
| Interest and dividends | 149 | 23 | 4 | 5 | 7 |
| Net change in investment fair value | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - |
| Total additions | 149 | 23 | 4 | 5 | 7 |
| **Deductions:** | | | | | |
| Salary and wages | - | - | - | - | - |
| Program operating costs | 138 | 350 | - | 350 | - |
| Capital expenditures | - | - | - | - | - |
| Total deductions | 138 | 350 | - | 350 | - |
| Change in net position | 11 | -327 | 4 | -345 | 7 |
| **Net position - July 1** | 49,995 | 8,560 | 7,979 | 1,819 | 1,191 |
| **Net position - June 30** | $ 50,006 | $ 8,233 | $ 7,983 | $ 1,474 | $ 1,198 |

**Town of Lebanon, Connecticut**
Combining Statement of fiduciary net position and Statement of changes in fiduciary net position - Private purpose trusts
As of and for the year ended June 30, 2014

| | Flegert Ausberger library | Nichols Trahan scholarship | Town school prizes | Totals |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash | $ - | $ - | $ 1,669 | $ 9,542 |
| Investments | 2,558 | 7,810 | - | 71,279 |
| Accounts and other receivables | - | - | 110 | 220 |
| Inventories and prepaid items | - | - | - | - |
| Due from other funds | - | - | - | - |
| Total assets | 2,558 | 7,810 | 1,779 | 81,041 |
| **Liabilities** | | | | |
| Accounts payable | - | - | - | - |
| Other liabilities | - | - | - | - |
| Due to other funds | - | - | - | - |
| Total liabilities | - | - | - | - |
| **Net position** | | | | |
| Restricted | | | | |
| Expendable | 2,558 | 7,810 | 1,779 | 81,041 |
| Non-expendable | - | - | - | - |
| Unrestricted | - | - | - | - |
| Total net position | 2,558 | 7,810 | 1,779 | 81,041 |
| Total liabilities and net position | $ 2,558 | $ 7,810 | $ 1,779 | $ 81,041 |
| **Additions:** | | | | |
| Property tax revenues | $ - | $ - | $ - | $ - |
| Intergovernmental revenues | - | - | - | - |
| Interest and dividends | 51 | 8 | 1 | 248 |
| Net change in investment fair value | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total additions | 51 | 8 | 1 | 248 |
| **Deductions:** | | | | |
| Salary and wages | - | - | - | - |
| Program operating costs | - | 500 | - | 1,338 |
| Capital expenditures | - | - | - | - |
| Total deductions | - | 500 | - | 1,338 |
| Change in net position | 51 | -492 | 1 | -1,090 |
| **Net position - July 1** | 2,507 | 8,302 | 1,778 | 82,131 |
| **Net position - June 30** | $ 2,558 | $ 7,810 | $ 1,779 | $ 81,041 |

**Town of Lebanon, Connecticut**
Combining Balance sheet and combining Statement of revenues, expenditures and changes in fund balances - Town construction projects
As of and for the year ended June 30, 2014

| | LES building project | LMS building project | Fire safety complex | Senior center complex | Amston lake sewer project | Totals |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Cash | $ - | $ - | $ - | $ - | $ - | $ - |
| Investments | - | - | - | - | 57,335 | 57,335 |
| Accounts and other receivables | - | - | - | - | - | - |
| Inventories and prepaid items | - | - | - | - | - | - |
| Due from other funds | - | 192,020 | 11,641 | - | - | 203,661 |
| Total assets | - | 192,020 | 11,641 | - | 57,335 | 260,996 |
| **Liabilities** | | | | | | |
| Accounts payable | - | - | - | - | 18,434 | 18,434 |
| Other liabilities | - | - | - | - | - | - |
| Due to other funds | 585,232 | - | - | 1,894 | 8,009 | 595,135 |
| Total liabilities | 585,232 | - | - | 1,894 | 26,443 | 613,569 |
| **Fund balance** | | | | | | |
| Nonspendable | - | - | - | - | - | - |
| Restricted | - | - | - | - | - | - |
| Committed | - | 192,020 | 11,641 | - | 30,892 | 234,553 |
| Assigned | - | - | - | - | - | - |
| Unassigned | -585,232 | - | - | -1,894 | - | -587,126 |
| Total fund balance | -585,232 | 192,020 | 11,641 | -1,894 | 30,892 | -352,573 |
| Total liabilities and fund balance | $ - | $ 192,020 | $ 11,641 | $ - | $ 57,335 | $ 260,996 |
| **Revenues** | | | | | | |
| Property tax revenues | $ - | $ - | $ - | $ - | $ - | $ - |
| Intergovernmental revenues | - | - | - | - | 649,298 | 649,298 |
| Interest and dividends | - | - | - | - | 132 | 132 |
| Charges for services | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - |
| Total revenues | - | - | - | - | 649,430 | 649,430 |
| **Expenditures** | | | | | | |
| Salary and wages | - | - | - | - | - | - |
| Program operating costs | - | - | - | - | - | - |
| Capital expenditures | - | - | - | - | 413,445 | 413,445 |
| Total expenditures | - | - | - | - | 413,445 | 413,445 |
| Excess (deficiency) of revenues over (under) expenditures | - | - | - | - | 235,985 | 235,985 |
| Other financing sources (uses) | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - |
| Net change in fund balance | - | - | - | - | 235,985 | 235,985 |
| **Fund balance - July 1** | -585,232 | 192,020 | 11,641 | -1,894 | -205,093 | -588,558 |
| **Fund balance - June 30** | $ -585,232 | $ 192,020 | $ 11,641 | $ -1,894 | $ 30,892 | $ -352,573 |

**Town of Lebanon, Connecticut**
Combining Statement of revenues, expenditures, and changes
in fund balances - Capital non-recurring fund
As of and for the year ended June 30, 2014

| | Fund balance 07/01/13 | Annual appropriation | Revenues | Expenditures | Fund balance 06/30/14 |
|---|---|---|---|---|---|
| **General government:** | | | | | |
| Revaluation | $ 31,624 | $ 27,300 | $ - | $ -52,905 | $ 6,019 |
| **Public safety:** | | | | | |
| Fire apparatus reserve | 82 | 60,000 | - | -105,282 | -45,200 |
| Emergency services reserve | 123,724 | - | 18,743 | - | 142,467 |
| | 123,806 | 60,000 | 18,743 | -105,282 | 97,267 |
| **Public works:** | | | | | |
| Road plan | 67,999 | -67,999 | - | - | - |
| Sisson road bridge | 56 | -56 | - | - | - |
| Waterman road bridge | -131,228 | 131,228 | - | - | - |
| Taylor road bridge | -239,341 | 244,958 | - | -5,617 | - |
| Tobacco street bridge | 49,116 | -49,116 | - | - | - |
| Hoxie road bridge | -74,944 | 74,944 | - | - | - |
| Leonard road bridge phase IV | 122,614 | -122,614 | - | - | - |
| Leonard road bridge phase V | -30,893 | 30,893 | - | - | - |
| Tobacco street culvert | -1,915 | 4,195 | - | -2,280 | - |
| Paving | - | 410,000 | - | -212,588 | 197,412 |
| Truck body replacements | - | 23,000 | - | -24,900 | -1,900 |
| Equipment lease purchase | 19,615 | 60,000 | - | -65,113 | 14,502 |
| Equipment lease over rail mower | - | 40,000 | - | -33,375 | 6,625 |
| Transfer station improvements | - | 70,000 | - | -4,609 | 65,391 |
| Cemetery commission repairs | 2,816 | - | - | - | 2,816 |
| Cemetery road development | - | 20,000 | - | - | 20,000 |
| | -216,105 | 869,433 | - | -348,482 | 304,846 |
| **Health and social:** | | | | | |
| Aspinall field tennis to basketball | - | 25,000 | - | - | 25,000 |
| **Community preservation** | | | | | |
| Open space | 88,922 | 80,000 | 2,500 | -55,807 | 115,615 |
| **Education** | | | | | |
| Well repairs | -1,792 | 1,792 | - | - | - |
| School improvement plan | 99,149 | 150,000 | - | -201,578 | 47,571 |
| Technology | - | 250,000 | - | -235,110 | 14,890 |
| Athletic facilities | 32,225 | 30,000 | - | -16,700 | 45,525 |
| | 129,582 | 431,792 | - | -453,388 | 107,986 |
| **Unclassified** | | | | | |
| Uncommitted fund balance | - | -144,831 | 144,831 | - | - |
| **Sub-totals:** | 157,829 | 1,348,694 | 166,074 | -1,015,864 | 656,733 |
| Non-cash capital lease purchase | - | - | 388,491 | - | 388,491 |
| Non-cash capital lease proceeds | - | - | - | -388,491 | -388,491 |
| **Totals:** | $ 157,829 | $ 1,348,694 | $ 554,565 | $ -1,404,355 | $ 656,733 |

**Town of Lebanon, Connecticut**
Combining Balance sheet and combining Statement of revenues,
expenditures and changes in fund balances - Trumbull Investments fund
As of and for the year ended June 30, 2014

| | Jonathan Trumbull Jr. library fund | Adams community center fund | Jonathan Trumbull Jr. house fund | Totals |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash | $ - | $ - | $ - | $ - |
| Investments | 1,378,881 | 722,002 | 483,724 | 2,584,607 |
| Accounts and other receivables | - | - | - | - |
| Inventories and prepaid items | - | - | - | - |
| Due from other funds | - | - | - | - |
| Total assets | 1,378,881 | 722,002 | 483,724 | 2,584,607 |
| **Liabilities** | | | | |
| Accounts payable | - | - | - | - |
| Other liabilities | - | - | - | - |
| Due to other funds | - | - | - | - |
| Total liabilities | - | - | - | - |
| **Fund balance** | | | | |
| Nonspendable | - | - | - | - |
| Restricted | 1,378,881 | 722,002 | 483,724 | 2,584,607 |
| Committed | - | - | - | - |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| Total fund balance | 1,378,881 | 722,002 | 483,724 | 2,584,607 |
| Total liabilities and fund balance | $ 1,378,881 | $ 722,002 | $ 483,724 | $ 2,584,607 |
| **Revenues** | | | | |
| Property tax revenues | $ - | $ - | $ - | $ - |
| Intergovernmental revenues | - | - | - | - |
| Interest and dividends | 32,157 | 23,438 | 14,915 | 70,510 |
| Net change in investment fair value | 216,925 | 75,205 | 50,842 | 342,972 |
| Miscellaneous | - | - | - | - |
| Total revenues | 249,082 | 98,643 | 65,757 | 413,482 |
| **Expenditures** | | | | |
| Salary and wages | - | - | - | - |
| Program operating costs | 85 | 85 | 85 | 255 |
| Capital expenditures | - | - | - | - |
| Total expenditures | 85 | 85 | 85 | 255 |
| Excess (deficiency) of revenues over (under) expenditures | 248,997 | 98,558 | 65,672 | 413,227 |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | -33,832 | -27,664 | -16,709 | -78,205 |
| Total other financing sources (uses) | -33,832 | -27,664 | -16,709 | -78,205 |
| Net change in fund balance | 215,165 | 70,894 | 48,963 | 335,022 |
| **Fund balance - July 1** | 1,163,716 | 651,108 | 434,761 | 2,249,585 |
| **Fund balance - June 30** | $ 1,378,881 | $ 722,002 | $ 483,724 | $ 2,584,607 |

**Town of Lebanon, Connecticut**
Schedule of debt limitation
Connecticut General Statutes, Section 7-374 (b)
For the year ended June 30, 2014

| | |
|---|---|
| Total tax collections (including interest and lien fees) for the current fiscal year. | $ 16,375,870 |
| Total tax collections (including interest and lien fees) of city, borough and all other taxing districts within the Town for the current fiscal year. | - |
| Reimbursement for revenue loss on: Tax relief for the elderly - (CGS 12-129d) | 32,848 |
| Total base | $ 16,408,718 |

| Debt limitation: | General purposes | Schools | Sewers | Urban renewal | Pension deficit |
|---|---|---|---|---|---|
| 2 1/4 times base | $ 36,919,616 | $ - | $ - | $ - | $ - |
| 4 1/2 times base | - | 73,839,231 | - | - | - |
| 3 3/4 times base | - | - | 61,532,693 | - | - |
| 3 1/4 times base | - | - | - | 53,328,333 | - |
| 3 times base | - | - | - | - | 49,226,154 |
| Total debt limitation | 36,919,616 | 73,839,231 | 61,532,693 | 53,328,333 | 49,226,154 |
| **Indebtedness:** | | | | | |
| Bonds payable | 640,800 | 2,029,200 | 4,904,105 | - | - |
| Bonds authorized and unissued | 630,000 | 8,296,724 | 1,445,000 | - | - |
| Notes payable | 126,197 | - | - | - | - |
| Capital leases payable | 347,900 | 6,946 | - | - | - |
| Accrued compensated absences: | | | | | |
| School employees | - | 42,395 | - | - | - |
| Town employees | 21,659 | - | - | - | - |
| Accrued post closure landfill costs | 66,131 | - | - | - | - |
| Total indebtedness | 1,832,687 | 10,375,265 | 6,349,105 | - | - |
| Debt limitation in excess of outstanding and authorized debt | $ 35,086,929 | $ 63,463,966 | $ 55,183,588 | $ 53,328,333 | $ 49,226,154 |

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation. The maximum amount permitted under this formula would be $114,861,026 which is well above the $18,557,057 current amount of outstanding and authorized and unissued debt of the Town. The authorized but unissued bond amounts relating to the school as of June 30, 2014 are made up of $964,150 for middle school boiler replacement and heating system renovations, $360,000 for improvements to various school facilities and $6,972,574 for the elementary and middle school projects. The authorized but unissued bond amounts relating to general purpose items as of June 30, 2014 equal $630,000 for the fire safety complex. The authorized and unissued bond amounts relating to sewers as of June 30, 2014 relate to the Lebanon Amston Lake Sewer District construction project. These authorized and unissued bond amounts have been included above due to the fact that the Town's interpretation that the reasons for excluding certain types of debt from inclusion in this schedule as outlined in the Connecticut General Statues Section 7-374(b) do not apply to these items of authorized and unissued bond amounts.

**Town of Lebanon, Connecticut**
Schedule of property taxes levied,
collections, and outstanding balances
For the year ended June 30, 2014

| Grand list | Uncollected taxes 06/30/13 | Current year taxes levied | Lawful corrections | | Net taxes collectable |
|---|---|---|---|---|---|
| | | | Additions | Deductions | |
| 2012 | $ - | $ 16,244,273 | $ 7,909 | $ -20,831 | $ 16,231,351 |
| 2011 | 330,879 | - | - | -1,196 | 329,683 |
| 2010 | 102,791 | - | - | -866 | 101,925 |
| 2009 | 35,718 | - | 347 | -910 | 35,155 |
| 2008 | 4,246 | - | - | -543 | 3,703 |
| 2007 | 2,422 | - | 292 | -479 | 2,235 |
| 2006 | 2,815 | - | - | -472 | 2,343 |
| 2005 | 747 | - | - | -461 | 286 |
| 2004 | 714 | - | - | -441 | 273 |
| 2003 | 688 | - | - | -425 | 263 |
| 2002 | 249 | - | 199 | -339 | 109 |
| 2001 | 154 | - | - | -49 | 105 |
| 2000 | 148 | - | - | -48 | 100 |
| 1999 | 42 | - | - | -42 | - |
| 1998 | 71 | - | - | -71 | - |
| 1997 | 71 | - | - | - | 71 |
| | $ 481,755 | $ 16,244,273 | $ 8,747 | $ -27,173 | $ 16,707,602 |

**Town of Lebanon, Connecticut**
Schedule of property taxes levied,
collections, and outstanding balances
For the year ended June 30, 2014

| Grand list | Collections during the fiscal year: Taxes | Interest | Lien fees | Total | Adjustments | Uncollected taxes 06/30/14 |
|---|---|---|---|---|---|---|
| 2012 | $ 15,874,929 | $ 73,070 | $ 9,743 | $ 15,957,742 | $ - | $ 356,422 |
| 2011 | 211,342 | 43,808 | 21,042 | 276,192 | - | 118,341 |
| 2010 | 64,328 | 25,053 | 914 | 90,295 | -18,456 | 19,141 |
| 2009 | 29,393 | 11,966 | 432 | 41,791 | - | 5,762 |
| 2008 | 1,288 | 721 | 120 | 2,129 | - | 2,415 |
| 2007 | 100 | 96 | 24 | 220 | - | 2,135 |
| 2006 | - | - | - | - | - | 2,343 |
| 2005 | - | - | - | - | - | 286 |
| 2004 | - | - | - | - | - | 273 |
| 2003 | - | - | - | - | - | 263 |
| 2002 | - | - | - | - | - | 109 |
| 2001 | - | - | - | - | - | 105 |
| 2000 | - | - | - | - | - | 100 |
| 1999 | - | - | - | - | - | - |
| 1998 | - | - | - | - | - | - |
| 1997 | - | - | - | - | -71 | - |
| | $ 16,181,380 | $ 154,714 | $ 32,275 | $ 16,368,369 | $ -18,527 | $ 507,695 |

A - This schedule is in effect designed to be shown on the cash basis of accounting whereas it shows the amount being received against tax years as revenues when in effect they represent a reduction in the asset account for each outstanding tax year. As a result, the total collections balance shown above will not tie out to the property taxes, interest, and liens revenue balance on Statement D, Statement E, or Sub-Schedule D. However, the following is a reconciliation of selected balances from this schedule to the amount shown on Statement D, Statement E, and Sub-Schedule D.

| | |
|---|---|
| $ 16,244,273 | Current year taxes levied from page 68 |
| 154,714 | Tax interest collections during the current fiscal year from above |
| 11,284 | Suspense interest and lien collections during the current fiscal year |
| 32,275 | Tax lien fee collections during the current fiscal year from above |
| 11,505 | Suspense principle balance collections during the current fiscal year |
| -18,456 | Account balance adjustments as items transferred to suspense |
| -18,426 | The net lawful corrections made during the current fiscal year from page 68 |
| -42,219 | The unearned tax revenue adjustment made as described in item number 2 on page 17 |
| 16,374,950 | Property taxes, interest, and liens per Statement E |
| 920 | Lake Williams assessment principal and interest collections |
| $ 16,375,870 | Property taxes, interest, and liens per Statement D and Sub-Schedule D |

B - Operation of Law - No tax can be collected 15 years after the original due date. The $71 adjustment shown above for the 1997 grand list year represents a write off in accordance with this operation of law.

C - Taxes transferred (to) and from suspense. Though tax balances are transferred from active status to suspense status they remain collectible. During the current fiscal year $11,505 was collected on principle suspense tax balances owed and $11,284 of interest and lien fees was collected on principle suspense tax balances owed. Certificates of correction were completed for taxes which had already been transferred to suspense during the current fiscal year in the amount of a $950 decrease.

**Town of Lebanon, Connecticut**
Schedule of expenditures of federal awards
For the year ended June 30, 2014

| Federal grantor<br>Pass-through grantor<br>Program title | Federal CFDA number | Pass-through grantor number | Federal expenditures |
|---|---|---|---|
| **U.S. Department of Agriculture** | | | |
| Direct program - Rural Development | | | |
| Community facility grants | 10.760 | - | $ 649,298 |
| Passed through the State of Connecticut - | | | |
| Department of Education | | | |
| Child nutrition cluster: | | | |
| School breakfast program | 10.553 | 12060-SDE64370-20508-2013 | 5,912 |
| | | 12060-SDE64370-20508-2014 | 10,155 |
| School lunch program | 10.555 | 12060-SDE64370-20560-2013 | 33,918 |
| | | 12060-SDE64370-20560-2014 | 58,830 |
| | | | 108,815 |
| Supplemental nutrition assistance program | 10.580 | 12060-SDE64351-26130-2013 | 815 |
| **U.S. Department of Housing and Urban Development** | | | |
| Passed through the State of Connecticut - | | | |
| Department of Economic and Community Development | | | |
| Small cities program - | | | |
| Housing rehabilitation loan program | 14.228 | 12060-DOH46930-20730-2014 | 78,015 |
| **U.S. Department of Education** | | | |
| Passed through the State of Connecticut - | | | |
| Department of Education | | | |
| Title I Part A Cluster: | | | |
| Title I - Improving basic programs | 84.010 | 12060-SDE64370-20679-2013 | 2,052 |
| | | 12060-SDE64370-20679-2014 | 85,000 |
| | | | 87,052 |
| Special Education Cluster | | | |
| Idea Part B - Section 611 Disabilities | 84.027 | 12060-SDE64370-20977-2013 | 174,467 |
| | | 12060-SDE64370-20977-2014 | 72,966 |
| Idea Part B - Section 619 Preschool | 84.173 | 12060-SDE64370-20983-2013 | 62 |
| | | 12060-SDE64370-20983-2014 | 9,627 |
| | | | 257,122 |
| Title II Part A - Improving teacher quality | 84.367 | 12060-SDE64370-20858-2013 | 17,084 |
| | | 12060-SDE64370-20858-2014 | 24,496 |
| | | | 41,580 |
| **Total Expenditures of Federal Awards** | | | $ 1,222,697 |

**Note 1 - Basis of presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant and contract activity of the Town of Lebanon, Connecticut and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The expenditure amounts shown on the accompanying schedule may include reimbursable expenditures which have been incurred by the Town and therefore included as expenditures but which have not yet been reimbursed and are considered and may be recorded as accounts receivable. In accordance with OMB Circular A-133 section §___.205 (a), the determination of when an award is expended should be based on when the activity related to the award occurs.

**Note 2 - Loans outstanding**

The Town of Lebanon, Connecticut has the following loan balance outstanding at June 30, 2014. This outstanding loan balance was not included in the schedule of expenditures of federal awards due to the fact that the loan funds were received and expended during the prior fiscal year.

| Program title | Federal CFDA number | Amount outstanding |
|---|---|---|
| Community facility loans | 10.760 | $ 4,904,105 |

# *Stephen T. Hopkins, CPA, PC*

Auditing, Accounting, and Consulting Services

*214 Holmes Road / Scarborough, Maine 04074 / Phone: (207) 885 - 5038 / Fax: (207) 470 - 5050*


Independent Auditors' Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*

Board of Finance
Board of Selectmen
Town of Lebanon, Connecticut

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Lebanon, Connecticut, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town of Lebanon, Connecticut's basic financial statements, and have issued our report thereon dated February 9, 2015.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Lebanon, Connecticut's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Lebanon, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Lebanon, Connecticut's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we considered to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We do not consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We do consider the deficiencies described in the accompanying schedule of findings and questioned costs to be a significant deficiencies. These significant deficiencies are noted in the aforementioned schedule as item numbers 14-01 through 14-04.

**Compliance and other matters**

As part of obtaining reasonable assurance about whether the Town of Lebanon, Connecticut's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no reportable instances of noncompliance or other matters required to be reported under *Government Auditing Standards*.

**The Town of Lebanon, Connecticut's Responses to Findings**

The Town of Lebanon, Connecticut's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Town of Lebanon, Connecticut's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control 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 or on compliance. This 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 and compliance. Accordingly, this communication is not suitable for any other purpose.

Stephen T. Hopkins, CPA, PC

Stephen T. Hopkins, CPA, PC

Scarborough, Maine
February 9, 2015

# *Stephen T. Hopkins, CPA, PC*

Auditing, Accounting, and Consulting Services

*214 Holmes Road / Scarborough, Maine 04074 / Phone: (207) 885 - 5038 / Fax: (207) 470 - 5050*


Independent Auditors' Report on compliance for each major program and on internal control over compliance required by OMB Circular A-133

Board of Finance
Board of Selectmen
Town of Lebanon, Connecticut

**Report on Compliance for each Major Federal Program**

We have audited the Town of Lebanon, Connecticut's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town of Lebanon, Connecticut's major federal programs for the year ended June 30, 2014. The Town of Lebanon, Connecticut's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contacts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Town of Lebanon, Connecticut's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Town of Lebanon, Connecticut's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the Town of Lebanon, Connecticut, complied in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

**Report on Internal Control Over Compliance**

Management of the Town of Lebanon, Connecticut is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Lebanon, Connecticut's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Lebanon, Connecticut's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purposed described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Stephen T. Hopkins, CPA, PC

Stephen T. Hopkins, CPA, PC

Scarborough, Maine
February 9, 2015

**Town of Lebanon, Connecticut**
Schedule of findings and questioned costs
June 30, 2014

Summary of Audit Results

The following is a summary of the results of the audit of the basic financial statements of the Town of Lebanon, Connecticut (the auditee) as of and for the year ended June 30, 2014 as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* §____.505(d)(1).

(i) The auditor's report expresses unmodified opinions on the financial statements of the auditee.

(ii) There were four significant deficiencies in internal control disclosed by the audit of the financial statements of the auditee. These significant deficiencies are referenced in the accompanying schedule of findings and questioned costs as item numbers 14-01 through 14-04. None of these significant deficiencies were considered to be a material weakness.

(iii) No instances of noncompliance material to the financial statements of the auditee were disclosed during the audit.

(iv) There were no significant deficiencies in internal control over compliance for major programs disclosed by the audit of the financial statements of the auditee.

(v) An unmodified opinion was issued on compliance for major programs of the auditee.

(vi) The following programs (CFDA numbers) were considered major for auditing purposes. Major programs for testing purposes were determined in accordance with §___.520 (e) (1) and (2) (B). Under these sections, All type A programs must be tested except those identified as low-risk under section (c)(1). The following Type A program was the only identified Type A program of the Town and was considered to be a high-risk program and therefore tested as major. In accordance with the aforementioned section, one high-risk type B program must be tested for each low-risk type A program. Since the only type A program was determined to be high-risk, no type B programs were or needed to be tested.

| | | |
|---|---|---|
| Community facility grants | CFDA # 10.760 | $ 649,298 |

(vii) The dollar threshold used to distinguish between Type A and Type B programs was $300,000.

(viii) The auditee did not qualify as a low-risk auditee under §___.530. In accordance with section §___.520 (f) federal programs must be tested that in the aggregate encompass at least 50% of the total federal awards expended by the Town. Total federal awards expended by the Town were $1,222,697. The programs and expenditures noted above in item (vi) represent approximately 53% of the total federal awards expended.

Findings Related to Financial Statements

There were four findings relating to the basic financial statements which are required to be reported in accordance with GAGAS and §___.505(d)(2). These four findings are related to internal control over financial reporting and are referenced in the accompanying schedule of findings and questioned costs as item numbers 14-01 through 14-04.

Findings, Questioned Costs, and Responses for Federal Awards

There were no findings and questioned costs for Federal Awards which shall include audit findings as defined in §___.510(a) which are required to be reported in accordance with §___.505(d)(3).

Summary Schedule of Prior Audit Findings

There was one finding and questioned cost related to federal award programs reported in the audit report for the auditee for the year ended June 30, 2011 which was not resolved for the year ended June 30, 2013. The auditee feels that this finding does not warrant further action as all of the criteria outlined in section §___.315(b)(4) have occurred. Therefore, no schedule has been included.

**14-01 - Account reconciliations**

Criteria:

The management of the Town is responsible for implementing and maintaining a system of internal controls for which the design of the system would allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

Condition:

For the current fiscal year there did not appear to be an adequate system of internal controls in place to ensure that all of the non-cash asset and liability accounts on the trial balance of the Town were reconciled or more specifically that they were documented when completed in accordance with the approved finance office accounting policies and procedures. Without an adequate system of internal controls in place to ensure that all asset and liability accounts are being reconciled and that the reconciliation is being adequately documented, there is no way to ensure that items that may need to be corrected will be prevented or even detected and corrected on a timely basis. We do consider this condition to represent a significant deficiency in internal control over financial reporting.

Context:

It does appear as though monthly bank reconciliations were prepared for the cash accounts of the Town as shown on the trial balance during the current fiscal year and documented in accordance with the aforementioned polices and procedures manual. In addition, it does appear as though there was an adequate system of internal controls in place to review revenue and expenditure accounts to determine if any transactions had been mis-posted and therefore needed to be corrected and that these reviews were being adequately documented. However, it would appear as though a number of the non-cash asset and liability accounts either went unreconciled or the reconciliation and results thereof went undocumented during the current fiscal year . If reconciliations were prepared on these non-cash asset and liability accounts, I was unable to find any documentation of the reconciliations and the results of the reconciliations. As a result of the audit, 59 adjusting journal entries were proposed for the general fund of the Town and another 54 were proposed for the other funds on the trial balance of the Town. Not all of these adjustments were necessarily correcting items that would have been found if reconciliations had been completed but a number of them should have been found if reconciliations had been completed.

Effect:

Without account reconciliations being prepared and documented for all asset and liability accounts, in addition to the periodic documented reviews of the transactions recorded in the revenue and expenditure accounts currently being performed, it is difficult to have an accurate financial picture of the Town during the fiscal year. Without an accurate financial picture there can be no reasonable assurance present that the Town's specific objectives are being achieved or that its' assets are being safeguarded.

Cause:

The reason for this condition would appear to be a lack of available time and available resources within the finance department of the Town. This would appear to make it difficult to apportion the time needed to effectively reconcile all of the asset and liability accounts as shown on the trial balance and to document these reconciliations in accordance with the aforementioned policies and procedures manual

Recommendation:

We recommend that the Town follow the procedures outlined in the finance office accounting policies and procedures manual to ensure that all asset and liability accounts are being reconciled and that these reconciliations are being adequately documented at least on a quarterly basis if not a monthly basis.

Views of responsible officials and planned corrective actions:

We have discussed this finding with our auditor and we do agree with his recommendations as described above. We plan to fully perform and document all asset and liability account reconciliations performed during the upcoming fiscal year in accordance with the aforementioned finance office accounting policies and procedures manual.

**14-02 - Bank account reconciliations**

Criteria:

The management of the Town is responsible for implementing and maintaining a system of internal controls for which the design of the system would allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

Condition:

The Town has two main checking accounts and one main deposit account from which the majority of its day to day activities are accounted. Account reconciliations were prepared on these three accounts during the current fiscal year comparing the actual bank statement balance to the recorded bank balance as shown on the Town's trial balance. The town finance office is responsible for preparing the reconciliations for one of the main checking accounts and the main deposit account. These monthly bank reconciliations were prepared and documented in accordance with the finance office accounting policies and procedures manual, however, they were not prepared in a timely manner as the majority of the reconciliations for these two accounts for the months of July of 2013 through June of 2014 were initialed and dated as being prepared and reviewed in July of 2014. The school business office is responsible for preparing the reconciliations for the other main checking account. The first six months of bank reconciliations on this account were also not prepared in a timely manner as the months of July 2013 through December 2013 were initialed and dated as being prepared in March of 2014. In addition, none of the monthly bank reconciliations contain the initials or date of an individual outside of the school business office as having reviewed the reconciliations. We do consider these conditions to represent a significant deficiency in internal control over financial reporting.

Context:

One of the main reasons for preparing bank account reconciliations is to make sure that the accounting transactions which show up on the Town's trial balance are the same as those that show up on the actual corresponding bank account statements. Items which do not match up between the trial balance and the bank statement are referred to as reconciling items. The purpose of performing these reconciliations in a timely manner is so that any of these reconciling items that are found as part of the process can be researched and adjustments prepared as soon as possible so that an accurate financial picture is present as shown on the trial balance of the town at any reasonable point in time. If the bank reconciliations are not being prepared in a timely manner then any adjustments that may be necessary in order to correct balances as shown on the trial balance will also not be made in a timely manner and thus the financial picture as shown on the trial balance may not be accurate for long periods of time. In addition, a common form of internal controls relating to bank reconciliations would be having an individual outside of the cash processing function of the office performing the reconciliation review the reconciliation report and supporting documentation for balances and the reasonableness of all reconciling items and to sign and date the review to ensure that it was performed in a timely manner.

Effect and cause:

Without reconciling items being fully researched and corrected in a timely manner, the bank balances as shown on the Town's trial balance may be incorrect when compared to the actual bank statement balances and therefore it is difficult to have an accurate internal financial picture of the Town during portions of the fiscal year. Without an accurate internal financial picture there can be no reasonable assurance present that the Town's specific objectives are being achieved or that its' assets are being safeguarded. The reason for this condition would appear to have been a lack of available time and available resources within the finance department of the Town. The reason for the school bank reconciliations not being reviewed is unknown.

Recommendation:

We recommend that all bank account reconciliations be prepared and reviewed in a timely manner and that all reconciling items be fully researched and corrected in a timely manner to ensure that the bank balances as shown on the Town's trial balance are as accurate and up to date as possible throughout the fiscal year.

Views of responsible officials and planned corrective actions:

We have discussed this finding with our auditor and we do agree with his recommendations as described above. The town has begun using the software provided bank reconciliation feature and as such all current bank reconciliations for these two accounts are being prepared on a timely basis. In addition, we will review the bank reconciliation procedures being utilized by the school business office to determine who the appropriate individual would be to review, sign and date all prepared bank reconciliations.

**14-03 - Internal control over the allocation of certain investment funds income**

Criteria:

The management of the Town is responsible for implementing and maintaining a system of internal controls for which the design of the system would allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

Condition:

The Town had received and has maintained three individual and separate investment funds which were designed to benefit the operations of the library, the community center and the Trumbull Jr. house. Cash as well as different types of securities and other investments have been donated to the town over the years and directed as being for the benefit of one of these three specific funds and therefore they were deposited into one of these three individual and separate investment fund accounts. During the current fiscal year the town made the decision to combine these three individual and separate investment fund accounts into one account thus combining and commingling the different types of investments that were being kept track of individually. Upon combining these three separate investment funds, the town determined the percentage of each individual investment funds portion of the now combined account based on the ending value of each of the three individual accounts as a percentage of the new total combined account value. This initial percentage is to be used by the town to allocate the revenue earned and change in fair market value of the account to the three benefitting activities. Though the combining of the accounts does not appear to create any specific issues in relation to the original separate and individual investment funds, it would appear as though the fact that the individual securities and investments that made up each individual and separate account are no longer being separately tracked and thus there is no way to determine whether the original intent and return on investment is being allocated between the three activities as was originally intended. We do consider this condition to represent a significant deficiency in internal control over financial reporting.

Context:

The initial percentages to be used by the town to allocate the revenue earned and change in fair market value were determined to be approximately 53% towards the library, 28% towards the community center and 19% towards the Trumbull Jr. house. In reviewing the actual monthly income earned by each individual and separate investment fund for the first eleven months of the fiscal year before the accounts were combined in comparison to the total income earned by all three individual and separate investment funds we were able to determine the approximate percentage of each funds portion of the total. These percentages were then compared to the initial percentages as determined for the combined account and as described above. This basic review showed that the actual percentage earned by the library account only exceeded 53% once and only exceeded 50% four times. In comparison the actual percentage earned by the community center account only dipped below 30% once and was consistently between 31% and 39% during the first eleven months of the fiscal year. The actual percentage for the Trumbull Jr. house fluctuated throughout the eleven month period from a low of 15% to a high of 33%.

Effect and cause:

The results of this basic review would appear to show that the income earned by each account is not a direct correlation to the value of each account and that by using the town's initial percentage approach to allocating the revenue earned and change in fair market value of the account to the three benefitting activities the amount ultimately being allocated may not be in the amount or breakdown as was originally intended. It would appear that the reason for using this initial percentage approach would be the fact that the calculation and record keeping is much more simplified as opposed to trying to keep track of each individual security and activity.

Recommendation:

We recommend that the Town consider modifying the manner in which it is keeping track of this combined account so that the individual securities and investments that were originally given for each benefitting activity are still being tracked and to allocate the revenue earned and change in fair market value based on this individual tracking basis in order to more accurately reflect the earnings being applied to each benefitting activity as it would appear may have been originally intended.

Views of responsible officials and planned corrective actions:

We have discussed this finding with our auditor and we do understand the position as outlined above, however, we believe that the research performed prior to the combining of these accounts and the determination of the income allocation method being used was never specifically prohibited and is reasonable under the circumstances.

**14-04 - Internal control over the billing of WPCA user fees**

Criteria:

The management of the Town is responsible for implementing and maintaining a system of internal controls for which the design of the system would allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

Condition:

During the current fiscal year the town substantively completed the construction of the Lebanon Amston Lake Sewer District (the District). Upon completion of the construction project, each assessable lot was levied a benefit assessment which is designed to pay for the financing agreement entered into in order to fund a portion of the costs of the construction project. The operating costs of the District are designed to be paid for by the billing of user fees to those individuals connected to the sewer system. User fees are billed twice a year on a prorated basis once a property has been connected to the sewer system. The billing of these user fees are processed by the tax department of the Town. During the current fiscal year, user fee billings were sent out to all three hundred and six properties located along the District. However, all of these properties were not connected to the sewer system at the time that the billings were sent and thus these unconnected properties should not have been billed. The Water Pollution Control Authority (WPCA) Board is responsible for overseeing the activities of the District and in turn it would appear to be responsible for notifying the tax collector when properties have been connected to the sewer system and thus when the user fee billings should begin. It would appear as though there was not an adequate system of internal controls in place during the current fiscal year to ensure that only those properties actually connected to the sewer system were being billed. We do consider this condition to represent a significant deficiency in internal control over financial reporting.

Context:

As a result of unconnected properties being billed for user fees, a number of these billed individuals actually paid the town though they should not have been billed. The result is that funds were collected and deposited by the town that were in effect not assets of the town. These collected amounts were recorded as revenue within the operating fund of the District on the trial balance of the town thus making it appear as though more revenue was actually collected and thus showing a more positive results of operations. As part of the audit, a review of the billings and collections was made and it was determined that as of the end of the current fiscal year a total of one hundred and nine of the total three hundred and six properties along the District were still unconnected and were billed. Some of these collected amounts were transferred to future billings for properties connected after the end of the fiscal year and some of the amounts were refunded. As of the end of the fiscal year the town had a remaining balance of approximately $23,680 in funds which had been billed and collected on unconnected properties which had not yet been transferred or refunded.

Effect and cause:

One effect of this situation is the creation of a liability on the trial balance of the town for the funds that were collected that should not have been billed which needs to be tracked and reconciled. In addition, since all of the incorrectly paid amounts were not simply refunded or transferred, the tax collector is keeping track of these account balances within the system and is then transferring them as properties are connected. This creates additional work that would be unnecessary had all of the incorrectly paid amounts simply been refunded once it was determined that incorrect billings and in turn payments had occurred. It would appear that the cause of this situation was the lack of an adequate system of internal controls between the tax collector and the WPCA Board to ensure that user fee billings only occurred once a property was connected.

Recommendation:

We recommend that the WPCA Board develop a policy for notifying the tax collector once properties have been connected and should be billed. We also recommend that the tax collector review any still overpaid balances and consider refunding the balances which should not have been paid and then entering certificates of correction for the applicable accounts within the system to eliminate the receivable for the amount which was incorrectly billed.

Views of responsible officials and planned corrective actions:

The WPCA Board adopted an Authorization for User Fee Billing policy dated December 26, 2014 which addresses the communication of connected properties ready for user fee billing from the Board to the tax collector. In addition, the tax collector will review the still effected accounts and determine whether any refunds and or certificates of correction are necessary.

# *Stephen T. Hopkins, CPA, PC*

Auditing, Accounting, and Consulting Services

*214 Holmes Road / Scarborough, Maine 04074 / Phone: (207) 885 - 5038 / Fax: (207) 470 - 5050*


Independent Auditors Report on Compliance for each major state program and Internal control over compliance and the Schedule of expenditures of state financial assistance required by the State Single Audit Act

Board of Finance
Board of Selectmen
Town of Lebanon, Connecticut

**Report on Compliance for Each Major State Program**

We have audited the Town of Lebanon, Connecticut's compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town of Lebanon, Connecticut's major state programs for the year ended June 30, 2014. The Town of Lebanon, Connecticut's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Town of Lebanon, Connecticut's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town of Lebanon, Connecticut's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Town of Lebanon, Connecticut's compliance.

**Opinion on Each Major State Program**

In our opinion, the Town of Lebanon, Connecticut, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2014.

**Report on Internal Control Over Compliance**

Management of the Town of Lebanon, Connecticut, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Lebanon, Connecticut's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Lebanon, Connecticut's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purposes.

**Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Lebanon, Connecticut, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town of Lebanon, Connecticut's basic financial statements, and have issued our report thereon dated February 9, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lebanon, Connecticut's financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

Stephen T. Hopkins, CPA, PC

Stephen T. Hopkins, CPA, PC

Scarborough, Maine
February 9, 2015

**Town of Lebanon, Connecticut**
Schedule of expenditures of state financial assistance
For the year ended June 30, 2014

| State grantor/pass through Grantor/program title | State grant program Core-CT number | Expenditures |
|---|---|---|
| **Office of Policy and Management:** | | |
| Payment in lieu of taxes (PILOT) on state owned property | 11000-OPM20600-17004-2014 | $ 30,428 |
| Disabled program | 11000-OPM20600-17011-2014 | 653 |
| Property tax relief for elderly and totally disabled homeowners | 11000-OPM20600-17018-2014 | 32,848 |
| Property tax relief for veterans | 11000-OPM20600-17024-2014 | 3,428 |
| Local capital improvement | 12050-OPM20600-40254-2014 | 144,830 |
| Municipal purposes and projects | 12052-OPM20600-43587-2014 | 28,617 |
| **Department of Education:** | | |
| Healthy food initiative | 11000-SDE64370-16212-2014 | 8,910 |
| Child nutrition program state match | 11000-SDE64370-16211-2014 | 4,353 |
| Vocational Agriculture | 11000-SDE64370-17017-2014 | 263,294 |
| Adult education | 11000-SDE64370-17030-2014 | 7,916 |
| School breakfast program | 11000-SDE64370-17046-2014 | 9,374 |
| **Office of Early Childhood:** | | |
| School readiness | 11000-OEC64845-12113-2014 | 106,999 |
| School readiness quality enhancement | 11000-OEC64845-17097-2014 | 4,023 |
| **Connecticut State Library:** | | |
| Historic documents preservation grant | 12060-CSL66094-35150-2014 | 4,000 |
| Grants to public libraries | 11000-CSL66051-17003-2014 | 1,208 |
| Connecticard payments | 11000-CSL66051-17010-2014 | 1,094 |
| FAD - Temporary holding account | 34003-CSL66094-42350-2014 | 150 |
| **Department of Transportation:** | | |
| Town aid road grants | 13033-DOT57131-43459-2014 | 344,418 |
| Bus operations | 12001-DOT57931-12175-2014 | 32,597 |
| Pay as you go | 12001-DOT57124-12518-2014 | 17 |
| **Department of Environmental Protection:** | | |
| Small town economic assistance program (STEAP) | 12052-DEP43153-40531-2014 | 37,573 |
| Environmental quality fees | 11000-DEP43950-12501-2014 | 90 |
| Recreation and natural heritage program | 12060-DEP43153-30115-2014 | 6 |
| **Department of Agriculture:** | | |
| Agricultural viability | 12060-DAG42710-90456-2011 | 15,000 |
| Connecticut grown food | 12060-DAG42710-90458-2010 | 625 |
| Farmland preservation | 12060-DAG42720-90460-2014 | 135 |

**Town of Lebanon, Connecticut**
Schedule of expenditures of state financial assistance (continued)
For the year ended June 30, 2014

| State grantor/pass through Grantor/program title | State grant program Core-CT number | Expenditures |
|---|---|---|
| **Other Departments and miscellaneous awards:** | | |
| Non-budgeted operating appropriations | 34001-JUD95162-40001-2014 | $ 4,090 |
| Other expenses | 11000-DRS16312-10020-2014 | 40 |
| Other expenses | 11000-DSS60439-10020-2014 | 10 |
| Other expenses | 11000-DSS60760-10020-2014 | 10 |
| SIF stipulation and reimbursement | 12060-OTT14710-35111-2014 | 10 |
| Total State Financial Assistance before exempt programs | | 1,086,746 |
| Exempt Programs | | |
| **State Department of Education:** | | |
| Transportation of school children | 11000-SDE64370-17027-2014 | 96,021 |
| Education equalization grants program 82010 | 11000-SDE64370-17041-2014 | 5,558,950 |
| Special education excess costs | 11000-SDE64370-17047-2014 | 528,765 |
| **Office of Policy and Management:** | | |
| Mashantucket Pequat Grant | 12009-OPM20600-17005-2014 | 30,160 |
| Municipal video competition | 12060-OPM20600-35362-2013 | 68 |
| Total exempt programs | | 6,213,964 |
| Total expenditures of State Financial Assistance | | $ 7,300,710 |

Various departments and agencies of the State of Connecticut have provided financial assistance to the Town of Lebanon, Connecticut through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including but not limited to education, transportation, tax relief, and library programs.

1. Summary of Significant Accounting Policies

The accounting policies of the Town of Lebanon, Connecticut conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies relating to the aforementioned grant programs.

Basis of Accounting

There are two sets of basic financial statements contained in the Town of Lebanon, Connecticut's annual report as required by GASB Statement No. 34. The government-wide financial statements are prepared on the accrual basis of accounting, whereas, the fund financial statements are prepared on the modified accrual basis of accounting. The following is a summary of such bases:

Accrual Basis - Government-wide financial statements:

- Revenues are recognized when they are earned.
- Expenses are recorded when they are incurred.

Modified Accrual Basis - Fund financial statements:

- Revenues are recognized when they become measurable and available. Available includes those property tax receivables expected to be collected within sixty days after year end. Miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Intergovernmental revenues, and interest income are accrued, when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available.

- Expenditures are recorded generally when the related fund liability is incurred. This includes reimbursable expenditures which have been incurred by the Town and therefore included in the accompanying schedule of expenditures of state financial assistance but which have not yet been reimbursed and are considered and recorded as accounts receivable. The determination of when an award is expended should be based on when the activity related to the award occurs. Exceptions to this general rule include principal and interest on general long-term debt which is recorded when due.

The Schedule of expenditures of state financial assistance, contained in this report, is prepared based on regulations established by the State of Connecticut Office of Policy and Management. In accordance with these regulations (Section 4-236-22), certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of expenditures of state financial assistance.

Town of Lebanon, Connecticut
Schedule of findings and questioned costs
For the year ended June 30, 2014

I. Summary of Audit Results

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

| | | | | |
|---|---|---|---|---|
| • Material weakness (es) identified? | ____ | yes | X | no |
| • Significant deficiency (ies) identified? | X | yes | ____ | none reported |
| • Noncompliance material to the financial statements noted? | ____ | yes | X | no |

**State Financial Assistance**

Type of auditors' report issued on compliance for major programs: Unmodified

Internal control over major programs:

| | | | | |
|---|---|---|---|---|
| • Material weakness (es) identified? | ____ | yes | X | no |
| • Significant deficiency (ies) identified? | ____ | yes | X | none reported |
| • Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? | ____ | yes | X | no |

**Major State Programs and percentage of coverage**

- The following schedule reflects the major programs included in the audit. Sec. 4-230 of the Connecticut General Statutes states that a "major state program means any program, excluding an exempt program, determined to be a major state program by the independent auditor pursuant to the requirements of the risk based approach". Under step two of this process all Type A programs must be identified. Based on the Town of Lebanon, Connecticut's non-exempt expenditures of state financial assistance amount of $1,086,746, a Type A program shall be considered a non-exempt state program for which the amount of state financial assistance expended under the program for the audit period equals or exceeds the larger of $200,000 or two percent (2%) of the nonstate entity's total nonexempt state financial assistance program expenditures. The Town of Lebanon has two Type A programs for the current fiscal year based on the $200,000 dollar threshold and therefore all of its remaining programs would be considered Type B programs. The Town has seven Type B programs for which a risk assessment must be performed considering the Type B programs with expenditures in excess of $25,000.
- In accordance with Subpart A of the risk assessment procedures, the following considerations have been applied to the Type A programs of the Town to determine whether they should be considered high risk: The dollar value of the applicable transactions, the complexity of the requirements of the program and as compared to other programs of the Town, whether the program has been tested as major during at least one of the two most recent audit periods and an assessment based on professional judgement. The Town's Type A programs were all determined to be high-risk and therefore were all audited as major programs. One of the seven Type B programs for which a risk assessment was required was determined to be high-risk and therefore will be audited as a major program. The total non-exempt state financial assistance expended by the Town for the current audit period was $1,086,746. The programs tested as major and shown below represent approximately 69% of the total non-exempt state financial assistance expended.

| State grantor and program | State grant program Core-CT number | Expenditures |
|---|---|---|
| Vocational Agriculture | 11000-SDE64370-17017-2014 | $ 263,294 |
| Town aid road grants | 13033-DOT57131-43459-2014 | 344,418 |
| Local capital improvement | 12050-OPM20600-40254-2014 | 144,830 |
| | | $ 752,542 |

- Dollar threshold used to distinguish between Type A and Type B programs: $ 200,000

## II. Financial Statement Findings

- We issued our report, dated February 9, 2015, on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards*.

- Our report on internal control over financial reporting indicated four significant deficiencies. The details of these significant deficiencies can be found in the schedule of findings and questioned costs within the federal compliance section of these financial statements and are labeled as item numbers 14-01 through 14-04 starting on page 77. We do not consider any of these significant deficiencies to be a material weakness.

- Our report on compliance indicated no reportable instances of noncompliance.

## III. State Financial Assistance Findings and Questioned Costs

- No findings or questioned costs are being reported relating to State financial assistance programs.