



TOWN OF LISBON
ANNUAL REPORT
FISCAL YEAR 2015/2016

Published by the Town of Lisbon Board of Finance

The Lisbon Fall Festival began in 1981 as a small group of family-type game booths on the blacktop in back of the Fire House. Volunteers and various town officials, including then First Selectman Jeremiah Shea, manned the booths and awarded token prizes to the winners. The purpose of the Festival was to bring the community together for a fun Saturday in the early Fall.

As a more organized planning committee evolved, the Festival grew and gradually changed venues, moving from the Fire House parking lot to the area in back of the Senior Center, to its present location in the northeast corner of Lisbon Meadows Park. Profits realized were set aside to develop the old barn at the Meadows, which was leased from the town in 1993, with the intent of renovating it into a community center.

When that 1800's style barn burned down in 1997, the accumulated treasury was combined with insurance proceeds and a special Board of Finance appropriation to build the present post and beam structure which opened as the Lisbon Meadows Park Community Center in 2003.

The Lisbon Fall Festival has, over the course of some thirty-odd years, been a one day event with chowder and fritters, a two day event with vendors and game booths, even a three day event with carnival rides and booths but no matter how big or small or how many days the festival was held, it has remained a yearly event manned by volunteers whose intent has stayed true from the beginning to bring the community together once a year in early fall for a fun filled day.

*Leonora J. Szruba, * Fall Festival "Our History"

*Front and Back Cover Pictures: Denise Howard, Norwich Bulletin

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Dedication

This year's annual report is dedicated to all the dedicated caring individuals who offer their time, effort and support to make Lisbon the town we are all proud to live and work in.

Dedication comes in many forms from those we know well like our volunteer fire fighters and EMT's to those much less visible such as neighbors helping neighbors. We should all give thanks to the endless time our elected and appointed officials spend insuring the Town operates in as an effective manner as possible. (Most of the individuals elected and appointed to boards and commissions serve without pay taking time from their life and family.) Special thanks is due to those volunteers that work with our youth through the recreation department, church groups, scouting and other organizations that help to mold our town leaders of tomorrow.

Caring for your neighbors and the willingness to volunteer are all attributes that make out town what it is today. To all those that volunteer in one form or another we all offer you a debt of gratitude. Somehow just saying thank you does not seem like enough.

**Board of Finance
Fiscal Year 2015-16
Annual Report Narrative**

Overall, the net position of the Town for Fiscal Year (FY) 2015-16 increased \$160,060. The net position considers both governmental and business activities. However, the unrestricted General Fund Balance went down by approximately \$300,000.

The town received some unexpected past due tax payments along with grant increases and this combined with the improved economic environment and the associated development fees the town received \$427,157 in revenue that exceeded the budget projections.

The Town used \$90,684 less than budgeted (general government - \$75,050, education expenses - \$10,754.). The Town also added additional appropriations to the Board of Education for \$233,699 and the Lisbon Fire Department for SCBA in the amount of \$160,000. A town meeting in November 2015 also allocated \$112,900 from the Capital and Non-Recurring Account for revaluation which will be spent in 2016.

At year end, the Government had \$2,805,000 in bonds and notes outstanding. This is a decrease of \$520,000 from the previous year.

The mill rate did not increase for Fiscal Year (FY) 2015-16. It remained at 19.5.

Looking ahead, uncertain times face Lisbon, as well as every town in Connecticut due to the perennial budget problems at the State level. For FY 2016-17, the State cut grants to towns and are planning to cut even more for FY 2017-18, which is the budget that the Board of Finance is working on in March and April, 2017.

For FY 2016-17, the State of Connecticut cut the grants they give Lisbon by \$370,000. This was almost a 10% cut to the approximate \$4 million in grants they give Lisbon each year. As a result, the mill rate for Lisbon did go up one mill.

In anticipation of further cuts from the State for next year's budget, FY 2017-18, the Board of Finance asked that both that the General Government Budget and the Board of Education Budget be kept at a zero percent increase.

The proposed State Budget by the Governor, released in February, 2017, cut grants to Lisbon by \$1.8 million, which is an astronomical figure. Last year the Governor proposed \$1.3 million in cuts but the legislature restored all but \$370,000. So, the hope is the \$2 million figure will not hold. Nevertheless, it is anticipated that a significant cut will remain.

Every March and April budget meetings take place to work on the next year's budget. The Lisbon Quarterly has the exact dates of each meeting. All residents of Lisbon are encourage to come to the meetings and participate by letting your opinions known.

Respectfully Submitted,
Mike Zelasky,
Chairman, Lisbon Board of Finance

General Information About Lisbon

Settled	1687
Incorporated	May, 1786
Area within Town borders	16.5 square miles
Population	4256 estimated
Grand List as of October, 2012	\$368,210,844
Tax rate for fiscal year 2013-2014	19.4 mils
Assessment ratio	70% property
Assessment date	October 1 st
Fiscal Year	July 1 st to June 30 th
Registered voters	2609
School	Lisbon Central School
Grades	Pre-K to 8 th
Fire Department	Lisbon Volunteer Fire Department
Police Protection	Resident State Trooper
Type of Government	Selectman - Town Meeting, Board of Finance

Town Offices, Services & Officials

First Selectman	Thomas W. Sparkman	376-3400
Selectman	Robert T. Browne, Sr.	
Selectman	John D. Gwiazdowski	
	Marlene LePine, Clerk to the Boards/Deputy Treasurer	
Town Clerk's Office	Laurie Tirocchi, Town Clerk / Registrar of Vital Statistics Marjorie Wakely, Assistant Clerk / Assistant Registrar	376-2708
Tax Collector's Office	Gail L. Izbicki, Tax Collector	376-4188
Assessor's Office	Deborah Copp Johnson, Assessor Barbara Burzycki, Clerk	376-5115
Finance Office	Nancy R. Gosselin, Treasurer Lynda St Pierre, Bookkeeper	376-7856
Bank Depository	Bank of America	
ZEO	Zoning Enforcement Officer - Carl Brown	376-8291
Building Inspector	Carl Brown	376-8291
Department of Health	Uncas Health District Albert G. Gosselin, Jr., Sanitarian	823-1189 x-113
Tree Warden	Terry Joseph	908-4669
Senior Center &	Karen Washington, Senior Coordinator	376-2329

Municipal agent for the Elderly	Glenda White, Meal Site Server Vicki Lawhead, Van Driver	
Animal Control	Regional Animal Control District Animal Emergency only	861-4966 800-236-1987
Highway Superintendent	Thomas W. Sparkman	376-3400
Town Staff	Gregory Bouchard, Town Road Foreman	
	Michael Civardi, Maintenance/Operator	
	Jonathan Sparkman, Maintenance/Operator	
	John Czmyr, Maintenance/Operator (hired 8/11/14)	
	Adam Little, Maintenance/Operator (hired 2/1/15)	
Ambulance	(Routine business)	376-2558
Fire House	(Routine business)	376-2558
Fire Marshall Burning Official	Richard Hamel	234-3173
Emergency Management	Jonathan P. Arpin	822-6329
Resident State Trooper	Michael Browning, Trooper First Class	376-8868

Lisbon Central School

Superintendent	Sally Keating	376-5565
Principal	Brian Apperson	376-5565
Interim Principal	Megan Jenkins / David Yellen	
Director of Finance	Diana Cormier	376-2403 x-227
Main Office		376-2403

Justice of the Peace

Name	Party	Terms
Stephen C. Barrett	Democrat	01/05/09 – 01/07/13
Dianne M. Dempsey	Democrat	01/07/13 – 01/02/17
Ellen Dupont	Democrat	10/22/14 – 01/02/17
Daniel J. Finn	Republican	01/07/13 – 01/02/17
Edward P. Hogan	Unaffiliated	01/05/09 – 01/07/13 - 01/02/17
Anthony D. Holland	Democrat	01/07/13 – 01/02/17
Robert T. LaChapelle	Republican	01/05/09 – 01/07/13 - 01/02/17
Peter C. Labenski	Unaffiliated	01/05/09 – 01/07/13
Miles A Lafemina	Republican	01/10/14 – 01/01/17
Ruth E. MacDonald	Republican	01/05/09 – 01/07/13 - 01/02/17
Doreen M. Mainville	Unaffiliated	01/07/13 – 01/02/17
Terri L. Nash	Republican	01/05/09 – 01/07/13
Susan G. Rainville	Democrat	01/05/09 – 01/07/13 - 01/02/17
Gary M Ritacco	Republican	09/26/13 – 01/02/17
Karen M. Washington	Unaffiliated	01/05/09 – 01/07/13 - 01/02/17

Elected or Term Appointed Officials

Board of Selectman		(2 year term)
(R) Thomas W. Sparkman	First Selectman	11/19/13 – 11/17/15 -11/21/17
(R) Robert T. Browne, Sr.		11/19/13 – 11/17/15 – 11/21/17
(D) William C Surfus		01/25/16 – 11/21/17
(D) Daniel Ostrowski		5/5/15 - 11/17/15 – 01/05/16
Town Clerk		(4 year term)
(D) Laurie Tirocchi		11/05/13 – 01/01/18
Town Treasurer		(2 year term)
(D) Chris Maynard		3/1/15-11/17/15 - 11/21/17
Tax Collector		(2 year term)
Gail L. Izbicki		11/19/13 – 11/17/15 - 11/21/17
Registrars		(4 year term)
(R) Mary S. Grant	Registrar	11/09/13-01/04/17-01/06/2021
Margaret G. Andrews	Assistant Registrar	11/09/13-11/16/15
Daniel Barrett	Assistant Registrar	11/16/15-01/04/17
(D) Stephen C. Barrett	Registrar	01/09/13–01/04/17-01/06/2021

Leonora J. Szruba	Deputy Registrar	01/09/13 – 01/04/17
Board of Finance		(6 year term, staggered)
(R) Michael Zelasky	Chairman	11/17/15 – 11/16/21
(D) Wayne A. Donaldson	Chairman	11/08/11 – 11/17/15
(D) Dennis Duplice		11/19/13 – 11/19/19
(R) Robert Dufort		11/19/13 – 11/19/19
(R) Jim McCloud		11/22/11 – 11/21/17
(D) Frank Burzycki		11/17/15 – 11/16/21
(R) Miles LaFemina		2/23/15 – 11/21/15
(D) Thomas J. Wakely, Jr.		11/22/11 – 11/21/17
Vacancy	Alternate	11/17/15 - 11/8/17
(D) Frank Burzycki		11/05/13 – 11/17/15
(D) Miles Lafemina	Alternate	11/17/15 – 11/16/21
(R) Michael Zelasky		11/05/13 – 11/17/15
(R) Leo MacDonald	Alternate	11/17/15 – 11/21/17
Board of Education		(6 year term, staggered)
(R) Ian A. Rogers	Chairman	11/19/13 – 11/19/19
(D) Joan Marshall		12/21/15 - 11/7/17
(R) Randall Baah		11/08/11 – 11/17/15
(R) Melissa Becotte-Avery		11/19/13 – 11/21/17
(R) Scott McCabe		11/17/15 – 11/16/21
(R) Michelle Danieluk		11/19/13 – 11/17/15
(D) Joseph P. Lewerk		11/22/11 – 11/21/17
(D) David Nowakowski		11/17/15 – 11/16/21
(R) Melissa A. Krauss		11/17/09 – 11/17/15
(D) Judith Jencks		11/19/13 – 11/19/19
(D) Jenny Danburg		11/19/13 – 11/19/19
(R) Damian Rickard		11/3/15 – 11/21/17
(D) Joan Marshall		8/25/2015 - 11/3/15
(R) Richard Rogers		11/22/11 – 8/17/15
Board of Assessment Appeals		(4 year term, staggered)
(D) Steven Beck	Chairman	11/19/13 – 11/21/17
(D) Ronald V. Babbitt		11/22/11 – 11/17/15 – 11/19/19
(R) Kimberly Ann Lang		12/09/13 -11/17/15-11/7/17
Planning & Zoning Commission		(4 year term, staggered)
(R) Robert D. Adams	Chairman	11/19/13 – 11/21/17
(D) Trevor Danburg		11/19/13 – 11/21/17
(D) David Gagnon		11/19/13 – 11/21/17
(R) Cheryl Blanchard		11/17/15 – 11/19/19
(D) Ryan P. Donaldson		11/22/11 – 11/17/15
(R) Sharon R. Gabiga		11/22/11 – 11/19/19
(D) Ronald E. Giroux		11/05/13 – 11/21/17
(R) Ben E. Hull III		11/22/11 – 11/19/19
(R) Gary M. Ritacco		11/22/11 – 11/19/19
(D) Kim E. Sperry		11/05/13 – 11/21/17
(R) Vacancy	Alternate	7/15/16 - 11/19/19
(R) Melissa Krauss		11/17/15 – 7/15/16
(D) John Dempsey		9/14/15 – 11/17/15

(D) James Labonne	Alternate	11/19/13 – 11/21/17
(D) John Dempsey	Alternate	3/14/16 – 11/21/17
(D) Nathaniel Beardsworth		9/14/15 – 2/3/16
Zoning Board of Appeals	(6 year term, staggered)	
(D) Ronald V. Babbitt	Chairman	11/22/11 – 11/21/17
(D) Steven Beck		11/19/13 - 11/19/19
(R) Robert Jencks		11/19/13 - 11/19/19
(R) Leo MacDonald		12/12/11 – 11/21/17
(U) Frederick Kral		12/14/15 – 11/16/21
(U) Frederick Kral		12/09/13 – 11/17/15
(R) Kirk Miles	Alternate	07/14/14 - 11/21/17
Vacancy	Alternate	11/17/15 – 11/16/21
(U) Richard Strnad		11/23/09 – 11/17/15
(D) Robert Chubka	Alternate	08/11/14 – 11/19/19
Constables	(2 year term)	
(R) Kimberly A Lang		11/19/13 – 11/17/15
(D) Steven M Beck		11/19/13 – 11/21/17
(D) Robert P Chubka		11/19/13 – 11/17/15
(D) James E Labonne		11/19/13 – 11/17/15
Commission on Aging	(2 year term, staggered)	
Leonora Szubra	Chairwoman	03/01/15 -2/28/17
Dorothy Coggins		03/01/15 -2/28/17
Joseph Doran		03/01/16 – 02/28/18
Donna Gahram		03/01/16 - 02/28/18
Mary S. Grant		03/01/15 -2/28/17
Fidelis Kershaw		03/01/16 – 02/28/18
Carol Sadowski		03/01/16 – 02/28/18
Daniel Teper		03/01/15 -2/28/17
Karen Washington		Senior Coordinator
Conservation Commission	(2 year term, staggered)	
Richard Hamel	Chairman	12/01/14 – 11/30/16-11/30/18
Mark Robinson		12/01/14 – 11/30/16-11/30/18
Joseph Lewerk		11/30/13 – 11/30/15-11/30/17
Erik Freidenfelds		11/30/13 – 11/30/15-11/30/17
Leonora J. Szruba		12/01/14 – 11/30/16-11/30/18
Mark Sullivan	Alternate	11/25/13 – 11/25/15- 11/26/17
Vacancy	Alternate	04/25/15- 4/25/17
Joe Theroux	Conservation Enforcement Officer	
Recreation Committee	(2 year term, staggered)	
Chad Johnson	Chairman	07/08/14-07/08/16- 7/8/18
Nancy Smigiel		07/08/14-07/08/16-7/8/18
Darrin Butts		10/27/14 - 07/08/16-7/8/18
Andrea Kelly		4/30/15-4/30/17
Lauren Sylvestre		2/22/16 – 4/30/17

Kathy Burdick		6/9/15 – 10/29/15
Keen Tart		7/8/2016-7/8/18
Edward Hogan		10/27/14 - 07/08/16
Thomas J. Restivo		04/30/15 – 4/30/17
James Synott		04/30/15 – 4/30/17
Chris Fabry		04/30/15-4/30/17
Water Pollution Control Authority (WPCA)	(4 year term)	
Robert LaChapelle	Chairman	01/12/15– 12/31/18
James K. Arpin		01/01/13–12/31/16–12/31/2020
Joseph Lewerk		01/01/12 – 12/31/15 – 12/31/19
Kenneth Robb		1/1/15 – 12/31/18
David Wawryniewicz		01/01/12 – 12/31/15 – 12/31/19
Farmers Market	(year term, staggered)	
Sharon Gabiga	Chairman	11/19/13-11/17/15-11/19/19
Michelle Landry		11/20/15 – 11/19/17
Donna Harris		11/19/13–10/15/15
Terry Joseph		11/19/13-11/17/15-11/19/19
Elaine Joseph		11/19/13-11/19/17
Adeline Jernstrom		11/19/13-11/19/17
Eleanor Grant	Alternate	11/23/15 – 11/19/19
Pam Sturgen		2/23/15-9/16/15

Associated Officials

U.S. Senator	
Richard Blumenthal (D)	860-258-6940
Chris Murphy (D)	860-549-8463
U.S. Congressman (2 nd District)	
Joe Courtney (D)	860-886-0139
Governor, State of Connecticut	
Dannel P. Malloy (D)	860-566-4840
Judge of Probate	
Charles Norris	860-887-2160
State Senate (19 th District)	
Cathy Osten (D)	860-240-0579
State Representative (45 th District)	
Paul Brycki (D)	800-842-8267
State Representative (47 th District)	
Kevin Skulczyk (elected 11/2016) (R)	
Doug Dubitsky (R)	800-842-1423

TOWN OF LISBON
2017 Holiday Schedule

New Years Day	Monday	January 2, 2017
Martin Luther King	Monday	January 16, 2017
Presidents Day	Monday	February 20, 2017
Good Friday	Friday	April 14, 2017
Memorial Day	Monday	May 29, 2017
Independence Day	Tuesday	July 4, 2017
Labor Day	Monday	September 4, 2017
Columbus Day	Monday	October 9, 2017
Veterans Day	Friday	November 10, 2017
Thanksgiving Day	Thursday	November 23, 2017
Day After Thanksgiving	Friday	November 24, 2017
Christmas	Monday	December 25, 2017
Day After Christmas	Tuesday	December 26, 2017
<u>ELECTION DAY</u>	<u>Tuesday</u>	<u>November 7, 2017</u>
<i>New Year's Day 2018</i>	<i>Monday</i>	<i>January 1, 2018</i>

Town of Lisbon - 2017 Meeting Schedule

<u>Board of Selectmen</u>	
Town Hall @ 7:00pm	
January 9, 23	July 10, 24
February 13, 27	August 14, 28
March 13, 27	September 11, 25
April 10, 24	October 23
May 8, 22	November 13, 27
June 12, 26	December 11

<u>Planning & Zoning Commission</u>	
Town Hall @ 7:00pm	
January 3	July 11
February 7	August 1
March 7	September 5
April 4	October 3
May 2	November 14
June 6	December 5

<u>Commission on Aging</u>	
Lisbon Senior Center @ 7:00pm	
January 9	July 10
February 6	August 7
March 6	September 11
April 3	October 2
May 1	November 13
June 5	December 4

<u>Board of Finance</u>	
Town Hall @ 7:00pm	
January 18	July 19
February 15	August 16
March 15	September 20
April 19	October 18
May 17	November 15
June 21	December 20

<u>Zoning Board of Appeals</u>	
Town Hall @ 7:15pm	
January 24	July 25
February 28	August 22
March 28	September 26
April 25	October 24
May 23	November 28
June 27	December 27

<u>Recreation Committee</u>	
Town Hall @ 7:00pm**	
January 23	July 17** @ 8:00
February 27	August 21** @ 8:00
March 20	September 18
April 17	October 16
May 15	November 20
June 19** @ 8:00	December 18

<u>Board of Education</u>	
LCS Media Center @6:30	
January 23	July 17
February 27	August 21
March 20	September 18
April 17	October 16
May 15	November 27
June 19	December 18

<u>Conservation Commission</u>	
Town Hall @ 7:00pm	
January 17	July 18
February 21	August 15
March 21	September 19
April 18	October 17
May 16	November 21
June 20	December 19

<u>Farmer's Market Committee</u>	
Town Hall @ 7:00pm	
January 19	July 20
February 16	August 17
March 16	September 21
April 20	October 19
May 18	November 16
June 15	December 21

<u>Board of Assessment Appeals</u>	
Town Hall @ 6:00pm	
March 9	September 7

<u>Water Pollution Control Authority</u>	
Town Hall @ 7:00pm	
January 5	July 6
February 2	August 3
March 2	September 7
April 6	October 5
May 4	November 2
June 1	December 7

<u>Lisbon Historical Society</u>	
Town Hall @ 7:00pm	
January 13	July 14
February 10	August 11
March 10	September 8
April 14	October 13
May 12	November 10
June 9	December 8

<u>Trails Committee</u>	
Town Hall @ 7:00pm	
March 2	August 3
April 6	September 7
May 4	October 5
June 1	November 2
July 6	December 7

Rev B

1/25/2017



TOWN OF LISBON
INCORPORATED 1786

BOARD OF SELECTMEN

1 NEWENT ROAD
LISBON, CONN. 06351-2926
TEL. (860) 376-3400
FAX. (860) 376-6545



Michael Zelasky, Chairman
Town of Lisbon
Board of Finance
1 Newent Road
Lisbon, Connecticut 06351

Dear Mr. Zelasky:

Once again I am pleased to report that during this fiscal year the Board of Selectmen met on the second and fourth Monday of the month in the Town Hall for the purpose of discussing and acting on matters pertaining to the improvement and development of the Town. We were able to close this fiscal year on a sound note, continued to maintain all programs and proper services to the residents of the Town while staying within budget. Those included maintaining our infrastructure, buildings and grounds, as well as the very popular town-wide annual spring clean-up, household hazardous waste collection, electronic waste collection and have added a very popular shred day event.

We were mindful of the financial commitment required to be able to complete road projects and maintain our buildings, grounds and infrastructure, and thank the residents, as well as the Board of Finance for their continued funding and support. Cooperation with the boards and commissions and support from the residents allowed the Town to purchase additional land that could be used for open space, recreation or the future needs of the community. The Board of Selectmen continued to work with all of our boards, commissions and committees to insure that while we grew our commercial tax base and provided job opportunities, we also protected the rural character of the community, the region and safeguarded the environment.

The Board of Selectmen would like to thank all of our Town officers, staff and employees, as well as members of the various boards, commissions, committees and volunteers for their diligent dedication to the community. We would also like to remind each and every resident that your support is appreciated and suggestions are always welcome.

On behalf of Robert T. Browne and William C. Surfus, I once again offer our pledge to superintend the Town of Lisbon with your best interest in mind.

Thomas W. Sparkman
First Selectman

OFFICE OF THE TOWN CLERK

Laurie Tirocchi
Town Clerk



Marjorie Wakely
Assistant Town Clerk

Annual Report

July 1, 2015 – June 30, 2016 Fiscal Year

The Office of the Town Clerk serves the town in many capacities. We receive and record all town records with the ongoing responsibility to preserve and archive them. We issue licenses and permits as well as process land use applications, vital statistics records, appointments, and election results.

During the 2015-2016 fiscal year the town clerk's office has processed:

- 784 land records generating over \$21,000 in recording fees.
- Over \$30,000 in town conveyance taxes for transfers of property.
- \$4000 in Historic Preservation Grant Funds.
- 379 dog licenses.
- 357 sports fishing & hunting licenses.
- 16 Land Use applications.
- 11 new trade name filings

As Registrar of Vital Statistics, our office is responsible for the recording and preservation of all birth, marriage and death certificates for our town residents. We also issue marriage licenses and certified copies which have generated over \$2400 in associated fees for the town. This year we have recorded:

Births – 17

Marriages – 22

Deaths - 26

The Town Clerk's Office works closely with the Registrars of Voters in preparation for all elections by creating the list of offices and candidates, preparing legal notices and verifying all election ballot orders. Preparing, issuing and receiving absentee ballots are the sole responsibility of the Town Clerk's office. Once the polls have closed, the election results are verified by the Town Clerk, certified to the Secretary of State and permanently recorded in the Town record books. We held two elections and two referendums this fiscal year.

Municipal Election – 11/03/2015

Presidential Preference Primary – 4/26/2016

Special Budget Referendum – 3/31/2016

Town Budget Referendum – 5/16/2016

The Town Clerk also serves as clerk at all Town Meetings. This year there were 3 Town Meetings. Our office is also responsible for recording all appointments, posting and receiving/recording all town meeting agendas and minutes, administering the oath of office to all town officials as well as to Lisbon Justice of the Peace and Notary Public officials. The resignations of all town officials are also received and recorded by the Town Clerk who files them with the Secretary of State.

I appreciate the opportunity to serve as Lisbon's Town Clerk. It is a pleasure to assist the residents of our town and those who conduct business with us.

Respectfully submitted,
Laurie Tirocchi, CCTC - Town Clerk

SPECIAL TOWN MEETING
TOWN OF LISBON
November 19, 2015

Thomas Sparkman, First Selectman, called to order the Special Town Meeting of November 19, 2015 at 7:00 p.m. The meeting was held in the Lisbon Town Hall at 1 Newent Road, Lisbon Connecticut.

Nomination for Moderator:

Richard Hamel was nominated by Robert Grant and seconded by Robert Browne.

Nominations were closed.

VOTE: UNANIMOUS

Richard Hamel was duly chosen as moderator.

WARNING was read by Laurie Tirocchi, Town Clerk.

Moderator Read item #1:

"To authorize the Town of Lisbon, as approved by the Board of Finance, to transfer \$112,900.00 from the Capital Nonrecurring Fund designated "Revaluation", to the General Fund, for the 2016 Reappraisal and Revaluation Program for the Town of Lisbon."

A motion was made by Robert Grant, seconded by Kenneth Mahler, to approve the transfer as read.

VOTE: UNANIMOUS

MOTION CARRIED

Motion to adjourn by Frank Burzycki, seconded by Ken Mahler.

VOTE: UNANIMOUS

MOTION CARRIED

Town meeting adjourned at 7:02 pm.

Laurie Tirocchi
Town Clerk

SPECIAL TOWN MEETING
TOWN OF LISBON
MARCH 23, 2016

The Special Town Meeting was held on Wednesday, March 23, 2016 at 7:00 p.m. in the Lisbon Central School Cafeteria/Gymnasium, 15 Newent Road, Lisbon, Connecticut. It was called to order by Thomas W. Sparkman, First Selectman at 7:00p.m.

Nomination for Moderator:

Richard Hamel was nominated by Mark Robinson, seconded by Robert Grant.

Nominations were closed.

VOTE: UNANIMOUS

Richard Hamel was duly chosen as moderator.

WARNING was read by Laurie Tirocchi, Town Clerk.

Moderator Read item #1:

"To authorize the Town of Lisbon Board of Education request, as approved by the Board of Finance, an additional appropriation in the amount of \$233,699.00".

Moderator read notice received from the Town Clerk.

March 18, 2016

TO: MODERATOR OF SPECIAL TOWN MEETING TO BE HELD ON WEDNESDAY< MARCH 23, 2016

A petition has been received by the Town Clerk's Office requesting that Item #1 on the call of the Special Town Meeting of March 23, 2016 be submitted to a referendum vote. The petition has more than the required 200 signatures and was received in writing at least 24 hours prior to the call of the meeting. Section 7-7 of the Connecticut State Statutes, therefore, requires that Item #1, "To authorize the Town of Lisbon Board of Education request, as approved by the Board of Finance, an additional appropriation in the amount of \$233,699.00", be brought to a referendum vote of all the persons qualified to vote in town meetings.

THEREFORE, NO ACTION CAN BE TAKEN AT THE 3/23/2016 MEETING ON ITEM #1 - THERE CAN ONLY BE DISCUSSION.

Action on Item #1 of the March 23, 2016 Special Town Meeting will be taken at an adjourned Town Meeting at the close of the referendum.

Laurie Tirocchi

Lisbon Town Clerk

A motion was made to set referendum.

A motion was made by Robert Grant, seconded by John Mather "To hold the referendum on the Board of Education appropriation on Thursday, March 31st 2016 from 6:00a.m. to 8:00p.m. at Lisbon Town Hall".

Discussion was held on the additional request with questions answered by Thomas Sparkman, First Selectman, Ian Rogers, Board of Education Chairman and Michael Zelasky, Board of Finance Chairman.

VOICE VOTE
MOTION PASSED

Moderator Read item #2:

"To authorize the Town of Lisbon Board of Selectman, as approved by the Board of Finance, to transfer \$13,750.00 from the Capitol Non-Recurring Fund designated GIS Mapping, to General Fund line item #51431 (Assessor's Tax Mapping)."

Motion was made by Robert Grant, seconded by James Labonne "To authorize the transfer as read".

VOTE: UNANIMOUS
MOTION PASSED

Moderator Read item #3:

"To authorize the Town of Lisbon Board of Selectman, as approved by the Board of Finance, to transfer \$160,000.00 from the Capitol Non-Recurring Fund designated Capital Projects, to the General Fund line item #555131 (LVFD SCBA) for the purchase of Self Contained Breathing Apparatus (SCBA)."

Motion was made by Steve Beck, seconded by Robert Jencks "To authorize the transfer as read."

VOTE: UNANIMOUS
MOTION PASSED

Motion was made by John Mather, seconded by Steve Beck, "To adjourn meeting to the Adjourned Town Meeting after the referendum at Lisbon Town Hall on Thursday, March 31, 2016."

VOTE: UNANIMOUS
MOTION PASSED

Meeting adjourned at 8:10p.m.

Laurie Tirocchi
Lisbon Town Clerk

TOWN OF LISBON
RECONVENED SPECIAL TOWN MEETING
MARCH 31, 2016

The Special Town Meeting of March 23, 2016 was reconvened by Rick Hamel at 8:12 p.m. on March 31, 2016 in the Lisbon Town Hall at 1 Newent Road Lisbon, CT 06351.

Shall the Town of Lisbon accept the General Government Budget, for Fiscal Year 2016/2017, as approved by the Board of Finance, in the amount of \$2,709,831?

	<u>YES</u>	<u>No</u>
Referendum Totals:	274	91

Additional Appropriation approved.

Motion to adjourn by Ian Rogers, seconded by John Mathers
Motion passed unanimously.

Town meeting adjourned at 8:14 p.m.

Laurie Tirocchi
Town Clerk

TOWN OF LISBON
ANNUAL TOWN MEETING
MAY 2, 2016

First Selectman, Thomas Sparkman, called to order the Annual Town Meeting of Monday, May 2, 2016, at 7:01 p.m. in the Lisbon Central School Cafeteria/Gymnasium, 15 Newent Road, Lisbon, Connecticut.

Nomination for Moderator:

Richard Hamel was nominated by Robert Grant, seconded by Thomas Wakely.

Nominations were closed.

VOTE: UNANIMOUS

Richard Hamel was duly chosen as moderator.

WARNING was read by Laurie Tirocchi, Town Clerk.

Moderator Read Item #1:

"To discuss the General Government Budget, for Fiscal Year 2016/2017, as approved by the Board of Finance, in the amount of \$2,709,831."

Discussion Occurred

Moderator Read Item #2:

"To discuss the Board of Education Budget, for Fiscal Year 2016/2017, as approved by the Board of Finance, in the amount of \$9,483,998."

No Discussion Occurred

Moderator Read Item #3:

"To authorize the Board of Selectmen as approved by the Board of Finance, to expend \$414,616.00 for the repair of the bridge on Bundy Hill Road over Blissville Brook, with \$216,222.00 from the Town Aid Road (TAR) fund and \$198,934.00 from the General Fund, which will be reimbursed through a grant from the State of Connecticut Department of Transportation Local Bridge Program. "

Motion to authorize the expenditure as read was made by Robert Grant, seconded by Steve Beck.

VOTE: UNANIMOUS

MOTION PASSED

Moderator Read Item #4:

"To authorize the Board of Finance, the transfer of \$190,000 from the General Fund, to the Capitol Reserve and Nonrecurring Fund."

Motion to authorize transfer as read was made by Robert Grant, seconded by Steve Beck.

VOTE: UNANIMOUS

MOTION PASSED

Moderator Read Item #5:

“To adjourn the Annual Town Meeting action upon the General Government Budget and Board of Education Budget, pursuant to “An Ordinance Requiring Referendum Votes for the Annual Town Budget,” for a referendum vote on Monday, May 16, 2016, between the hours of 6:00 a.m. and 8:00 p.m., to be held in District 1 at the Lisbon Town Hall, 1 Newent Road, and in District 2 at the Lisbon Senior Center, 11 Newent Road, Lisbon, Connecticut 06351.”

Motion to adjourn the Annual Town Meeting action upon the General Government Budget and Board of Education Budget, pursuant to “An Ordinance Requiring Referendum Votes for the Annual Town Budget,” for a referendum vote on Monday, May 16, 2016, between the hours of 6:00 a.m. and 8:00 p.m., to be held in District 1 at the Lisbon Town Hall, 1 Newent Road, and in District 2 at the Lisbon Senior Center, 11 Newent Road, Lisbon, Connecticut 06351 was made by Robert Grant, seconded by Ian Rogers.

VOTE: UNANIMOUS
MOTION PASSED

Town Meeting adjourned to the reconvened town meeting/referendum vote at 7:15p.m.

Laurie Tirocchi
Lisbon Town Clerk

TOWN OF LISBON
RECONVENED ANNUAL TOWN MEETING
MAY 16, 2016

The Annual Town Meeting of May 2, 2016 was reconvened by Laurie Tirocchi, Town Clerk, at 8:25 p.m. on May 16, 2016 in the Lisbon Town Hall at 1 Newent Road, Lisbon, CT.

Shall the Town of Lisbon accept the General Government Budget, for Fiscal Year 2016/2017, as approved by the Board of Finance, in the amount of \$2,709,831?

	<u>YES</u>	<u>No</u>
District #1:	71	20
District #2:	<u>161</u>	<u>25</u>
Election Totals:	232	45

BUDGET PASSED

Shall the Town of Lisbon accept the Board of Education Budget, for Fiscal Year 2016/2017 as approved by the Board of Finance, in the amount of \$9,483,998?

	<u>YES</u>	<u>No</u>
District #1:	61	30
District #2:	<u>161</u>	<u>25</u>
Election Totals:	222	55

BUDGET PASSED

Motion to adjourn by Bob Browne, seconded by Thomas Sparkman.

Town meeting adjourned at 8:26 p.m.

Laurie Tirocchi
Town Clerk

Deborah Copp
Assessor

Barbara Burzycki
Assistant Clerk



Grand List 2014

Real Estate: 320,004,445
Personal Property: 20,240,911
Motor Vehicle: 30,804,156
Total Net Grand List: 371,049,512

Grand List 2015

Real Estate: 320,373,955
Personal Property: 19,829,799
Motor Vehicle: 30,384,300
Total Net Grand List: 370,588,054

Exemptions

There are certain exemptions that may be deducted from your assessment for a reduction in taxes. These exemptions are applied to the real estate assessment first, but if the taxpayer does not own real estate then the exemption is applied to the motor vehicle assessments.

Elderly and Disabled Homeowners Tax Relief may be applied between Feb. 1-May 15. To apply for this program you must come to the Assessor's Office with proof of all income for the previous, including Federal Income Tax return or all year end statements plus your Social Security 1099 form. Elderly must be 65+ by December 31 prior to application.

Veterans can receive an exemption if their military discharge form DD214 is recorded at the Town Clerk's office and they served a minimum of 90 days during war time. The DD214 must be recorded prior to October 1 of any year to begin receiving the exemption on the next year tax bill. The DD214 need only be recorded once in a lifetime.

Disabled Veterans receive a higher exemption than veterans. To qualify you must submit your Benefits Payment Statement issued by the Dept. of Veterans Affairs in September before Oct. 1. This does not need to be reapplied for unless the Federal Veterans Administration modifies the Veterans disability rating.

Additional Veterans Exemptions are available for those veterans with lower income. You must apply between February 1st - October 1st and submit all proof of income for the previous year, as well as Federal Income Tax return or all year end statements plus your Social Security 1099 form. If you qualify, this doubles the Veterans exemption that you already receive. This must be reapplied for every two years.

Disability Exemptions can be applied for between October 1st - January 31st. You must be 100% disabled & provide a TPQY form from Social Security or a letter from Veterans Affairs. This does not need to be reapplied for.

Blind Exemptions can be applied for at any time. You must submit a copy of the Certificate of Legal Blindness issued by the State of Connecticut. This does not have to be reapplied for.

Respectfully submitted:

A handwritten signature in black ink, appearing to read "Deborah Copp".

Deborah Copp
Assessor

FOLLOWING IS A LIST OF NAMES WHICH WERE TRANSFERRED TO THE SUSPENSE LIST ON MAY 14, 2014 PER SECTION 12-165 OF THE CONNECTICUT GENERAL STATUTES. AS OF JANUARY 2, 2015, THESE ACCOUNTS REMAIN UNPAID:

2010 PERSONAL PROPERTY

<u>BILL NUMBER</u>	<u>NAME</u>	<u>BALANCE DUE</u>
2010-02-40024	BECOTTE PAUL E JR AND	1,555.14
2010-02-40167	MARTIN THERESA	359.14
2010-02-40194	PEASLEE RICHARD	42.25
2010-02-40228	RONDEAU SARA	11.83
2010-02-40262	SWINGLE ANDRIENNE	154.64

2010 MOTOR VEHICLES

<u>BILL NUMBER</u>	<u>NAME</u>	<u>BALANCE DUE</u>
2010-03-50155	AYRTON DONALD L JR	8.45
2010-03-50250	BARRETT CHARLES J	35.83
2010-03-50252	BARRETT JAMES W JR	22.82
2010-03-50253	BARRETT JAMES W JR	104.95
2010-03-50566	BRENNAN JOHN J	36.67
2010-03-50570	BRENNAN ZACHARY J	33.46
2010-03-50571	BRENNAN ZACHARY J	37.52
2010-03-50665	BUDDINGTON MICHAEL J	160.04
2010-03-50666	BUDDINGTON MICHAEL J	4.23
2010-03-50709	BUTREMOVIC MICHAEL	187.25
2010-03-50747	CARDOT CHRISTOPHER L	61.52
2010-03-50785	CASSIDY KENNETH J	47.49
2010-03-50786	CASSIDY KENNETH J SR	84.33
2010-03-50907	CINGRANELLI CYNTHIA J	71.83
2010-03-50920	CLARK HAROLD J	45.29
2010-03-50923	CLARK MICHAEL A	24.84
2010-03-50945	COLETTI VINCENT A OR	46.81
2010-03-50992	COTTRILL DONALD D JR	42.93
2010-03-51041	CUDZILO MEGAN L	56.45
2010-03-51082	DAUGHERTY AMANDA R	284.60
2010-03-51136	DENNARD CARVIS K	31.43
2010-03-51248	DUFAULT KATELYN A	170.35
2010-03-51283	DURFEE DOUGLAD E IV	49.35
2010-03-51413	FOSS ANDREW M	145.51
2010-03-51501	GALINDO LYNDIA S	235.42
2010-03-51576	GERVAIS CYNTHIA A AND	44.62
2010-03-51721	GRAY LETICIA L	30.25
2010-03-51778	H AND K CONSTRUCTION LLC	67.60
2010-03-51784	HALL ALBERTON C	44.11
2010-03-51849	HEMINGWAY KAREN E	128.44
2010-03-51910	HOLCOMB STEVEN K	28.73
2010-03-51979	HUERTAS GABRIEL K	51.71
2010-03-52125	JOHNSON CHRISTOPHER W	34.31
2010-03-52149	JOINVIL WILBERT	26.99

2010-03-52453	LAPLANT RONALD M	123.37
2010-03-52477	SMART LATOUR ANGELA J	232.21
2010-03-52775	MASSEY ASHLEY A	46.81
2010-03-52836	MCALLISTER BERNARD E COM	91.09
2010-03-52837	MCALLISTER BERNARD E	138.75
2010-03-52969	MINERVINO STEPHEN T	204.83
2010-03-53399	PERRY VALENTINA M	37.01
2010-03-53568	QUERCIA MELISSA M	30.76
2010-03-53633	REHLER PHILIP A	129.62
2010-03-53939	SCOTT ARTHUR J	65.74
2010-03-53942	SCOTT GARY W OR	183.70
2010-03-54031	SHUFELDT BRENDA P OR	58.64
2010-03-54035	SIKORSKI JESSICA M	44.95
2010-03-54146	STEED JO A	226.63
2010-03-54385	THE GREENSULATORS INC	373.49
2010-03-54397	THOMAS JAMES A JR	108.50
2010-03-54458	TURNEY CONNIE J	63.38
2010-03-54581	WARD HARRY B	4.23
2010-03-54582	WARD HARRY B	38.03
2010-03-54583	WARD HARRY B	34.90
2010-03-54674	WIDELL ERIK C	21.63
2010-03-54736	WOOD KRISTI L	84.67
2010-03-54737	WOOD KRISTI L	68.11
2010-03-54738	WOOD KRISTI L	49.35

2010 SUPPLEMENTAL MOTOR VEHICLES

<u>BILL NUMBER</u>	<u>NAME</u>	<u>BALANCE DUE</u>
2010-04-80041	BARRETT JAMES W JR	35.51
2010-04-80069	BERGERON RYAN N	52.34
2010-04-80087	BELSFORD MICHAEL A JR	35.17
2010-04-80093	BROCHU JUSTIN A	38.19
2010-04-80094	BROCHU JUSTIN A	5.09
2010-04-80115	CARDOT CHRISTOPHER L	27.39
2010-04-80118	CAROTA JANIS L	181.47
2010-04-80124	CASSIDY KENNETH J	3.52
2010-04-80194	DIFRANCESCA JOSEPH D	20.28
2010-04-80209	DURFEE DOUGLAS E 4 TH	229.16
2010-04-80224	FERANDO JENNIFER L	39.72
2010-04-80285	HALL JONATHAN E	39.80
2010-04-80286	HALL JONATHAN E	21.77
2010-04-80304	HOLCOMB STEVEN K	46.98
2010-04-80335	JOHNSON CHRISTOPHER W	81.04
2010-04-80366	KRODEL KAREN E	13.81
2010-04-80386	LASSU ARVIA M	30.37
2010-04-80533	QUERCIA MELISSA M	18.91
2010-04-80583	SCHROEDER AMERLYNN	40.48
2010-04-80592	SFORZA JENNA M	105.96
2010-04-80623	ST JOHN GARY A	49.91
2010-04-80669	TURNEY CONNIE J	22.31
2010-04-80674	VALNEUS JAMES	10.00
2010-04-80675	VALNEUS JAMES	12.40
2010-04-80690	WARD HARRY B	11.59
2010-04-80706	WOODALL WILLIAM R	116.86

As Registrars of Voters, it is our duty to provide easy access and assistance to any Citizen over the age of 18 who wants to register for the right to vote in any election or referendum held in the municipality in which they live.

We are responsible for the elections, primaries and referendums held each year. We also are responsible for maintaining the voting machines, the registry list and the enrollment lists for each district and major party, also a yearly canvass is done to provide us with correct information of voter status.

As Election Administrators it is our responsibility to provide fair and impartial elections to all who are registered to vote within the town. We must choose locations that are easily accessible to include all people. We must hire our staff and have mandated training classes prior to each election or referendum for all poll workers at each location:

Lisbon Town Hall with 1067 voters.

(we have combined the referendum to use one polling place)

Lisbon Senior Center with 2004 voters.

The Fall Registrar of Voters Association of Connecticut Conference included lots of new information and election laws regarding changes in election night reporting, same day registration, and changing of forms, Department of Motor Vehicles reporting. The Spring Conference introduced a new Motor Vehicle application, previews of a new election system and a more productive way of communicating with the Secretary of the States office as all elections in all towns follow the same laws. We are mindful of to keep current on new legislation that impacts our office. We also attend New London County Association meetings with our colleagues to keep up-to-date on regulations and how they impact our towns.

Depending on the election cycle we may hold as many as 5 elections and are also subject to the Secretary of the State audits.

Respectfully,

Mary Grant, Republican Registrar of Voters

Stephen Barrett, Democratic Registrar of Voters

Stephen Barrett

Lisbon Planning and Zoning Commission

Annual Report

July 1, 2015 – June 30, 2016

During the course of the fiscal year annual report period, the Planning and Zoning Commission held twelve (12) regularly scheduled meetings, two (2) special meetings, and three (3) public hearings. The Commission received and acted on five (5) zoning permit applications, two (2) special permit applications and a text amendment determined to be consistent with Connecticut State Statutes changing the average crop of fruit requirement at Farm Wineries from 51% to 25%. The Commission also reviewed and approved a grocery beer permit.

The Commission received and responded to eleven (11) referrals from neighboring municipalities. Additionally, the Planning and Zoning Commission reviewed and supported the Board of Selectmen's decision to pursue purchase of 1 Newent Rd, also known as the gas station property.

In compliance with Connecticut State Statues, the Planning and Zoning Commission completed the update of the town's Plan of Conservation and Development (POCD). After a public hearing and during the March 15, 2016 special meeting, the Commission adopted the proposed Plan of Conservation and Development-2016. The Plan will guide development in town over the next ten (10) years.

During the FY 2015-2016 year the Planning Zoning Commission welcomed Michael J. Murphy, AICP, Consulting Planner-SCCOG as the new Town Planner for the Town of Lisbon and accepted the resignation of two and the appointment of one, alternate commission members. The Connecticut Federation of Planning and Zoning Agencies (CFPZA) recognized several members this year for their public service; Robert Adams received the Lifetime Achievement award for twenty- five (25) years of service, and Sharon Gabiga and David Gagnon received Length of Service awards for twelve (12) years of service, respectively.

The Commission is made up of nine regular members and two alternates whose duties include: weighing the merits of a land use application, establishing zoning regulations, holding public hearings as required, preparing the town's Plan of Conservation and Development every ten years, and establishing subdivision regulations, among others. The town's Regional Planning Commission representative is Commissioner and Vice Chair Ronald Giroux. Planning and Zoning Commissioners attend regular meetings the 1st Tuesday of every month, special meetings as required, hold public hearings and workshops in the public interest, and attend land use and planning seminars as part of the Commission's continuing education. All meetings are open to the public and residents are encouraged to attend.

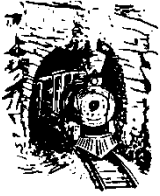
Respectfully submitted,

Kim E. Sperry

Secretary

Lisbon Water Pollution Control Authority

This department has not provided a narrative for this year's annual report.



Conservation Commission
1 NEWENT ROAD
LISBON, CT 06351

The Conservation/Inland Wetland Commission is charged by State statute with the preservation and conservation of the fragile resources within the Town of Lisbon known as wetlands and watercourses. Upon its request, it is assisted in these goals by the Eastern Connecticut Conservation District, the Connecticut Department of Environmental Protection, the USDA Natural Resources Conservation Service and the U.S. Army Corps of Engineers.

Commission meetings, open to the public, are held the third Tuesday of each month at 7 p.m. in the Town Hall Conference Room. The Commission reviews and acts upon applications for activities in (or within 100 feet of) Lisbon's wetlands and watercourses, answers concerns, investigates complaints and conducts all business necessary to fulfill its responsibilities. Decisions made by the Commission, and investigations on its behalf, are implemented by the Conservation Enforcement Officer, Joseph Theroux, who also acts as technical advisor to the Commissioners.

The Conservation/Inland Wetland Commission is made up of five conservation minded volunteers and two alternates, all appointed by the Board of Selectmen. Also participating in the meetings are representatives of Lisbon Central School's service learning program. The Commission administers the Inland Wetland and Watercourses Regulations prescribed by Connecticut General Statutes. With enforcement authority for all provisions of the Inland Wetland and Watercourses Act, it can issue cease and desist orders and levy penalties for violations of regulations.

The Commission tries to work with applicants to find a way to use the land with minimal impact to the wetlands and adjacent upland review areas. The Commission is always agreeable to having a landowner consult with them to see what effect a proposed project would have on wetlands and surrounding areas.

During the past fiscal year, the Commission held 8 regular meetings, 1 special meeting, and 1 field walk. It received and accepted for review 1 application and granted 1 permit. There was one determination of non-regulated activity (permitted use as of right) and the Enforcement Officer was authorized to issue 1 agent approval. The Commission voted to recommend to the town the purchase of open space on Kendall Road and was pleased to see that an earlier recommendation for the purchase of open space on Kendall Road came to fruition.

The Commission maintained its membership in the Connecticut Association of Conservation and Inland Wetland Commissions. Also continued was the presentation of U.S. Savings Bonds to two members of Lisbon Central School's graduating class who exhibited a strong interest in the conservation of our natural resources.

Respectfully submitted,

Joseph P. Lewerk, Commission Vice Chairman

December 20, 2016

Board of Finance

Town of Lisbon

Lisbon, CT.

SUBJECT: Annual Report

Dear Board Members,

During this fiscal year, the Fire Marshal's Office focused on conducting annual inspections to determine compliance with Connecticut State Fire Safety Codes. Additionally, several fire investigations were completed to ascertain origin and cause.

The following statistics represent the time period July, 2015-June, 2016:

Inspections	28
Follow-up Inspections	35
Abatements Issued	2
Plan Reviews	8
Fire Investigations	8
Liquor Permits	2
Blasting Permits	2
Burn Permits	10
Open Burning Complaints	0
Misc. Code Complaints	0
Misc. Code Questions	0
Woodstove Inspections	0

Respectfully submitted,

Rick Hamel, Fire Marshal



MARK A. ROBINSON

CHIEF

860-234-7134

JOHN CINGRANELLI

DEPUTY CHIEF

860-501-8417

7 NEWENT ROAD, LISBON, CONNECTICUT 06351

VOICE 860.376.2558 FAX 860.376.0493

Celebrating 75 years of Service! 1941-2016

December 12, 2016

Board of Finance

Town of Lisbon

1 Newent Road

Lisbon, CT 06351

Re: Annual Report 2015-2016

Dear Board Members:

During the fiscal year 2015-2016, the Lisbon Fire Department and Ambulance responded to a total of 707 calls for assistance.

Call Volume Break Down

Fires	35	Hazardous Condition	28	Service Call	14
Rescue& EMS	532	Good Intent	35	False Alarm	61
Special Incident	2				

The department placed into service a second ambulance, which was purchased thru revenue recovery funds. This new ambulance is to cover call volume increase, overlapping calls and provide coverage when either ambulance is out for service or repairs.

Also placed into service were 18 new MSA G1 Self Contained Breathing Apparatus which replaced 22 year old units. These new units will provide greater protection as well provide greater air capacity for firefighters.

The department and its members continue to strive and meet or exceed regulations and training requirements set forth by the State and Federal Department of Labor, the Department of Occupational Safety and Health Administration (OSHA), the National Fire Protection Association (NFPA), the State of Connecticut Department of Emergency Medical Services (OEMS) and Medical Control from Backus Hospital.

It is thru the volunteer efforts of our members that the Lisbon Fire Department and Ambulance takes great pride that our volunteer department keeps and maintains a level professionalism and is as sophisticated and complex as any "paid" fire/ambulance organization remaining committed to providing the best in fire and emergency medical services to residents of the Town of Lisbon

Respectfully submitted,

Mark A Robinson

Chief



Mission Statement

The Uncas Health District exists to promote and protect the public's health in order to prevent illness, death and disability among its residents.

The District shall carry out its mission through the 8 Mandated Functions of Local Health Departments according to CGS 19a-76-2:

- 1) Public Health Statistics;
- 2) Health Education;
- 3) Nutritional Services;
- 4) Maternal and Child Health;
- 5) Communicable and Chronic Disease Control;
- 6) Environmental Services;
- 7) Community Nursing Services, and;
- 8) Emergency Medical Services.

Message from the Director

The Uncas Health District completed 28 years of local public health service in FY 2015-2016. On July 1, 2015, the Town of Lebanon joined UHD which increases the total number of municipalities served to nine.

Some of our recent accomplishments included ongoing expansion of our public health nurse's vaccination and preventive health services including immunization clinics, lead screening, and blood pressure screenings. UHD held its first drive-thru flu clinic in the October 2015. We continue to review of the Lisbon Public School Safety and Security Plan. In addition, staff members provide assistance with health insurance coverage, tobacco cessation, and falls prevention for seniors.

The Uncas Health District is proud to continue its service to the residents of Lisbon. As you review the report, you will note the dedication and effort being put forth by the District staff and Board members.

A handwritten signature in dark ink, reading "Patrick R. McCormack".

Patrick R. McCormack, MPH, Director of Health

Resident State Trooper

This department has not provided a narrative for this year's annual report.

Lisbon Recreation Committee 2015/2016 Annual Report

The Lisbon Recreation Committee consists of the following members who meet on the third Monday of each month: Chad Johnson (chair), TJ Restivo (vice-chair), Nancy Smigiel, Chris Fabry, Lauren Sylvestre, Andrea Kelly, Jim Synott, Keen Tart, and Darrin Butts.

In the summer of 2015, Chris Fabry conducted successful youth basketball and tennis camps. Both of these camps doubled in size from the previous year. There have been numerous requests made for more summer camp programming for our town's youth and we plan on expanding our camp selection in the next fiscal year to include track and cross country. All of these programs were run at no cost to the town via fees collected by its participants.

In addition to the summer programs, the recreation committee also coordinated the town of Lisbon's annual involvement in the 'CT Trails Day Weekend' program sponsored by the CT DEEP. During the first weekend in June, the committee hosted a trail clean up in Lisbon Meadows Park on Saturday and a cross country trail race for both youth and adults on Sunday. Unfortunately, the weather did not cooperate and attendance was low. However, the event did spearhead the beginning of much needed trail maintenance work which was performed voluntarily by committee members. Two of the main trailheads have been filled in and wood chipped. The committee decided to try a new bus trip during February to see a Blue Man Group show. There was not the level of interest that we had hoped for from townsfolk so the trip was cancelled. However, in August, the annual Red Sox bus trip was once again a sold out event.

The fall marked the start of the women's volleyball league season. The league hosts 18 teams who play from October to April on Tuesday nights at Lisbon Central School. This league is one of the largest indoor volleyball leagues in Eastern Connecticut. The competition is at a high level with matches officiated by qualified referees. League awards are presented at an end of season banquet. This is a program that is being offered to our town at no expense through the collection of team and non-resident fees. Committee member Nancy Smigiel continues to devoted many hours to this endeavor.

The committee agrees that the highlight of the year was its participation in the Lisbon Fall Festival. Chad Johnson worked as a liaison between the two committees. This cooperation was long overdue and resulted in a huge boost in attendance at the 2015 event. We hired Knockerball CT to offer their fun and exciting new sport for our older attendees and held a variety of field day activities for the little ones. We look forward to expanding our role in the Fall Festival next year

Chad Johnson coordinated fall cross country races for kids of all ages as well as a 5K run for adults in Lisbon Meadows Park. These were held each Sunday throughout the month of October and were well attended. Kids earned ribbons for their participation each week and medals at the end of the session.

The other two recreation programs that began in the fall were adult co-ed volleyball on Thursday nights and adult men's basketball on Wednesdays. Both of these programs run through the winter and are held at LCS. Lisa Lewis (co-ed volleyball) and Don Potts (men's basketball) have been our coordinators for these programs for several years. The nominal stipend paid by the town to our two coordinators is covered by charging a non-resident user fee.

The winter brought about a significant expansion of our youth basketball program. For the third year in a row, program coordinator Chris Fabry conducted a weekly youth basketball clinic for kids ages K-4th grade. Mr. Fabry also spearheaded the return of our youth basketball program. A recreation league was established in partnership with Franklin, Sprague, Canterbury, and Preston. Our town sponsored teams in the grade 3 and 4 age group. It was a great next step for the kids who had outgrown the clinic and a good stepping stone for basketball at LCS. Again, the costs to run this program were offset by program fees.

During the winter, the recreation program was proud to assist Steve Brown by once again sponsoring two ski trips to Mount Snow. Both trips were sold out.

Jody Sheeley from Lawn Care, Etc. was rehired to take care of our field maintenance at LCS and in Lisbon Meadows Park. Meanwhile, Jordan Brook Landscaping was again chosen as fertilization and pesticide application professionals. They applied five treatments to each of our fields, and the results were tremendous. Our fields have never looked better. The contracting of landscape / field maintenance professionals in order to keep our facilities safe and playable at a high quality is of utmost importance to the committee.

The use of a Google calendar to schedule events has been a huge success. It took a few months for townsfolk to adapt to the new process of booking facilities. However, once they realized how easy it is they started to really begin to utilize our town's recreational offerings. Darrin Butts has done a great job acting as our scheduling coordinator and monitoring our email correspondence.

The Joe Kelly Memorial 5K Road Race really has become the crown jewel of recreational offerings here in town. Committee member Andrea Kelly is the director for this event and proud mother of Joe. There were over 350 participants running on our town roads. Over \$25,000 was donated to the CT Children's Medical Center. The recreation committee was proud to once again sponsor the timing service used at this event.

In April, Larissa Kelly volunteered to coordinate the annual Easter Egg Hunt. The event expanded this year into two areas – one for younger kids and one for older aged children. It was great to see this event was still a hit despite a weather-related cancellation a year ago. The committee is planning to work in conjunction with some other organizations in town to host a pancake breakfast at next year's event.

There are several projects that the recreation committee will be working on in the near future that will require us to work closely with other committees and board in the town. The largest project will be the development of the service road at Lisbon Meadows Park into a road leading to adequate parking at both the soccer and baseball fields. With the popularity of the winter volleyball programs, the committee would like to oversee the installation of sand volleyball courts in Lisbon Meadows Park. The trail system within the park still needs attention. The committee is hoping to work with the recently formed Trails Committee to complete this work and expand our trail network into some of our recently acquired open space parcels. One of the biggest hurdles we have encountered is a struggle to disseminate information to the citizens of the town. The committee feels that a recreation newsletter sent via mail to residents as well as to students at LCS would go a long way to informing the people in town what we have to offer. Improving communication will be a priority for the committee during the next fiscal year.

The recreation committee is proud to serve the citizens of Lisbon and invites anyone interested to attend any of our monthly meetings or to contact one of our committee members.

2015-2016 Annual Report of The Lisbon Commission on Aging

Lisbon Senior Center serves as your gateway to the aging network, connecting you to community services that will help you stay healthy and independent. A variety of programs are offered; from information and assistance; health, wellness and exercise programs; van transportation; meals, both at the center and the daily delivery of Meals on Wheels; benefits counseling; social and recreational activities, to intergenerational events. Anyone 55+ from any town is welcome at our center.

During the 2015-2016 fiscal year Vikki Lawhead retired from her position as the Senior Van Driver after 16 years of service. Our new driver is Tom Szrafanski. The center had over 4,200 visits; served over 1,300 meals on wheels; 2,000 lunches from its in-house sandwich program; and the van provided over 1,100 rides.

Lisbon currently has 17.1% of our population over the age of 65. In the year 2020 that will increase to 20.2%. Our senior center is preparing to meet the needs of our aging population. Our building is now equipped with automatic door openers on both the front and back doors. We are part of a new 9-town website: www.seniorcenterct.org/lisbon and have a Facebook page: www.facebook.com/lisbonseniorcenter.

Lisbon Senior Center is a highly recognized community focal point. The Shooting Stars, again, did fundraising and augmented your tax dollars to provide extras. They sponsored several day trips including a 2 lighthouse cruises and the annual trip to The Big E; gave awards to Lisbon Central School graduates in the areas of art, music, drama, best all-around and most improved; and subsidized our annual holiday luncheon.

The Lisbon Commission on Aging sets policies and guidelines, assesses and analyzes the needs of Lisbon's elderly and their families. The Commission meets on the first Monday of the month at the Senior Center at 7:00 and welcomes all to attend. Feel free to contact the Senior Center at 860-376-2329 with your questions or for more information. You can also contact any of the Commission members. They are Lee Szruba, Chair, Joe Doran, Dottie Coggins, Mary Grant, Fidelis Kershaw, Carol Sadowski, Donna Gahrman, Daniel Teper and Karen Washington.

Lisbon Historical Society

Annual Report

2015-2016

The Lisbon Historical Society, Inc. is a 501(c) 3 nonprofit, volunteer organization whose mission is to promote an interest and foster appreciation of the rich history and culture of the town of Lisbon, the Scenic By-Way and the Last Green Valley. The Society collects artifacts and preserves for the historic places and structures significance to the community and it is responsible for the restoration and maintenance of the grounds and buildings associated with the John Bishop House, the Anshei Israel Synagogue, Burnham Tavern, and the Old Coach Road (North Burnham Highway).

Outreach

The Historical Society's community outreach begins with the annual Summer Open House at the John Bishop House. From June to September Society volunteers open the house on Saturdays for visitors.

During the annual Fall Festival, the John Bishop House Museum was open for tours, open hearth cooking demonstrations and a power point presentation by Bethany Arabic who compiled, organized and scanned for preservation, over 1,700 photographs of Lisbon's people and places. LHS treasurer, Ken Mahler was project advisor.

Boy Scouts from Troop 73 took on two community service projects benefiting the Historical Society. Scouts and LHS members cut, split, and stacked firewood from damaged trees at the Burnham Tavern, for use in the Bishop House fireplaces. Troop 73 also repaired and painted the picket fence next to the carriage shed.

As a member of the Last Green Valley, The Lisbon Historical Society sponsored a Walktober walk, "Walking the Fields of the Old Burnham Tavern", taking visitors through the farmland of the Burnham Tavern. Ken Mahler led hikers through seven of the eleven fields bound by stonewalls east and west of the Scenic By-Way, and over wooded farm roads. The walk and talk focused on the post tavern years when the property was a working family farm.

The annual Holiday Open House raised funds through a bake goods and greenery sale. LHS members demonstrated open-hearth cooking and provided museum tours.

Approximately sixty-six Lisbon Central School fifth graders, teachers, and parent chaperones made the annual spring field trip to the John Bishop House for a day of interactive learning and hands-on open hearth cooking. Collaboration with Lisbon Central School's Service Learning program is ongoing. This year's recipient of the Lisbon Historical Society sponsored *Excellence in History* award, upon recommendation by Lisbon Central School was graduating eighth grader, Andrew Cote.

The Board of Selectmen appointed LHS member Ken Mahler to represent Lisbon on the Northeast Connecticut Council of Governments (NECCOG) Scenic Route 169 Advisory Committee. Several LHS members participated in the public workshop in the Lisbon Town Hall. A map of the Scenic By-Way plotted the location of Lisbon's known archeological, scenic, cultural, historical, natural, and recreational sites. In an effort to identify the "broader" corridor, important sites and working farms such as the Kinsmen Cemetery, Anshei Israel synagogue and the Grant, and Wildowski farms were added to the map. The Advisory Committee hopes that this new inventory will lay the framework for establishing geography of the corridor that will impact branding, signage, and tourism.

Restoration and Renovation

Burnham Tavern - Although the Burnham Tavern, is an archeological and restoration site, and as such is not yet open to the public, the property did see activity during the summer months. A local farmer from Canterbury paid a fee to the town of Lisbon leasing the fields to plant hay and corn. LHS Building and Grounds Chairman, Ken Mahler consulting with the Conservation Commission worked to make the fields more accessible for today's heavier farm equipment.

Upon inspection of the chimney and fireplaces in the Tavern, it was reported that the chimneystack inside the house is in spectacular condition, however, above the roofline is in need of work. The kitchen fireplace has a false wall that should be removed to expose its true depth; the smoker in the attic is original and two of the fireplaces on the second floor are in good condition. Further assessment and chimney rebuild above the roofline is scheduled for FY 2016-2017.

The State Historic Preservation Office grant of \$7,500 paid for half the cost of the Burnham Tavern Conditions and Assessment Report conducted by GNCB of Old Saybrook. The 90-page report is a necessary document in guiding the restoration process and facilitating preservation grants from private and public sources.

John Bishop House – Maintenance and restoration projects at the Bishop House, include evaluating the sill plate, restoration of the kitchen door and restoration of the windowsills, resetting the stone steps at the kitchen entry. Inside, all the fireplaces in the Bishop House were professionally inspected, and cleaned.

The Society maintains two gardens at the John Bishop House museum. The herb garden on the south lawn contains specimens typically found in the 1800s and north garden is a traditional three sister's garden.

Anshei Israel Synagogue –scrubs, saplings on the embankment to the west of the building were cut, and stumps removed. Limb blow down during the winter were cut and chipped. Exterior maintenance is schedule for FY 2016-2017.

Revenue

Funding sources largely include can and bottle donations and the Town preservation grant as well as revenue raised from the annual Holiday Open House, adult open hearth cooking classes, bake sales, member in-kind services, individual donation and nine hundred and sixty-four (964) volunteer hours.

The bottle and can redemption program generated over \$4500. Friends from this town and others donate and we sort and transport over 100,000 containers of plastic, glass, and cans annually. This year building stabilization of the Burnham Tavern continued with help from a state grant.

Information Sources

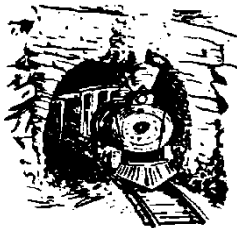
The John Bishop House is the repository for the Town Historian's library of research material. The collection is available for use by the public at no charge.

Upcoming events, town history, and information pertaining to other historic properties are found on our *Facebook* page by typing Lisbon Historical Society in the "find friends" bar. We offer, at no charge, several pamphlets about the John Bishop House, and a booklet on the Anshei Israel synagogue, *A Refuge in the Country*, which is available at the Bishop House and the town hall.

Membership in the Historical Society is a rewarding opportunity to not only research, educate, mentor and preserve but to build long and strong community relationships. The Lisbon Historical Society holds business meetings on the second Friday of the month in the Lisbon Town Hall at 7:00 p.m.

Respectfully submitted,

Kim E. Sperry



Wayne Donaldson

December 2016

Board of Finance

Town of Lisbon

1 Newent Rd.

Lisbon, CT 06351

Dear Mr. Donaldson,

As the Lisbon Town Historian I have been recording by photographs the mason work done on the back section of the Burnham Tavern for documentation of before and after the work being done for recording purposes and how the work was done. They will be preserved for future references if needed and for maintaining the history of the tavern as it is brought back to life for future purposes. When any interior or exterior work is being done. Photos are taken to show what was seen or discovered along with the finished work when it is repaired or stabilized. This will be an ongoing project.

As the Historian I also respond to requests for information regarding previous residents of

Lisbon who are unable to locate some information such as location, years lived in Lisbon, other family members, or dates. Some requests are to find out where their relatives might have lived in Newent or Lisbon.

As the Historian and member of the Lisbon Historical Society, I report any findings that have occurred in the month before the meeting. When interesting items are presented and need research I do my best to locate information through Town Hall and on the internet and if possible will visit the site of where the item might have been located.

The scanning of photos-new and old- to document people and places in Lisbon has been completed and place on hard drives with several copies having been made. These will be added to when time allows and more photographic history of Lisbon and people have been obtained.

As the Town Historian I also maintain a small library of books with information about Lisbon and some of the past residents who were on Town Boards and photos that residents have donated of various events. Also donated are old books that may or may not pertain to Lisbon but can be helpful in locating information regarding the town.

Sincerely,

Marcia Shafer

Lisbon Town Historian

Lisbon Fall Festival

The Lisbon Fall Festival began in 1981 as a small group of family-type game booths on the blacktop in back of the Fire House. Volunteers and various town officials, including then First Selectman Jeremiah Shea, manned the booths and awarded token prizes to the winners. The purpose of the Festival was to bring the community together for a fun Saturday in the early Fall.

As a more organized planning committee evolved, the Festival grew and gradually changed venues, moving from the Fire House parking lot to the area in back of the Senior Center, to its present location in the northeast corner of Lisbon Meadows Park. Profits realized were set aside to develop the old barn at the Meadows, which was leased from the town in 1993, with the intent of renovating it into a community center.

When that 1800's style barn burned down in 1997, the accumulated treasury was combined with insurance proceeds and a special Board of Finance appropriation to build the present post and beam structure which opened as the Lisbon Meadows Park Community Center in 2003.

The Lisbon Fall Festival has, over the course of some thirty-odd years, been a one day event with chowder and fritters, a two day event with vendors and game booths, even a three day event with carnival rides and booths but no matter how big or small or how many days the festival was held, it has remained a yearly event manned by volunteers whose intent has stayed true from the beginning to bring the community together once a year in early fall for a fun filled day.

*Leonora J. Szruba, * Fall Festival "Our History"

*Front and Back Cover Pictures: Denise Howard, Norwich Bulletin

Lisbon Farmers' Market – Annual Report

The 2016 season of the Lisbon Farmers' Market was a huge success! More than two dozen full and part time vendors participated in our market this year.

Lisbon vendors included:

Grants Berry Patch (fruits and vegetables); Donna's Delicious Designs with Muddy Turtle Creations (jams, jellies, preserves, eggs, candles and salves); Johnny Bgood Garlic (garlic and cut flowers); Colby Customs (wood crafts); Mom's Every Day Green Cleaning (eco-friendly cleaning products); and Kathleen Krahll (local children's book author).

Other local and regional vendors included:

Grace Gardens (organic produce); Vincent Farm (produce, honey, eggs and grass fed meats and poultry); Black Swan Baking Co. (pastries, baked goods, and beverages); Standish Brook Farm (vegetables, breads, and baked goods); Meadow Stone Farm Artisan Cheeses; Shepherd's Harvest (handmade soaps and beauty products); Chocolate Rose Bakery (cupcakes); Broad Brook Maple Syrup; Dragons Blood Elixir (hot sauces); Purring Kitty Pottery; Sea Unique Jewelry; Bluebird Garden Design (flowers and plants); Canterbury Kettlecorn; Whiskers & Whimsy Bake Shop (dog treats); Amanda Bourassa Reiki; Michele's Massage; and A Twist of Color Face Painting.

Community vendors included: EcoFairCT; Slater Library; St. Mary's Food Pantry; and Rx for Health (Backus Hospital).

Music was provided for us on numerous occasions by: Quiet Corner Fiddlers; Jim Taylor; and Sue Gallagher.

Our “Market Pal” program was new this year. By purchasing a seasonal button for \$10, market goers benefitted with Market Pal specials offered by our vendors each week. Most importantly, they helped support our market with the necessary funds to pay for advertising and other necessities needed to keep our market growing strong. Along with the Market Pal Program, our generous sponsors included: Renewal by Anderson; Farm Family Insurance; Jencks Network LLC; and Jewett City Savings Bank. The Lisbon Recreation Committee; Lisbon Fire Department and Lisbon Central School’s library were instrumental in helping us organize one of the biggest nights of the market: our Autumn Bonfires event in September. We had a beautiful bonfire, free s’mores, and acoustic guitar, while numerous students read to others from their favorite books and enjoyed the market with their families.

Our market is held late June through early October at Lisbon Meadows Park – Thursdays from 3:30 PM – 6:30 PM.

We are currently accepting applications from vendors for the 2017 season.

Do you have an idea, skill or a product that would benefit this Connecticut Grown market? Let us know! Lisbon Farmers’ Market meetings are held at Lisbon Town Hall every third Thursday of the month, at 7:00 PM. Our contact information is on our website (www.lisbonfarmersmarket.com), or you can follow us on Facebook and Instagram ([lisbonfarmersmarket](https://www.instagram.com/lisbonfarmersmarket)), or email us directly with comments or questions ejoseph@lisbonct.com.

The 2016 Lisbon Farmers’ Market Committee consisted of the following volunteer members: Sharon Gabiga (Chairman); Elaine Joseph (Secretary); Terry Joseph; Adeline Jurnstrom; Michelle Landry; and alternate Ellie Grant.

SALLY KEATING
Superintendent

DIANA CORMIER
Business Manager



15 NEWENT ROAD
LISBON, CT 06351
TELEPHONE (860) 376-2403
FAX (860) 376-1102
www.lisbonschool.com

DAVID YELLEN
Director of Special Education

BRIAN APPERSON
Principal

2015 Annual Report

TO: Mr. Michael Zelasky, Chairman of Board of Finance

The Lisbon School District continued to thrive during the 2015-2016 school year. The district can be very proud of its numerous accomplishments and successes. These results were achieved through the collaboration of the Lisbon Board of Education and the entire Lisbon school community.

Lisbon students excelled in their academic achievement. The standardized testing results on the Smarter Balanced Assessment Consortium (SBAC) and the Connecticut Mastery Test (CMT) indicated students' strong performance in Language Arts. Vast improvement was noted in the subject of Math, and Lisbon Central School was deemed the sixth school district in the State of Connecticut to have made the most improvement in Math. There were significant gains; overall and continued growth is expected due to a new math curriculum and a math series which were put in place at the end of the school year. The Science test results reflected that Life Science was a strength in grade five and Earth Science was a strength in grade eight. The Social Studies curriculum has been updated according to Connecticut's recently adopted Social Studies standards. Spanish instruction is provided to students in grades 7 and 8. Our students are prepared for their high school experience in all the subject areas, and we received particularly positive feedback about our students' achievement in Spanish.

LCS has an excellent Scientific Research-Based Intervention Model (SRBI) as indicated by daily classroom performance and assessment data. This model coupled with the emphasis on the Positive Behavior Intervention and Support Model and Cougar Code of Conduct in 2015-2016 increased

our student's focus in their daily learning interactions and endeavors.

Our Science, Technology, Engineering, Art and Math (S.T.E.A.M.) initiative continued to progress. A S.T.E.A.M. Fair was held at LCS and the community participation was phenomenal. Activities included: robotics, operation of a makeshift cannon, bridge-building, technology demonstrations, 3D printing projects, etc.

Our Art program continued to be exceptional as evidenced by students' work. Art pieces adorned the walls of the school. Our Band and Choral programs resulted in beautiful concerts. Both famous art works as well as musical compositions determined the artists' message, the relevance of the message in today's world and cultural morals. During the 2015-2016 school year, there was an increased emphasis on multiculturalism in these disciplines as well as in our Media Center. Many resources were devoted to celebrating all cultures.

Physical Education and Health Education classes had an increased focus on exercise, healthy lifestyles and decision-making skills. School-wide activities relating to topics such as drug prevention awareness resulted in strong participation by adults and staff.

Sports are an important part of the LCS culture. In 2015-2016, the Boys' Baseball won the Quinebaug Valley Junior Conference (QVJC), Girls' Soccer won the Southeastern Middle School Athletic Conference (SEMSAC), Boys' and Girls' Cross-Country teams participated in League Championships, Boys' Basketball won SEMSAC and the Cheerleading Team went to two competitions.

During the 2015-2016 school year, the Principal's position was shared by two staff members, Mrs. Megan Jenkins and Mr. David Yellen. Collectively, they as the Interim Principal, did an admirable job. In the spring, an interview team assembled and began the process of selecting a Principal for the 2016-2017 school year. We are pleased to say that Mr. Brian Apperson assumed this role this past July.

As of October 1 2015, data indicated that LCS had 388 students and 236 students in grades 9-12. Projections indicated that enrollment could drop the following year. (Actual enrollment figures on October 1, 2016 indicated that LCS had 393 students and 216 students in grades 9-12.)

Our high school students do exceptionally well. At both of our designated high schools, Griswold High School and Norwich Free Academy, our students took top honors, awards and accolades.

The Administration and the Board of Education Policy Committee continued to update policies per State regulations and/or as the need arises. All Board of Education policies can be found on the Lisbon School District website (www.lisbonschool.com). There is also a Board of Education Policy Book located in the main office for review.

Security and safety remained focal points. Fire drills, lockdowns, and evacuation drills were done on an ongoing basis throughout the year, in accordance with our All-Hazard Security and Safety Plan. Procedures were followed accurately.

From a budgetary standpoint, the 2015-2016 school year proved to be complex. Initially operating with a 1.41% decrease from the previous year's budget was challenging. However, the fiscal situation was exacerbated by increased special education outplacement costs, unbudgeted student placements and significant high school student movement. Consequently, an appropriation for additional funds to complete the school year was requested from the Town and realized. In the Spring of 2016, the taxpayer's voted on a .83% increase at referendum for the 2016-2017 school budget. We are thankful for the community's participation in the budget process.

The LCS PTO continued to thrive and there was a marked increase in participation by parents and staff. PTO held free movie nights, Trick or Trunk, provided meals for teachers during Parent-Teacher Conferences, provided recognition of teachers on Teacher's Day and began planning for a Color Run for the following year. We are thankful to our PTO for their efforts, hard work and commitment.

The Lisbon Community can be very proud of the school district. We have wonderful students, a dedicated staff, caring parents and friends of education and a supportive Board of Education working in the best interest of our children. The Lisbon School District is an exceptional place for our young people to achieve and succeed.

Respectfully Submitted,

Sally Keating

Sally Keating-Superintendent of
Schools

**Lisbon Central School
Grade 8 Graduates
2015 – 2016**

**	Olivia Avery		Joshua Leone
	Aaliyah Brittian		Sean Lima
	Derek Butts	*	Yong Jie Lin
	Haley Chase		Christopher Mattson
	Andrew Cote		Jonathan Maynard
	Nathan Cote		Hailey Mechlin
	Mason Desrosier		Ethan Nye
*	Kylie DiBernardo	*	Victoria Prokop
	Austin Drabinski	**	Brady Rider
	Kyle Dudek		Dominic Rosado
	Olivia Fowler	*	Destiny Rosario
	Cameron Gavaza		Trent Seaward
	Branden Gifford		Ashlyn Sminkey
	Ethan Grabill		Kyle Smith
	Kyle Harrelle	*	Carley Sobanski
*	Dylan Jencks		Logan Spurr
*	Andrew Koziol		Logan Starr
**	Anthony Ladouceur	*	Mackenzie Teper
	Jasmine Lanoue		Justin Tulli
*	Blake LaPierre	*	Chance Weber
			Kaleb Wilson

* *Gold Cord – Indicates Membership in National Junior Honor Society*

** *Blue & White Cord – Indicates students who served as Student Ambassadors*

Board Of Education

Ian Rogers, Chairman
Judith Jencks, Vice Chair
Melissa Avery, Secretary

Jenny Danburg
Joseph Lewerk
Joan Marshall

Scott McCabe
David Nowakowski
Damian Rickard

Administration

Superintendent	Sally Keating
Interim Principal	Megan Jenkins
Special Education Director & Interim Principal	David Yellen
Business Manager	Diana Cormier

Staff

Shelley Apperson	1 st Grade	Julie Lepore	Reading Specialist
Rita Baldwin	5 th Grade	Tammy Lerro	Special Education
Stephen Brown	5 th & 8 th Grade	Mark Masterjoseph	7 th & 8 th Grade Math
MaryLou Cassotto	Science	Tricia Maynard	Kindergarten
Claudia Conway	Media Specialist	Colleen McNally-Reamer	Superintendent/Business
	Preschool		Office Secretary
Joan Curtiss	Music	Rita Miller	Music
Michael Davidson	Computer	Martin Mlyniec	6 th & 7 th Grade Science
Maria Davila	Special Education	Michelle Mlyniec	Speech Pathologist
Nicole DesRosier	Secretary	Richard Moreau	Special Education
Kathleen Edmond	Educational Assistant	John Murch	School Psychologist
Alyssa Fabry	School Health Aide	Rebecca Overholt	Preschool
Judy Fontaine-Higgins	Heath	Mardy Pryor	7 th Grade Language
Paulette Galyas	6 th , 7 th & 8 th Grade		Arts
Lillian Gardner	Social Studies	Eric Quinn	Special Education
Didi Gauthier	Educational Assistant	Cheri Riotte	3 rd Grade
Kate Gilgenbach	3 rd Grade	Lynn Rochette	Special Education
Robin Gore	2 nd Grade	Amy Rogulski	Educational Assistant
Joseph Gracia	5 th Grade	Jennifer Rugarber	Speech Pathologist
	Occupational Therapist	Janice Schultz	Educational Assistant
	Video / Technology / STEM		
KellyAnn Graves	Special Education	Phyllis Serra	1 st Grade
Stacey Guertin	2 nd Grade	Heidi Sheldon	Spanish/Social Studies
Theresa Hart	Special Education	Christine Shogren	4 th Grade
Natalie Hungerford	Kindergarten	Katherine Snyder	School Counselor
Rachel Ibbison	Special Education	Lisa Surfus	Attendance Secretary
Megan Jenkins	SRBI Coordinator	Theresa Svab	School Nurse
Ellen Joly	Physical Education	Jane Sweet	4 th Grade
Sarah Komosky	Special Education	Anne Townsend	Art
Kimberly Lang	8 th Grade Language	Jamie Webster	Principal's Secretary
	Arts		6 th Grade Math/ELA

Interns

Jalen Aledia-Binion	Jenna Brown	Kathryn Renehan
Tyler Brooks	Jordan Cook	Rachel Uraco

Custodial Staff

Brian McGlew – Maintenance Director	Jonathan Coleman	Tyler Moody
Donna Gladue	Martin Shea	

Cafeteria Staff

Michael Rossi – Director	BillieSue Burelle	Ellen Sobanski
Micheline Plourde	Kelly Wezner	

Daycare Staff

Linda Beams –Director	Jasmine Barss	Courtney Kinmonth	Tess Michaud
Laura Gray	Rebecca Lang	Erica Reed	

Regional Animal Control District

Serving the Towns of

Bozrah, Franklin, Lisbon, Lebanon & Sprague

Mailing Address: 1 Main St., P.O. Box 677, Sprague, CT 06330 Emergency Calls: 800.236-1987

Pound Address: 34 Goshen Hill Road, Lebanon, CT 06249 Routine Calls: 860.642-6379

Annual Report

The five Towns (Bozrah, Franklin, Lebanon, Lisbon and Sprague) that make up the Regional Animal Control District is pleased to provide this annual report for the Fiscal year 2015- 2016. This regional cooperative effort by the Towns is why the Regional Animal Control District is a success keeping the cost to towns reasonable and providing a twenty-four hour reliable service. We started the year with a budget of \$70,778 which was the same as the previous year. We finished the year out with a balance of \$10,277.10 and added to previous year's balances, we have a fund balance of \$49,004.82 which a portion will be used to offset cost in upcoming years.

The Animal Control Officer and his assistant responded to 135 emergency calls and assisted in 492 issues involving animals.

Respectively Submitted

Richard L. Matters

First Selectman, Franklin

Chairman,

Regional Animal Control District

Tree Warden

Tree Warden Report 2016

2016 was a busy year as tree warden. Trees are being cut back 8 feet from the power lines (2016 into 2017) by the power company in order to prevent power outages due to downed limbs and trees. On numerous roads in town, such as McNeeley Road, Kimball Road, Preston Allen Road, Tunnel Hill Road, and Ames Road, dead, diseased or otherwise hazardous trees were assessed and dealt with where needed. Trees were taken down on Ross Hill Road and Ames Road due to site line obstruction or other hazardous conditions. Traffic on Kimball Road needed to be detoured while a hazardous tree was taken down.

Please remember that trees on town property will not be removed if they are healthy, or are not in any way a hazard to the community. If you have any questions regarding a tree that may be on town property, please call the Tree Warden, Terry Joseph, at 860-908-4669.

Treasurers Report

During fiscal year 2015-2016 an alternative banking relationship was explored for comparison to the existing relationship with Bank of America. The reasons for exploring a change were to reduce bank fees, increase investment income on surplus funds & increase customer service and convenience levels. The Treasurer performed due diligence on 4 reputable local financial institutions.

As part of the due diligence process the Treasurer met with representatives from each bank over the course of several weeks and received estimates of fees and charges as well as high level presentations on product and service offerings. Each bank was extremely responsive and professional throughout the entire process.

While confident that each of the 4 local banks would reduce bank fees and provide levels of service at or above current levels the recommendation was that the Town of Lisbon initiate a change in banking relationship from Bank of America to Dime Bank.

Below lists some of the benefits to the town by making this change:

- Once the town has fully migrated to Dime Bank the bank fees and charges are projected to be at or near \$0 annually (bank fees for fiscal year 2015-2016 were over \$2,000). It should be noted that due to the timing of bank charge assessments by Bank of America the Town of Lisbon will still reflect an expense in line item 51551 – Bank Charges for fiscal year 2016-2017.
- Initial start-up costs for check orders, deposit slips, deposit bags and endorsement stamps would be at no cost to the town.
- Subsequent check orders (after the first year) will be reimbursed up to \$500 per year. All deposit slips, deposit bags and endorsement stamps will remain free of charge after the first year.
- Ability to invest in a liquid municipal corporate daily access savings account (at no fee).
- Enhanced capabilities of implementing:
 - Positive Pay whereby the town submits a file of checks issued to the bank. The bank monitors checks clearing and matches these checks against the file of checks issued provided by the town. This enhances the ability to detect fraudulent checks.
 - Remote deposit services that would allow the town to scan and deposit checks from their desktop. The town would get credit for these checks sooner than taking to the bank. Dime Bank would provide up to 3 scanners at **no cost** to the town (only 2 are needed).
 - ACH services that would enable the town to initiate EFT transactions for payments to vendors. This has the potential to reduce costs for checks, postage and envelopes and possibly reduce administrative time as well.

The transition to Dime Bank was approved in July 2016 and is targeted for completion by 12/31/16, at which time excess funds being held at Bank of America will be transferred in full to Dime Bank.

Sincerely,

Chris Maynard
Treasurer, Town of Lisbon CT

Building Inspector /ZEO

**This department did not provide a narrative for the annual
report**

Town of Lisbon, Connecticut

Financial Statements and
Supplementary Information

Year Ended June 30, 2016

Town of Lisbon, Connecticut

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Town of Lisbon, Connecticut

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Independent Auditors' Report

**The Board of Finance
Town of Lisbon, Connecticut**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lisbon, Connecticut ("Town") as of and for the year ended June 30, 2016, 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 fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof 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 Management's Discussion and Analysis, budgetary comparison information, other post-employment benefit and pension information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining financial statements and supplementary schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining fund financial statements and supplementary schedules 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 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 information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2017 on our consideration of the Town's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

January 26, 2017

Town of Lisbon, Connecticut

Management's Discussion and Analysis
June 30, 2016

Town of Lisbon, Connecticut
Management's Discussion and Analysis
June 30, 2016

Our discussion and analysis of Town of Lisbon, Connecticut (the "Government") financial performance provides an overview of the Government's financial activities for the fiscal year ended June 30, 2016. Please read it in conjunction with the Government's financial statements, which begin with Exhibit 1.

FINANCIAL HIGHLIGHTS

- The Town of Lisbon net position increased by \$160,060. This was a direct result of cost centers staying within or under budget.
- In Exhibit 4 the fund balance showed a decline of \$472,914. This was a result of accounting standards where capital expenses and debt payments are directly deducted from the fund balance but do not show as a deduction against the net position. The net result is that even though the fund balance decreased, the end result was a reduction in long term debt and an increase in the capital assets.
- Overall revenues came in very close to budget projections. The town received some unexpected past due tax payments along with grant increases and this combined with the improved economic environment and the associated development fees the town received \$427,157 in revenue that exceeded the budget projections. The Town continues to invest in capital assets updating its fleet of vehicles and purchasing additional land for future expansion of parks. One primary goal has and continues to be the acquisition of property contingent to the existing government.
- Over all the Town of Lisbon continues to manage its financial health. Budgets have historically come in at or under projections. We have maintained a stable tax rate. The town also enjoys the benefits of two major shopping centers and is poised for further economic growth along the Route 12 corridor in the future.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Exhibits 1 and 2) provide information about the activities of the Government as a whole and present a longer-term view of the Government's finances. Fund financial statements start with Exhibit 3. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Government's operations in more detail than the government-wide statements by providing information about the Government's most significant funds. The remaining statements provide financial information about activities for which the Government acts solely as a trustee or agent for the benefit of those outside of the Government.

Reporting the Government as a Whole

Our analysis of the Government as a whole begins with Exhibit 1. One of the most important questions asked about the Government's finances is, "Is the Government as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Government as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Government's *net position* and changes in them. You can think of the Government's net position—the difference between assets and liabilities—as one way to measure the Government's financial health, or *financial position*. Over time, *increases or decreases* in the Government's net position are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Government's property tax base and the condition of the Government's roads, to assess the *overall health* of the Government.

In the Statement of Net Position and the Statement of Activities, the Government shows the following activity:

- **Governmental activities**—The Government's basic services are reported here, including the education, public works, and general administration. Property taxes, state and federal grants and local revenues such as fees and licenses finance most of these activities.
- **Business-type activities**—The Government charges a fee to customers to help it cover all or most of the cost of certain services it provides.

Reporting the Government's Most Significant Funds

Our analysis of the Government's major funds begins in the section titled "The Government's Funds". The fund financial statements begin with Exhibit 3 and provide detailed information about the most significant funds—not the Government as a whole. Some funds are required to be established by State law and by bond covenants. However, the Lisbon Board of Finance establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Government's two kinds of funds—*governmental* and *proprietary*—use different accounting approaches.

- **Governmental funds**—The Government'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 year-end that are available for spending. These funds are reported using an accounting method called *modified accrual accounting*, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Government'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 Government's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in a reconciliation at the bottom of the fund financial statements.
- **Proprietary funds**—When the Government charges customers for the services it provides—whether to outside customers or to other units of the Government—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Government's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

Town of Lisbon, Connecticut
Management's Discussion and Analysis
June 30, 2016

The Government as Trustee

The Government is the trustee, or *fiduciary*, for the activity funds at the school and surety bonds. These funds do not belong to the Government. The Government's fiduciary activities are reported in separate Statements of Fiduciary Net Position in Exhibits 1 & 2. We exclude these activities from the Government's other financial statements because the Government cannot use these assets to finance its operations. The Government is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE GOVERNMENT AS A WHOLE

The Government's *combined* net position increased by \$160,060 from a year ago—*increasing* from \$14,452,371 to \$14,612,431. Last year net position *increased* by \$145,590. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Government.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total Government	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 4,972,950	\$ 5,209,547	\$ 233,246	\$ 210,837	\$ 5,206,196	\$ 5,420,384
Capital assets	12,351,947	11,898,762	2,788,325	2,892,985	15,140,272	14,791,747
Total assets	17,324,897	17,108,309	3,021,571	3,103,822	20,346,468	20,212,131
Deferred outflows of resources	69,172	48,686	-	-	69,172	48,686
Long-term debt outstanding	5,080,460	5,422,982	-	-	5,080,460	5,422,982
Other liabilities	605,701	269,481	52,128	51,063	657,829	320,544
Total liabilities	5,686,161	5,692,463	52,128	51,063	5,738,289	5,743,526
Deferred inflows of resources	-	64,920	-	-	-	64,920
Net Position:						
Net investment in capital assets	9,402,550	8,398,941	2,788,325	2,892,985	12,190,875	11,291,926
Restricted						
Expendable	620,094	624,823	-	-	620,094	624,823
Nonexpendable	1,100	1,100	-	-	1,100	1,100
Unrestricted	1,619,244	2,374,748	181,118	159,774	1,800,362	2,534,522
Total net position	\$ 11,642,988	\$ 11,399,612	\$ 2,969,443	\$ 3,052,759	\$ 14,612,431	\$ 14,452,371

The Town of Lisbon has increased its net position by \$160,060. The Town continues to invest in capital assets with the purchase of land and vehicles. With upgrades to Town vehicles we are able to maintain services to the residents in a reliable and cost efficient manner. Purchases of land have set the town up for the expansion of recreation facilities and parks. The Town has always had a commitment to acquire property that is contingent to the existing municipal complex. Long term plans call for the expansion or improvements to the Town Hall, Fire Department, Senior Center and municipal parking. The primary driver for the increase in Net position is the \$898,949 increase in capital assets. This was offset for the most part by a reduction in the unrestricted net position of \$734,160. The reduction in the unrestricted net position was used to finance the purchase of SCBA for the Lisbon Fire Department, an additional appropriation to the Lisbon Board of Education to cover unexpected special education costs and the related transportation and funds for the revaluation and to cover a planned budget deficit.

Town of Lisbon, Connecticut
Management's Discussion and Analysis
June 30, 2016

Table 2
Change in Net Position (on Exhibit 2)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues:						
Charges for services	\$ 465,431	\$ 440,411	\$ 124,763	\$ 130,115	\$ 590,194	\$ 570,526
Operating grants and contributions	5,601,929	5,615,270	-	-	5,601,929	5,615,270
Capital grants and contributions	89,620	1,812	-	-	89,620	1,812
General revenues:						
Property taxes	8,362,787	8,320,605	-	-	8,362,787	8,320,605
Grants and contributions	202,307	231,930	-	-	202,307	231,930
Interest and investment earnings	11,153	5,586	-	-	11,153	5,586
Other general revenues	-	3,581	-	-	-	3,581
Total revenues	14,733,227	14,619,195	124,763	130,115	14,857,990	14,749,310
Program expenses						
General government	1,649,687	1,456,966	-	-	1,649,687	1,456,966
Fire protection	159,340	174,311	-	-	159,340	174,311
Police protection	213,311	221,092	-	-	213,311	221,092
Highways and streets	595,865	713,032	-	-	595,865	713,032
Seniors and senior center	126,990	135,733	-	-	126,990	135,733
Recreation	107,871	83,625	-	-	107,871	83,625
Education	11,570,595	11,383,281	-	-	11,570,595	11,383,281
Interest on long-term debt	66,192	85,296	-	-	66,192	85,296
Water Pollution Control Authority	-	-	208,079	245,750	208,079	245,750
Total expenses	14,489,851	14,253,336	208,079	245,750	14,697,930	14,499,086
Change in net position	243,376	365,859	(83,316)	(115,635)	160,060	250,224
Beginning net position	11,399,612	11,033,753	3,052,759	3,168,394	14,452,371	14,202,147
Ending net position	\$ 11,642,988	\$ 11,399,612	\$ 2,969,443	\$ 3,052,759	\$ 14,612,431	\$ 14,452,371

- The Town of Lisbon experienced an increase in property taxes due to greater than expected collection of past due taxes. The mill rate remained constant at 19.5.
- The town also experienced a net increase in grants of \$74,467.
- Interest and investment earnings increased due to the selection of a new bank to handle town finances.
- General government expenses increased by \$192,721 after years of relatively minimal budget increases.
- Recreation expenses increased by \$24,246 as a result of the addition of new programs and the expansion of existing recreation programs. There was a slight decrease in the revenue generated by fees from the programs. The recreation department was able to provide expanded services to the users at reduced cost.
- The above increases in expenses were offset by decreases in the Lisbon Fire Department due to decreases in projected fuel and heating cost and police protection due to a decrease in overtime. Additional decreases in expenses occurred in the highways and streets expense of \$117,167 as a result of a warmer than normal winter and the reduction in snow removal costs. There was also a reduction in the expenses at the Lisbon Senior center after a onetime expense in the prior year.
- Interest on long term debt decreased by \$19,104 as a result of the reduction in outstand debt.
- Education expenses continue to increase driven in 2016 by an additional appropriation of \$233,699 to cover special education costs and the related transportation.
- The Water Pollution Control Authority saw a decrease in revenue of \$5,352. The revenue and expenses are a direct result of the flow of waste water being processed through the system and as a result expenses decreased by \$37,671.

Town of Lisbon, Connecticut
Management's Discussion and Analysis
June 30, 2016

Governmental Activities

Table 3 presents the cost of each of the Government's governmental programs as well as each governmental program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Government's taxpayers by each of these functions.

Table 3
Governmental Type Activities

	Total Cost of Services		Incr. Decr.	Net Cost of Services		Incr. Decr.
	2016	2015		2016	2015	
Governmental Activities						
General government	1,649,687	1,456,966	13.23%	1,386,280	1,290,044	7.46%
Fire protection	159,340	174,311	-8.59%	159,340	174,311	-8.59%
Police protection	213,311	221,092	-3.52%	200,701	158,667	26.49%
Highways and streets	595,865	713,032	-16.43%	414,030	534,792	-22.58%
Seniors and senior center	126,990	83,625	51.86%	106,173	48,479	119.01%
Recreation	107,871	135,733	-20.53%	72,972	113,092	-35.48%
Education	11,570,595	11,383,281	1.65%	5,927,183	5,791,162	2.35%
Interest on long-term debt	66,192	85,296	-22.40%	66,192	85,296	-22.40%
Totals	\$ 14,489,851	\$ 14,253,336	1.66%	\$ 8,332,871	\$ 8,195,843	1.67%

Overall the town saw an increase in the cost of services provided of \$236,515 or 1.66% with the net cost of services increasing \$137,028 or 1.67%. This is well within the range the town has seen over the past few years.

Year after year the town has managed to provide a level of service to the community that is expected at minimal cost. The town continues to enhance its recreation department with new and expanded programs and we continue to develop our parks and recreation field to support the needs of the community. The Town of Lisbon continues to create budgets that stay in line or below the current inflation rates based on good management and financial oversight.

Business-Type Activities

The only business-type activity in Lisbon is the Water Pollution Control Authority sewer running north along Route 12 from Lisbon Landing and the Crossing at Lisbon to the town line, then to the Jewett City Water Treatment Plant. Table 4 presents the cost of the Government's business-type program as well as the business-type program's net cost (total cost less revenues generated by the activities).

Table 4
Business-Type Activities

	Total Cost of Services		Incr. Decr.	Net Cost of Services		Incr. Decr.
	2016	2015		2016	2015	
Business-Type Activities						
Water Pollution Control Authority	\$ 208,079	\$ 245,750	-15.33%	\$ 83,316	\$ 115,635	-27.95%

Town of Lisbon, Connecticut
Management's Discussion and Analysis
June 30, 2016

The Water Pollution Control Authority cost and expenses are a direct result of the amount of waste water flowing from The Town of Lisbon into the Jewett City Waste Water Treatment Plant. Revenue and expenses will vary from year to year based on the flow from the residences and business connected to the system.

THE GOVERNMENT'S FUNDS

The fund balance from Exhibit 4 shows a decrease in the Town's total fund balance of \$472,914. This is considerably different than the town has seen in the recent past. The two largest drivers for this were a planned deficit in the 2016 operating budget and an additional appropriation to the school system for special education costs and the related transportation. Exhibit 3 shows a higher than normal amount of total liabilities, particularly in accounts payable that increased by \$345,631 which was 73% of the total fund balance reduction. Exhibit 2 shows an increase in the governmental net position of the town by \$243,376 this variance is primarily the result of how different funds and cost are treated in an accounting manner. Principal payments for long term debt are a direct reduction in the fund balance when payments on the debt are made. These same payments are never a direct reduction in the Town's net position. The same is true for the purchase of capital assets they are a direct reduction in the fund balance but never a direct reduction in the Town's net position.

In addition, these other changes in fund balances should be noted:

- The Town of Lisbon has received an increase in the State of Connecticut Town Aid to Roads Grant of \$73,591 this represents an increase of 63%.
- For the fourth year in a row the Town has been able to maintain a stable tax rate with only a 0.1 mill increase in the mill rate over the past four years.
- The Town has taken advantage of the historically low interest rates and as a result has a lower cost for interest expense than past years.

General Fund Budgetary Highlights

Over the course of the year, the Lisbon Board of Finance can revise the Government budget with additional appropriations and budget transfers. Additional appropriations increase the total budget. The Lisbon Board of Finance is allowed by State Statute to make one additional appropriation up to \$20,000 per line item or department. A second additional appropriation or an appropriation over \$20,000 requires a Town Meeting. Transfers do not increase the total budget, but instead pull appropriations from one department that needs additional funding from other departments that might have excess funding. State Statutes allow these transfers to be made by the Lisbon Board of Finance without a Town Meeting. Below is a summarized view of the final budget and actual results for the General Fund:

Table 5
General Fund - Budget Summary

	Final		
	Budget	Actual	Variance
Revenues			
Property Taxes	\$ 7,313,689	\$ 7,413,401	\$ 99,712
Intergovernmental	4,113,825	4,202,226	88,401
Local Revenue	1,319,625	1,558,669	239,044
Total Revenues	12,747,139	13,174,296	427,157
Expenditures			
Selectmen's expenditures	2,780,353	2,705,303	75,050
Education	9,640,077	9,629,323	10,754
Capital outlay	39,819	39,588	231
Debt service	595,950	591,301	4,649
Transfers out	190,000	190,000	-
Total Expenditures	13,246,199	13,155,515	90,684
Increase (Decrease) in Fund Balance	\$ (499,060)	\$ 18,781	\$ 517,841

The original approved budget projected a deficit of \$55,000. Additional appropriations of \$444,317 increased this deficit to \$499,060. Actual revenues exceeded budget amounts by \$427,157. This is the result of better than expected collection of past due taxes, unexpected additions to intergovernmental revenue and a large increase in local revenues. As a result of the improved economy the Town of Lisbon saw an increase in the revenue generated from increased development activity and housing sales. Revenue increases of \$427,157 over the final budget amounts combined with \$90,684 in expenses below the final budgeted amounts added \$517,841 to the year end fund balance. This was primarily due to significantly lower than expected expenses for the general government of \$75,050 and education expenses of \$10,754. The net result was a \$517,841 increase in the budgetary fund balance at the end of 2016.

Significant variances are summarized as follows:

- Local revenues increased by \$239,044 over budget projections. The majority of this was the result of fees and charges related to increased economic activity in the housing and business areas.
- As a result of the increased economic activity past due tax collections increased by \$71,692.
- Intergovernmental revenues had a net increase of \$88,401. Large increases in special education funding and magnet school transportation were offset by decreases in the education cost sharing, transportation and other education grants.
- Significant reductions in the Selectmen's budget were with Planning and Zoning which had a reduction in the forecast for purchased services in the amount of \$17,380 and a reduction in expected unallocated expenses of \$12,912. Other line items had minor reductions in expenses.
- The Lisbon Board of Education returned \$10,754 to the town after an additional appropriation of \$233,699 approved to the original approved budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of this year, the Government had \$12,351,947 invested government activity capital assets. This amount represents a net increase (including additions and deductions) of \$453,185 from last year. This is primarily due to a land purchase in the amount of \$225,732 for property adjacent to the existing Historical Society property on RT 169. The town also purchased new SCBA for the Lisbon Fire Department along with a new vehicle for the Highway Department. More detailed information about the Government's capital assets is presented in Note 3D to the financial statements.

Debt

At year end, the Government had \$2,805,000 in bonds and notes outstanding. This is a decrease of \$520,000 from last year. The Government's general obligation bond rating continues to carry an Aa3 rating. More detailed information about the Government's long-term liabilities is presented in Note 3D to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Government's elected and appointed officials considered many factors when setting the fiscal-year 2017 budget and tax rates. The State of Connecticut's Office of Policy and Management ("OPM") has adopted new laws that will affect the Government's budgets in subsequent years. The motor vehicle mill rate will be capped at 32 mills in fiscal-year 2017 and 29.36 mills in fiscal-year 2018 and annually thereafter. Beginning in fiscal-year 2018, a cap will be imposed on municipal spending to limit general budget expenditures to 2.5 percent above the previous year or the rate of inflation, whichever is greater. Exemptions from the cap include debt service, special education expenditures, and expenditures related to major disaster or emergency declaration. The Minimum Budget Requirement ("MBR") for education expenditures has been relaxed effective July 1, 2015. The change allows the Government more flexibility in lowering its MRB.

The 2017 budget experienced significant cuts in the education cost sharing grant from the State of Connecticut. These cuts required the town to either pick up these costs or make related cuts to the Lisbon Board of Education budget. The Lisbon Board of Finance elected to maintain a budget that supports the education of our children. During 2016, the town saw an increase in business activity. This has yet to translate into significant increases in the tax base. The State law capping the motor vehicle tax is not expected to have any impact on Lisbon since our Mill rate has historically been below the State Cap. Of more concern is the pending cap on municipal spending. The 2.5% cap going into effect in 2018, while well below the averages the Town of Lisbon has experienced the past few years, employee labor costs have negotiated in the 3% range, and this may force the town into more contracts that go to arbitration and the related costs that are associated with arbitration.

CONTACTING THE GOVERNMENT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Government's finances and to show the Government's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Lisbon Board of Finance at 1 Newent Road Lisbon, CT 06351.

Town of Lisbon, Connecticut

Basic Financial Statements
June 30, 2016

Statement of Net Position
June 30, 2016

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and equivalents	\$ 4,496,959	\$ 166,089	\$ 4,663,048
Receivables			
Taxes, net	192,469	-	192,469
Special assessments	96,147	-	96,147
Accounts, net	8,288	-	8,288
Usage, net	-	67,157	67,157
Intergovernmental	70,962	-	70,962
Interest on taxes receivable	48,502	-	48,502
Prepaid expenses	53,238	-	53,238
Inventories	6,385	-	6,385
Capital assets			
Nondepreciable	2,604,586	-	2,604,586
Depreciable, net of accumulated depreciation	<u>9,747,361</u>	<u>2,788,325</u>	<u>12,535,686</u>
Total Assets	<u>17,324,897</u>	<u>3,021,571</u>	<u>20,346,468</u>
DEFERRED OUTFLOWS OF RESOURCES			
Contributions after the measurement date	<u>69,172</u>	<u>-</u>	<u>69,172</u>
LIABILITIES			
Accounts payable	483,432	52,128	535,560
Accrued payroll and related	24,636	-	24,636
Unearned revenues - performance	64,564	-	64,564
Accrued interest payable	33,069	-	33,069
Non-current liabilities			
Due within one year	1,336,724	-	1,336,724
Due in more than one year	<u>3,743,736</u>	<u>-</u>	<u>3,743,736</u>
Total Liabilities	<u>5,686,161</u>	<u>52,128</u>	<u>5,738,289</u>
NET POSITION			
Net investment in capital assets	9,402,550	2,788,325	12,190,875
Restricted			
Expendable	620,094	-	620,094
Nonexpendable	1,100	-	1,100
Unrestricted	<u>1,619,244</u>	<u>181,118</u>	<u>1,800,362</u>
Total Net Position	<u>\$ 11,642,988</u>	<u>\$ 2,969,443</u>	<u>\$ 14,612,431</u>

The notes to financial statements are an integral part of this statement.

Town of Lisbon, Connecticut

Exhibit 2

Statement of Activities

Year Ended June 30, 2016

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	\$ 1,649,687	\$ 163,161	\$ 100,246	\$ -	\$ (1,386,280)		\$ (1,386,280)
Fire protection	159,340	-	-	-	(159,340)		(159,340)
Police protection	213,311	-	12,610	-	(200,701)		(200,701)
Highways and streets	595,865	-	179,879	1,956	(414,030)		(414,030)
Seniors and senior center	126,990	20,192	625	-	(106,173)		(106,173)
Recreation	107,871	34,899	-	-	(72,972)		(72,972)
Education	11,570,595	247,179	5,308,569	87,664	(5,927,183)		(5,927,183)
Interest on long-term debt	66,192	-	-	-	(66,192)		(66,192)
Total Governmental Activities	14,489,851	465,431	5,601,929	89,620	(8,332,871)		(8,332,871)
Business-type Activities							
Water Pollution Control Authority	208,079	124,763	-	-		(83,316)	(83,316)
Total Government	\$ 14,697,930	\$ 590,194	\$ 5,601,929	\$ 89,620		(83,316)	(8,416,187)
General Revenues							
Property taxes, payments in lieu of taxes, interest and liens					8,362,787	-	8,362,787
Grants and contributions not restricted to specific programs					202,307	-	202,307
Unrestricted interest and investment earnings					11,153	-	11,153
Total General Revenues					8,576,247	-	8,576,247
Change in Net Position					243,376	(83,316)	160,060
Net Position - Beginning of Year, as restated					11,399,612	3,052,759	14,452,371
Net Position - End of Year					\$ 11,642,988	\$ 2,969,443	\$ 14,612,431

The notes to financial statements are an integral part of this statement.

Balance Sheet
Governmental Funds
June 30, 2016

	General	Capital Nonrecurring Fund	Town Aid Roads	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and equivalents	\$ 2,145,416	\$ 1,689,694	\$ 563,122	\$ 98,727	\$ 4,496,959
Taxes receivable, net of allowance for uncollectible amounts	192,469	-	-	-	192,469
Other receivables					
Special assessments	96,147	-	-	-	96,147
Accounts	-	-	-	8,288	8,288
Intergovernmental	29,000	-	-	41,962	70,962
Interest on taxes receivable	48,502	-	-	-	48,502
Due from other funds	273,913	-	-	-	273,913
Prepaid expenditures	53,238	-	-	-	53,238
Inventories	-	-	-	6,385	6,385
Total Assets	<u>\$ 2,838,685</u>	<u>\$ 1,689,694</u>	<u>\$ 563,122</u>	<u>\$ 155,362</u>	<u>\$ 5,246,863</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 475,903	\$ -	\$ -	\$ 7,529	\$ 483,432
Accrued payroll and related	24,360	-	-	276	24,636
Unearned revenues - performance	-	-	-	64,564	64,564
Due to other funds	-	249,410	-	24,503	273,913
Total Liabilities	<u>500,263</u>	<u>249,410</u>	<u>-</u>	<u>96,872</u>	<u>846,545</u>
Deferred inflows of resources					
Deferred revenues - not available	<u>322,907</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>322,907</u>
Fund Balances					
Nonspendable	-	-	-	7,485	7,485
Restricted	46,069	-	563,122	10,903	620,094
Committed	-	219,736	-	-	219,736
Assigned	311,922	1,220,548	-	40,102	1,572,572
Unassigned	<u>1,657,524</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,657,524</u>
Total Fund Balances	<u>2,015,515</u>	<u>1,440,284</u>	<u>563,122</u>	<u>58,490</u>	<u>4,077,411</u>
Total Liabilities , Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,838,685</u>	<u>\$ 1,689,694</u>	<u>\$ 563,122</u>	<u>\$ 155,362</u>	<u>\$ 5,246,863</u>

Reconciliation of Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position - Governmental Activities
June 30, 2016

Fund Balances - Total Governmental Funds (Exhibit 3)	<u>\$ 4,077,411</u>
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>12,351,947</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	<u>322,907</u>
Deferred outflows - contributions after the measurement date	<u>69,172</u>
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
General obligation bonds and bond anticipation notes	(2,805,000)
Compensated absences	(260,817)
Other post employment benefits	(1,214,600)
Pension	(655,646)
Bond and lease premiums	(144,397)
Accrued interest	<u>(33,069)</u>
	<u>(5,113,529)</u>
Net Position of Governmental Activities (Exhibit 1)	<u>\$ 11,642,988</u>

The notes to financial statements are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2016

	General	Capital Nonrecurring Fund	Town Aid Roads	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes, interest and lien fees	\$ 7,413,401	\$ -	\$ -	\$ -	\$ 7,413,401
Intergovernmental revenues	4,942,691	87,664	179,879	548,972	5,759,206
Local revenues	1,384,919	26,480	-	253,889	1,665,288
Total Revenues	<u>13,741,011</u>	<u>114,144</u>	<u>179,879</u>	<u>802,861</u>	<u>14,837,895</u>
EXPENDITURES					
Current					
General government	1,475,760	-	-	11,295	1,487,055
Fire protection	314,179	-	-	-	314,179
Police protection	200,701	-	-	12,610	213,311
Highway and streets	517,292	-	189,523	-	706,815
Seniors and senior center	109,303	-	-	15,913	125,216
Recreation	71,212	-	-	-	71,212
Education	10,575,891	-	-	717,209	11,293,100
Debt service					
Principal	1,330,000	-	-	-	1,330,000
Interest	71,301	-	-	-	71,301
Capital outlay	<u>34,576</u>	<u>474,044</u>	<u>-</u>	<u>-</u>	<u>508,620</u>
Total Expenditures	<u>14,700,215</u>	<u>474,044</u>	<u>189,523</u>	<u>757,027</u>	<u>16,120,809</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(959,204)</u>	<u>(359,900)</u>	<u>(9,644)</u>	<u>45,834</u>	<u>(1,282,914)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	173,750	190,000	-	-	363,750
Transfers out	(190,000)	(173,750)	-	-	(363,750)
Issuance of long-term debt	<u>810,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>810,000</u>
Total Other Financing Sources	<u>793,750</u>	<u>16,250</u>	<u>-</u>	<u>-</u>	<u>810,000</u>
Net Change in Fund Balances	<u>(165,454)</u>	<u>(343,650)</u>	<u>(9,644)</u>	<u>45,834</u>	<u>(472,914)</u>
Fund Balances - Beginning of Year	<u>2,180,969</u>	<u>1,783,934</u>	<u>572,766</u>	<u>12,656</u>	<u>4,550,325</u>
Fund Balances - End of Year	<u>\$ 2,015,515</u>	<u>\$ 1,440,284</u>	<u>\$ 563,122</u>	<u>\$ 58,490</u>	<u>\$ 4,077,411</u>

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2016

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Net Change in Fund Balances - Total Governmental Funds (Exhibit 4) \$ (472,914)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.

Capital outlay expenditures	927,129
Depreciation expense	<u>(473,944)</u>
	<u>453,185</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Real property taxes and other revenues in the General Fund	(71,094)
Grant revenues in the Miscellaneous Town Grants Fund	<u>(33,918)</u>
	<u>(105,012)</u>

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Issuance of long-term debt - general obligation bonds	(810,000)
Principal payments on long-term debt	1,330,000
Amortization of loss on refunding bonds and issuance premium	<u>30,424</u>
	<u>550,424</u>

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

Accrued interest	5,109
Compensated absences	(4)
Change in pension and other post employment benefits asset/liability	<u>(187,412)</u>
	<u>(182,307)</u>

Change in Net Position of Governmental Activities (Exhibit 2) \$ 243,376

Statement of Net Position
Proprietary Fund
June 30, 2016

	<u>Water Pollution Control Authority</u>
ASSETS	
Current Assets	
Cash and equivalents	\$ 166,089
Receivables	
Usage	<u>67,157</u>
Total Current Assets	<u>233,246</u>
Noncurrent Assets	
Buildings and improvements	4,186,405
Less accumulated depreciation	<u>(1,398,080)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>2,788,325</u>
Total Assets	<u>3,021,571</u>
LIABILITIES	
Current Liabilities	
Accounts payable	52,128
NET POSITION	
Net investment in capital assets	2,788,325
Unrestricted	<u>181,118</u>
Total Net Position	<u>\$ 2,969,443</u>

The notes to financial statements are an integral part of this statement.

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Fund
 Year Ended June 30, 2016

	<u>Water Pollution Control Authority</u>
Operating Revenues	
Charges for services	<u>\$ 124,763</u>
Operating Expenses	
Contractual services	102,146
Other supplies and expenses	1,273
Depreciation	<u>104,660</u>
Total Operating Expenses	<u>208,079</u>
Loss from Operations	(83,316)
Net Position - Beginning of Year	<u>3,052,759</u>
Net Position - End of Year	<u><u>\$ 2,969,443</u></u>

The notes to financial statements are an integral part of this statement.

Statement of Cash Flows
 Proprietary Fund
 Year Ended June 30, 2016

	Water Pollution Control Authority
Cash Flows From Operating Activities	
Cash received from customers and users	\$ 118,020
Cash payments to suppliers and contractors	<u>(102,093)</u>
Net Cash from Operating Activities	15,927
Cash Flows From Non-Capital Financing Activities	
Advances from other funds	<u>(261)</u>
Net Decrease in Cash and Equivalents	15,666
Cash and Equivalents - Beginning of Year	<u>150,423</u>
Cash and Equivalents - End of Year	<u>\$ 166,089</u>
Reconciliation of Loss from Operations to Net Cash from Operating Activities	
Loss from operations	\$ (83,316)
Adjustments to reconcile loss from operations to net cash from operating activities	
Depreciation	104,660
Changes in operating assets and liabilities	
Accounts receivable	(6,743)
Accounts payable	<u>1,326</u>
Net Cash from Operating Activities	<u>\$ 15,927</u>

The notes to financial statements are an integral part of this statement.

Statement of Net Position
Fiduciary Funds
June 30, 2016

	<u>Agency Funds</u>
ASSETS	
Cash	<u>\$ 129,107</u>
LIABILITIES	
Due to others	<u>\$ 129,107</u>

The notes to financial statements are an integral part of this statement.

Town of Lisbon, Connecticut

Notes to Financial Statements
June 30, 2016

1. Summary of Significant Accounting Policies

The Town of Lisbon, Connecticut (The "Town") is a municipal corporation governed by a selectmen–town meeting form of government. Under this form of government the town meeting is the legislative body. A town meeting is required to make appropriations, levy taxes and borrow money. The administrative branch is led by an elected three-member board of selectmen. The selectmen oversee most of the activities not assigned specifically to another body. An elected board of education oversees the public school system. The elected Board of Finance is the budget making authority and supervises the town financial matters.

The accounting policies conform to generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Town's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of: a) the primary government; b) organizations for which the primary government is financially accountable and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the financial reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in this reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. The criterion has been considered and there are no agencies or entities which should be presented with this government.

B. Government-Wide Financial Statements

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

The Statement of Net Position presents the financial position of the Town at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Town does not allocate indirect expenses to functions in the Statement of Activities.

1. Summary of Significant Accounting Policies (Continued)

C. Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, liabilities, fund balances/net position, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Town maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. The Town maintains proprietary and fiduciary funds, which are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Enterprise funds and the Internal Service funds are charges to customers for services. Operating expenses for the Enterprise funds and the Internal Service funds include the cost of services, administrative expenses, depreciation costs and benefit costs. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

The Town's resources are reflected in the fund financial statements in three broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the Town's major governmental funds:

General Fund - The General Fund constitutes the primary operating fund of the Town and is used to account for and report all financial resources not accounted for and reported in another fund.

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

1. Summary of Significant Accounting Policies (Continued)

Capital Nonrecurring Fund - The Capital Nonrecurring Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

Town Aid Road Fund - This is used to account for the expenditures against the state grant of the same name. This grant can only be used for expenditures for the Town's roads.

The Town also reports the following non-major governmental funds:

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for a specific purpose other than debt service or capital projects. The non-major Special Revenue Funds of the Town are:

Miscellaneous Town Grants Fund - These fees are used to support the Farmers Market and Senior Center Sandwich program. Grant revenues and expenditures for the CT Department of Transportation and Town Clerk preservation grants are reported in this fund.

Cafeteria Fund - The school cafeteria's expenditures, the related state and federal grants and revenue from sales are handled in this fund.

Special Educational Grants Fund - The Special Educational Grants Fund is used to account for State, Federal and Local grants for the Board of Education.

After School Child Care Fund - The fees from the school's child care programs are used to offset the related expenditures.

Shooting Stars - The fees from the funds are used to support the Senior Center.

Preschool Fund - The fees from the school's preschool fund are used to offset the related expenditures.

Permanent Funds - The Town also has two permanent funds. Individuals have donated funds to support the care and maintenance of their cemetery plots. The principal balance must remain intact, but the interest can be spent for this purpose.

- b. Proprietary Funds - Proprietary funds include enterprise and internal service funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private enterprises or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability. Enterprise funds are used to account for those operations that provide services to the public. The Town's major proprietary fund is:

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

1. Summary of Significant Accounting Policies (Continued)

Water Pollution Control Authority's Fund accounts for connection and usage fees and expenditures for the sewer system which is available to certain residents and businesses.

- c. Fiduciary Funds (Not included in government-wide financial statements) - The Fiduciary Funds are used to account for assets held by the Town in an agency capacity on behalf of others.

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Property taxes and certain other revenues are considered to be available if collected within sixty days of the fiscal year end. Property taxes associated with the current fiscal period, as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures, when applicable, related to early retirement incentives, compensated absences, capital leases, post-closure landfill costs, pollution remediation obligations, other post-employment benefit obligations, certain pension obligations and certain claims payable are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Deposits, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts, certificates of deposit, money market funds, State of Connecticut Treasurer's Short-Term Investment Fund, Tax Exempt Proceeds Funds and treasury bills with original maturities of less than three months.

The Town's custodial credit risk policy is to only allow the Town to use banks that are in the State of Connecticut. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk-based capital ratio.

The Short-Term Investment Fund ("STIF") is a money market investment pool managed by the Cash Management Division of the State Treasurer's Office created by Section 3-27 of the Connecticut General Statutes ("CGS"). Pursuant to CGS 3-27a through 3-27f, the State, municipal entities, and political subdivisions of the State are eligible to invest in the fund. The fund is considered a "2a7-like" pool and reports its investments at amortized cost (which approximates fair value). The pool is rated AAAM by Standard & Poor. This is the highest rating for money market funds and investment pools. The pooled investment funds' risk category cannot be determined since the Town does not own identifiable securities but invests as a shareholder of the investment pool.

Investments - The investment policies of the Town conform to the policies as set forth by the State of Connecticut. The Town's policy is to only allow prequalified financial institution broker/dealers and advisors. The Town policy allows investments in the following: (1) obligations of the United States and its agencies; (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short-Term Investment Fund and the Tax Exempt Proceeds Fund.

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

1. Summary of Significant Accounting Policies (Continued)

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. 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 changing interest rates. Generally, the Town does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town's policy for custodial credit risk is to invest in obligations allowable under the Connecticut General Statutes as described previously.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town does not have a formal credit risk policy other than restrictions to obligations allowable under the Connecticut General Statutes.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Town follows the limitations specified in the Connecticut General Statutes. Generally, the Town's deposits cannot be 75% or more of the total capital of any one depository.

Taxes Receivable - Property taxes are assessed on property values as of October 1st. The tax levy is divided into two billings; the following July 1st and January 1st. This is used to finance the fiscal year from the first billing (July 1st) to June 30th of the following year. The billings are considered due on those dates; however, the actual due date is based on a period ending 31 days after the tax bill. On these dates (August 1st and February 1st), the bill becomes delinquent at which time the applicable property is subject to lien, and penalties and interest are assessed.

Under State Statute, the Town has the right to impose a lien on a taxpayer if any personal property tax, other than a motor vehicle tax, due to the Town is not paid within the time limited by any local charter or ordinance. The lien shall be effective for a period of fifteen years from the date of filing unless discharged. A notice of tax lien shall not be effective if filed more than two years from the date of assessment for the taxes claimed to be due.

An allowance of \$23,441 has been recorded.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the Town. Receivables are recorded and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate. Of the \$96,147 benefit assessment receivable, \$82,787 is considered long-term.

Due From/To Other Funds - During the course of its operations, the Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2016, balances of interfund amounts receivable or payable have been recorded in the fund financial statements. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

1. Summary of Significant Accounting Policies (Continued)

Inventories - Inventories in the governmental funds are valued at cost on a First-in, First-out basis. The cost is recorded as inventory at the time individual items are purchased. The Town uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by nonspendable fund balance in governmental funds, which indicates that they do not constitute "available spendable resources" even though they are a component of current assets. Purchases of other inventoriable items are recorded as expenditures/expenses at the time of purchase and year-end balances are not material.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Reported amounts are equally offset by nonspendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than the capitalization threshold for that asset type and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Intangible assets lack physical substance, are nonfinancial in nature and have useful lives that extend beyond a single reporting period. These are reported at historical cost if identifiable. Intangible assets with no legal, contractual, regulatory, technological or other factors limiting their useful life are considered to have an indefinite useful life and are not amortized.

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

Land is considered inexhaustible and, therefore, not depreciated. Property, plant and equipment of the Town are depreciated or amortized using the straight line method over the following estimated useful lives:

Assets	Years	Capitalization Threshold
Land	N/A	\$5,000
Buildings and systems		
Land improvements	20-40	\$5,000
Buildings and improvements	20-40	\$5,000
Machinery and equipment		
Furniture and equipment	5-20	\$5,000
Vehicles	8	\$5,000
Infrastructure	20-50	\$25,000
Intangible assets	Varies, if any	\$25,000

1. Summary of Significant Accounting Policies (Continued)

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In the government-wide financial statements, unearned revenues consist of revenue received in advance and/or amounts from grants received before the eligibility requirements have been met.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Also, deferred revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Such amounts in the fund financial statements have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Long-Term Liabilities - In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

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

Compensated Absences - Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement.

Net Pension Liability in the Municipal Employee Retirement System (MERS)

The net pension liability represents the Town's proportionate share of the net pension liability of the Connecticut Municipal Employees Retirement System (MERS). The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement Nos. 68 *Accounting and Financial Reporting for Pensions* and 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

1. Summary of Significant Accounting Policies (Continued)

Net Position - Net position represents the difference between assets, liabilities, and deferred outflows/inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Net position on the Statement of Net Position includes, net investment in capital assets and restricted. The balance is classified as unrestricted.

Fund Balance - Generally, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

- Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).
- Restricted fund balance is to be reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification will be used to report funds that are restricted for debt service obligations and for other items contained in the Connecticut statutes.
- Committed fund balance will be reported for amounts that can only be used for specific purposes pursuant to formal action of the Town's highest level of decision making authority. A motion at a Town Meeting is the highest level of decision making authority for the Town that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the Town removes or changes the purpose by taking the same action that was used to establish the commitment.
- Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Board of Finance for amounts assigned for balancing the subsequent year's budget or management for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

1. Summary of Significant Accounting Policies (Continued)

- Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is January 26, 2017.

2. Stewardship, Compliance and Accountability

A. Budget Basis

A formal, legally approved, annual budget is adopted for the General Fund only. This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exceptions:

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

2. Stewardship, Compliance and Accountability (Continued)

- **Teachers' Retirement** - The Town does not recognize as income or expenditures payments made for the teachers' retirement by the State of Connecticut on the Town's behalf in its budget. The Governmental Accounting Standards Board's Statement No. 24 requires that the employer government recognize payments for salaries and fringe benefits paid on behalf of its employees.
- **Encumbrances** - Unless committed through a formal encumbrance (e.g., purchase orders, signed contracts), all annual appropriations lapse at fiscal year-end. Encumbrances outstanding at year end are reported on the budgetary basis statements as expenditures.
- **Long-Term Debt and Lease Financing** - Revenues and expenditures from refunding or renewing long-term debt or issuing lease financing are included in the budget as the net revenues or expenditures expected.
- **Cash Basis Payroll** - Payroll for the Town employees is budgeted based on when it is expected to be paid. On the statements prepared under Generally Accepted Accounting Principles, payroll is charged to the fiscal year in which it is earned.
- **Excess Cost Grant** - The State reimburses the Town for certain costs incurred for special educational needs of students that exceed a set multiple of a student in the regular program. This reimbursement is the Excess Cost Grant – Student Based. Connecticut General Statute 10-76g states that this grant should reduce the education expenditures instead of being reported as revenue.

B. Budget Calendar

The Boards of Selectmen and Education submit requests for appropriation(s) to the Board of Finance. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations of the next fiscal year.

The Board of Finance's estimated and recommended budget reports are submitted at the Annual Town Meeting. The Annual Town Meeting takes action on this budget. After the Annual Town Meeting the Board of Finance meets to levy a tax on the grand list which will be sufficient to cover, together with other income or revenue surplus which is appropriated, the amounts appropriated and any revenue deficit of the Town.

The Board of Finance holds a public hearing, at which itemized estimates of the expenditures of the Town for the next fiscal year are presented. At this time, individuals are able to recommend any appropriations, which they desire the Board of Finance to consider. The Board of Finance then considers the estimates and any other matters brought to their attention at a public meeting held subsequent to the public hearing and prior to the annual meeting. The Board of Finance prepares the proposed budget.

C. Budget Control

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level except expenditures for education, which are, by State Statutes, appropriated as one department.

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

2. Stewardship, Compliance and Accountability (Continued)

The governing body may amend the annual budget subject to the requirements of the Connecticut General Statutes. The Board of Finance may make a one-time additional appropriation up to \$20,000 to any appropriations. A Town meeting must be called to make appropriations over \$20,000 or additional changes to a previously adjusted appropriation.

D. Expenditures in Excess of Budget

During the year \$444,317 of additional appropriations were made. This included \$193,799 which was added to the General Government expenditures, \$233,699 which was added to the Board of Education expenditures and \$16,819 which was added to Capital Improvements.

E. Application of Accounting Standards

For the year ended June 30, 2016, the Town implemented:

- GASB Statement 72 – *Fair Value Measurement and Application* – This Statement, addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes.
- GASB Statement 76 – *The Hierarchy of Generally Accepted Accounting Principles (GAAP) for State and Local Governments* – This statement identifies the current hierarchy of GAAP. Certain provisions of GASB Statement 79 – *Certain External Investment Pools and Pool Participants* for pool participants - This statement provides criteria for when an external investment pool may use amortized cost instead of Fair Value.

3. Detailed Notes on All Funds

A. Cash, Cash Equivalents and Investments

Cash and investments of the Town consist of the following at June 30, 2016:

Statement of Net Position - Governmental Funds	
Cash and equivalents	\$ 4,496,959
Statement of Net Position - Proprietary Fund	
Cash and equivalents	166,089
Fiduciary Funds	
Cash and equivalents	129,107
Total Cash and Investments	<u>\$ 4,792,155</u>

Cash and Cash Equivalents - As of June 30, 2016 the carrying amount of the Town's deposits with financial institutions was:

Cash and Cash Equivalents	
Deposits with financial institutions	\$ 1,205,106
Plus external investment pools	3,587,049
	<u>\$ 4,792,155</u>

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

3. Detailed Notes on All Funds (Continued)

The bank balance of the deposits with financial institutions was \$1,529,601 and was exposed to custodial credit risk as follows:

Covered by federal depository insurance	\$ 455,348
Uninsured and uncollateralized	1,074,253
	<u>\$ 1,529,601</u>

Receivables, Deferred Revenue and Unearned Revenue

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. The following were reported as *deferred revenue* because they were not received within 60 days of the year end:

	General Fund
Property taxes	\$ 158,173
Accrued interest	39,587
Special assessments	96,147
Intergovernmental revenue	29,000
	<u>\$ 322,907</u>

Governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. This is recorded as the liability *unearned revenue* at June 30, 2016.

	Other Governmental Funds
Advances on grants	\$ 62,171
Fees collected in advance	2,393
	<u>\$ 64,564</u>

C. Interfund Transactions

The outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made. At June 30, 2016 these were summarized as follows

Receivable fund	Payable Fund	Amount
General fund	Capital nonrecurring fund	\$ 249,410
General fund	Other governmental funds	24,503
		<u>\$ 273,913</u>

Fund transfers are generally used to fund special projects with general fund revenues. Transfers during the year ended June 30, 2016 were as follows:

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

3. Detailed Notes on All Funds (Continued)

	Transfers into:		
	General Fund	Capital Nonrecurring Fund	Total
Transfers out of:			
General fund	\$ -	\$ 190,000	\$ 190,000
Capital Nonrecurring Fund	173,750	-	173,750
	<u>\$ 173,750</u>	<u>\$ 190,000</u>	<u>\$ 363,750</u>

D. Capital Assets

Changes in the Town's capital assets used in the governmental activities are as follows

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land	\$ 2,378,854	\$ 225,732	\$ -	\$ 2,604,586
Capital assets being depreciated				
Buildings and systems	14,178,991	305,193	-	14,484,184
Machinery and equipment	3,126,185	215,207	(13,085)	3,328,307
Infrastructure	1,732,844	180,997	-	1,913,841
Less accumulated depreciation	(9,518,112)	(473,944)	13,085	(9,978,971)
	<u>9,519,908</u>	<u>227,453</u>	<u>-</u>	<u>9,747,361</u>
	<u>\$ 11,898,762</u>	<u>\$ 453,185</u>	<u>\$ -</u>	<u>\$ 12,351,947</u>

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

General government	\$ 14,930
Fire protection	2,559
Highways and streets	95,960
Recreation	28,433
Seniors and senior center	1,774
Education	330,288
	<u>\$ 473,944</u>

Changes in the Town's capital assets used in the business-type activities are as follows:

	Beginning Balance	Increases	Ending Balance
Capital assets being depreciated			
Buildings and systems	\$ 4,186,405	\$ -	\$ 4,186,405
Less accumulated depreciation	(1,293,420)	(104,660)	(1,398,080)
	<u>\$ 2,892,985</u>	<u>\$ (104,660)</u>	<u>\$ 2,788,325</u>

Depreciation and amortization of \$104,660 was charged to functions/programs of the business-type activities.

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

3. Detailed Notes on All Funds (Continued)

E. Long-Term Liabilities

The following table summarizes changes in the Town's long-term indebtedness for the year ending June 30, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	\$ 2,470,000	\$ -	\$ (475,000)	\$ 1,995,000	\$ 465,000
Bond anticipation notes	855,000	810,000	(855,000)	810,000	810,000
Compensated absences	260,813	-	4	260,817	19,954
Pension obligations	514,939	147,278	(6,571)	655,646	7,086
OPEB obligations	1,067,231	165,417	(18,048)	1,214,600	-
Less: Issue discounts	156,614	-	(12,217)	144,397	34,684
	<u>\$ 5,324,597</u>	<u>\$ 1,122,695</u>	<u>\$ (1,366,832)</u>	<u>\$ 5,080,460</u>	<u>\$ 1,336,724</u>

Each governmental fund liability is liquidated by the respective fund, primarily the General Fund. Interest on these obligations is expensed to the respective fund, primarily the General Fund.

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the Town and pledge the full faith and credit of the Town. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. General obligation bonds outstanding as of June 30, 2016 consisted of the following:

Purpose	Year of Issue	Original Amount	Final Maturity	Interest Rates	Amount Outstanding
Water/Schools refunding	2012	\$ 3,560,000	7/15/2022	2-3%	\$ 1,995,000
Land Purchase	2016	810,000	8/13/2016	1.00%	810,000
					<u>\$ 2,805,000</u>

Payments to maturity on the general obligation bonds are as follows

Year End	Governmental Activities General Obligation Bonds		Year End	Governmental Activities General Obligation Bonds	
	Principal	Interest		Principal	Interest
2017	\$ 1,275,000	\$ 52,875	2021	\$ 220,000	\$ 16,050
2018	335,000	40,875	2022	215,000	9,525
2019	330,000	30,900	2023	210,000	3,150
2020	220,000	22,650		<u>\$ 2,805,000</u>	<u>\$ 176,025</u>

Interest paid and expensed on general obligation bonds for the year ended June 30, 2016 totaled \$75,525.

The Bonds due on August 13, 2016 were refinanced with \$765,000 of new debt with an interest rate of 1.5% per year. The new debt is due in August 2017.

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

3. Detailed Notes on All Funds (Continued)

Compensated Absences

Vacation time earned during the fiscal year can be carried over to the succeeding year, subject to limitations as provided in the respective collective bargaining agreements. Employees are entitled to accumulate sick leave up to a maximum amount stipulated in each contract. Payment for accumulated sick leave is dependent upon the length of service and accumulated days. Additionally, certain vacation and sick leave expenses will be paid out of the pension funds upon retirement. The value of all compensated absences has been reflected in the government-wide financial statements.

Pension Obligations

On April 1, 2008 the Town joined the Connecticut Municipal Employees' Retirement System (MERS) for certain general government employees. The Town is responsible for the unfunded accrued liability as of that date. The Town has elected to pay this over 30 years in annual payments of \$37,376. This payment includes the unfunded accrued liability plus interest at a rate of 7.85% per year. The future payments on this obligation will be paid out of the General Fund as follows:

Year End	Principal	Interest	Year End	Principal	Interest
2017	\$ 7,086	\$ 30,290	2028	\$ 16,275	\$ 21,102
2018	7,643	29,733	2029	17,552	19,824
2019	8,243	29,133	2030	18,931	18,446
2020	8,890	28,486	2031	20,417	16,959
2021	9,588	27,788	2032	22,020	15,356
2022	10,341	27,035	2033	23,749	13,627
2023	11,153	26,223	2034	25,613	11,763
2024	12,028	25,348	2035	27,624	9,752
2025	12,973	24,403	2036	29,793	7,583
2026	13,991	23,385	2037	32,132	5,244
2027	15,090	22,286	2038	34,656	2,721
				<u>\$ 385,788</u>	<u>\$ 436,487</u>

Interest incurred and expensed on the MERS buy-in for the year ended June 30, 2016 totaled \$31,284. This liability is specific to the Town of Lisbon and is in addition to the net pension liability discussed in Note 4.

Prior Year Defeasance of Debt

In prior years, the Town defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. At June 30, 2016, \$2,260,000 of bonds outstanding are considered defeased.

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

3. Detailed Notes on All Funds (Continued)

Legal Debt Limit

Connecticut General Statutes Section 7-374 sets limits on the debt, as defined by the statutes, which can be incurred by the Town and other governmental agencies within the Town. The limitations for the Town are as follows:

Total tax collections (including interest and lien fees) for the year - primary government	\$ 7,413,401
Reimbursement for revenue loss on tax relief for the elderly (C.G.S. 12-129d)	23,262
Debt limitation base	<u>\$ 7,436,663</u>

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation					
2 1/4 times base	\$ 16,732,492	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	33,464,984	-	-	-
3 3/4 times base	-	-	27,887,486	-	-
3 1/4 times base	-	-	-	24,169,155	-
3 times base	-	-	-	-	22,309,989
Total debt limitation	<u>16,732,492</u>	<u>33,464,984</u>	<u>27,887,486</u>	<u>24,169,155</u>	<u>22,309,989</u>
Indebtedness					
Bonds payable	<u>810,000</u>	<u>678,300</u>	<u>1,316,700</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of debt outstanding and authorized	<u>\$ 15,922,492</u>	<u>\$ 32,786,684</u>	<u>\$ 26,570,786</u>	<u>\$ 24,169,155</u>	<u>\$ 22,309,989</u>

In no case shall total indebtedness exceed seven times the annual receipts from taxation	<u>\$ 52,056,641</u>
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F. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position - Nonexpendable - the component of net position that reflects funds set aside in accordance with laws, regulations, grants, and other agreements that must be kept intact and cannot be spent. This is made up of \$1,100 of trust principal.

Restricted Net Position - Expendable - the component of net position that reflects funds that can only be spent subject to the laws, regulations, grants, and other agreements relating to these funds. This is made up of:

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

3. Detailed Notes on All Funds (Continued)

General Government	\$ 6,718
Education	4,185
Public Works	563,122
Capital Projects	20,734
Other Purposes	25,335
	<u>\$ 620,094</u>

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

G. Fund Balances

As discussed in Note 1, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. These are summarized below:

	General Fund	Capital Nonrecurring Fund	Town Aid Roads	Other Governmental Funds
Nonspendable				
Not in spendable form				
Inventories	\$ -	\$ -	\$ -	\$ 6,385
Required to be maintained				
Trust principal	-	-	-	1,100
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,485</u>
Restricted				
General Government	\$ -	\$ -	\$ -	\$ 6,718
Education	-	-	-	4,185
Public Works	-	-	563,122	-
Capital Projects	20,734	-	-	-
Other Purposes	25,335	-	-	-
	<u>\$ 46,069</u>	<u>\$ -</u>	<u>\$ 563,122</u>	<u>\$ 10,903</u>
Committed				
Capital Projects	<u>\$ -</u>	<u>\$ 219,736</u>	<u>\$ -</u>	<u>\$ -</u>
Assigned				
General Government	\$ -	\$ -	\$ -	\$ 8,592
Education	67,076	-	-	31,510
Capital Projects	-	1,220,548	-	-
To balance next year's budget	244,846	-	-	-
	<u>\$ 311,922</u>	<u>\$ 1,220,548</u>	<u>\$ -</u>	<u>\$ 40,102</u>

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

4. Pension and Other Post Retirement Plans

A. Teachers' Retirement System

Plan Description

Teachers and certain other certified personnel in the Town are eligible to participate in the Connecticut State Teachers' Retirement System ("TRS"), a cost-sharing multiple employer public employee retirement system described in the Connecticut General Statutes, Chapter 167a. The TRS has been established to provide retirement and other benefits for teachers, their survivors and beneficiaries. The TRS is administered by the Teachers' Retirement Board ("TRB").

Plan Membership – All teachers, principals, superintendents or supervisors engaged in service of public schools are eligible for participation.

Plan Benefits – Plan provisions are set by statute of the State of Connecticut. TRS provides retirement benefits, as well as death and disability benefits. A member is eligible to receive a normal retirement benefit who (1) has reached the age of sixty and has accumulated twenty years of credited service in the public schools of Connecticut or (2) has attained any age and has accumulated thirty-five years of credited service, at least twenty-five years of which are service in the public schools of Connecticut.

The normal retirement benefit is two percent times the number of years of credited service multiplied by their average annual salary received during the three years of highest salary. In no event will such benefit exceed seventy-five percent of the average annual salary. A minimum monthly benefit of \$1,200 is provided for teachers who retire under the normal retirement provisions and who have completed at least twenty-five years of full time Connecticut service.

A member is eligible to receive an early retirement benefit who (1) has attained any age and has accumulated twenty-five years of credited service, at least twenty years of which are service in the public schools of Connecticut or (2) has reached the age of fifty-five and has accumulated twenty years of credited service, at least fifteen years of which are service in the public schools of Connecticut.

The early retirement benefit is reduced six percent per year for the first five years preceding normal retirement age and four percent per year for the next five years preceding normal retirement age. Effective July 1, 1999, the reductions for individuals with 30 or more years of service is three percent per year by which retirement precedes normal retirement date.

Benefits are fully vested after ten years of service. Benefits are payable at age sixty and early retirement reductions are based on the number of years of service the member would have had if they had continued to work until age sixty.

Funding Policy – Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut is amended and certified by the TRB and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earning, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability. The Town is not required to make contributions to the plan. Members are required to contribute six percent of their annual salary for the pension benefit.

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

4. Pension and Other Post Retirement Plans (Continued)

The Town's proportionate share has been determined on the same basis as that used by the plan as has the basis of accounting, including policies with respect to benefit payments (including refunds of employee contributions) and the valuation of plan investments.

Actuarial Methods and Significant Assumptions – The following assumptions were used in the pension valuations, prepared as of June 30, 2014 (the Valuation Date) and June 30, 2015 (the Measurement Date) for use in the June 30, 2016 financial statements (Reporting Date):

Experience study dates	July 1, 2005 - June 30, 2010
Inflation	3.00%
Salary increases	3.75-7.00%, including inflation
Investment rate of return	8.50%, net of investment related expense, including inflation
Discount rate	8.50%, the projection of cash flows assumed that plan member contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the difference between the actuarially determined rate and the member rate.
Cost of living adjustment	Annually compounded increases vary based on member age and date of retirement and range from 2.00% to 6.00%
Post-retirement mortality	RP-2000 Combined Mortality Table projected 19 years

Changes in Assumptions – In 2011, rates of withdrawal, retirement and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five year period ended June 30, 2010.

Target Asset Allocation and Rates of Return - The long-term expected rate of return on plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return are developed for each major asset class. The table below shows the target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are to be provided by the Fiduciary of the Plan:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large cap U.S. equities	21.00%	5.80%
Developed non-U.S. equities	18.00%	6.60%
Emerging markets (non-U.S.)	9.00%	8.30%
Core fixed income	7.00%	1.30%
Inflation linked bond fund	3.00%	1.00%
Emerging market bond	5.00%	3.70%
High yield bonds	5.00%	3.90%
Real estate	7.00%	5.10%
Private equity	11.00%	7.60%
Alternative investments	8.00%	4.10%
Cash	6.00%	0.40%

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

4. Pension and Other Post Retirement Plans (Continued)

Town's Proportionate Share of the Collective Net Pension Liability

Employer Net Pension Liability	\$ -
Nonemployer Contributing Entity (State) Net Pension Liability	8,517,731
Net Pension Liability	<u>\$ 8,517,731</u>
Net Pension Liability percentage of the total	0.077631%
Deferred inflows of resources	
Net difference projected and actual earnings on investments	\$ 61,241
Pension expense	\$ 682,485
Proportion Basis	Employee contributions
Change in proportion since prior measurement date	None for 2015

Other amounts reported at deferred inflows of resources will be recognized in pension expense by the State as follows:

2016	\$ (26,256)
2017	(26,256)
2018	(26,254)
2019	140,006
	<u>\$ 61,241</u>

Sensitivity Analysis – The following presents the net pension liability (asset) of the Town of Lisbon, Connecticut's proportionate share of the plan, calculated using the current discount rate, as well as what the Town's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

	1% Decrease 7.50%	Current Discount Rate 8.50%	1% Increase 9.50%
Net Pension Liability (Asset)	<u>\$ 10,741,518</u>	<u>\$ 8,517,731</u>	<u>\$ 6,627,449</u>

Support Provided by Nonemployer Contributing Entities – The Town has recognized \$682,485 as revenue in support provided by the State of Connecticut's contributions to the plan on behalf of the Town's employees.

Obtaining a Report of the Plan – TRS 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. The reports include information on the plan's assets, deferred outflows of resource, liabilities, deferred inflows of resources, and fiduciary net position. The stand-alone financial report may be obtained through the TRB at www.ct.gov/trb.

4. Pension and Other Post Retirement Plans (Continued)

B. Connecticut Municipal Employees' Retirement System

Plan Description

The Town participates in the Municipal Employees' Retirement System ("MERS"). This 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 local government authorities. The plan was established in 1947 and is governed by Connecticut General Statutes Title 7, Chapter 113.

Plan Membership – Any local government authority in the State of Connecticut, including towns, cities, boroughs, regional school districts, housing authorities, or other special districts, may elect to participate for one or more of its departments, including elective officers; only teachers who are covered under the Connecticut State Teachers' Retirement System are ineligible.

Plan Benefits – Plan provisions are set by statute of the State of Connecticut. MERS provides retirement benefits, as well as death and disability benefits. Annual cost of living increases are paid to disabled members and non-disabled retirement benefits and vary based on member age and date of retirement. For members that retired prior to January 1, 2002, increases between 3.0% and 5.0% are paid to those who have reached age 65 and (effective January 1, 2002) increases of 2.5% are paid to those who have not yet reached age 65.

For members that retired after December 31, 2001, increases between 2.5% and 6.0% are paid, regardless of age. Benefits vest after 5 years of continuous service or 15 years of active aggregate service. Vested members who retire after age 55 or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life, in an amount for each year of service equal to:

- If not covered by Social Security: 2% of the average of the three highest paid years of service times years of service.
- If covered by Social Security: 1.5% of the average of the three highest paid years of service not in excess of the year's breakpoint, plus 2% of the average of the three highest paid years of service in excess of the year's breakpoint. The year's breakpoint for 2014 is \$69,200.

Funding Policy – Covered employees are required by State Statute to contribute 2.25% of earnings upon which social security tax is paid plus 5% of earnings on which no social security tax is paid. Employees not covered by Social Security are required to contribute 5% of all earnings. Each participating municipality is required by State Statute to contribute the amounts necessary to finance the remaining costs of the plan. The annual contribution consists of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment which covers the liabilities of the MERS not met by member contributions.

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

4. Pension and Other Post Retirement Plans (Continued)

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. 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 employer contribution rates for the year ended June 30, 2016 were:

General employees	
With social security	11.56%
Without social security	11.13%
Police and fire	
With social security	17.06%
Without social security	15.12%

The total amount contributed for the fiscal year ended June 30, 2016 was \$49,478.

Obtaining a Report of the Plan – MERS 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. The reports include information on the plan's assets, deferred outflows of resource, liabilities, deferred inflows of resources, and fiduciary net position. More information can be obtained by contacting the Municipal Employees' Retirement System – Fund B, Office of the State Comptroller or on their website (<http://www.osc.ct.gov/rbsd/cmers/plandoc/index.html>).

The Town of Lisbon, Connecticut's proportionate share has been determined on the same basis as that used by the plan as has the basis of accounting, including policies with respect to benefit payments (including refunds of employee contributions) and the valuation of plan investments.

Actuarial Methods and Significant Assumptions – The following assumptions were used in the pension valuations, prepared as of June 30, 2014 (the Valuation Date) and June 30, 2015 (the Measurement Date) for use in the June 30, 2016 financial statements (Reporting Date):

Actuarial cost method	Entry Age Normal Cost method
Experience study dates	July 1, 2005 - June 30, 2010
Asset valuation method	Market value
Inflation	3.25%
Salary increases	4.25-11.00%, including inflation
Investment rate of return	8.00%, net of investment related expense, including inflation
Discount rate	8.00%, the projection of cash flows assumed that plan member contributions will be made at the current contribution rate and employer contributions will be made at the actuarially determined rates in future years.
Cost of living adjustment	Annually compounded increases vary based on member age and date of retirement and range from 2.50% to 3.25%
Post-retirement mortality	the RP2000 Mortality Table for Annuitant and non-Annuitants

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

4. Pension and Other Post Retirement Plans (Continued)

There were no changes in assumptions or benefits that affected the measurement of the total pension liability since the prior measurement date.

Target Asset Allocation and Rates of Return - The table below shows the target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are to be provided by the Fiduciary of the Plan:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large cap U.S. equities	16.00%	5.80%
Developed non-U.S. equities	14.00%	6.60%
Emerging markets (non-U.S.)	7.00%	8.30%
Core fixed income	8.00%	1.30%
Inflation linked bond fund	5.00%	1.00%
Emerging market bond	8.00%	3.70%
High yield bonds	14.00%	3.90%
Real estate	7.00%	5.10%
Private equity	10.00%	7.60%
Alternative investments	8.00%	4.10%
Liquidity fund	3.00%	0.40%

Sensitivity Analysis - The following presents the net pension liability (asset) of the Town of Lisbon, Connecticut's proportionate share of the plan, calculated using the current discount rate, as well as what the Town's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Net Pension Liability (Asset)	\$ 485,827	\$ 269,858	\$ 86,879

Town of Lisbon, Connecticut's Proportionate Share

Net Pension Liability	\$ 269,858
Net Pension Liability percentage of the total	0.140013%
Deferred outflows of resources	
Contributions subsequent to the Measurement Date	\$ 49,478
Deferred inflows of resources	
Net difference projected and actual earnings on investments	\$ 20,482
Pension expense	\$ 49,888
Proportion Basis	Reported Payroll
Change in proportion since prior measurement date	None for 2015

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

4. Pension and Other Post Retirement Plans (Continued)

The contributions subsequent to the measurement date, shown as a deferred inflow of resources, will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported at deferred inflows of resources will be recognized in pension expense as follows:

2016	\$	1,063
2017		1,063
2018		1,063
2019		17,293
	\$	<u>20,482</u>

Payable to the pension plan – The Town had \$385,788 payable to the Plan as of June 30, 2016. The payable represents the Town's remaining balance of the buy-in to the Plan.

C. Other Post-Employment Benefits

Plan Description - The Town provides certain health care benefits for retired employees through a single-employer defined benefit plan administered by the Town. The Connecticut General Statutes and the various collective bargaining agreements stipulate the employees covered and the benefits provided. The plan does not issue a separate financial statement.

Funding Policy - Retired teachers and their spouses must be allowed to continue their health insurance benefits, in the same health insurance plan offered to active teachers, through their last employing Town. The Town does not contribute to the retirees' health insurance. The retirees pay 100% of the premiums in accordance with the Connecticut General Statutes and the various collective bargaining agreements.

Annual OPEB Cost ("AOC") and Net OPEB Obligation ("NOO")

Amortization Component:

Actuarial Accrued Liability as of July 1, 2012	\$	1,502,602
Assets at Market Value		-
Unfunded Actuarial Accrued Liability ("UAAL")	\$	<u>1,502,602</u>
Funded Ratio		<u>0.00%</u>
Covered Payroll (Active plan members)	\$	<u>3,144,313</u>
UAAL as a Percentage of Covered Payroll		<u>47.79%</u>
Annual required contribution	\$	180,097
Interest on net OPEB obligation		48,025
Adjustment to annual required contribution		<u>(62,705)</u>
Annual OPEB Cost		165,417
Contributions made		<u>(18,048)</u>
Increase in net OPEB obligation		147,369
Net OPEB Obligation - Beginning of the year		1,067,231
	\$	<u>1,214,600</u>

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

4. Pension and Other Post Retirement Plans (Continued)

Three year trend information is as follows:

Year Ended June 30,	Annual OPEB Cost (AOC)	Actual Contributions Made	Percentage of AOC Contributed	Net OPEB Obligation (NOO)
2016	\$ 165,417	\$ 18,048	11%	\$ 1,214,600
2015	164,613	17,930	11%	1,067,231
2014	163,809	33,821	21%	920,548

Actuarial Methods and Significant Assumptions - The Town's annual other post-employment benefit cost (expense) is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB. GASB establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities is using a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The Town is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis. Other actuarial methods and significant assumptions are summarized as follows:

Latest Actuarial Date	July 1, 2012
Actuarial Cost Method	Projected Unit Credit
Discount Rate	4.50%
Medical Inflation	Initial rate of 10% in 2012 grading down 1% per year to an ultimate inflation rate of 5% for 2017 and later.
Amortization Method	30 years, level dollar, open
Healthy Mortality	PF-2000 Mortality Table with separate male and female rates, with no collar adjustment, combined table for non-annuitants and annuitants, projected to the valuation date with Scale AA
Disability	No disability assumed.
Future Retiree Coverage	Teachers and Administrators – 100% are assumed to elect coverage at retirement with 20% continuing after Medicare
Future Dependent Coverage	Male 50%; Female 30% with female spouses assumed to be 3 years younger than males.

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

4. Pension and Other Post Retirement Plans (Continued)

Schedule of Funding Progress

As of the last valuation date, July 1, 2015, the actuarial valuation of the plan assets was \$0. The actuarial accrued liability was \$1,502,602. The schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. There is no requirement for funding and the plan has not been funded.

5. Other Information

A. Litigation

The Town is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Town's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

B. Contingencies

Grants - The Town participates in various Federal and State grant programs. These programs are subject to program compliance audits pursuant to the Federal and State Single Audit Acts. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, to be immaterial.

School Building Grants - Section 10-283(a)(3)(A) of the Connecticut General Statutes states that if the Town abandons, sells, leases, demolishes or otherwise redirects the use of a school building project authorized on or after July 1, 1996, paid partially with State funding, to other than a public school, will owe a portion of the State funding back to the State.

For projects with a cost of two million dollars or over, the contingency will be amortized over twenty years. For smaller projects, the contingency will be amortized over ten years.

C. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or three prior years.

D. Jointly Governed Organizations

The Towns of Lisbon, Bozrah, Franklin, Lebanon and Sprague entered into an agreement effective July 1, 2010 to operate a regional animal control service. The Animal Control Service's Board of Directors has oversight responsibility over the entity. The board is composed of the First Selectman of each of the five towns. The animal control services net costs are funded on a per capita basis. The Town of Sprague maintains the financial records and financial reports are prepared and presented by the Town of Sprague at the regular meetings of their Board of Directors.

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

5. Other Information (Continued)

E. Contractual Payments

The Town has a contract as the host community for a waste to electricity generating facility. The contract allows Lisbon to impose a quarterly contract fee of \$250,000 in lieu of property taxes, unless property taxes are greater than the contract fee. These contractual payments started with the fiscal year ended June 30, 1994 and are due to end in the fiscal year ending June 30, 2016.

F. Motor Vehicle Tax Cap

Beginning in fiscal year 2017, the State of Connecticut Office of Policy and Management ("OPM") capped the mill rate for motor vehicle taxes. The motor vehicle mill rate cap for fiscal year 2017 will be 37 mills. The rate cap in fiscal year 2018 and thereafter will be 32 mills.

G. Municipal Spending Cap

Beginning in fiscal year 2018, OPM will impose a cap on municipal spending to limit general budget expenditures to 2.5 percent above the previous year, or the rate of inflation, whichever is greater. Exemptions to the cap include debt service, special education expenditures, expenditures for implementing court orders, arbitration awards, expenditures related to major disaster or emergency declaration, and grants distributed to a special taxing district under certain circumstances. Municipalities that increase their adopted budget expenditures over the previous fiscal year by an amount that exceeds the cap receive a reduced municipal revenue sharing grant. The reduction is equal to 50 cents for every dollar the municipality spend over the cap. However, OPM may not reduce a municipality's grant in any year which its adopted budget expenditures exceed the cap by an amount proportionate to its population increase over the previous fiscal year (based on the most recent Department of Public Health population estimate). The total municipal revenue sharing grant for the Town of Union for the year ending June 30, 2017, before any reductions, is \$45,413. This amount is subject to change based on changes in the State of Connecticut's budget.

H. GASB Pronouncements Issued, But Not Yet Effective

The Governmental Accounting Standards Board (GASB) is the standard setting board for governmental entities. The following are statements which have been approved by GASB, but are not yet effective:

- GASB Statement 73 – *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB 68* – This Statement establishes requirements for defined benefit and contribution pensions that are not within the scope of Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. This is effective for fiscal years beginning after June 15, 2016.
- GASB Statement 74 – *Financial Reporting for Postemployment Benefit Plans Other than Pensions* – This Statement establishes new accounting and financial reporting requirements for governments whose employees are provided with Other Post-Employment Benefits (OPEB), as well as for certain non-employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. This is effective for fiscal years beginning after June 15, 2016.

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2016

5. Other Information (Continued)

- GASB Statement 75 – *Accounting and Financial Reporting for Postemployment Benefits (OPEB) Other than Pensions* – This Statement establishes standards of accounting and financial reporting for defined benefit OPEB and defined contribution OPEB that are provided to the employees of state and local governmental employers through OPEB plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) and applies to all governments whose employees are provided with OPEB. The requirements of this Statement are effective for fiscal years beginning after June 15, 2017.
- GASB Statement 77 – *Tax Abatement Disclosures* – This Statement requires governments to disclose information about their tax abatements and agreements and is effective for periods beginning after December 15, 2015.
- GASB Statement 78 – *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans* – This Statement amends the scope and applicability of Statement 68 to exclude certain pensions provided through certain cost-sharing multiple-employer defined benefit plan and is effective for periods beginning after December 15, 2015.
- GASB Statement 79 – *Certain External Investment Pools and Pool Participants* – This Statement establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost and is effective for periods beginning after December 15, 2015 for certain provisions applicable to the external investment pool. Certain provisions, applicable to pool participants, have been adopted. Management does not expect this to have any financial impact on the Town.
- GASB Statement 80 – *Blending Requirements for Certain Component Units* – This Statement amends the blending requirements of Statement 14 to require the blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member and is effective for periods beginning after June 15, 2016.
- GASB Statement 81 – *Irrevocable Split-Interest Agreements* – This Statement provides recognition and measurement guidance for situations in which a government is a beneficiary of the agreement and is effective for periods beginning after December 15, 2016.

Town of Lisbon, Connecticut

Required Supplementary Information
June 30, 2016

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) - General Fund
Year Ended June 30, 2016

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
REVENUES					
Property Tax Revenues					
Property taxes	\$ 7,291,689	\$ -	\$ 7,291,689	\$ 7,363,381	\$ 71,692
Benefit assessment - WPCA	14,000	-	14,000	45,615	31,615
Sewer assessment	8,000	-	8,000	4,405	(3,595)
	<u>7,313,689</u>	<u>-</u>	<u>7,313,689</u>	<u>7,413,401</u>	<u>99,712</u>
Intergovernmental Revenues					
Education					
Education cost sharing	3,927,193	-	3,927,193	3,896,404	(30,789)
Transportation of school children	48,231	-	48,231	47,053	(1,178)
Magnet school transportation	-	-	-	18,200	18,200
Special education	-	-	-	113,546	113,546
Other educational grants	10,349	-	10,349	-	(10,349)
	<u>3,985,773</u>	<u>-</u>	<u>3,985,773</u>	<u>4,075,203</u>	<u>89,430</u>
Other					
Pequot funds	28,884	-	28,884	24,388	(4,496)
DUI grants	25,000	-	25,000	-	(25,000)
Local capital improvement grant (LOCIP)	-	-	-	8,226	8,226
Other grants	33,104	-	33,104	68,531	35,427
	<u>86,988</u>	<u>-</u>	<u>86,988</u>	<u>101,145</u>	<u>14,157</u>
Tax Relief					
Elderly and totally disabled	30,000	-	30,000	23,262	(6,738)
Veterans	3,500	-	3,500	2,140	(1,360)
Totally disabled	500	-	500	476	(24)
Payment in lieu of taxes - state property	7,064	-	7,064	-	(7,064)
	<u>41,064</u>	<u>-</u>	<u>41,064</u>	<u>25,878</u>	<u>(15,186)</u>
	<u>4,113,825</u>	<u>-</u>	<u>4,113,825</u>	<u>4,202,226</u>	<u>88,401</u>
Local Revenues					
Fees					
Land fees	17,000	-	17,000	19,555	2,555
Preservation fees	500	-	500	2,866	2,366
Planning and zoning fees	6,000	-	6,000	6,852	852
Miscellaneous fees	1,500	-	1,500	4,560	3,060
Local capital improvement fees	1,800	-	1,800	1,956	156
Sport license fees	75	-	75	90	15
Dog license fees	250	-	250	490	240
	<u>27,125</u>	<u>-</u>	<u>27,125</u>	<u>36,369</u>	<u>9,244</u>
Permits					
Building permits	62,000	-	62,000	85,447	23,447
Pistol permits	2,000	-	2,000	3,630	1,630
	<u>64,000</u>	<u>-</u>	<u>64,000</u>	<u>89,077</u>	<u>25,077</u>
Charges for Services					
Conveyance tax	16,000	-	16,000	30,719	14,719
Copies	6,000	-	6,000	8,164	2,164
	<u>22,000</u>	<u>-</u>	<u>22,000</u>	<u>38,883</u>	<u>16,883</u>
Interest on Investments	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>5,645</u>	<u>645</u>

(Continued)

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) - General Fund

Year Ended June 30, 2016

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Wheelabrator					
Contract fee	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 983,052	\$ (16,948)
Host community royalties	156,000	-	156,000	169,693	13,693
	<u>1,156,000</u>	<u>-</u>	<u>1,156,000</u>	<u>1,152,745</u>	<u>(3,255)</u>
Other					
Telecommunications property	12,000	-	12,000	11,548	(452)
Senior van donation box	800	-	800	625	(175)
Tuition - regular education	-	-	-	14,643	14,643
Recreation committee summer program	32,700	-	32,700	34,899	2,199
Refunds	-	-	-	485	485
	<u>45,500</u>	<u>-</u>	<u>45,500</u>	<u>235,950</u>	<u>190,450</u>
	<u>1,319,625</u>	<u>-</u>	<u>1,319,625</u>	<u>1,558,669</u>	<u>239,044</u>
TOTAL REVENUES	<u>12,747,139</u>	<u>-</u>	<u>12,747,139</u>	<u>13,174,296</u>	<u>427,157</u>
SELECTMEN'S EXPENDITURES					
Selectmen's Office					
First selectman's salary	45,977	1,734	47,711	47,711	-
Second selectman's salary	4,951	187	5,138	5,138	-
Third selectman's salary	4,951	-	4,951	4,947	4
Bookkeeper's salary	26,583	395	26,978	26,978	-
Secretary/clerk's salary	45,381	1,704	47,085	47,085	-
Selectmens' supplies	3,000	6	3,006	3,006	-
Supplies and expense	3,000	(588)	2,412	1,996	416
	<u>133,843</u>	<u>3,438</u>	<u>137,281</u>	<u>136,861</u>	<u>420</u>
Town Clerk's Office					
Town clerk's salary	45,310	1,709	47,019	47,019	-
Asst. town clerk's salary	18,388	912	19,300	19,300	-
Records management service	13,000	-	13,000	12,689	311
Supplies and expense	6,000	-	6,000	5,855	145
Vital statistics	1,500	-	1,500	1,498	2
Document preservation grant	-	6,100	6,100	6,100	-
Historic document preservation escrow	3,000	-	3,000	-	3,000
	<u>87,198</u>	<u>8,721</u>	<u>95,919</u>	<u>92,461</u>	<u>3,458</u>
Tax Collector's Office					
Tax collector's salary	38,505	1,452	39,957	39,957	-
Tax clerk's wages	7,030	-	7,030	6,985	45
Contracted service	2,806	-	2,806	2,806	-
Computer management/support	4,904	-	4,904	4,629	275
On-line bill pay	1,200	-	1,200	1,200	-
Tax refunds	4,000	(258)	3,742	3,699	43
Supplies and expense	4,250	-	4,250	4,056	194
Delinquent motor vehicle tax fee	1,050	-	1,050	-	1,050
	<u>63,745</u>	<u>1,194</u>	<u>64,939</u>	<u>63,332</u>	<u>1,607</u>

(Continued)

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) - General Fund
Year Ended June 30, 2016

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Assessor's Office					
Assessor's salary	\$ 39,765	\$ 1,420	\$ 41,185	\$ 41,185	\$ -
Assessor's clerk salary	9,667	1,856	11,523	11,444	79
Tax mapping	-	13,750	13,750	13,748	2
Computer maintenance/support	8,900	(3,590)	5,310	5,225	85
Supplies and expense	2,930	(1,451)	1,479	1,479	-
	<u>61,262</u>	<u>11,985</u>	<u>73,247</u>	<u>73,081</u>	<u>166</u>
Treasurer's Office					
Treasurer's salary	18,200	1,064	19,264	19,264	-
Deputy treasurer's salary	1,000	58	1,058	1,058	-
Bank charges	700	-	700	152	548
Supplies and expense	250	1,850	2,100	2,078	22
	<u>20,150</u>	<u>2,972</u>	<u>23,122</u>	<u>22,552</u>	<u>570</u>
Board of Finance					
Auditor	15,700	880	16,580	16,580	-
Supplies and expense	1,500	-	1,500	1,332	168
	<u>17,200</u>	<u>880</u>	<u>18,080</u>	<u>17,912</u>	<u>168</u>
Planning and Zoning					
Purchased services	65,000	-	65,000	47,620	17,380
Supplies and expense	4,000	-	4,000	2,613	1,387
	<u>69,000</u>	<u>-</u>	<u>69,000</u>	<u>50,233</u>	<u>18,767</u>
Zoning Board of Appeals					
Supplies and expense	2,000	-	2,000	787	1,213
Board of Tax Review					
Salaries	825	-	825	825	-
Supplies and expense	225	-	225	149	76
	<u>1,050</u>	<u>-</u>	<u>1,050</u>	<u>974</u>	<u>76</u>
Conservation Commission					
Enforcement officer	8,000	-	8,000	7,315	685
Supplies and expense	800	-	800	376	424
	<u>8,800</u>	<u>-</u>	<u>8,800</u>	<u>7,691</u>	<u>1,109</u>
Historic District Study Commission					
Historic district study	1	-	1	-	1
Recycling Committee					
Purchased services	54,106	657	54,763	54,763	-
Supplies	100	(67)	33	-	33
	<u>54,206</u>	<u>590</u>	<u>54,796</u>	<u>54,763</u>	<u>33</u>
Registrars of Voters					
Democratic registrar's salary	7,982	-	7,982	7,879	103
Republican registrar's salary	7,982	-	7,982	7,879	103
Purchased services	1,000	-	1,000	-	1,000
Supplies and expense	35,000	2,431	37,431	37,430	1
Democratic deputy registrar	300	-	300	300	-
Republican deputy registrar	300	-	300	300	-
	<u>52,564</u>	<u>2,431</u>	<u>54,995</u>	<u>53,788</u>	<u>1,207</u>

(Continued)

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) - General Fund

Year Ended June 30, 2016

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Clerk to the Boards					
Clerk to the boards	\$ 10,000	\$ -	\$ 10,000	\$ 9,443	\$ 557
Supplies and expenses	600	-	600	387	213
	<u>10,600</u>	<u>-</u>	<u>10,600</u>	<u>9,830</u>	<u>770</u>
Non-Allocated Expenditures					
Employee insurance	260,000	(20,554)	239,446	239,446	-
Social security and medicare	51,500	4,000	55,500	55,246	254
Municipal education	4,000	(1,356)	2,644	2,644	-
Unemployment compensation	4,000	(2,918)	1,082	1,041	41
Union related contingency	5,600	-	5,600	5,600	-
Pension	1,000	-	1,000	459	541
Town share retirement compensation	45,000	4,477	49,477	49,477	-
Employee retirement unfunded accrued liability	37,600	-	37,600	37,270	330
Town counsel	45,000	(1,308)	43,692	43,692	-
Town engineer	45,000	(4,959)	40,041	39,971	70
Insurance and bonding	150,000	8,660	158,660	158,454	206
Payroll service	6,000	-	6,000	4,846	1,154
Consulting fees/contracted services	50,000	(1,850)	48,150	47,004	1,146
Town hall utilities	30,000	(8,402)	21,598	18,228	3,370
Town hall maintenance	10,000	-	10,000	7,714	2,286
Town hall equipment maintenance	1,000	(96)	904	880	24
Town hall computer	5,000	14,484	19,484	19,473	11
Town hall copier maintenance	2,850	(796)	2,054	2,020	34
Town hall postage	11,000	(4,589)	6,411	6,257	154
Town hall supplies and expense	3,500	(875)	2,625	2,578	47
Advertising and communications	4,500	(149)	4,351	1,870	2,481
Walking weekend	150	-	150	-	150
Donations	1,650	(1,420)	230	100	130
Auditors contracted services	1	-	1	-	1
Miscellaneous bookkeeping issues	-	-	-	(482)	482
	<u>774,351</u>	<u>(17,651)</u>	<u>756,700</u>	<u>743,788</u>	<u>12,912</u>
Town Memberships					
Town memberships	69,196	149	69,088	69,088	-
Fire Protection					
Lisbon volunteer fire dept.	107,700	-	107,700	107,700	-
LVFD SCBA's	5,000	160,000	165,000	164,821	179
Hydrant rental	30,000	317	30,317	30,316	1
Recruitment/retention	4,000	-	4,000	4,000	-
	<u>146,700</u>	<u>160,317</u>	<u>307,017</u>	<u>306,837</u>	<u>180</u>
Police Protection					
Resident state trooper contract	125,000	32,890	157,890	157,890	-
Trooper's supplies and expenses	3,000	(1,064)	1,936	1,799	137
Resident state trooper overtime	52,500	(5,000)	47,500	41,012	6,488
	<u>180,500</u>	<u>26,826</u>	<u>207,326</u>	<u>200,701</u>	<u>6,625</u>

(Continued)

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) - General Fund
Year Ended June 30, 2016

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Other Protection and Prevention					
Building inspector wages	\$ 27,500	\$ 143	\$ 27,643	\$ 27,643	\$ -
Fire marshal's salary	7,882	-	7,882	3,650	4,232
Dept. emergency mgmt. director's stipend	1,750	-	1,750	1,750	-
Animal control officer's salary	15,973	-	15,973	15,973	-
Tree warden stipend	200	-	200	200	-
Burning official	200	-	200	200	-
Zoning enforcement wages	10,000	-	10,000	10,000	-
Building inspector supplies and expense	2,000	-	2,000	1,358	642
Fire marshal supplies and expense	3,000	(693)	2,307	2,307	-
Dept. of emergency management expense	3,250	-	3,250	3,235	15
Dog damages	50	-	50	-	50
ZEO supplies and expense	500	-	500	-	500
	<u>72,305</u>	<u>(550)</u>	<u>71,755</u>	<u>66,316</u>	<u>5,439</u>
Highways and Streets					
Highway department salaries	226,284	7,992	234,276	234,276	-
Street lighting	26,300	4,200	30,500	30,174	326
Contracted services	48,500	(4,111)	44,389	43,719	670
Town garage utilities	22,500	16,801	39,301	35,284	4,017
Town equipment and trucks	78,500	(15,598)	62,902	62,902	-
Highway dept. supplies	7,000	-	7,000	6,450	550
Road repair and maintenance	65,000	(14,100)	50,900	50,890	10
General road repair	25,000	(4,050)	20,950	20,950	-
Town garage maintenance	10,000	-	10,000	6,734	3,266
Sanitation	25,000	913	25,913	25,913	-
	<u>534,084</u>	<u>(7,953)</u>	<u>526,131</u>	<u>517,292</u>	<u>8,839</u>
Health and Welfare					
Public health nursing	5,500	-	5,500	1,050	4,450
Health department	28,176	-	28,176	28,176	-
Sewer line fees	7,500	(67)	7,433	7,427	6
	<u>41,176</u>	<u>(67)</u>	<u>41,109</u>	<u>36,653</u>	<u>4,456</u>
Seniors and Senior Center					
Senior coordinator's salary	34,476	1,140	35,616	35,616	-
Van driver's salary	24,167	796	24,963	24,963	-
Senior meal site wages	16,536	875	17,411	17,411	-
Senior center coverage wages	4,500	(447)	4,053	4,044	9
Senior citizen's services	4,000	-	4,000	2,405	1,595
Senior center utilities	15,000	(1,704)	13,296	13,109	187
Senior center maintenance	13,000	-	13,000	8,066	4,934
Senior van maintenance	1,750	-	1,750	1,750	-
Senior coordinator supplies	1,000	(143)	857	847	10
Senior center supplies	1,000	-	1,000	940	60
Senior center copier expense	1	-	1	-	1
	<u>115,430</u>	<u>517</u>	<u>115,947</u>	<u>109,151</u>	<u>6,796</u>

(Continued)

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) - General Fund
Year Ended June 30, 2016

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Recreation					
Special events	\$ 38,350	\$ -	\$ 38,350	\$ 38,197	\$ 153
Recreation purchased services	7,000	(3,698)	3,302	3,217	85
Recreation supplies	250	3,698	3,948	3,948	-
Recreation mnt of municipal rec fields	12,100	-	12,100	12,100	-
Lisbon meadows park	13,750	-	13,750	13,750	-
	<u>71,450</u>	<u>-</u>	<u>71,450</u>	<u>71,212</u>	<u>238</u>
TOTAL SELECTMEN'S EXPENDITURES	<u>2,586,811</u>	<u>193,799</u>	<u>2,780,353</u>	<u>2,705,303</u>	<u>75,050</u>
BOARD OF EDUCATION	<u>9,406,378</u>	<u>233,699</u>	<u>9,640,077</u>	<u>9,629,323</u>	<u>10,754</u>
CAPITAL OUTLAY					
Capital improvements	20,000	16,819	36,819	36,819	-
Equipment, furniture, fixtures	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>2,769</u>	<u>231</u>
	<u>23,000</u>	<u>16,819</u>	<u>39,819</u>	<u>39,588</u>	<u>231</u>
DEBT SERVICE					
Principal, general obligation bond	475,000	-	475,000	475,000	-
Interest, general obligation bond	66,975	-	66,975	66,975	-
Principal, Hoydilla property	45,000	-	45,000	45,000	-
Interest, Hoydilla property	<u>8,975</u>	<u>-</u>	<u>8,975</u>	<u>4,326</u>	<u>4,649</u>
	<u>595,950</u>	<u>-</u>	<u>595,950</u>	<u>591,301</u>	<u>4,649</u>
TOTAL EXPENDITURES	<u>12,612,139</u>	<u>444,317</u>	<u>13,056,199</u>	<u>12,965,515</u>	<u>90,684</u>
Excess (Deficiency) of Revenues Over Expenditures	135,000	(444,317)	(309,060)	208,781	517,841
OTHER FINANCING SOURCES AND (USES)					
Operating transfers out	<u>(190,000)</u>	<u>-</u>	<u>(190,000)</u>	<u>(190,000)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>\$ (55,000)</u>	<u>\$ (444,317)</u>	<u>\$ (499,060)</u>	<u>\$ 18,781</u>	<u>\$ 517,841</u>
Adjustments to Generally Accepted Accounting Principles (GAAP)					
On behalf revenues from teacher's retirement netted in budget				682,485	
On behalf expenditures from teacher's retirement netted in budget				(682,485)	
Revenue from the excess cost sharing grant - student based				57,980	
Expenditures netted for the excess cost sharing grant				(57,980)	
Change in encumbrances					
Prior year encumbrances				(273,179)	
Current year encumbrances				67,076	
Change in accrued payroll					
Prior year accrued payroll				32,770	
Current year accrued payroll				(10,902)	
Proceeds from long-term debt netted in budget				810,000	
Debt service expenditures netted with proceeds				<u>(810,000)</u>	
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing (Uses) - GAAP Basis				<u>\$ (165,454)</u>	

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Budgetary Basis)-General Fund
Year Ended June 30, 2016

Notes to Required Supplementary Information: A formal, legally approved, annual budget is adopted for the General Fund only. This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exceptions: 1. The Town does not recognize as income or expenditures payments made for the teacher's retirement by the State of Connecticut on the Town's behalf; 2. The Town recognizes encumbrances payable as an expenditure in the year they were committed; 3. Revenues and expenditures from refunding or renewing long-term debt or lease proceeds is included in the budget as the net revenue or expenditure expected; 4. The General Government budgets payroll on a cash basis; 5. the Excess Cost Grant from the State of Connecticut is net against the expenditures in accordance with State Statutes.

Required Supplementary Information
 Other Post Employment Benefits
 Year Ended June 30, 2016

Schedule of Funding Progress

Last Three Valuations

Valuation Date	Actuarial Value of Assets	Accrued Liability (AAL)	Unfunded AAL	Funded Ratio	Covered Payroll	AAL/UAAL as a Percentage of Covered Payroll
7/1/2015	\$ -	\$ 1,502,602	\$ 1,502,602	0.00%	\$ 3,144,313	47.79%
7/1/2012	\$ -	\$ 1,906,637	\$ 1,906,637	0.00%	\$ 3,405,206	55.99%
7/1/2009	\$ -	\$ 2,407,897	\$ 2,407,897	0.00%	\$ 3,372,618	71.40%

Schedule of Employer Contributions

Last Six Fiscal Years

Fiscal Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contributed
6/30/2016	\$ 180,097	\$ 18,048	10.02%
6/30/2015	\$ 177,274	\$ 17,930	10.11%
6/30/2014	\$ 174,572	\$ 25,767	14.76%
6/30/2013	\$ 233,967	\$ 28,368	12.12%
6/30/2012	\$ 230,121	\$ 27,502	11.95%
6/30/2011	\$ 226,440	\$ 26,407	11.66%

Required Supplementary Information
Connecticut Municipal Employees' Retirement System
June 30, 2016

	<u>2016</u>	<u>2015</u>
Schedule of Changes in Net Pension Liability and Related Ratios Last 10 Fiscal Years or Since Inception of GASB 68		
Town's percentage of collective net pension liability (general employees with social security)	<u>0.197105%</u>	<u>0.197105%</u>
Town's portion net pension liability	<u>\$ 269,858</u>	<u>\$ 202,758</u>
Town's covered payroll	<u>\$ 437,388</u>	<u>\$ 437,388</u>
Town's proportionate share of the collective net pension liability as a % of covered payroll	<u>61.70%</u>	<u>46.36%</u>
Plan Fiduciary net position as a % of total pension liability	<u>90.52%</u>	<u>90.48%</u>

**Schedule of Employer Contributions
Since Inception of GASB 68**

Town's contractually required contribution	<u>\$ 49,478</u>	<u>\$ 48,686</u>
Town's contributions in relation to the contractually required contribution	<u>49,478</u>	<u>\$ 48,686</u>
Town's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Town's covered employee payroll	<u>\$ 437,388</u>	<u>\$ 437,388</u>
Town's contributions as a percentage of covered employee payroll	<u>11.31%</u>	<u>11.13%</u>

Notes to Schedule

Changes in benefit term	None
Changes in assumptions	None
Actuarial cost method	Entry age, normal cost method
Amortization method	Level dollar, closed
Remaining amortization period	25 years
Asset valuation method	5 year smoothed market
Investment rate of return	8.0% net of investment expense, including inflation

Required Supplementary Information
Connecticut Teachers Retirement System
June 30, 2016

	<u>2016</u>	<u>2015</u>
Schedule of Changes in Net Pension Liability and Related Ratios Since Inception of GASB 68		
Town's percentage of collective net pension liability	<u>0.000000%</u>	<u>0.000000%</u>
Town's proportionate share of the collective net pension liability	\$ -	\$ -
State's proportionate share of the collective net pension liability associated with the employer	<u>\$ 8,517,731</u>	<u>\$ 7,872,936</u>
Total proportionate share of the collective net pension liability	<u>\$ 8,517,731</u>	<u>\$ 7,872,936</u>
Town's covered payroll	<u>\$ 3,106,607</u>	<u>\$ 3,106,607</u>
Town's proportionate share of the collective net pension liability as a % of covered payroll	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a % of total pension liability	<u>59.50%</u>	<u>61.51%</u>

**Schedule of Employer Contributions
Since Inception of GASB 68**

Contractually required Town contribution	<u>\$ -</u>	<u>\$ -</u>
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The Town is not required to contribute to the plan. The State contributes on behalf of the Town.

Notes to Schedule

Changes in benefit term	None
Changes in assumptions	In 2011, rates of withdrawal, retirement and assumed rates of salary increase were adjusted as recommended by the Experience Study for the System.
Actuarial cost method	Entry Age
Amortization method	Level percent of salary, closed
Remaining amortization period	22.4 years
Asset valuation method	4 year smoothed market
Investment rate of return	8.5% net of investment expense, including inflation

Town of Lisbon, Connecticut

Combining Fund Financial Statements
June 30, 2016

Combining Balance Sheet
Other Governmental Funds
June 30, 2016

	Special Revenue Funds	Permanent Funds	Total Other Governmental Funds
ASSETS			
Cash and equivalents	\$ 94,952	\$ 3,775	\$ 98,727
Other receivables			
Accounts	8,288	-	8,288
Intergovernmental	41,962	-	41,962
Inventories	6,385	-	6,385
Total Assets	<u>\$ 151,587</u>	<u>\$ 3,775</u>	<u>\$ 155,362</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 7,529	\$ -	\$ 7,529
Accrued payroll and related	276	-	276
Unearned revenues - performance	64,564	-	64,564
Due to other funds	24,503	-	24,503
Total Liabilities	<u>96,872</u>	<u>-</u>	<u>96,872</u>
Fund balances			
Nonspendable	6,385	1,100	7,485
Restricted	8,228	2,675	10,903
Assigned	40,102	-	40,102
Total Fund Balances	<u>54,715</u>	<u>3,775</u>	<u>58,490</u>
 Total Liabilities and Fund Balances	 <u>\$ 151,587</u>	 <u>\$ 3,775</u>	 <u>\$ 155,362</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Other Governmental Funds
 Year Ended June 30, 2016

	Special Revenue Funds	Permanent Funds	Total Other Governmental Funds
REVENUES			
Intergovernmental revenues	\$ 548,972	\$ -	\$ 548,972
Local revenues	<u>253,887</u>	<u>2</u>	<u>253,889</u>
Total Revenues	<u>802,859</u>	<u>2</u>	<u>802,861</u>
EXPENDITURES			
Current expenditures			
General government	10,295	1,000	11,295
Police protection	12,610	-	12,610
Seniors and senior center	15,913	-	15,913
Education	<u>717,209</u>	<u>-</u>	<u>717,209</u>
Total Expenditures	<u>756,027</u>	<u>1,000</u>	<u>757,027</u>
Net Change in Fund Balances	46,832	(998)	45,834
Fund Balances - Beginning of Year	<u>7,883</u>	<u>4,773</u>	<u>12,656</u>
Fund Balances - End of Year	<u>\$ 54,715</u>	<u>\$ 3,775</u>	<u>\$ 58,490</u>

Combining Balance Sheet
Special Revenue Funds
June 30, 2016

	After					
	Miscellaneous Town Grant Fund	Cafeteria Fund	School Child Care Fund	Shooting Stars	Education Grants	Total Special Revenue Funds
ASSETS						
Cash and equivalents	\$ 19,838	\$ 6,636	\$ 9,930	\$ 8,566	\$ 49,982	\$ 94,952
Other receivables						
Accounts	-	-	8,288	-	-	8,288
Intergovernmental	16,263	9,325	-	-	16,374	41,962
Inventories	-	5,969	416	-	-	6,385
Total Assets	<u>\$ 36,101</u>	<u>\$ 21,930</u>	<u>\$ 18,634</u>	<u>\$ 8,566</u>	<u>\$ 66,356</u>	<u>\$ 151,587</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 7,529	\$ -	\$ -	\$ -	\$ -	\$ 7,529
Accrued payroll and related	-	276	-	-	-	276
Unearned revenues	-	2,393	-	-	62,171	64,564
Due to other funds	24,503	-	-	-	-	24,503
Total Liabilities	<u>32,032</u>	<u>2,669</u>	<u>-</u>	<u>-</u>	<u>62,171</u>	<u>96,872</u>
Fund balances						
Nonspendable	-	5,969	416	-	-	6,385
Restricted	4,043	-	-	-	4,185	8,228
Assigned	26	13,292	18,218	8,566	-	40,102
Total Fund Balances	<u>4,069</u>	<u>19,261</u>	<u>18,634</u>	<u>8,566</u>	<u>4,185</u>	<u>54,715</u>
Total Liabilities and Fund Balances	<u>\$ 36,101</u>	<u>\$ 21,930</u>	<u>\$ 18,634</u>	<u>\$ 8,566</u>	<u>\$ 66,356</u>	<u>\$ 151,587</u>

Town of Lisbon, Connecticut

Statement 4

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Special Revenue Funds
Year Ended June 30, 2016

	Miscellaneous Town Grants Fund	Cafeteria Fund	After School Child Care Fund	Shooting Stars	Education Grants	Total Special Revenue Funds
REVENUES						
Intergovernmental revenues	\$ 56,071	\$ 77,004	\$ -	\$ -	\$ 415,897	\$ 548,972
Local revenues	7,403	128,773	103,765	13,946	-	253,887
Total Revenues	63,474	205,777	103,765	13,946	415,897	802,859
EXPENDITURES						
Current						
General government	10,295	-	-	-	-	10,295
Police protection	12,610	-	-	-	-	12,610
Seniors and senior center	5,416	-	-	10,497	-	15,913
Education	-	202,898	104,485	-	409,826	717,209
Total Expenditures	28,321	202,898	104,485	10,497	409,826	756,027
Net Change in Fund Balances	35,153	2,879	(720)	3,449	6,071	46,832
Fund Balances (Deficit) - Beginning of Year	(31,084)	16,382	19,354	5,117	(1,886)	7,883
Fund Balances - End of Year	\$ 4,069	\$ 19,261	\$ 18,634	\$ 8,566	\$ 4,185	\$ 54,715

See Independent Auditors' Report

Combining Balance Sheet
Permanent Funds
June 30, 2016

	Palmer Fund	Preston Learned Fund	Total Permanent Funds
ASSETS			
Cash and equivalents	\$ 692	\$ 3,083	\$ 3,775
FUND BALANCES			
Nonspendable	\$ 100	\$ 1,000	\$ 1,100
Restricted	592	2,083	2,675
Total Fund Balances	\$ 692	\$ 3,083	\$ 3,775

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Permanent Funds
Year Ended June 30, 2016

	Palmer Fund	Preston Learned Fund	Total Permanent Funds
REVENUES			
Local revenues	\$ -	\$ 2	\$ 2
EXPENDITURES			
Current Expenditures			
General government	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Net Change in Fund Balance	-	(998)	(998)
Fund Balances - Beginning of Year	<u>692</u>	<u>4,081</u>	<u>4,773</u>
Fund Balances - End of Year	<u>\$ 692</u>	<u>\$ 3,083</u>	<u>\$ 3,775</u>

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Year Ended June 30, 2016

	Balance Beginning	Additions	Deductions	Balance Ending
Student Activity Fund				
Assets				
Cash	<u>\$ 31,167</u>	<u>\$ 46,949</u>	<u>\$ (49,531)</u>	<u>\$ 28,585</u>
Liabilities				
Due to others	<u>\$ 31,167</u>	<u>\$ 46,949</u>	<u>\$ (49,531)</u>	<u>\$ 28,585</u>
Surety Bonds				
Assets				
Cash	<u>\$ 88,642</u>	<u>\$ 12,685</u>	<u>\$ (805)</u>	<u>\$ 100,522</u>
Liabilities				
Due to others	<u>\$ 88,642</u>	<u>\$ 12,685</u>	<u>\$ (805)</u>	<u>\$ 100,522</u>
Combined Total				
Assets				
Cash	<u>\$ 119,809</u>	<u>\$ 59,634</u>	<u>\$ (50,336)</u>	<u>\$ 129,107</u>
Liabilities				
Due to others	<u>\$ 119,809</u>	<u>\$ 59,634</u>	<u>\$ (50,336)</u>	<u>\$ 129,107</u>

Town of Lisbon, Connecticut

Supplementary Schedules
June 30, 2016

Town of Lisbon, Connecticut

Schedule 1

**Report of the Property Tax Collector
Year Ended June 30, 2016**

Grand List Year	Beginning Receivable Balance	Current Year Levy	Lawful Corrections		Net Taxes Collectible	Collections During the Year			Transfer to Suspense	Net Ending Receivable Balance	
			Additions	Deductions		Taxes	Interest	Liens			Total
2014	\$ -	\$ 7,270,900	\$ 19,842	\$ (22,298)	\$ 7,268,444	\$ 7,155,623	\$ 20,632	\$ 132	\$ 7,176,387	\$ -	\$ 112,821
2013	135,059	-	194	(449)	134,804	73,792	17,435	712	91,939	-	61,012
2012	59,266	-	68	(48)	59,286	24,995	9,696	308	34,999	10,121	24,170
2011	18,662	-	-	-	18,662	9,120	6,429	120	15,669	-	9,542
2010	6,192	-	-	-	6,192	2,130	450	72	2,652	-	4,062
	<u>\$ 219,179</u>	<u>\$ 7,270,900</u>	<u>\$ 20,104</u>	<u>(\$ 22,795)</u>	<u>\$ 7,487,388</u>	<u>\$ 7,265,660</u>	<u>\$ 54,642</u>	<u>\$ 1,344</u>	<u>\$ 7,321,646</u>	<u>\$ 10,121</u>	<u>\$ 211,607</u>
Allowance for doubtful accounts <u>(19,138)</u>											
Taxes receivable, net <u>\$ 192,469</u>											

Town of Lisbon, Connecticut

Schedule 2

**Statement of Changes in Fund Balance by Project - Capital Nonrecurring Fund
Year Ended June 30, 2016**

	Fund Balance Beginning	Appropriations	Revenue	Current Year Expenditures And Transfers	Close Out of an Appropriation	Fund Balance Ending
Committed Fund Balance:						
Open space fees	\$ 34,400	\$ -	\$ 21,000	\$ -	\$ -	\$ 55,400
School window project	214,087	-	87,664	(183,443)	-	118,308
Plan of conservation and development	40,463	-	-	(15,435)	-	25,028
Burnham Tavern	28,250	-	-	(7,250)	-	21,000
Lisbon meadow park improvements	15,498	-	-	-	(15,498)	-
Senior center boiler	11,684	-	-	-	(11,684)	-
Lisbon community track repair	8,226	-	-	(8,226)	-	-
School water tank	1,100	-	-	-	(1,100)	-
Town hall access improvements	834	-	-	-	(834)	-
	<u>354,542</u>	<u>-</u>	<u>108,664</u>	<u>(214,354)</u>	<u>(29,116)</u>	<u>219,736</u>
Assigned Fund Balance:						
Assigned for unspecified projects	78,903	-	5,480	-	13,618	98,001
Salt shed construction	275,000	15,000	-	-	-	290,000
Public and safety vehicles	225,609	55,000	-	-	-	280,609
Capital projects	322,659	75,000	-	(160,000)	-	237,659
Revaluation	135,100	10,000	-	(40,690)	-	104,410
Plan of conservation and development	65,000	25,000	-	-	-	90,000
Land purchases	257,121	10,000	-	(219,000)	-	48,121
GIS assessor mapping	60,000	-	-	(13,750)	-	46,250
Lisbon meadow park improvements	-	-	-	-	15,498	15,498
Voting machine replacement	10,000	-	-	-	-	10,000
	<u>1,429,392</u>	<u>190,000</u>	<u>5,480</u>	<u>(433,440)</u>	<u>29,116</u>	<u>1,220,548</u>
Total of All Projects	<u>\$1,783,934</u>	<u>\$ 190,000</u>	<u>\$114,144</u>	<u>\$ (647,794)</u>	<u>\$ -</u>	<u>\$1,440,284</u>

See Independent Auditors' Report

Statement of Changes in Fund Balance by Grant - Miscellaneous Town Grants Fund
Year Ended June 30, 2016

	Fund Balance Beginning	Revenue	Current Year Expenditures	Fund Balance Ending
Restricted Fund Balance:				
Farmers market	\$ 1,554	\$ 1,131	\$ (752)	\$ 1,933
Senior program	1,280	6,246	(5,416)	2,110
CT Department of Transportation - DUI	(33,918)	46,528	(12,610)	-
Small Cities Block Grant	-	6,543	(6,543)	-
Town Clerk preservation grant	-	3,000	(3,000)	-
	<u>(31,084)</u>	<u>63,448</u>	<u>(28,321)</u>	<u>4,043</u>
Assigned Fund Balance	<u>-</u>	<u>26</u>	<u>-</u>	<u>26</u>
Total of All Projects	<u>\$ (31,084)</u>	<u>\$ 63,474</u>	<u>\$ (28,321)</u>	<u>\$ 4,069</u>

Town of Lisbon, Connecticut

Internal Control and Compliance Reports
June 30, 2016

**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***

Independent Auditors' Report

**The Board of Finance
Town of Lisbon, Connecticut**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Lisbon, Connecticut ("Town") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated January 26, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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. *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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses as items MW-2016-001.

Town's Response to Findings

The Town's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Town's response was not subjected to the audit of the financial statements and, accordingly, we express no opinion on it.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 result of that testing, and not to provide an opinion on the effectiveness of the Town'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's internal control and compliance. Accordingly, this communication is not suitable for any other purposes.

PKF O'Connor Davies, LLP

January 26, 2017

Town of Lisbon, Connecticut

State Single Audit
June 30, 2016

Report on Compliance for Each Major State Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

Independent Auditors' Report

**The Board of Finance
Town of Lisbon, Connecticut**

Report on Compliance for Each Major State Program

We have audited the Town of Lisbon, Connecticut's ("Town") 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's major state programs for the year ended June 30, 2016. The Town's major state 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, contracts and grants applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town'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'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's compliance.

Opinion on Each Major State Program

In our opinion, the Town 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, 2016.

Report on Internal Control over Compliance

Management of the Town 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'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'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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items MW-2016-001 to be material weaknesses.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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.

The Town's response to the internal control over compliance finding(s) identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Town's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 purpose.

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, each major fund, and the aggregate remaining fund information of the Town as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We have issued our report thereon dated January 26, 2017, 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's basic financial statements. 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 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 Schedule of Expenditures of State Financial Assistance is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PKF O'Connor Davies, LLP

January 26, 2017

Town of Lisbon, Connecticut

Schedule of Expenditures of State Financial Assistance

Year Ended June 30, 2016

State Grantor Pass-Through

Grantor Program Title

State Grant Program

Core-CT Number

Expenditures

Connecticut State Library

Historic Documents Preservation Grants

12060-CSL66094-35150

\$ 3,000

Department of Transportation

Town Aid Road Grants Transportation Fund

12052-DOT57131-43455

189,523

Department of Economic and Community Development

Historic Preservation Grant and Activities

12060-ECD46840-90455

7,250

Office of Policy and Management

Reimburse Property Tax - Disability Exemption

11000-OPM20600-17011

476

Property Tax Relief for Elderly Circuit Breaker

11000-OPM20600-17018

23,262

Property Tax Relief for Veterans

11000-OPM20600-17024

2,140

Local Capital Improvement Program (LOCIP)

12050-OPM20600-40254

14,228

Municipal Purposes and Projects

12052-OPM20600-43587

3,683

Office of Early Childhood

School Readiness and Child Care

11000-OEC64845-12113

108,664

School Readiness Quality Enhancement

11000-OEC64845-17097

3,881

Department of Education

Child Nutrition State Match

11000-SDE64370-16211

1,884

Health Foods Initiative

11000-SDE64370-16212

3,872

Adult Education

11000-SDE64370-17030

10,811

School Breakfast Program

11000-SDE64370-17046

3,075

Magnet Schools

11000-SDE64370-17057

18,200

High Quality Schools Start Up

12052-SDE64370-43538

10,000

Early Childhood Facilities Grant Program for Minor Capital Improvements

12052-SDE64370-43540

27,428

Total State Financial Assistance before Exempt Programs

431,377**EXEMPT PROGRAMS****Department of Administrative Services**

School Construction Principal SDE

13010-DAS27635-40901

26,755

School Construction Principal SDE

13010-DAS27636-40901

60,909

Department of Education

Education Equalization Grants

11000-SED64370-17041

3,896,404

Transport of School Children

11000-SDE64370-17027

47,053

Excess Cost - Student Based

11000-SDE64370-17047

171,526

Office of Policy and Management

Mashantucket Pequot and Mohegan Fund Grant

12009-OPM20600-17005

24,388

Total exempt programs

4,227,035

Total State Financial Assistance

\$ 4,658,412

The accompanying notes are an integral part of this schedule.

Town of Lisbon, Connecticut

Notes to Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2016

1. Summary of Significant Accounting Policies

General

The accompanying Schedule of Expenditures of State Financial Assistance includes state grant activity of the Town of Lisbon, Connecticut ("Town") under programs of the State of Connecticut for the fiscal year ended June 30, 2016. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut.

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America as applicable to governments.

The information in the Schedule of Expenditures of State Financial Assistance is presented based on regulations established by the State of Connecticut, Office of Policy and Management.

Basis of Accounting

The financial statements for the governmental fund types contained in the Town's basic financial statements are prepared on the modified accrual basis of accounting. The government-wide financial statements are prepared on the full accrual basis of accounting,

- Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period,
- Expenditures are generally recorded when a liability is incurred except for debt service expenditures, as well as certain other expenditures, when applicable, related to compensated absences, pension obligations, landfill closure costs, claims and judgments, and other post-employment benefits which are recorded only when payment is due (matured).

The expenditures reported on the Schedule of Expenditures of State Financial Assistance are reported on the accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations of the State Single Audit Act, 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 Lisbon, Connecticut

Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

Section 1 - Summary of Auditors' Results

Financial Statements

Type of auditors' opinion issued unmodified

Internal control over financial reporting

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted yes X no

State Financial Assistance

Internal control over major programs

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified? yes X none reported

Type of auditors' opinion issued on compliance for major programs unmodified

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

The following schedule reflects the major programs included in the audit:

State Grantor and Program	State Core-CT Number	Expenditures
Department of Transportation		
Town Aid Road Grants Transportation Fund	12052-DOT57131-43455	\$189,523
Department of Education		
Early Childhood Facilities Grant Program for Minor Capital Improvements	12052-SDE64370-43540	27,428

Dollar threshold used to distinguish between type A and type B programs: \$100,000

Town of Lisbon, Connecticut

Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

Section II - Financial Statement Findings

MW-2016-001 – Balancing the Town’s Accounting Records

Criteria - The Town is responsible for balancing their books on a regular basis. This is generally done before any reports are issued to the Boards. This includes maintaining up to date trial balances for each fund, analyzing and adjusting all balance sheet accounts, reviewing budget to actual reports and providing complete and accurate year end information to accumulate in the audit report.

Condition - The Town has a Treasurer that is responsible for investing the funds of the Town. The Town has a bookkeeper that is responsible for paying the bills for the Town. There is no one that is responsible for balancing the Town’s accounting records.

Questioned Cost - N/A

Effect - The Town’s financial reporting during the year and at year end was materially misstated. It also weakened the effectiveness of the monitoring of controls.

Cause - No one has been officially assigned the task of balancing the books. In the past, this was performed by the former bookkeeper. It has been noted by the current bookkeeper that this is not in her job description with the union. The bookkeeper’s position is primarily described as an accounts payable clerk.

Recommendation - We recommend that the Town review the job descriptions in the financial office and consider hiring an outside accountant to come in periodically and balance the accounting records prior to the statements being issued to the Boards. This might take one or two days per month or quarter. It must at least be done at the end of the year to make sure the Town’s accounting records are balanced before the audit begins. The auditors must remain independent and are not allowed to provide too much assistance in balancing the accounting records.

Views of Responsible Officials and Planned Corrective Actions – The Town is looking into hiring an outside accountant.

Town of Lisbon, Connecticut

Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

Section III - State Financial Assistance Findings and Questioned Costs

MW-2016-001 – Internal Controls over Allowable Costs

Grantor:	Connecticut State Department of Education
State Program Name:	Early Childhood Facilities Grant Program for Minor Capital Improvements
Pass-through Entity:	N/A
State Grant CORE-CT Number:	12052-SDE64370-43540

Criteria – Grant funds must be spent on allowable costs.

Condition – One invoice tested as part of internal controls over compliance was not properly approved.

Questioned Cost – N/A

Context – This appears to be an isolated incident. When controls over all Board of Education expenditures were tested, no issues were noted.

Effect – The design of internal controls is effective, however, controls are not always followed.

Cause – The person processing the invoice for payment did not check the invoice for approval.

Recommendation – We recommend that internal control policies are written and distributed to all employees so there is an organization wide knowledge and understanding of internal controls.

Views of Responsible Officials and Planned Corrective Actions – The Business Manager has addressed the issue with the person responsible for approving the invoice and the person responsible for processing payment.

It is with deep regard and respect we recognize the many individuals that spend countless hours serving on various town boards and commissions with no compensation. Some of these individuals have spent years helping to make our town a better place for all our citizens to live. At times this public service can be a challenge, but through your efforts and dedication we have kept Lisbon moving forward while still maintaining our quiet New England Charm.

To all who serve.

Thank you

