

Lisbon Town Hall





LISBON

This area originally was wholly within the Town of Norwich and consisted of a tract of land in the heart of the Mohegan Indian territory. Josiah Read is believed the earliest white settler, having purchased a mile-long tract from the Indians in 1687. In 1718 sixteen petitioners were granted the right to establish the North East Society, the third ecclesiastical society in Norwich, for their worship of God. The Newent Ecclesiastical Society was founded in 1723, with the Reverend Daniel Kirkland as its first settled minister. It is believed the name Newent was used since many settlers came from Newent, England. Finally, in 1786, the Newent Ecclesiastical Society was incorporated as the Town of Lisbon, probably so named because early inhabitants engaged in commercial shipping with Lisbon, Portugal.

Erected by the Town of Lisbon
and the Connecticut Historical Commission

1975



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General Information About Lisbon

Settled	1687
Incorporated	May, 1786
Area within Town borders	16.5 square miles
Population	estimated
Grand List as of October, 2016	\$371,857,888
Tax rate for fiscal year 2016-2017	20.5 mils
Assessment ratio	70% property
Assessment date	October 1 st
Fiscal Year	July 1 st to June 30 th
Registered voters	2783
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

Most up todate information can be found on the town's website at lisbonct.com

First Selectman	Thomas W. Sparkman	376-3400
Selectman	Robert T. Browne, Sr	
Selectman	William Surfus (appt 1/25/16)	
	Marlene LePine, Administrative Assistant and Clerk to the Boards	
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	Angel Johnstone (hired 12/15/2017) Elaine Joseph (hired 1/2/2018) Deborah Copp, Assessor (until 10/2017) Barbara Burzycki, Clerk (until 12/31/2017)	376-5115
Finance Office	Chris Maynard, Treasurer Laurie Tirocchi, Deputy Treasurer Holly Smelser, Bookkeeper (hired 11/14/16) Lynda St Pierre, Bookeeper (until 10/2016)	376-7856
Bank Depository	Dime Bank	
ZEO	Zoning Enforcement Officer - Carl Brown	376-8291
Bldg 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 & Municipal agent for the Elderly	Karen Washington, Senior Coordinator Glenda White, Meal Site Server Tom Szafranski, Van Driver	376-2329
Animal Control	NEECOG	860-774-1253
Highway Superintendent	Thomas W. Sparkman	376-3400
Town Staff	Gregory Bouchard, Town Road Foreman	
	Michael Civardi, Maintenance/Operator	
	Jonathan Sparkman, Maintenance/Operator	
	Samuel Giancarlo, Maintenance/Operator	
	Adam Little, Maintenance/Operator	
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
Director of Finance	Diana Cormier	376-2403 x-227
Main Office		376-2403

Justice of the Peace

Name	Party	Terms
Steven M. Beck	Democrat	01/03/17 – 01/04/2021
Dianne M. Dempsey	Democrat	01/07/13 – 01/02/17 – 01/04/2021
Ellen Dupont	Democrat	10/22/14 – 01/02/17
Daniel J. Finn	Republican	01/07/13 – 01/02/17 – 01/04/2021
Edward P. Hogan	Unaffiliated	01/05/09 – 01/02/17 – 01/04/2021
Anthony D. Holland	Democrat	01/07/13 – 01/02/17
Frederick Kral III	Unaffiliated	01/03/17 – 01/04/2021
Robert T. LaChapelle	Republican	01/07/13 - 01/02/17
Miles A Lafemina	Republican	01/10/14 – 01/02/17 – 01/04/2021
Ruth E. MacDonald	Republican	01/05/09 – 01/02/17 – 01/04/2021
Doreen M. Mainville	Unaffiliated	01/07/13 – 01/02/17 – 01/04/2021
Susan G. Rainville	Democrat	01/07/13 - 01/02/17
Gary M Ritacco	Republican	09/26/13 – 01/02/17 – 01/04/2021
Karen M. Washington	Unaffiliated	01/07/13 – 01/02/17 – 01/04/2021

Elected or Term Appointed Officials

Board of Selectman (2 year term)		
(R) Thomas W. Sparkman	First Selectman	11/17/15 -11/21/17-11/19/2019
(R) Robert T. Browne, Sr.		11/17/15–11/21/17-11/19/2019
(D) William C Surfus		1/25/16 – 11/21/17-11/19/2019
Town Clerk (4 year term)		
(D) Laurie Tirocchi		11/05/13 – 01/01/18-1/3/2022
Town Treasurer (2 year term)		
(D) Chris Maynard		11/17/15 - 11/21/17-11/19/2019
Tax Collector (2 year term)		
Gail L. Izbicki		11/17/15-11/21/17-11/19/2019
Registrars (4 year term)		
(R) Mary S. Grant	Registrar	11/09/13-01/04/17-01/06/2021
Daniel Barrett	Assistant Registrar	11/16/15-01/04/17-1/6/2021
(D) Stephen C. Barrett	Registrar	01/09/13–01/04/17-01/06/2021
Leonora J. Szruba	Deputy Registrar	01/09/13–01/04/17-1/6/2021

Board of Finance (6 year term, staggered)		
(R) Michael Zelasky	Chairman	11/17/15 – 11/16/21
(D) Dennis Duplice		11/19/13 – 11/19/19
(R) Miles LaFemina		12/20/2017-11/5/2019
(R) Robert Dufort		11/19/13 – 12/5/2017
(R) Randall Baah		11/21/2017-11/21/2023
(R) Jim McCloud		11/22/11 – 11/21/17
(D) Frank Burzycki		11/17/15 – 11/16/21
(D) Wayne Donaldson		11/21/2017-11/21/2023
(D) Thomas J. Wakely, Jr.		11/22/11 – 11/21/17
Thomas Wakely	Alternate	12/18/2017-11/5/2019
(D) Wayne Donaldson		4/11/2016-11/7/2017
Philip Kiley (U)	Alternate	2/2018 - 11/5/2019
(D) Miles Lafemina		11/17/15 – 12/22/2017
(R) Michael Zelasky		11/05/13 – 11/17/15
Gail Gwiazdowski (D)	Alternate	3/2018 – 11/5/2019
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 – 11/21/2023
(R) Melissa Becotte-Avery		11/19/13 –11/21/17-11/21/2023
(R) Scott McCabe		11/17/15 – 11/16/21
(D) Joseph P. Lewerk		11/22/11 –11/21/17-11/21/2023
(D) David Nowakowski		11/17/15 – 11/16/21
(D) Judith Jencks		11/19/13 – 11/19/19
(D) Jenny Danburg		11/19/13 – 11/19/19
(R) Melissa Krauss		11/21/2017-11/16/2021
(R) Damian Rickard		11/3/15 – 11/21/17
Board of Assessment Appeals (4 year term, staggered)		
(D) Steven Beck	Chairman	11/19/13 –11/21/17-11/19/2019
(D) Ronald V. Babbitt		11/17/15 – 11/19/19
(R) Kimberly Ann Lang		11/17/15-11/7/17-11/16/2021
Planning & Zoning Commission (4 year term, staggered)		
(R) Robert D. Adams	Chairman	11/19/13 –11/21/17-11/16/2021
(D) Trevor Danburg		11/19/13 –11/21/17-11/16/2021
(D) John Dempsey		11/21/201-11/16/2021
(D) David Gagnon		11/19/13 – 11/21/17
(R) Cheryl Blanchard		11/17/15 – 11/19/19
(R) Sharon R. Gabiga		11/22/11 – 11/19/19
(D) Ronald E. Giroux		11/05/13 –11/21/17-11/16/2021

(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 – 11/21/17-11/16/2021
(R) Vacancy	Alternate	7/15/16 - 11/19/19
(R) Melissa Krauss		11/17/15 – 7/15/16
(R) Timothy Minor	Alternate	11/29/2017-11/16/2021
(D) James Labonne		11/19/13 – 11/21/17
Vacancy	Alternate	-11/16/2021
(D) John Dempsey		3/14/16 – 11/21/17
Zoning Board of Appeals	(6 year term, staggered)	
(D) Ronald V. Babbitt	Chairman	11/22/11–11/21/17-11/21/2023
(D) Steven Beck		11/19/13 - 11/19/19
(R) Robert Jencks		11/19/13 - 11/19/19
(R) Leo MacDonald		12/12/11 – 11/21/17-11/21/2023
(U) Frederick Kral		12/14/15 – 11/16/21
Vacancy	Alternate	-11/21/2023
(R) Kirk Miles		07/14/14 - 11/21/17
Vacancy	Alternate	– 11/16/21
(D) Robert Chubka	Alternate	08/11/14 – 11/19/19
Constables	(2 year term)	
(D) Trevor Danburg		11/21/17-11/19/2019
(D) Steven M Beck		11/19/13 – 11/21/17-11/19/2019
Commission on Aging	(2 year term, staggered)	
Leonora Szubra	Chairwoman	03/01/15 -2/28/17-2/28/2019
Dorothy Coggins		03/01/15 -2/28/17-2/28/2019
Joseph Doran		03/01/16 – 02/28/18
Donna Gahram		03/01/16 - 02/28/18
Mary S. Grant		03/01/15 -2/28/17-2/28/2019
Fidelis Kershaw		03/01/16 – 02/28/18
Carol Sadowski		03/01/16 – 02/28/18
Blanche Todriff		03/01/17-2/28/2019
Karen Washington		Senior Coordinator
Conservation Commission	(2 year term, staggered)	
Richard Hamel	Chairman	12/01/14 – 11/30/16-11/30/18
Joseph Lewerk		11/30/15-11/30/17-11/30/2019
Mark Robinson		12/1/2014-12/1/2016-11/30/2018
Erik Freidenfelds		11/30/15-11/30/17-11/30/2019
Leonora J. Szruba		12/01/14 – 11/30/16-11/30/18
Mark Sullivan	Alternate	11/25/15- 11/26/17-11/26/2019

Billy MacIntosh	Alternate	04/25/15- 4/25/17-4/25/2019
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		4/30/15-4/30/17-4/30/2019
Lauren Sylvestre		2/22/16 – 4/30/17-4/30/2019
Keen Tart		7/8/2016-7/8/18
Thomas J. Restivo		04/30/15 – 4/30/17-4/30/2019
James Synott		04/30/15 – 4/30/17-4/30/2019
Chris Fabry		04/30/15 – 4/30/17-4/30/2019
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		2/31/15 – 12/31/19
Farmers Market	(year term, staggered)	
Sharon Gabiga	Chairman	11/17/15-11/19/19
John Algier		11/20/15-11/19/21
Terry Joseph		11/17/15-11/19/19
Elaine Joseph		11/19/13-11/19/17-11/19/21
Adeline Jernstrom		9/25/2017-11/19/21
Vacancy	Alternate	– 11/19/19

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)	
Kevin Skulczyck (D)	860-240-8700
State Representative (47 th District)	
Doug Dubitsky (R)	800-842-1423

Town of Lisbon - 2018 Meeting Schedule

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

<u>Board of Finance</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>Board of Education</u>	
LCS Media Center @6:30p.m.	
January 22	July 16
February 26	August 20
March 19	September 17
April 23	October 15
May 21	November 26
June 18	December 17

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

<u>LCS Tank Replacement Building Committee</u>	
LCS Media Center @ 4:30p.m.	
January 22	May 21
February 26	June 18
March 19	July 16
April 16	August 20

<u>Planning & Zoning Commission</u>	
Town Hall @ 7:00pm	
January 2	July 3
February 6	August 7
March 6	September 4
April 3	October 2
May 1	November 13
June 5	December 4

<u>Zoning Board of Appeals</u>	
Town Hall @ 7:15pm	
January 23	July 24
February 27	August 28
March 27	September 25
April 24	October 23
May 22	November 27
June 26	December 18

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

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

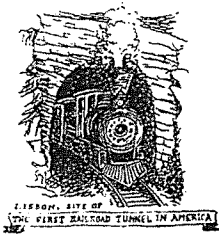
<u>Board of Assessment Appeals</u>	
Town Hall @ 6:00pm	
March 8	September 13

<u>Commission on Aging</u>	
Lisbon Senior Center @ 7:00pm	
January 8	July 2
February 5	August 6
March 5	September 10
April 2	October 1
May 7	November 13
June 4	December 3

<u>Recreation Committee</u>	
Town Hall @ 7:00pm**	
January 22	July 9** @ 8:00
February 12	August 13** @ 8:00
March 12	September 17
April 9	October 15
May 14	November 19
June 11** @ 8:00	December 10

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



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

Re: Annual Report

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 the very popular shred day event.

The financial commitment required to be able to complete road projects, maintain our buildings, grounds and infrastructure is significant. There is no question that it is the commitment and support of the residents, as well as the Board of Finance that allowed for these and other projects to go forward. Continued cooperation with the boards and commissions allowed the Town to once again purchase additional land to 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.

On behalf of Robert T. Browne and William C. Surfus, I once again pledge to you that it is our objective 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, 2016 – June 30, 2017 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 2016-2017 fiscal year the town clerk's office has processed:

- 811 land records generating over \$19,500 in recording fees.
- \$30,000 in town conveyance taxes for transfers of property.
- \$3000 in Historic Preservation Grant Funds.
- 400 dog licenses.
- 220 sports fishing & hunting licenses.
- 16 Land Use applications.
- 15 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 burial certificates, marriage licenses, and certified vital records which have generated over \$2800 in associated fees for the town. This year we have recorded:

Births – 29

Marriages – 26

Deaths - 54

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.

Presidential Election – 11/08/2016

Town Budget Referendum – 5/16/2017

The Town Clerk also serves as clerk at all Town Meetings. This year there were 5 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

TOWN OF LISBON
SPECIAL TOWN MEETING
August 3, 2017

Thomas W Sparkman, First Selectman, called to order the Special Town Meeting of Wednesday, August 3, 2016 at 7:00 p.m. in the Lisbon Central School Cafeteria, 15 Newent Road Lisbon, CT.

Nomination of Moderator:

Richard Hamel was nominated by Robert Grant, seconded by William Krauss.

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, acting through the Board of Selectmen, as approved by the Board of Finance, and recommended by the Planning and Zoning Commission, to purchase the property located at 1 South Burnham Highway, at a cost of \$80,000.00 with funds from the Capital Non-Recurring Fund designated Future Land Purchases.

A motion was made by Robert Grant, seconded by Kim Sperry to approve the purchase as read.

Discussion followed with public comments made by the following residents:

Ian Rogers- 68 Sullivan Rd
Leo MacDonald – 332 South Burnham Hwy
Eric Lotreck – 140 Phillips
Ben Hull – 234 Ross Hill Road
John Dempsey- 93 North Burnham Hwy
Richard Dzialo – 33 Ross Hill Road
Kirk Miles – 9 Dogwood Drive
Robert Adams – 58/60 Kinsman Hill Road
Caron Sheffield – 17 Laurier Lane
Bob Grant – 61 Blueberry Lane
Judith Jencks – 155 Preston Allen Road
Heath Couture – 25 Rocky Hollow Road
Jim Carignan – 428 North Burnham Hwy
Kathy Beck – 52 Kanahan Rd
Susan Hull – 234 Ross Hill Road
William Krauss – 207 Ross Hill Road
James Arpin – 104 Kinsman Hill Road
Justin Girard – 41 Regina Ave

Questions and clarifications were made by:

Thomas Sparkman, First Selectman
Mark Robinson, Lisbon Fire Chief

Vote taken by hand count

Yes – 28
No – 22
MOTION CARRIED

Moderator read item #2:

To approve “An Ordinance Concerning Referendum Voting On Local Questions.”

A motion was made by Robert Grant, seconded by Kim Sperry to approve the ordinance.

Question was asked by Susan Hull, 234 Ross Hill with clarification given by Thomas Sparkman, First Selectman.

VOTE – UNANIMOUS
MOTION CARRIED

Motion made by Robert Grant, seconded by Melissa Avery to adjourn at 7:58pm.

VOTE – UNANIMOUS
MOTION CARRIED

Laurie Tirocchi
Town Clerk

SPECIAL TOWN MEETING
TOWN OF LISBON
September 14, 2016

Thomas W. Sparkman, First Selectman, called to order the Special Town Meeting of September 14, 2016 at 7:00 p.m. The meeting was held in the Lisbon Town Hall at 1 Newent Road, Lisbon, Connecticut.

Nominations for Moderator:

Richard Hamel was nominated by Greg Bouchard, seconded by Mark Robinson.

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 Selectman and as approved by the Board of Finance, to purchase a Ford F-550 cab chassis 4x2 regular cab XL141 wheelbase, State Contract Award # 10PSX0239 – supplement #41 and Tarco T20000 stainless all season body at a cost not to exceed \$110,000.00 from the Capitol Non-recurring Fund, Designated Public and Safety Vehicles.”

A motion was made by John Mather seconded by Greg Bouchard, to authorize purchase as read.

Discussion followed.

VOTE: UNANIMOUS
MOTION APPROVED

Moderator Read Item #2:

“To authorize the Town of Lisbon, as approved by the Board of Selectman, to offer for sale to the highest bidder, the 2001 Ford F-550, the vehicle being replaced.”

A motion was made by John Mather seconded by Mark Robinson, to authorize sale as read.

VOTE: UNANIMOUS
MOTION APPROVED

Motion to adjourn by John Mather, seconded by Mark Robinson.

VOTE: UNANIMOUS
MOTION APPROVED

Meeting adjourned at 7:03 pm.

Laurie Tirocchi
Town Clerk

**SPECIAL TOWN MEETING
TOWN OF LISBON
December 29, 2016**

The Special Town Meeting was held on Thursday, December 29, 2016 in the Lisbon Central School Cafeteria/Gymnasium, 15 Newent Road, Lisbon, Connecticut. It was called to order by Thomas W. Sparkman, First Selectman, at 7:00 p.m.

Nominations for Moderator:

Richard Hamel was nominated by Robert Grant, seconded by Miles LaFemina.

VOTE: UNANIMOUS
MOTION APPROVED

Richard Hamel was duly chosen as Moderator.

Warning was read by Marjorie Wakely, Assistant Town Clerk.

Moderator read Item #1:

“To authorize the Town of Lisbon, acting through the Board of Selectmen, as approved by the Board of Finance, to purchase a 1999 Sutphen Quint 75’ Tower Ladder at a cost of \$125,000.00 and an additional \$35,000.00 to outfit the vehicle, for a total of \$160,000.00 with funds from the Capitol Non-Recurring Fund designated Salt Shed.”

A motion was made by Robert Grant, seconded by Steven Beck, to authorize the purchase as read. Discussion occurred.

VOTE: UNANIMOUS
MOTION APPROVED

A motion was made by Robert Grant, seconded by Dennis Savage, to adjourn.

VOTE: UNANIMOUS
MOTION APPROVED

Meeting adjourned at 7:10 p.m.

Marjorie Wakely
Assistant Town Clerk

**TOWN OF LISBON
SPECIAL TOWN MEETING
February 9, 2017**

The Special Town Meeting was held on Thursday, January 9, 2017 at 7:00 p.m. in the Lisbon Town Hall at 1 Newent Road Lisbon, Connecticut. The change in location from the Lisbon Central School Cafeteria/Gymnasium, 15 Newent Road, Lisbon, Connecticut was posted.

Nomination of Moderator:

Richard Hamel was nominated by Miles Lafemina, seconded by Thomas Wakely.

VOTE: UNANIMOUS
MOTION APPROVED

Richard Hamel was duly chosen as Moderator.

Warning was read by Laurie Tirocchi, Town Clerk.

Moderator read Item #1:

“To approve An Ordinance Requiring the Electronic Recording of Public Meetings.”

A motion was made by Richard Rogers, seconded by Thomas Wakely to approve ordinance.
Discussion occurred.

VOTE: UNANIMOUS
MOTION APPROVED

A motion was made by Richard Rogers, seconded by Miles Lafemina to adjourn the meeting.

VOTE: UNANIMOUS
MOTION APPROVED

Meeting adjourned at 7:05.

Laurie Tirocchi
Town Clerk

**TOWN OF LISBON
ANNUAL TOWN MEETING
MAY 1, 2017**

Thomas Sparkman called to order the Annual Town Meeting on Monday, May 1, 2017, at 7:01 p.m. in the Lisbon Central School Cafeteria/Gymnasium, 15 Newent Road, Lisbon, Connecticut.

Nomination of Moderator:

Richard Hamel was nominated by Robert Jencks, seconded by Robert Grant.

Nominations closed.

VOTE: UNANIMOUS

Richard Hamel was duly chosen Moderator.

Warning was read by Laurie Tirocchi, Town Clerk.

Moderator read item #1:

"To discuss the General Government Budget, for Fiscal Year 2017/2018, as approved by the Board of Finance, in the amount of \$2,709,362."

Discussion Followed

Moderator read item #2:

"To discuss the Board of Education Budget, for Fiscal Year 2017/2018, as approved by the Board of Finance, in the amount of \$9,483,998."

No Discussion Followed

Moderator read item #3:

"To authorize the Board of Finance, the transfer of \$240,000 from the General Fund, to the Capitol Reserve and Nonrecurring Fund.

Motion to approve the Board of Finance the transfer of \$240,000 from the General Fund, to the Capitol Reserve and Nonrecurring Fund by Robert Grant, seconded Melissa Avery.

Vote: UNANIMOUS
MOTION CARRIED

Moderator read item #4:

"To authorize the Town of Lisbon acting through the Board of Selectmen, as approved by the Planning & Zoning Commission, to sell an unbuildable parcel located at 510 River Road (map 01/17/0000), as a contiguous lot to the owner of 508 River Road for \$5,000."

A motion was made by John Arpin, seconded by Robert Grant to authorize the sale as read.

Discussion Occurred
Vote: UNANIMOUS

MOTION CARRIED

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," to a referendum vote on Thursday, May 11, 2017, between the hours of 6:00 a.m. and 8:00 p.m., to be held in at the Lisbon Town Hall, 1 Newent Road, Lisbon, Connecticut 06351.

A motion was made by Robert Grant, seconded by Richard Rogers to adjourn the Town Meeting to Referendum as read.

Vote: UNANIMOUS
MOTION CARRIED

Town meeting adjourned at 7:11p.m.

Laurie Tirocchi
Town Clerk

**TOWN OF LISBON
RECONVENED ANNUAL TOWN MEETING
MAY 11, 2017**

The Annual Town Meeting of May 1, 2017 was reconvened by Richard Hamel, Town Meeting Moderator, at 8:17 p.m. on May 11, 2016 in the Lisbon Town Hall at 1 Newent Road, Lisbon, CT.

Cindy Palmer, election moderator, read the election totals:

Shall the Town of Lisbon accept the General Government Budget, for Fiscal Year 2017/2018, as approved by the Board of Finance, in the amount of \$2,709,362?

	<u>YES</u>	<u>No</u>
Election Totals:	197	68

GENERAL BUDGET PASSED

Shall the Town of Lisbon accept the Board of Education Budget, for Fiscal Year 2017/2018 as approved by the Board of Finance, in the amount of \$9,483,998?

	<u>YES</u>	<u>No</u>
Election Totals:	184	83

EDUCATION BUDGET PASSED

Motion to adjourn by Thomas Sparkman, seconded by Lee Szruba.

Town meeting adjourned at 8:22 p.m.

Laurie Tirocchi
Town Clerk

Deborah Copp
Assessor

Barbara Burzycki
Assistant Clerk



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

Grand List 2016

Real Estate: 320,178,740
Personal Property: 19,933,491
Motor Vehicle: 31,745,657
Total Net Grand List: 371,857,888

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:

Deborah Copp
Assessor

Board of Finance

*Fiscal Year 2016-17
Annual Report Narrative*

Overall, the net position of the Town for Fiscal Year (FY) 2016-17 increased \$893,145. Much of this, \$607,591, was due to an increase the Town's net investment in capital assets by purchasing more assets and paying down debt that funded these assets.

The unrestricted General Fund Balance increased by \$340,534 due to an unexpected increase in property tax collections of current and back years, a \$100,000 lawsuit settlement and the General Government expenses came in under budget. *(Note, at the beginning of FY 2017-18, \$386,216 was transferred to the Capital and Non-Recurring Fund for the replacement of the underground storage oil tanks at Lisbon Central School.)*

Wheelabrator, an incinerator located at southern part of town off Route 169, S. Burnham Hwy, pays the town \$1,000,000 in lieu of taxes as well as royalties of approximately \$150,000. The contract is coming to an end in December 2020. The operation of the plant and the level of funding after that is uncertain.

At year end, the Government had \$2,295,000 in bonds outstanding. This is a decrease of \$510,000 from the previous year. In addition, the Town has a bond anticipation note of \$765,000.

The mill rate increased by 1.0 for Fiscal Year (FY) 2016-17 to 20.5. Currently, a mill is worth approximately \$371,000.

The State decreased funding to Lisbon by \$458,000 for the current year budget, FY 2017-18. That combined with a deficit carried over from the previous year there was a projected deficit of \$583,000. The budgets, Board of Education and General Government, remained flat with no increase per request from the Board of Finance.

The mill rate for FY 2017-18 was increased by 2.0 to cover the deficit and in anticipation of a \$194,000 cut from the state for the following year's budget, FY 2018-19. This left a projected deficit for FY 2018-19 of \$35,000 prior to the budget process which takes place in Spring of 2018. *(Note, the Governor's proposed budget for FY 2018-19 contains an additional cut of \$92,000 to Lisbon.)*

Every March, April and May 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 encouraged to come to the meetings and participate by letting your opinions known.

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

Lisbon Town Treasurer

The transition to Dime Bank that began in fiscal year 2015-2016 was fully completed in fiscal year 2016-2017. Bank fees incurred by the town, totaling in excess of \$2,000 annually, should be reduced significantly going forward. The desired results of improved customer service and convenience levels by the change in banks has been achieved across all impacted town departments.

Additional benefits to the town include implementing:

- Positive Pay
 - The town submits a file of checks issued to the Dime 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
 - Allows the Tax Collector to scan and deposit checks from her desktop. The town gets credit for these checks sooner than taking them to the bank for deposit. This enhances the Treasurer's ability to invest surplus funds in a more timely fashion.

Enhanced cash management and investment of surplus funds (in addition to rising investment rates) has generated an increase in interest income as shown below.

	<u>General Fund</u>	<u>Town Air Road Fund *</u>	<u>Capital Non-Recurring Fund</u>
2014-2015	\$ 3,341	\$ 0	\$ 2,219
2015-2016	\$ 5,644	\$ 0	\$ 5,480
2016-2017	\$ 14,596	\$ 2,253	\$ 10,434

* Town Aid Road Fund investment account was opened in fiscal 2016-2017

Sincerely,

Chris Maynard
Treasurer, Town of Lisbon CT

SALLY KEATING
Superintendent

DIANA CORMIER
Business Manager



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

ALISON ORCUTT
*Director of Special
Education/ Early Childhood
Coordinator*

BRIAN APPERSON
Principal

2016 Annual Report

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

The 2016-2017 school year proved to be a productive year for the Lisbon School District. There were numerous accomplishments and successes, as well as a small number of complex challenges. Overall, Lisbon Central School (LCS) continued to be an excellent environment for students to learn and thrive. This was achieved through the efforts and collaboration of the Lisbon Board of Education and the entire Lisbon school community.

One of the major accomplishments was the complete curriculum overhaul in Math for all grade levels at LCS. Teachers and students benefitted from new Math textbooks, resources and training. This resulted in improved daily classroom instruction and learning. ELA and Science remained areas of strong focus, and again there was improvement in daily performance. Differentiated instruction played a key factor in ELA. In the area of Science, there was ongoing professional development including the anticipated roll-out of the Next Generation Science Standards (NGSS). Solid gains were noted on the test results regarding the Smarter Balanced Assessment Consortium (SBAC), particularly for ELA, and the Connecticut Mastery Test (CMT) for Science. In Social Studies, a new curriculum was piloted all year long, utilizing authentic resources with the plan of adopting the final draft in 2017. Students' daily performance in Spanish continued to be exemplary. Special disciplines such as Art, Music, Physical Education, Health, Media, Technology and STEAM continued to be integral components of a well-rounded education at LCS, nurturing students' interests and honing their skills. In all subjects, the utilization of data teams for the analysis of assessments and the delivery of instruction, the implementation of the Teacher Evaluation process, and a positive school climate contributed to students' achievement. Additionally, staff's commitment and dedication combined with parents' and the community's support fostered an optimal teaching/learning environment.

A new Special Education program, the Flexible Resource Classroom, was piloted for students with very specific needs. Students who might be outplaced now had the opportunity of being educated in their home school with excellent instruction by in-house staff. Additionally, cost savings were realized as a secondary outcome. Based upon preliminary results and ongoing monitoring and refinement, this program will be continued into the next school year.

LCS had many opportunities for students who enjoy sports, clubs and enrichment activities. Our students continued to do their best in sports, including exemplifying good sportsmanship. A highlight was that the Girls Softball Team took the championship in 2016. In addition to the typical activities, new Math and Technology

Clubs were added and were very well received by the community. An SRBI Life Skills Math Program was instituted and there was an expansion of the STEAM Program into the lower grades during the school day.

As of October 1, 2016, LCS had an enrollment of 393 students and there were 216 students in grades 9-12. Projections indicated that enrollment could drop the following year. (Actual enrollment figures on October 1, 2017 indicated that LCS had 390 students and 213 students in grades 9-12.)

Our high school students typically do very well. LCS staff receives on going feedback regarding how well our students perform in all subjects, and particularly in the disciplines of Language Arts and Spanish. At both of our designated high schools as well as at the other schools of choice, our students took top honors, awards and accolades in core curriculum areas as well as in the Arts and in Sports.

Administratively, a new Principal, Mr. Brian Apperson, was hired for the 2016-2017 school year. He had been a former teacher at LCS and an Assistant Principal in a neighboring district. The students, staff and community enthusiastically welcomed him, and his first year was marked with great success. Due to the tragic loss of Lisbon's Director of Special Education, Mr. David Yellen, a Search Committee was organized in the spring which resulted in hiring Mrs. Ali Orcutt as the new Director. Mrs. Orcutt also was very well received by students, staff and the community. All of our Administrators work extremely hard and are very successful in leading the Lisbon School District.

From a budgetary standpoint, the year proved to be quite challenging. Several unanticipated special education placements and services occurred. Operating with years of annual budgets at or near zero percent increases, these added costs strained a tight, fiscally conservative budget. A spending freeze was put into effect as much as possible. Additionally, administrative staff absorbed added duties to save money where feasible. A Five Year Strategic Plan which was in the process of being developed was temporarily put on hold given the status of the State and local budget climate.

Security and safety remained top priorities. Fire drills, lockdowns and evacuation drills were done on an ongoing basis throughout the entire year, in accordance with our All-Hazard School Security and Safety Plan. Procedures were followed according to proper protocol.

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

Other significant accomplishments which the Board of Education achieved included the negotiation and ratification of a new five year Municipal Employee Union Independent (MEUI) contract. The Board also negotiated a new five year contract for the provision of transportation. Lastly, the Board began a process with the State Department of Education in addressing the removal and replacement of underground storage tanks at LCS. This process included completing an application and its associated items so the Town could receive partial reimbursement from the State for the removal and replacement of these tanks.

The LCS PTO had a very productive and rewarding year. Participation by parents and staff was at an all-time high. PTO held free movie nights, organized Trick or Trunk, provided meals for teachers during Parent-Teacher conferences as well as other special activities during Teacher Appreciation Week. A "Someone Special and Me Dance" was provided for students in Grades PreK – 3; an 80's Dance was provided for students in grades 4 and

5. The students and the community thoroughly enjoyed these evenings of fun. The first Color Run was held for students in all grade levels and money was raised to purchase two air conditioners for the classrooms.

The Lisbon School District is a highly regarded school system. The entire community can be very proud of its wonderful students, dedicated staff, caring parents and friends of education and a highly supportive Board of Education. Everyone works in the best interest of children. It is an exceptional place for young people to achieve and succeed.

Respectfully Submitted,

Sally Keating

Sally Keating-Superintendent of Schools

Board Of Education

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

Jenny Danburg	Scott McCabe
Joseph Lewerk	David Nowakowski
Joan Marshall	Damian Rickard

Administrators

Superintendent	Sally Keating
Principal	Brian Apperson
Interim Special Education	Dr. Paul Pattavina
Business Manager	Diana Cormier

Staff

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

Interns

Meghan Dodge Cynthia Gilbert Jenna Parcell Nicole Tiffany Nicole Gagnon Laura Morales Joslin Phaneuf

Custodial Staff

Brian McGlew – Maintenance Director Jonathan Coleman Martin Shea Donna Gladue Kyle Wagner

Cafeteria Staff

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

Daycare Staff

Linda Beams –Childcare Manager Laura Gray Courtney Kinmonth Lisa Long Erica Reed

**Lisbon Central School
Grade 8 Graduates
2016 – 2017**

*/**	Skyler Arpin	Capri Morales
*	Kaylee Bingham	Jessie Moroch
	Nicole Blanchette	Alexander Mosquera
	Ashley Buckridge	Anna Nye
*/**	Haylie Burgess	* Blake Palmer
**	Ryleigh Christianson	** Lindsey Paradis
*/**	Jennifer Croughwell	*/** Kayla Park
	Aaliyah Damiano	Felix Prokop
	Lillian Danburg	Rosamaria Race
	Joshua Desmond	Jacob Reck
	Joshua Duplice	Daisha Rhodes
*/**	Kaelen Fabry	Yanna Royce
	Alex Fleck	Brianna Show
	Aaron Foster	*/** Christina Siguencia
	Colbey Gavaza	Shania Simmons
*	Gabriella Gutierrez	Marissa Spurr
	Brandon Hines	Brandon St. Francis
*	Natalia Hogan	* Jillian Surfus
	Jared Houle	Aiden Tapia
*/**	Elliott Johnson	Stephane Tapia
	Kathryn Kozak	* Micah Tarlton
	Madison Krupinski	Sylvia Tenemasa Caguana
	Brandy Letourneau	Callie Teper
	Kaleb Maine	Cassandra Trainor
*	Samuel Mayer	Logan Valentin
	Kyle McCabe	* Raven Wawrzynowicz
	Corinne McEntee	Brett Wheeler

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

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

2016-2017 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 and volunteer opportunities. Anyone 55+ from any town is welcome at the center.

During the 2016-2017 fiscal year the center had over 4,600 visits; served over 1,500 meals on wheels; 2,300 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%. The senior center is preparing to meet the needs of our aging population.

Lisbon Senior Center is a highly recognized community focal point, certified by the Area Agency on Aging. 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.

All of the activities/programs can be found in the Lisbon section of a 9-town website: www.seniorcenterct.org/lisbon and Facebook page: www.facebook.com/lisbonseniorcenter. There is also a bi-monthly newsletter.

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, Blanche Todriff and Karen Washington.

Lisbon Recreation Committee 2016/2017 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.

The committee is charged with developing and overseeing recreational programs that benefit the health and wellness of our townsfolk while maintaining and improving the recreational facilities throughout the town of Lisbon.

The numerous improvements that the recreation committee continues to invest in the recreational facilities have resulted in an increase in use by Lisbon citizens and beyond. Our online request system has allowed us to more effectively track field usage. During the 2016/2017 fiscal year, there were 162 requests to use the baseball field, 173 requests for the soccer field, 150 requests for the softball field, 53 requests to use the pavilion, and 60 requests to reserve the track.

Our agreement with Jordan Brook Landscaping, who oversees the fertilization program of the athletic fields, has resulted in a drastic improvement in quality, playability, and safety of the softball, baseball, and soccer fields. It is evident that the townspeople have noticed these improvements and are using these facilities.

Lawn Care Etc. was hired to make improvements to the ballfields. Two full tri-axes of infield mix were brought in to raise the infield so that it was level with the grassy areas of play. The base paths and infield/outfield perimeter were re-cut and new bases and a pitching rubber were installed. The softball field also received a new set of bases.

Replacement backboards and hoops for the outdoor basketball court at Lisbon Central School were purchased. A group of volunteers from Jaypro Sports donated their time to install the new equipment.

Another area of the trails within the confines of Lisbon Meadows Park was rehabilitated with fill and wood chips to improve the quality and safety of the trail network. All of the work conducted on the trail was done so on a volunteer basis by committee members as well as several community members during CT Trails Day Weekend in June.

During the summer, Chris Fabry once again acted as program coordinator for the youth basketball and tennis camps. There were a total of 42 registered campers for the basketball program which was divided into two sessions. The tennis camp was at capacity with 10 registered campers.

The annual August Red Sox Bus Trip was coordinated by Jim Synott. The trip was sold out once again this year.

Town resident and LCS student, Jack Zagarenski, and his family created a small 'kindness rock garden' within Lisbon Meadows Park where passersby may 'take a rock and leave a rock', each one brightly painted with messages of positivity and peace.

This year marked the first coordinated efforts between the Lisbon PTO, Fall Festival Committee, and Recreation Committee in the form of the Color Run fundraiser. Members of the recreation committee assisted in the design and layout of the course and were responsible for setting up and breaking down the event. Over \$20,000 was raised by the PTO. The Recreation Committee coordinated a variety of backyard lawn games in conjunction with the Fall Festival and hired Knockerball NE, LLC to coordinate knocker-soccer and other events using their equipment.

A program-wide inventory survey was conducted and documented, so the committee can more effectively store and track equipment purchased for the programs we coordinate.

The women's volleyball program saw a successful 14th season under the administration of program director Nancy Smigiel. 18 teams averaging 7 players each compete in weekly matches on courts at the Lisbon Central School. The season begins in September with a skills and drills clinic and wraps up in May with a League Awards Banquet. This program is entirely financially self-sufficient with all program expenses covered by the fees that the participants pay. The recreation committee partners with the LCS physical education department, sharing the equipment so youngsters interested in playing volleyball have the opportunity to learn.

During the month of October, a cross country fun run series was held each Sunday morning. The event consisted of a 1/2 mile run for small children, a mile run for older kids, and a 5K run for adults. The program was run free of charge and conducted voluntarily by Chad Johnson. Ribbons were awarded to all youth participants and medals given to top performers at the end of the series. Two rainy Sundays dampened attendance this year, but the event still averaged 15 attendees.

The youth basketball program grew significantly during the 2016/2017 season. The participants were divided into three age brackets. There were 24 children enrolled in the Junior League, 21 kids in the Micro league, and 12 younger children who took part in weekly clinics. This is an increase from 38 participants in 2015/2016 to 57 participants this year. Chris Fabry's basketball prowess and experience working with kids as a physical educator will continue to grow this program in the years to follow.

Over the winter, Steve Brown, science teacher at LCS, coordinated two ski bus trips at Mt. Snow. Both of the trips were sold out in advance.

The 5th Annual Team Joe Kelly Memorial Run was a great success again this year. On April 29th, there were 590 participants running or walking on our town roads. This fundraiser welcomes people of all ages and athletic abilities. Team Joe Kelly donated \$35,000 to Connecticut Children's Medical Center to support families with children battling cancer. The recreation committee was proud to once again sponsor the timing service used for this event.

On April 8th, the recreation committee sponsored the Annual Easter Egg Hunt which was well attended with approximately 120 participants. Children were organized into three age groups: under 4, 4 to 6 year olds, 7 to 10 year olds. The recreation committee members stuffed eggs and set up the areas for the Egg Hunt. The recreation committee would like to expand the event and work in conjunction with other organizations in town, e.g., host a pancake breakfast.

There are several projects on the horizon that the recreation committee looks forward to, including the installation of a disc golf course at Lisbon Meadows Park, repair of the pedestrian bridge, and furthering enhancements to the trail system in LMP. It has been a long time since the recreation committee took on a significant capital improvement project, and there are several projects that the committee would like to pursue in the future. These include installation of outdoor sand volleyball courts, additional drainage for the baseball field, water access via a well within Lisbon Meadows Park, and overall progress toward the eventual completion of the Lisbon Meadows Park master plan including parking areas and lighting. The recreation committee would also like to seek out improved communication methods, so the citizens of our town are more informed about recreational opportunities that the recreation committee offers.

Lisbon Trail Committee

The Lisbon Trail Committee was inaugurated in January 2017 with the three specific goals, (1) identify and recommend to the Board of Selectmen, those parcels of land owned by the Town of Lisbon, that are most appropriate to accommodate recreational trails, (2) research funding opportunities (state, federal and/or private), (3) assist the Board of Selectmen, Town Engineer, Conservation Commission and any board, committee or commission tasked with design and/or development of recreational trails in the Town of Lisbon. To that end eight volunteers were appointed to the Committee by the Board of Selectmen and began their work looking at all town-owned parcels and identified those parcels that could most readily host recreational trails.

The initial focus was on 223 North Burnham Highway (the Burnham Tavern property), 78 Kendall Road (a portion of the old golf course separated from Meadows Park by the railroad), and 205 Mell Road, abutting the Barber Farm subdivision and River Road/Route 12. Committee members made visits to all locations to get a feel for the land and preliminary trail plans were developed for all three properties by the Committee. The 223 North Burnham Highway property quickly moved to the forefront of planning with the prospect of a grant from The Last Green Valley to publicize both the historic Burnham Tavern property and potential trails via new signage working in conjunction with the Lisbon Historical Society.

The Committee looks forward to seeing recreational trails come to fruition in at least these three locations and in the process involve as many townspeople as possible in the effort.

Respectfully submitted,

Joe Lewerk
Chairman, Lisbon Trail Committee

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

January 26, 2018

Board of Finance
Town of Lisbon
1 Newent Road
Lisbon, CT 06351

Re: Annual Report 2016-2017

Dear Board Members:

During the fiscal year 2016-2017, the Lisbon Fire Department and Ambulance responded to a total of 634 calls for assistance.

Call Volume Break Down

Fires	35	Hazardous Condition	11	Service Call	15
Rescue& EMS	448	Good Intent	19	False Alarm	55
Motor Vehicle Accident	47	Special Incident	4		

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

January 25, 2018

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, 2016-June, 2017:

Inspections	32
Follow-up Inspections	53
Abatements Issued	3
Plan Reviews	4
Fire Investigations	7
Liquor Permits	3
Blasting Permits	1
Burn Permits	8
Open Burning Complaints	0
Misc. Code Complaints	0
Misc. Code Questions	0
Woodstove Inspections	0

Respectfully submitted,

Rick Hamel, Fire Marshal

STATE OF CONNECTICUT



Accredited Since 1988

DEPARTMENT OF PUBLIC SAFETY DIVISION OF STATE POLICE LISBON RESIDENT TROOPER

2016 Annual Report

This year's annual report is a culmination of the past year's statistics for the Town of Lisbon. The report is detailed and reveals all motor vehicle activity as well as criminal activity that has been investigated through the Resident Trooper's Office and Troop E in Montville.

Total calls for service:	4995/1383
Total accidents investigated:	128/20
Total criminal investigations:	215/46
DUI arrests:	22/2
Total M/V citations issued:	1089/201
Total written warnings issued:	329/18
Pistol permits issued:	46

The Lisbon Resident Trooper's office is committed to the public safety of this community. During the course of 2016, the Lisbon Resident Trooper's office participated in several noteworthy events including traffic control for several road races, Touch a Truck/Cruiser events, Fall Festival Community Policing events, Lisbon Central School Emergency Plans Board member, lock down and evacuation drills, Halloween Trick or Trunk Safety and Security, coordinated with the Lisbon Fire Department regarding Active shooter training, updated and maintained communications with the Lisbon Landing businesses, wrote and facilitated a CT Department of Transportation Comprehensive DUI grant, and worked closely with the Lisbon Central School dealing with any related student/family matters as needed.

Sincerely,

Lisbon Resident Trooper TFC Michael Browning

1 Newent Road
Lisbon, CT 06351
Tel. (860) 376-8868
An Equal Opportunity Employer

STATE OF CONNECTICUT



Accredited Since 1988

DEPARTMENT OF PUBLIC SAFETY DIVISION OF STATE POLICE LISBON RESIDENT TROOPER

2017 Annual Report

This year's annual report is a culmination of the past year's statistics for the Town of Lisbon. The report is detailed and reveals all motor vehicle activity as well as criminal activity that has been investigated through the Resident Trooper's Office and Troop E in Montville.

Total calls for service:	4231/827
Total accidents investigated:	121/22
Total criminal investigations:	170/37
DUI arrests:	19/2
Total M/V citations issued:	879/29
Total written warnings issued:	336/2
Pistol permits issued:	40

The Lisbon Resident Trooper's office is committed to the public safety of this community. During the course of 2017, the Lisbon Resident Trooper's office participated in several noteworthy events including; teaching several DARE classes, State Police K9 Demonstrations, traffic control for several road races, Touch a Truck/Cruiser events, Fall Festival Community Policing events, Lisbon Central School Safety and Security/ Emergency Plans Board member, Lock down and evacuation drills, Halloween Trick or Trunk Safety and Security, coordinated with the Lisbon Fire Department regarding active shooter training, updated and maintained communications with the Lisbon Landing businesses, wrote and facilitated a CT Department of Transportation Comprehensive DUI grant, and worked closely with the Lisbon Central School dealing with any related student/family matters as needed. During the past few years, there has been an increase in town pistol permit applications which has proven challenging to process them and respond to the increasing demands with minimum manpower. The Lisbon Resident Troopers office additionally reduced the 2017 budget by approximately 10% in overtime costs.

Lisbon Resident Trooper TFC Michael Browning

TFC. Michael Browning # 1211

Lisbon Community Center Committee, Inc.
Lisbon Fall Festival Committee

<http://www.lisbonfallfestival.org/>

<https://www.facebook.com/groups/lisboncommunitycenter/>

A very small group of dedicated volunteers worked throughout the 2016 – 2017 fiscal year to maintain a Lisbon Fall Festival presence in the town and oversee usage of the Lisbon Meadows Park Community Center.

September brought regular Festival activities with a return to Friday night chowder and fritters. The festival had over 30 vendor and artisan booths, the general food court and the traditional road race. We also added a new sweet treat – fried Oreos, which was a big hit. Also participating were the Boy Scouts, Newent Congregational Church, Lisbon P.T.O., and the Lisbon Central School 8th Grade Class –just to mention a few. A few gracious volunteers rounded out the Food Court volunteers, led by chefs Raylene Taskoski and Art Cockett.

Children and teenagers had fun using the Bumper Balls and playing games hosted by the Lisbon Recreation Department. The Lisbon Volunteer Fire Department and the Lisbon Town Highway Department displayed some of their equipment in the “Touch A Truck” area. People enjoyed demonstrations in the community center by All the Right Moves and had fun dancing along with Jessica’s Dance Fitness. This year also brought us a Paint Party hosted by the Art House of Norwich.

The Community Center was filled to near-capacity with bingo enthusiasts for the Spring Bingo night. As part of the Town’s cooperative efforts, electrical power to light the Lisbon Meadows parking lot is provided by the Committee. The Committee is continuing the process of soliciting proposals for interior insulation and associated improvements, and a heating system installation. There were several repairs in and around the Community Center this past year, including the roof and split rail fence.

Due to the lack of interior insulation and heating, the Community Center is only available for use from April through October only. In our efforts to reach our goal of heating the Community Center more quickly, we have now opened it for non-resident usage. More usage of the center will help get us closer to heating the building and using it year-round. A copy of the rules governing the building’s use, and application forms, can be found on the website listed above. The Scheduling Subcommittee chairperson is Lorraine Dawley (860-886-7595).

The Community Center/Fall Festival Committee needs more volunteers to make things happen or perhaps just help us for a day. The committee meets the 4th Monday of each month (except December and January) in the Lisbon Town Hall Conference Room at approximately 7:15 p.m., following the Selectmen’s Meeting. New members are always welcome and needed if the Fall Festival events are to be expanded to include activities for all of Lisbon’s residents and friends. There is always room for those who can spare just a day or two at Festival time around the fourth week in September.

Please feel free to drop in to a meeting or contact President Cyndi Cockett (lastcarnival@comcast.net).

Lisbon Farmers Market

Because this narrative is for the 2016/2017 fiscal year, and our market runs from last Thursday in June until last Thursday in September, the information contained herein is for both the 2016 and 2017 Lisbon Farmers Market seasons. However, some of the income received in the 2016/2017 fiscal year was applied to the 2017 Market Season as pre-payment of vendor fees (as it was the previous year for the 2016 market season, and is for the 2018 market season to come). The market took in a total of \$1163.00 in vendor fees, sponsorships and Market Pal payments during the July 2016/June 2017 fiscal year. We spent \$763.22 from our Supplies and Expenses line item (mostly on advertising), and \$398.49 from our Special Events line item (mostly for musical entertainment).

The 2016 Lisbon Farmers Market had a total of 29 vendors. Out of the 29, 12 were full time vendors, 8 were guest vendors for one day, one was a guest vendor for 4 days, and 3 were guest vendors for 2 days. 5 vendors - Slater Library, St. Mary's Food Pantry, Lisbon Senior Center, Backus Hospital and Eco-Fair CT - were from the community and were not charged a vendor fee. Of the 29, a total of 6 vendors (Grants Berry Patch, Donna's Delicious Designs/Muddy Turtle Tradition, JohnnyBgood Garlic, Colby Customs, Every Day Mom's Green Cleaning and author Kathleen Krah) were residents of the town of Lisbon.

2016 was the beginning of our "Market Pal" program. By purchasing a Market Pal button for \$10, market goers would enjoy specials offered by each participating vendor, and help support the market with additional revenue. We also had four local sponsors (Renewal by Anderson; Farm Family Insurance; Jenck's Network LLC; and Jewett City Savings Bank) at \$100 each.

Our market vendors offered a terrific variety of products and services, including locally grown fruits and vegetables; organic vegetables and herbs; potted plants and cut flowers; breads and pastries; cupcakes and pies; jams, jellies and preserves; candles and salves; local honey; meat and poultry; hot sauces; artesian cheeses; local maple syrup; wood crafts, pottery and jewelry; handmade soaps and beauty products; eggs; eco-friendly cleaning products; dog treats; books by local authors; and kettle corn. Face painting, reiki and massage were also offered. The 2016 market season had musical entertainment, including the ever popular Quiet Corner Fiddlers, Jim Taylor and Sue Gallagher.

The 2016/2017 FY Lisbon Farmers' Market Committee consisted of the following volunteer members: Sharon Gabiga (Chairman), Elaine Joseph (Secretary), Terry Joseph, Adeline Jernstrom, Michelle Landry (Market Master), and Ellie Grant (Alternate).

By comparison, the 2017 market season (FY 2016/2017) saw a bit of a decline in the number of participating vendors. We had a total of 18 vendors. Of the 18, 10 were full time vendors (Grants Berry Patch, Donna's Delicious Designs/Muddy Turtle Tradition, JohnnyBgood Garlic are Lisbon residents). We got three new full time vendors - an apple orchard and 2 new meat vendors. We had a total of 8 guest vendors - 3 came for one night, one came for 2 nights, and 4

vendors - Slater Library, Lisbon Senior Center, Backus Hospital and Eco-Fair CT - were from the community and were not charged a vendor fee. We did not have any craft, jewelry, book, dog treat, hot sauce or maple syrup vendors participate in 2017. The vendors that we did have, however, reported very good sales, most up from the year before, and many often sold out each market day. We had more musical entertainment in 2017, including Jim Taylor, Kayla Farnham, Junkyard Heartstrings (a Lisbon group), and the Quiet Corner Fiddlers, some of which came back to play multiple times. Although we did not solicit sponsorships in 2017, we did continue to sell Market Pal buttons. Our total revenue to date for the 2017/2018 FY (July 2017 – December 2017) is \$940.00. Our total expenses were \$956.22: \$661.22 on advertising and \$275.00 on musical entertainment. \$20 was returned to a guest vendor when they fell ill and could not participate.

The 2017 Lisbon Farmers' Market Committee consisted of the following volunteer members during the 2017 season: Sharon Gabiga (Chairman), Elaine Joseph (Secretary), Terry Joseph, John Algiere and Adeline Jernstrom.

The Lisbon Farmers' Market is a CT Grown market. It currently runs every Thursday afternoon from end of June to end of September, 3:30 PM – 6:30 PM, at the "barn" at Lisbon Meadows Park. We would like to thank the Fall Festival Committee and the Lisbon Recreation Committee for their support of the market being held at this beautiful location, and the Lisbon Volunteer Fire Department for their part at our annual Autumn Bonfire event.

For more information, or to become a vendor, please visit our website: www.lisbonfarmersmarket.com; Facebook page: www.facebook.com/lisbonfarmersmarket; or email Elaine Joseph ejoseph@lisbonct.com.

Lisbon Historical Society
Annual Report
2016-2017

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.

The Lisbon Historical Society participated in the Norwich Historical Society's inaugural History Day on the Norwichtown Green. Newcomers to the greater Norwich-New London and visitors from west of the Connecticut River and Rhode Island received information about Lisbon, and the National Scenic By-Way/Heritage Corridor. Complimentary handouts about the John Bishop House Museum, Burnham Tavern, and the Anshei Israel Synagogue were available.

During the town-wide annual Fall Festival, the John Bishop House Museum opened for tours, open-hearth cooking, fundraising and musical entertainment. All events were free to the public.

A member of The Last Green Valley, the society offered a three-part "Walktober" event titled "Discover Newent". The walk included a hike on an abandoned colonial road, stopping at the remains of several home sites and stone structures, tour of the 1858 Newent Congregational Church, and a museum tour and open-hearth cooking demonstration at the John Bishop House. Twenty-two participants took advantage of the free event.

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

As participants in the The Last Green Valley's 2017 Spring Outdoors program, the Historical Society opened the Anshei Israel Synagogue, gave a presentation on the history of the synagogue and the congregation, and the town's acquisition of the property. The synagogue is a typical country New England house of worship listed on the Nation Register of Historic Places. Total visitor participation for the free of charge event was 43, including visitors from the Greater Hartford Jewish Historical Society. The society also distributed their booklet *A Refuge in the Country* and a DVD of historic places in Lisbon compiled from various media sources.

Approximately 40 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, Jennifer Croughwell.

Restoration and Renovation

Burnham Tavern - Burnham Tavern, an archeological and restoration site, is not yet open to the public. Activity included removing concrete facing over the original stone foundation; stabilizing the ell in the back and reattaching its roof to the main structure, a new sill was installed following the lifting of the ell by posts and jacks; and joining attic rafters in the main house. Further work on the northeast side of the building was initiated to prepare for a new sill, girts, planking, and corner posts. Modern heating and cooking stoves were removed in the main house to reveal original 18th century fireplaces.

For the second year, a local farmer is leasing the fields to plant hay and corn. An area 150 feet x 175 feet behind the old cattle barn site was cleared of brush, briars, saplings, and rocks. The Monarch butterfly stopover field was cleared of brush and downed trees.

The Historical Society applied for a State Historic Preservation grant to fund items identified in the Conditions and Assessment Report and applied to the Connecticut Trust for Historic Preservation for the 1772 Foundation grant.

John Bishop House Museum – Routine maintenance is ongoing and the exterior of the carriage shed was cleaned and sealed. Exterior painting of the house is scheduled for FY 2017-18.

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 – In addition to routine maintenance, the exterior of the building was scraped and repainted.

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, bake sales, member in-kind services, individual donations, and 1,927.5 volunteer hours.

The bottle and can redemption program generated over \$5,996. The Historical Society sorts, bags and transports over 119,920 containers of plastic, glass, and cans annually.

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. 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*, available at the Bishop House and the town hall.

The Society meets the second Friday of the month in the Lisbon town hall.

Respectfully submitted,

Kim Sperry
Secretary

January 1, 2018

Michael Zelasky

Chairman Board of Finance

1 Newent Rd.

Lisbon, CT 06351

Mr. Chairman Zelasky,

This is the Annual Report for the Fiscal Year 2016/2017 as the Lisbon Town Historian in support of the Lisbon Historical Society. A pictorial representation of the history of Lisbon was displayed at the Norwich History Day on the Norwichtown Green. Handouts were available for interested visitors attending the event as well as discussions about areas of Lisbon.

The major portion of the 2016/2017 fiscal year has been recording the structural revitalization of the Burnham Tavern/Inn. Photos recording before and after each structural change-removal of old decayed materials and replacement materials-will be archived. This includes the interior of each room and the hallways, basement, and attic structures. This will continue until the house/tavern is completed and the woodworks are uncovered of many layers of paint, the floors and ceilings are refinished as they would have appeared in the late 1700's to the early 1800's.

Scraps of various layers of wallpaper have been saved for dating to know which family living there in the past almost 250 years might have added to the décor of the room or house. Floor cloths have been removed and scraps of the designs saved to be able to date them. Floors, walls, and ceilings will be documented for any changes as well as any layers of paint and colors. Ceilings may be taken apart to see what the actual height of the original ceiling looked like. The floors will be documented for any changes in walls moved or added, or removed.

An ongoing documentation will be maintained for posterity to describe at best how the families living in the house at any given time in that 250 years would have lived and worked and the purpose of the home would have been and what their trades might have been with more research.

Sincerely,

Marcia Shafer

Town of Lisbon Historian

Lisbon, CT 06351

Lisbon Planning and Zoning Commission

Annual Report
July 1, 2016 – June 30, 2017

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 nine (9) public hearings. The Commission received and acted on six (6) zoning permit applications, three (3) special permit applications and two (2) text amendments. The Commission also adopted the revised *Town of Lisbon Official Zoning Map*.

The Commission received and responded to four (4) referrals from neighboring municipalities and one (1) from the town of Lisbon regarding recreational facilities.

Consistent with the town of Lisbon Plan of Conservation and Development (POCD), Town Planner, Michael J. Murphy, AICP, Consulting Planner-SCCOG initiated the Route 12 Commercial Corridor Zoning Project. The POCD serves to guide the future development of the town supported by the Zoning and Subdivision Regulations. The Town Planner also drafted a new user-friendly zoning permit application.

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. 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.

The Planning and Zoning Commission is a member of the Connecticut Federation of Planning and Zoning Agencies. The town's Regional Planning Commission representative is Commissioner and Vice Chair Ronald Giroux.

All Planning and Zoning meetings, regular and special meetings, public hearings, and workshops are open to the public. Residents are encouraged to attend.

Respectfully submitted,

Kim E. Sperry
Secretary

Date: January 31, 2018

To: Board of Finance

From: Carl R. Brown

Building / ZEO Office

RE: 2018 Year Report for 2017

Dear Sirs,

The Building Department of the Town of Lisbon issued 293 building permits. The total value of these permits was \$6,349,123. The Building Dept. fees for the building permits issued was \$62653.

The Zoning Enforcement Officer issued 42 Zoning Permits with fees of \$2420.00 collected.

The economy is holding steady for last three years and I feel it will continue to improve with new houses being built and additions being added. Most of the work done this year has been maintenance and small addition types with a few new construction.

The coming year looks to be stronger with the new homes and bigger repairs being done. Commercial has been slow and looks to continue the same.

Respectfully,

Carl R. Brown

Building Official /ZEO

Town of Lisbon

Registrars of Voters

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 969 voters.

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

Lisbon Senior Center with 1802 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, new and improved IVS equipment to help hearing impaired and visually impaired voters (along with anyone who would like to use it) to cast their ballots. The Spring Conference introduced a previews of a new election system and a more productive way of communicating with the Secretary of the State's office. This system keeps all elections in all towns following the same way to process information. 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

Tree Warden Report 2017

My main concern as Tree Warden for the Town of Lisbon is keeping our townspeople and their property safe from hazardous trees. Trees that posed a hazard to personal property that were on town property, were assessed and dealt with on a case-by-case basis. This past year, it continued to be a priority for Eversource to trim and remove trees that were a potential hazard to power lines.

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. I would also like to remind people that, for your own safety, you should always contact a professional to remove trees from your property.

Should you have any concerns about a tree, you may contact the First Selectman's office, or call me directly at 860-908-4669.

Terry Joseph
Tree Warden, Town of Lisbon

THE FOLLOWING IS A LIST OF NAMES WHICH WERE TRANSFERRED TO THE
SUSPENSE LIST ON MAY 17, 2017 PER SECTION 12-165 OF THE CONNECTICUT
GENERAL STATUTES. AS OF JANUARY 6, 2018, THESE ACCOUNTS REMAIN UNPAID:

2013 PERSONAL PROPERTY

BILL NUMBER	NAME	BALANCE DUE
2013-02-0040036	BRANCH DEBBIE	717.60
2013-02-0040058	COACTIV CAPITAL PARTNERS LLC	1,843.14
2013-02-0040104	FERGUSON ESLISABEL AND GREGO	21.26
2013-02-0040152	HUARD KAREN	96.53
2013-02-0040161	JOHNSON RICHARD	257.02
2013-02-0040191	MAJORIS LOUIS	176.30
2013-02-0040229	PEASLEE RICHARD	54.60
2013-02-0040255	RICHARD JEFF	255.44
2013-02-0040262	ROHAN JAMES	53.82
2013-02-0040326	WHITE CHERYL	17.94

2013 MOTOR VEHICLES

BILL NUMBER	NAME	BALANCE DUE
2013-03-0050095	AMENO JOSEPH MICHAEL CMN	39.00
2013-03-0050097	ANDERSON CONNIE L	60.45
2013-03-0050150	AUSTIN SANDRA S	35.10
2013-03-0050265	BARRETT ROBERT A	39.00
2013-03-0050266	BARRETT ROBERT A	35.30
2013-03-0050304	BAWZA ALEX J	183.69
2013-03-0050636	BROWN JOHN C	120.90
2013-03-0050637	BROWN JOHN C	49.92
2013-03-0050638	BROWN JOHN C	73.13
2013-03-0050749	CAREY PATRICK	48.56
2013-03-0050750	CAREY PATRICK J	4.88
2013-03-0050751	CAREY PATRICK J OR	171.21
2013-03-0050776	CARUSO ANTHONY J	142.94
2013-03-0050777	CARUSO ANTHONY J	37.83
2013-03-0050778	CARUSO ANTHONY J	31.79
2013-03-0050785	CASSIDY KENNETH J SR	9.75
2013-03-0050877	CHILDHOOD ENCHANTMENTS	9.36
2013-03-0050980	CORREIA CAROL A	70.01
2013-03-0051011	COVINO STEFANIE L	45.44
2013-03-0051130	DEMAY REGINA E	51.48
2013-03-0051193	DONAI S LISA (CELLUCCI)	80.15
2013-03-0051194	DONAI S LISA A	39.20
2013-03-0051204	DORAN JOSEPH T III	155.03
2013-03-0051205	DORAN JOSEPH T III	81.32
2013-03-0051406	FONTAINE SHERRYL A	35.49
2013-03-0051456	FRIEDRICH JOEL A	53.24
2013-03-0051470	FULLER MITCHELL G	154.25

2013-03-0051661	GRABOWSKI JENETTE M	147.42
2013-03-0051815	HARRISON KANE M OR	263.25
2013-03-0051855	HERITAGE TRAIL VINEYARDS	294.45
2013-03-0052133	JOHNSON CHRISTOPHER W	35.88
2013-03-0052168	JOLLY JENNIFER A	74.49
2013-03-0052523	LECOMPTE LOUISIA M	85.02
2013-03-0052525	LEE JOSEPH A	75.08
2013-03-0052533	LEE STOUT MEENA L	249.41
2013-03-0052909	MELILLO ANTHONY J	119.93
2013-03-0053096	NEWKIRK CAITLIN M	86.97
2013-03-0053401	PETERSON LISA M	84.63
2013-03-0053443	PLANTE CAROL J	79.56
2013-03-0053444	PLANTE KEITH R	48.56
2013-03-0053501	POUNCH JENNIFER AB	137.48
2013-03-0053502	POWELL GERALDINE A	29.64
2013-03-0053783	ROSS MARY J	67.06
2013-03-0053789	ROTHEMEYER DAYN E	47.78
2013-03-0053866	SAPORITA ANTHONY J	32.18
2013-03-0054119	SOLOMON BEVERLY L	30.81
2013-03-0054154	ST GEORGE DOREEN W	218.79
2013-03-0054195	STOMBERG MARK B	130.07
2013-03-0054513	VIANNA BRITTANY	118.37
2013-03-0054545	VIOLETTE ROBERT H	2.46
2013-03-0054572	WALDEN RICHARD L	110.18

2013 MOTOR VEHICLE SUPPLEMENTAL

BILL NUMBER	NAME	BALANCE DUE
2013-04-0080014	ANDERSON CONNIE L	29.93
2013-04-0080125	CARUSO ANTHONY J	45.53
2013-04-0080149	CILIANO TIA M	53.72
2013-04-0080178	DAVIDSON JOHNATHAN	54.60
2013-04-0080219	FONTAINE SHERRYL A	20.79
2013-04-0080290	HARRISON KANE M	40.40
2013-04-0080312	HUERTAS GABRIEL	23.26
2013-04-0080331	JANCO KENNETH R	20.24
2013-04-0080332	JANCO KENNETH R	23.44
2013-04-0080343	JOLLY JENNIFER A	54.41
2013-04-0080344	JOLLY JENNIFER A	43.84
2013-04-0080356	KATES ROBERT 3RD	45.81
2013-04-0080408	LEE JOSEPH A	97.21
2013-04-0080460	MELILLO ANTHONY J	224.64
2013-04-0080563	ROBILLARD RICKY A JR	92.98
2013-04-0080611	SENUTA ANDREW T	46.02
2013-04-0080723	ZAIMOFF TERI L	59.96

Town of Lisbon, Connecticut

Financial Statements and
Supplementary Information

Year Ended June 30, 2017

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, 2017, 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, 2017, 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 23, 2018 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 23, 2018

Town of Lisbon, Connecticut

Management's Discussion and Analysis
June 30, 2017

Our discussion and analysis of Town of Lisbon, Connecticut (the "Town") financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2017. Please read it in conjunction with the Town's financial statements, which begin with Exhibit 1.

FINANCIAL HIGHLIGHTS

- The Town enjoys an overall net position of \$15,396,100 which has increased \$783,671 from last year. This is the Town's equity on a full accrual basis and is a measure of the Town's long-term health.
- The Town's funds report a total fund balance of \$4,518,138 which has increased \$440,727 from last year. This is the Town's equity on a modified accrual basis and is a measure of the Town's ability to pay its bills.
- The Town's general fund reports an unassigned fund balance of \$2,148,600. This is 13.6% of the Town's annual revenues. This provides approximately 1.5 months of working capital to the Town.
- The State of Connecticut provided \$4,193,666 in cash funding to the Town plus \$1,226,833 pension funding to the teachers retirement. This is 34.4% of the Town's governmental fund revenue. The State may not be able to support this level of funding in the future.
- The Town has a contract with a major taxpayer, Wheelabrator, to pay \$1,000,000 in lieu of taxes annually as well as royalties of approximately \$150,000. This is approximately 10% of the general fund revenues. This contract is coming to an end in September 2020. The level of funding after that, through a tax assessment or another contract, is uncertain.

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 Town as a whole and present a longer-term view of the Town'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 Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the Town.

Reporting the Town as a Whole

Our analysis of the Town as a whole begins with Exhibit 1. One of the most important questions asked about the Town's finances is, "Is the Town as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. 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 Town's *net position* and changes in them. You can think of the Town's net position—the difference between assets and liabilities—as one way to measure the Town's financial health, or *financial position*. Over time, *increases or decreases* in the Town'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 Town's property tax base and the condition of the Town's roads, to assess the *overall health* of the Town.

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

- Governmental activities—The Town'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 Town charges a fee to customers to help it cover all or most of the cost of certain services it provides.

Reporting the Town's Most Significant Funds

Our analysis of the Town's major funds begins in the section titled "The Town's Funds." The fund financial statements begin with Exhibit 3 and provide detailed information about the most significant funds—not the Town 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 Town's two kinds of funds—*governmental* and *proprietary*—use different accounting approaches.

- *Governmental funds*—The Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at 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 Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. 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 Town charges customers for the services it provides—whether to outside customers or to other units of the Town—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 Town'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.

The Town as Trustee

The Town is the trustee, or *fiduciary*, for the activity funds at the school and surety bonds. These funds do not belong to the Town. The Town's fiduciary activities are reported in separate Statement of Fiduciary Net Position in Exhibits 8. We exclude these activities from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE GOVERNMENT AS A WHOLE

Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2):

Table 1
Net Position (Figures taken from Exhibit 1)

	Governmental Activities		Business-Type Activities		Total Government	
	2017	2016	2017	2016	2017	2016
ASSETS						
Cash and equivalents	\$ 4,946,957	\$ 4,496,959	\$ 172,046	\$ 166,089	\$ 5,119,003	\$ 4,663,048
Receivables	554,620	416,368	67,157	67,157	621,777	483,525
Inventories and prepaid expenses	8,437	59,623	-	-	8,437	59,623
Capital assets						
Nondepreciable	2,604,586	2,604,586	-	-	2,604,586	2,604,586
Depreciable	9,817,850	9,747,361	2,683,665	2,788,325	12,501,515	12,535,686
	17,932,450	17,324,897	2,922,868	3,021,571	20,855,318	20,346,468
DEFERRED OUTFLOWS OF RESOURCES						
Related to pensions and OPEB	221,786	69,172	-	-	221,786	69,172
	221,786	69,172	-	-	221,786	69,172
LIABILITIES						
Payables, accruals and other liabilities	657,742	605,701	62,899	52,128	720,641	657,829
Net pension liability	492,619	269,858	-	-	492,619	269,858
Other post-employment benefits	1,327,929	1,214,600	-	-	1,327,929	1,214,600
Non-current liabilities						
Due within one year	1,130,221	1,336,724	-	-	1,130,221	1,336,724
Due in more than one year	1,955,370	2,259,278	-	-	1,955,370	2,259,278
Total liabilities	5,563,881	5,686,161	62,899	52,128	5,626,780	5,738,289
DEFERRED INFLOWS OF RESOURCES						
Related to pensions and OPEB	54,224	64,922	-	-	54,224	64,922
NET POSITION						
Net investment in capital assets	10,010,141	9,402,550	2,683,665	2,788,325	12,693,806	12,190,875
Restricted	702,830	621,194	-	-	702,830	621,194
Unrestricted	1,823,160	1,619,242	176,304	181,118	1,999,464	1,800,360
	<u>\$ 12,536,131</u>	<u>\$ 11,642,986</u>	<u>\$ 2,859,969</u>	<u>\$ 2,969,443</u>	<u>\$ 15,396,100</u>	<u>\$ 14,612,429</u>

The Town increased its combined net position by \$893,145. Much of this, \$607,591 was used to increase the Town's net investment in capital assets by purchasing more assets and paying down debt that funded these assets. These are discussed later in management's discussion and analysis.

The Town is a member of the State's Municipal Employee's Retirement System, a cost sharing defined benefit pension plan. The net pension liability increased during the year by \$222,761. In addition, the deferred outflows of resources related to the pension increased by \$152,614. Most of the deferred outflow of resources were due to worse than projected earnings on the pension plan this year. This is recorded as a deferred outflow of resources and will add to pension expense over the next 4 years.

Other post-employment benefits ("OPEB") increased as expected. The Town does not pay actual benefits to employees after retirement, but is required by State Statute to keep retired teachers on the plan. As a result, the retired teachers pay a lower premium as they are subsidized by the Town's current employees. The OPEB liability is a calculation of the "implicit rate subsidy", the additional cost to the Town for having the retired teachers on their plan. This is expected to increase each year because the liability is being amortized onto the balance sheet over 30 years. Next year, however, the rules to calculate this change and the Town expects the figure to be much higher as a result.

Town of Lisbon, Connecticut
Management's Discussion and Analysis
June 30, 2017

Table 2
Change in Net Position (Figures taken from Exhibit 2)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues:						
Charges for services	\$ 426,337	\$ 465,431	\$ 116,560	\$ 124,763	\$ 542,897	\$ 590,194
Operating grants and contributions	5,878,161	5,601,929	-	-	5,878,161	5,601,929
Capital grants and contributions	76,002	89,620	-	-	76,002	89,620
General revenues:						
Property taxes	9,067,414	8,362,787	-	-	9,067,414	8,362,787
Grants and contributions	218,080	202,307	-	-	218,080	202,307
Interest and investment earnings	25,053	11,153	-	-	25,053	11,153
Other general revenues	99,385	-	-	-	99,385	-
Total revenues	15,790,432	14,733,227	116,560	124,763	15,906,992	14,857,990
Program expenses						
General government	1,586,039	1,649,687	-	-	1,586,039	1,649,687
Fire protection	186,645	159,340	-	-	186,645	159,340
Police protection	233,648	213,311	-	-	233,648	213,311
Highways and streets	493,595	595,865	-	-	493,595	595,865
Seniors and senior center	127,859	126,990	-	-	127,859	126,990
Recreation	96,269	107,871	-	-	96,269	107,871
Education	12,127,714	11,570,595	-	-	12,127,714	11,570,595
Interest on long-term debt	45,518	66,192	-	-	45,518	66,192
Water Pollution Control Authority	-	-	226,034	208,079	226,034	208,079
Total expenses	14,897,287	14,489,851	226,034	208,079	15,123,321	14,697,930
Increase (decrease) in net position	893,145	243,376	(109,474)	(83,316)	783,671	160,060
Beginning net position	11,642,986	11,399,610	2,969,443	3,052,759	14,612,429	14,452,369
Ending net position	\$ 12,536,131	\$ 11,642,986	\$ 2,859,969	\$ 2,969,443	\$ 15,396,100	\$ 14,612,429

Governmental Activities

- Operating grants and contributions increased by a net of \$276,232. The increase is due to the increase in teachers' retirement expense paid by the State and shown as an operating grant and an offsetting expenditure/expense in the Town's financial statements. This year the State paid \$1,226,833 on behalf of the Town's teachers compared to \$682,485 last year. The \$544,348 increase was primarily due to a decrease in the expected earnings on the pension plan from 8.5% down to 8.0%.

This increase in operating grants and contributions was offset by a general decrease in grants and contributions for education. The Town's education cost sharing grant from the State was reduced \$372,333 (9.56%) from \$3,896,404 in 2016 to \$3,524,071 in 2017. In addition, the school transportation grant was discontinued, costing the Town \$47,053 in grant revenues.

- Property tax revenues increased by \$704,627 (8.43%). With State revenues decreasing, the Town had to increase the property tax rate 1 mill from 19.5 mills to 20.5 mills. This is the only significant source of funding the Town can increase to offset decreasing funding from the State. And, with the State's financial condition being so weak and a potential loss of significant revenues from the trash to energy plant, property tax rates are expected to continue to increase.
- The Town collected a settlement in a law suit that is included in other revenues. This was a one-time revenue source.

- Expenses on the other hand only increased by \$425,391 (2.89%). The primary increase was the teachers' pension expense, discussed above, which increased \$544,348. This means that the Town-controlled expenses decreased by a net of \$118,957 as the Town tried to be very conservative on spending.

Business-Type Activities

The business activities consist of the Water Pollution Control Authority. The Authority's cost and expenses are a direct result of the amount of waste water flowing from the Town 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 activity of the Authority have been relatively consistent as the system has not been expanding to significant new users in recent years. The Authority loses money each year, but it is primarily due to the depreciation expense, a non-cash expense. This year depreciation totaled \$104,660.

THE GOVERNMENT'S FUNDS

The Town's funds (Exhibit 3 and 4) reported a total fund balance of \$4,518,138. This is a \$440,727 increase from last year. The most significant changes are:

- The General Fund's fund balance increased \$195,665 due to more revenues and less expenditures than budgeted. This is discussed further in the next section.
- The Capital Nonrecurring Fund's Fund Balance increased by \$213,494 from last year. It grew from \$1,440,285 to \$1,653,779. Much of this was due to the transfer in of \$415,156 from the General Fund and Town Aid Road Fund for repairs to the Bundy Hill Road Bridge. Most of these costs will be reimbursed by State and Federal grants.
- The Town Aid Road Fund's Fund Balance decreased by \$114,576. The transfer of \$216,222 to the capital nonrecurring fund, discussed above, was offset by lower than normal storm costs in the 2016-17 winter season.
- Finally, the Other Governmental Funds' Fund Balance increased by \$146,144 primarily due to additional funding for the small cities block grant that was not spent during the year.

General Fund Budgetary Highlights

Over the course of the year, the Lisbon Board of Finance can revise the Town 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 move appropriations from one department to another department. 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 3
General Fund - Budget Summary

	Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 7,669,055	\$ 8,010,515	\$ 341,460
Intergovernmental	3,716,227	3,705,131	(11,096)
Local revenues	1,330,648	1,426,605	95,957
Total Revenues	12,715,930	13,142,251	426,321
Expenditures			
Selectmen's	2,675,440	2,464,426	211,014
Education	9,483,998	9,476,549	7,449
Capital Outlay	40,000	25,446	14,554
Debt Service	576,947	569,853	7,094
Transfers	388,934	388,934	-
Total Expenditures	13,165,319	12,925,208	240,111
Increase (Decrease) in Fund Balance	\$ (449,389)	\$ 217,043	\$ 666,432

The original approved budget projected a deficit of \$244,846. Additional appropriations of \$206,034 increased this budgeted deficit to \$449,389. The largest additional appropriation was for \$198,934 to transfer to the capital nonrecurring fund to finance the Bundy Hill Road Bridge project until it is reimburse by a grant.

Actual revenues exceeded budget amounts by \$426,321. Most of this, \$341,460, is due to better than expected property tax collections for the current and back years. In addition, a \$100,000 settlement of a lawsuit was received, but not budgeted. All other revenue lines reported just minor variances with the budget.

Expenditures were \$240,111 under the final budget with a number of appropriations significantly under budget, but primarily the selectmen's expenditures which were \$211,014 under budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of this year, the Town had \$12,422,436 invested in net government activity capital assets. This amount represents a net increase (including additions and deductions) of \$70,491 from last year.

During the year, the Town added \$639,125 in capital assets including:

- Infrastructure improvements of \$215,480 to chip seal 3.5 miles road and install two crosswalks,
- The purchase of a 1999 used tower ladder truck for \$161,575, and
- The purchase of a 2017 Ford F550 dump truck for \$108,425.

More details on capital assets can be found in note 6 to the financial statements.

Debt

At year end, the Town had \$2,295,000 in bonds outstanding. This is a decrease of \$510,000 from last year. Of the debt, \$1,530,000 is permanently financed general obligation bonds. These are being paid over 10 years with a final payment due July 15, 2022. In addition, the Town owes a one-year bond anticipation note in the amount of \$765,000. The Town has been paying off \$45,000 of this each year and refinancing the remainder. This can be done for a maximum of 10 years.

The Town's general obligation bond rating continues to carry an Aa3 rating, however in October 2018 Moody's changed the Town's rating to a negative outlook for the future. This was done to Lisbon and 24 other Connecticut municipalities because of the Town's heavy reliance on State funding.

More detailed information about the Town's long-term liabilities is presented in note 7 to the financial statements.

The Town also participates in 2 pension plans and one OPEB plan:

- The Teachers' Retirement System cost sharing defined benefit pension plan for all certified educational personnel. Currently the costs are shared 0% by the Town and 100% by the State. This is the same allocation used for the \$11,249,813 of net pension liability for the Lisbon teachers with the Town reporting 0% in its financial statements and the State reporting 100%. This is discussed further in note 10 to the financial statements.
- The Municipal Employees' Retirement System cost sharing defined benefit pension plan for other education and Town employees. The Town pays a percentage of the employees' wages into the pension plan. At June 30, 2017, the plan showed a net pension liability of \$492,619 which is reflected on the Town's statement of net position (Exhibit 1). In addition, the Town owes \$378,702 on a pension buy in note with the State for the unfunded accrued liability as of April 1, 2008 when the Town joined the plan. This is discussed further in note 11 to the financial statements.
- As discussed earlier, the Town also reports a liability for other post-employment benefits. This is discussed further in note 12 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town's elected and appointed officials considered many factors when setting the fiscal-year 2018 budget and tax rates.

The most significant factor was the state of the State of Connecticut. The State could not pass a budget in a timely manner for the Town to be confident of funding from the State. Ultimately, the State did not pass a budget until 4 months into the 2018 fiscal year. The amount and allocation of State funding will continue to be an issue well into the future.

In addition, the Town receives approximately \$1,150,000 of funding in lieu of taxes and royalties per year from Wheelabrator, a trash to energy plant in the Town. This equates to approximately 10% of the Town's General Fund revenue. This agreement is due to expire in September 2020. The future tax revenues from the plant are uncertain.

Each of these factors will have a significant continuing effect on the Town's financial condition and the Boards of Selectmen and Finance are preparing a plan of action for the worst case scenarios.

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 Town's finances and to show the Town'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, 2017

Statement of Net Position
June 30, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and equivalents	\$ 4,946,957	\$ 172,046	\$ 5,119,003
Receivables			
Taxes, net	256,359	-	256,359
Special assessments	74,429	-	74,429
Accounts, net	9,126	-	9,126
Usage, net	-	67,157	67,157
Loans	97,217	-	97,217
Intergovernmental	70,108	-	70,108
Interest on taxes receivable	47,381	-	47,381
Inventories	8,437	-	8,437
Capital assets			
Nondepreciable	2,604,586	-	2,604,586
Depreciable, net of accumulated depreciation	9,817,850	2,683,665	12,501,515
Total Assets	<u>17,932,450</u>	<u>2,922,868</u>	<u>20,855,318</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension contributions subsequent to measurement date	67,990	-	67,990
Pension difference in investment income, net	143,179	-	143,179
Pension difference in experience	10,617	-	10,617
	<u>221,786</u>	<u>-</u>	<u>221,786</u>
LIABILITIES			
Accounts payable	210,538	62,899	273,437
Accrued payroll and related	4,142	-	4,142
Unearned revenues - performance	424,328	-	424,328
Accrued interest payable	18,734	-	18,734
Net pension liability	492,619	-	492,619
Net OPEB liability	1,327,929	-	1,327,929
Non-current liabilities			
Due within one year	1,130,221	-	1,130,221
Due in more than one year	1,955,370	-	1,955,370
Total Liabilities	<u>5,563,881</u>	<u>62,899</u>	<u>5,626,780</u>
DEFERRED INFLOWS OF RESOURCES			
Change in the proportional share of the pension plan	<u>54,224</u>	<u>-</u>	<u>54,224</u>
NET POSITION			
Net investment in capital assets	10,010,141	2,683,665	12,693,806
Restricted			
Expendable	701,730	-	701,730
Nonexpendable	1,100	-	1,100
Unrestricted	1,823,160	176,304	1,999,464
Total Net Position	<u>\$ 12,536,131</u>	<u>\$ 2,859,969</u>	<u>\$ 15,396,100</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, 2017

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	\$ 1,586,039	\$ 124,587	\$ 148,031	\$ -	\$ (1,313,421)		\$ (1,313,421)
Fire protection	186,645	-	-	-	(186,645)		(186,645)
Police protection	233,648	-	28,545	-	(205,103)		(205,103)
Highways and streets	493,595	-	182,233	71,388	(239,974)		(239,974)
Seniors and senior center	127,859	21,414	244	-	(106,201)		(106,201)
Recreation	96,269	33,555	-	-	(62,714)		(62,714)
Education	12,127,714	246,781	5,519,108	4,614	(6,357,211)		(6,357,211)
Interest on long-term debt	45,518	-	-	-	(45,518)		(45,518)
Total Governmental Activities	14,897,287	426,337	5,878,161	76,002	(8,516,787)		(8,516,787)
Business-type Activities							
Water Pollution Control Authority	226,034	116,560	-	-		(109,474)	(109,474)
Total Government	\$ 15,123,321	\$ 542,897	\$ 5,878,161	\$ 76,002		(109,474)	(8,626,261)
General Revenues							
Property taxes, payments in lieu of taxes, interest and liens					9,067,414	-	9,067,414
Grants and contributions not restricted to specific programs					218,080	-	218,080
Unrestricted interest and investment earnings					25,053	-	25,053
Other general revenues					99,385	-	99,385
Total General Revenues					9,409,932	-	9,409,932
Change in Net Position					893,145	(109,474)	783,671
Net Position - Beginning of Year, as restated					11,642,986	2,969,443	14,612,429
Net Position - End of Year					\$ 12,536,131	\$ 2,859,969	\$ 15,396,100

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

Balance Sheet
Governmental Funds
June 30, 2017

	General	Capital Nonrecurring Fund	Town Aid Roads	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and equivalents	\$2,493,423	\$1,710,433	\$664,767	\$78,334	\$4,946,957
Taxes receivable, net of allowance for uncollectible amounts	256,359	-	-	-	256,359
Other receivables					
Special assessments	74,429	-	-	-	74,429
Accounts	-	-	-	9,126	9,126
Loans	-	-	-	97,217	97,217
Intergovernmental	29,630	-	-	40,478	70,108
Interest on taxes receivable	47,381	-	-	-	47,381
Due from other funds	25,611	358,746	-	-	384,357
Inventories	-	-	-	8,437	8,437
Total Assets	<u>\$2,926,833</u>	<u>\$2,069,179</u>	<u>\$664,767</u>	<u>\$233,592</u>	<u>\$5,894,371</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$209,983	\$-	\$-	\$555	\$210,538
Accrued payroll and related	3,866	-	-	276	4,142
Unearned revenues - performance	-	415,400	-	8,928	424,328
Due to other funds	148,934	-	216,222	19,201	384,357
Total Liabilities	<u>362,783</u>	<u>415,400</u>	<u>216,222</u>	<u>28,960</u>	<u>1,023,365</u>
Deferred inflows of resources					
Revenues not available	352,868	-	-	-	352,868
Fund Balances					
Nonspendable	-	-	-	7,485	7,485
Restricted	36,199	61,400	448,545	155,586	701,730
Committed	-	594,606	-	-	594,606
Assigned	26,383	997,773	-	41,561	1,065,717
Unassigned	2,148,600	-	-	-	2,148,600
Total Fund Balances	<u>2,211,182</u>	<u>1,653,779</u>	<u>448,545</u>	<u>204,632</u>	<u>4,518,138</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$2,926,833</u>	<u>\$2,069,179</u>	<u>\$664,767</u>	<u>\$233,592</u>	<u>\$5,894,371</u>

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

Reconciliation of Governmental Fund Balances to Net Position
June 30, 2017

Fund Balances - Total Governmental Funds (Exhibit 3)	<u>\$ 4,518,138</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>12,422,436</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	<u>352,868</u>
Deferred outflows - contributions after the measurement date	<u>221,786</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	(2,295,000)
Compensated absences	(294,594)
Other post employment benefits	(1,327,929)
Pension	(871,321)
Bond and lease premiums	(117,295)
Accrued interest	<u>(18,734)</u>
	<u>(4,924,873)</u>
Net Position of Governmental Activities (Exhibit 1)	<u>\$ 12,536,131</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, 2017

	General Fund	Capital Nonrecurring Fund	Town Aid Roads Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes, interest and lien fees	\$8,010,515	\$ -	\$ -	\$ -	\$ 8,010,515
Intergovernmental revenues	5,225,045	24,214	182,233	610,599	6,042,091
Local revenues	1,426,605	16,434	-	261,376	1,704,415
Total Revenues	<u>14,662,165</u>	<u>40,648</u>	<u>182,233</u>	<u>871,975</u>	<u>15,757,021</u>
EXPENDITURES					
Current					
General government	1,451,474	-	-	22,575	1,474,049
Fire protection	153,203	-	-	-	153,203
Police protection	205,103	-	-	28,545	233,648
Highway and streets	512,619	-	80,587	-	593,206
Seniors and senior center	105,954	-	-	20,132	126,086
Recreation	67,103	-	-	-	67,103
Education	11,012,257	-	-	654,579	11,666,836
Debt service					
Principal	1,275,000	-	-	-	1,275,000
Interest	59,853	-	-	-	59,853
Capital outlay	-	432,310	-	-	432,310
Total Expenditures	<u>14,842,566</u>	<u>432,310</u>	<u>80,587</u>	<u>725,831</u>	<u>16,081,294</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(180,401)</u>	<u>(391,662)</u>	<u>101,646</u>	<u>146,144</u>	<u>(324,273)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	605,156	-	-	605,156
Transfers out	(388,934)	-	(216,222)	-	(605,156)
Issuance of long-term debt	765,000	-	-	-	765,000
Total Other Financing Sources	<u>376,066</u>	<u>605,156</u>	<u>(216,222)</u>	<u>-</u>	<u>765,000</u>
Net Change in Fund Balances	195,665	213,494	(114,576)	146,144	440,727
Fund Balances - Beginning of Year	<u>2,015,517</u>	<u>1,440,285</u>	<u>563,121</u>	<u>58,488</u>	<u>4,077,411</u>
Fund Balances - End of Year	<u>\$2,211,182</u>	<u>\$ 1,653,779</u>	<u>\$448,545</u>	<u>\$ 204,632</u>	<u>\$ 4,518,138</u>

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

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2017

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

Net Change in Fund Balances - Total Governmental Funds (Exhibit 4) \$ 440,727

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	639,125
Depreciation expense	<u>(556,777)</u>
	<u>70,491</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	<u>29,961</u>
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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	(765,000)
Principal payments on long-term debt	1,275,000
Amortization of loss on refunding bonds and issuance premium	<u>27,102</u>
	<u>537,102</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	14,335
Compensated absences	(33,777)
Change in pension and other post employment benefits asset/liability	<u>(165,694)</u>
	<u>(185,136)</u>

Change in Net Position of Governmental Activities (Exhibit 2) \$ 893,145

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

Statement of Net Position
 Proprietary Fund
 June 30, 2017

	Water Pollution Control Authority Fund
ASSETS	
Current Assets	
Cash and equivalents	\$ 172,046
Receivables	
Usage	67,157
Total Current Assets	<u>239,203</u>
Noncurrent Assets	
Buildings and improvements	4,186,405
Less accumulated depreciation	<u>(1,502,740)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>2,683,665</u>
Total Assets	<u>2,922,868</u>
LIABILITIES	
Current Liabilities	
Accounts payable	62,899
NET POSITION	
Net investment in capital assets	2,683,665
Unrestricted	<u>176,304</u>
Total Net Position	<u>\$ 2,859,969</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, 2017

	Water Pollution Control Authority Fund
Operating Revenues	
Charges for services	\$ 116,560
Operating Expenses	
Contractual services	119,428
Other supplies and expenses	1,946
Depreciation	104,660
Total Operating Expenses	226,034
Loss from Operations	(109,474)
Net Position - Beginning of Year	2,969,443
Net Position - End of Year	\$ 2,859,969

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

Statement of Cash Flows
 Proprietary Fund
 Year Ended June 30, 2017

	Water Pollution Control Authority Fund
Cash Flows From Operating Activities	
Cash received from customers and users	\$ 116,560
Cash payments to suppliers and contractors	<u>(110,603)</u>
Net Cash from Operating Activities	5,957
Cash and Equivalents - Beginning of Year	<u>166,089</u>
Cash and Equivalents - End of Year	<u>\$ 172,046</u>
Reconciliation of Loss from Operations to Net Cash from Operating Activities	
Loss from operations	\$ (109,474)
Adjustments to reconcile loss from operations to net cash from operating activities	
Depreciation	104,660
Changes in operating assets and liabilities	
Accounts payable	<u>10,771</u>
Net Cash from Operating Activities	<u>\$ 5,957</u>

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

Statement of Net Position
Fiduciary Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash	<u>\$ 139,842</u>
LIABILITIES	
Due to others	<u>\$ 139,842</u>

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

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.

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, and benefit costs. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

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.

The fund financial statements show the Town's resources in three broad fund categories:

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:

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.

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.

The **town aid road fund** 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.

1. Summary of Significant Accounting Policies (Continued)

- 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 enterprise fund is the **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.

1. Summary of Significant Accounting Policies (Continued)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position and additions to/deductions from fiduciary net position of the Connecticut Municipal Employees' Retirement System (CMERS) and the Connecticut State Teachers' Retirement System (TRS) have been determined on the same basis as they are reported by CMERS and TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/ 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 STIF and the Tax Exempt Proceeds Fund.

1. Summary of Significant Accounting Policies (Continued)

The Town follows U.S. GAAP guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quote prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

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 for uncollectible taxes of \$23,441 has been recorded net with taxes receivable as of June 30, 2017.

1. Summary of Significant Accounting Policies (Continued)

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.

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, 2017, 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.

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. Non-material purchases of other inventoriable items are recorded as expenditures/expenses at the time of purchase and year-end balances.

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 acquisition 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.

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2017

1. Summary of Significant Accounting Policies (Continued)

Land is considered inexhaustible and, therefore, not depreciated. Construction in progress has not been put into service yet and, therefore, is not being 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
Land improvements	20-40	\$5,000
Buildings and improvements	20-40	\$5,000
Furniture and equipment	5-20	\$5,000
Vehicles	8	\$5,000
Infrastructure	20-50	\$25,000
Intangible assets	Varies, if any	\$25,000

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 net 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 net 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.

Deferred outflows of resources also include deferred outflows relating to advance refunding of debt. These amounts are deferred and are amortized over the life of the debt.

Finally, deferred inflows of resources 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.

1. Summary of Significant Accounting Policies (Continued)

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 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 three categories - net investment in capital assets, restricted net position and unrestricted net position.

In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted net position to have been completely depleted before unrestricted net position is applied.

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.

1. Summary of Significant Accounting Policies (Continued)

- Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the board of finance or town council 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 funds except the General Fund include all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted or committed.
- 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 outflows and inflows of resources 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 23, 2018.

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:

- **Teachers' Retirement** - The Town does not recognize as income or expenditures payments made for the teachers' retirement by the State of Connecticut under a special funding situation in its budget. GASB requires that the employer government recognize payments for salaries and fringe benefits paid under a special funding situation for its employees.
- **Encumbrances** - Unless committed through a formal encumbrance (e.g., purchase orders and 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. CGS 10-76g states that the excess cost – student based grant should reduce the education expenditures instead of being reported as revenue. The Town does this based on an agreement between the Town and the Board of Education.

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 that will be sufficient to cover, together with other income or revenue surplus 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, that 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.

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2017

2. Stewardship, Compliance and Accountability (Continued)

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.

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

Police protection exceeded the budget by \$3,009. During the year the Town received a grant for police protection. The costs were reallocated in closing the books. This caused the General Fund expenditure to exceed the budget.

3. Cash, Cash Equivalents and Investments

Cash and investments of the Town consist of the following at:

Statement of Net Position - Governmental Funds	
Cash and equivalents	\$ 4,946,957
Statement of Net Position - Proprietary Fund	
Cash and equivalents	172,046
Fiduciary Funds	
Cash and equivalents	139,842
Total Cash and Investments	<u>\$ 5,258,845</u>

Cash and Cash Equivalents - As of June 30, 2017 the carrying amount of the Town's deposits with financial institutions was:

Cash and Cash Equivalents	
Deposits with financial institutions	\$ 493,788
Plus external investment pools	4,765,057
	<u>\$ 5,258,845</u>

The bank balance of the deposits with financial institutions was \$858,362 and was exposed to custodial credit risk as follows:

Covered by federal depository insurance	\$ 311,178
Uninsured and uncollateralized	547,184
	<u>\$ 858,362</u>

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2017

4. Receivables, Deferred Inflows and Unearned Revenue

Revenue Not Available - Governmental funds report deferred inflows of revenue on the modified accrual basis (Exhibit 3) in connection with certain receivables that are not available within 60 days to liquidate liabilities of the current period. The following amounts of receivables were reported as *deferred inflows of resources*, instead of revenue, because they were not received within 60 days of the year end:

	General Fund
Property taxes	\$ 214,580
Accrued interest	34,229
Special assessments	74,429
Intergovernmental revenue	29,630
	<u>\$ 352,868</u>

Unearned Revenue – Both government-wide activities and governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. The following were reported as unearned revenue:

	Capital Nonrecurring Fund	Other Governmental Funds
Advances on grants	415,400	\$ 7,106
Fees collected in advance	-	1,822
	<u>\$ 415,400</u>	<u>\$ 8,928</u>

5. 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. These were summarized as follows:

Receivable fund	Payable Fund	Amount
General Fund	Capital Nonrecurring Fund	\$ 6,410
General Fund	Other Governmental Funds	19,201
Capital Nonrecurring Fund	General Fund	142,524
Capital Nonrecurring Fund	Town Aid Road Fund	216,222
		<u>\$ 384,357</u>

Fund transfers are generally used to fund special projects with General Fund revenues. During the year, the General Fund transferred \$190,000 to the Capital Nonrecurring Fund.

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2017

6. 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	\$ 2,604,586	\$ -	\$ -	\$ 2,604,586
	<u>\$ 2,604,586</u>	<u>-</u>	<u>-</u>	<u>2,604,586</u>
Capital assets being depreciated				
Buildings and systems	14,484,184	153,645	-	14,637,829
Machinery and equipment	3,328,307	270,000	(57,718)	3,540,589
Infrastructure	1,913,840	215,480	-	2,129,320
Less accumulated depreciation	(9,978,972)	(556,777)	45,861	(10,489,888)
	<u>9,747,359</u>	<u>82,348</u>	<u>(11,857)</u>	<u>9,817,850</u>
	<u>\$ 12,351,945</u>	<u>\$ 82,348</u>	<u>\$ (11,857)</u>	<u>\$ 12,422,436</u>

Depreciation and amortization expense were charged to functions/programs of the governmental activities as follows:

General government	31,846
Fire protection	33,642
Highways and streets	121,984
Recreation	29,166
Seniors and senior center	1,773
Education	338,366
	<u>\$ 556,777</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	(1,398,080)	(104,660)	(1,502,740)
	<u>\$ 2,788,325</u>	<u>\$ (104,660)</u>	<u>\$ 2,683,665</u>

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

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2017

7. Long-Term Liabilities

The following table summarizes changes in the Town's long-term indebtedness for the fiscal year ended June 30, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	\$ 1,995,000	\$ -	\$ (465,000)	\$ 1,530,000	\$ 335,000
Bond anticipation notes	810,000	765,000	(810,000)	765,000	765,000
Premium	151,979	-	(34,684)	117,295	-
Compensated absences	260,817	56,320	(22,543)	294,594	22,578
Pension buy in	385,788	-	(7,086)	378,702	7,643
	<u>\$ 3,603,584</u>	<u>\$ 821,320</u>	<u>\$ (1,339,313)</u>	<u>\$ 3,085,591</u>	<u>\$ 1,130,221</u>

Each governmental fund liability is liquidated by the respective fund to which it relates, 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, 2017 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%	\$ 1,530,000
Land Purchase	2017	765,000	8/13/2017	1.50%	765,000
					<u>\$ 2,295,000</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
2018	1,100,000	40,875	2021	\$ 220,000	\$ 16,050
2019	330,000	30,900	2022	215,000	9,525
2020	220,000	22,650	2023	210,000	3,150
				<u>\$ 2,295,000</u>	<u>\$ 123,150</u>

Interest paid and expensed on general obligation bonds for the fiscal year ended June 30, 2017 totaled \$61,710.

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2017

7. Long-Term Liabilities (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 (CMERS) 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
2018	7,643	29,733	2028	\$ 16,275	\$ 21,102
2019	8,243	29,133	2029	17,552	19,824
2020	8,890	28,486	2030	18,931	18,446
2021	9,588	27,788	2031	20,417	16,959
2022	10,341	27,035	2032	22,020	15,356
2023	11,153	26,223	2033	23,749	13,627
2024	12,028	25,348	2034	25,613	11,763
2025	12,973	24,403	2035	27,624	9,752
2026	13,991	23,385	2036	29,793	7,583
2027	15,090	22,286	2037	32,132	5,244
			2038	34,656	2,721
				<u>\$ 378,702</u>	<u>\$ 406,197</u>

Interest incurred and expensed on the CMERS buy-in for the year ended June 30, 2017 totaled \$30,290. 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 year-end, \$1,590,000 of bonds outstanding are considered defeased.

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2017

7. Long-Term Liabilities (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					\$ 8,010,515
Reimbursement for revenue loss on tax relief for the elderly (C.G.S. 12-129d)					24,635
Debt limitation base					<u>\$ 8,035,150</u>
	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation					
2 1/4 times base	\$ 18,079,088	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	36,158,175	-	-	-
3 3/4 times base	-	-	30,131,813	-	-
3 1/4 times base	-	-	-	26,114,238	-
3 times base	-	-	-	-	24,105,450
Total debt limitation	<u>18,079,088</u>	<u>36,158,175</u>	<u>30,131,813</u>	<u>26,114,238</u>	<u>24,105,450</u>
Indebtedness					
Bonds payable	<u>765,000</u>	<u>520,200</u>	<u>1,009,800</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of debt outstanding and authorized	<u>\$ 17,314,088</u>	<u>\$ 35,637,975</u>	<u>\$ 29,122,013</u>	<u>\$ 26,114,238</u>	<u>\$ 24,105,450</u>
In no case shall total indebtedness exceed seven times the annual receipts from taxation					<u>\$ 56,246,050</u>

8. 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 summarized below:

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2017

8. Net Position (Continued)

General Government	\$ 105,498
Education	50,088
Public Works	448,545
Capital Projects	83,922
Other Purposes	13,677
	<u>\$ 701,730</u>

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

9. 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 Road Fund	Other Governmental Funds
Nonspendable				
Not in spendable form				
Inventories	\$ -	\$ -	\$ -	\$ 6,385
Required to be maintained				
Trust principal	-	-	-	1,100
Total nonspendable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,485</u>
Restricted				
General Government	-	-	-	105,498
Education	-	-	-	50,088
Public Works	-	-	448,545	-
Capital Projects	22,522	61,400	-	-
Other Purposes	13,677	-	-	-
Total Restricted	<u>\$ 36,199</u>	<u>\$ 61,400</u>	<u>\$ 448,545</u>	<u>\$ 155,586</u>
Committed				
Capital Projects	-	594,606	-	-
Total Committed	<u>\$ -</u>	<u>\$ 594,606</u>	<u>\$ -</u>	<u>\$ -</u>
Assigned				
General Government	-	-	-	8,335
Education	26,383	-	-	33,226
Capital Projects	-	997,773	-	-
Total Assigned	<u>\$ 26,383</u>	<u>\$ 997,773</u>	<u>\$ -</u>	<u>\$ 41,561</u>

10. 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. TRS has been established to provide retirement and other benefits for teachers, their survivors and beneficiaries. TRS is administered by the Teachers' Retirement Board. The plan does not issue a separate financial statement.

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 State Statute. 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 the 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 – In accordance with the Connecticut General Statutes, Section 10-183z, contribution requirements of active employees and the State of Connecticut is amended and certified by the Teachers' Retirement Board and appropriated by the General Assembly. The statutes require the State of Connecticut to contribute 100% of each school districts' requires contribution. Contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, 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.

Members are required to contribute six percent of their annual salary for pension benefit.

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2017

10. Teachers Retirement System (Continued)

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. 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, 2016 (the valuation date and measurement date) for use in the June 30, 2017 financial statements (reporting date):

Experience study dates	July 1, 2010 - June 30, 2015
Inflation	2.75%
Salary increases	3.25-6.50%, 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 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 1.75% to 6.00%
Post-retirement mortality	RPH-2014 White Collar Table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using BB improvement scale.

Changes in Assumptions – (1.) Reduce the inflation assumption from 3.00% to 2.75%; (2.) Reduce the real rate of return assumption from 5.50% to 5.25% which, when combined with the inflation assumption rate of return assumption from 8.50% to 8.00%; (3.) Reduce the annual rate of wage increase assumption from 0.75% to 0.50%; (4.) Slightly modify the merit portion of the salary scale; (5.) Reduce the payroll growth assumption from 3.75% to 3.25%; (6.) Update mortality tables to projected versions of the RPH-2014 mortality tables; (7.) Increase normal retirement rates for females at most ages and proratable retirement rates for males at most ages. Decrease early retirement rates for both males and females. (8.) Increase rate of withdrawal; and (9.) Decrease rates of disability for males.

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:

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2017

10. Teachers Retirement System (Continued)

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's Proportionate Share of the Collective Net Pension Liability – Connecticut school teachers participate in TRS pursuant to Section 10-183b et seq. of the Connecticut General Statutes (the "Teachers' Retirement Act"). The Teachers' Retirement Act governs the pension benefits and eligibility of the active and retire teachers of Lisbon public schools. The teachers' retirement act requires the Connecticut General Assembly, not any town, city or local school district, to appropriate the funds necessary to pay the pension benefits due to retirees under the system, including retired teachers of the Lisbon public schools.

Section 10-183c of the Connecticut General Statutes provides that the retirement benefits of teachers who have vested under TRS are contractual in nature and may not be diminished by act of the General Assembly. Accordingly, funding the pension benefits of retired teachers of the Lisbon public schools is a statutory and contractual obligation of the State government, not an obligation of the Town of Lisbon. See further discussion in Note 10.

Town's Proportionate Share of the Collective Net Pension Liability

Employer Net Pension Liability	\$ -
Nonemployer Contributing Entity (State) Net Pension Liability	11,249,813
Net Pension Liability	<u>\$ 11,249,813</u>
Net Pension Liability percentage of the total	0.078973%
Deferred inflows of resources	
Net difference projected and actual earnings on investments	\$ 11,249,744
Pension expense	\$ 1,226,833
Proportion Basis	Employee contributions
Change in proportion since prior measurement date	None for 2016

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2017

10. Teacher Retirement System (Continued)

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

2017	\$	402,300
2018		402,302
2019		571,436
2020		429,008
2021		213,075
2022		172,590
	\$	<u>2,190,711</u>

Sensitivity Analysis – The following presents the net pension liability (asset) of the Town'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)	<u>\$ 13,879,030</u>	<u>\$ 11,249,813</u>	<u>\$ 9,027,096</u>

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

Support Provided by Nonemployer Contributing Entities – The Town has a special funding situation whereby the State is obligated to pay the pension costs of TRS and the Town is not required to pay any of the costs. However, the Town must record the costs paid by the State on behalf of the Town's employees as revenue and expense in its GAAP financial statements which amounted to \$1,226,833 as revenue and expense.

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. More information may be obtained through the Teachers' Retirement Board at www.ct.gov/trb.

11. Connecticut Municipal Employees' Retirement System

Plan Description – The Town participates in the Municipal Employees' Retirement System ("CMERS"). 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 Title 7, Chapter 113 of the Connecticut General Statutes. The plan does not issue a separate financial statement.

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 State Statute. CMERS 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.

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 CMERS not met by member contributions.

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2017

11. Connecticut Municipal Employees' Retirement (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, 2017 were:

General employees	
With social security	11.38%
Without social security	10.91%
Police and fire	
With social security	16.73%
Without social security	14.98%

The total amount contributed for the fiscal year ended June 30, 2017 was \$46,742.

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'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, 2016 (the valuation date and measurement date) for use in the June 30, 2017 financial statements (reporting date):

Actuarial cost method	Entry Age Normal Cost method
Experience study dates	July 1, 2007 - June 30, 2012
Asset valuation method	5 year smoothed market
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 6.00%
Post-retirement mortality	the RP2000 Mortality Table for Annuitant and non-Annuitants

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2017

11. Connecticut Municipal Employees' Retirement (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'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	\$ 777,246	\$ 492,619	\$ 251,265

Town of Lisbon, Connecticut's Proportionate Share

Net Pension Liability	\$ 492,619
Net Pension Liability percentage of the total	0.250981%
Deferred outflows of resources	
Contributions subsequent to the Measurement Date	\$ 67,990
Net difference projected and actual earnings on investments	\$ 143,179
Net difference between expected and actual experience	\$ 10,617
Deferred inflows of resources	
Net change in proportional share	\$ 54,224
Pension expense	\$ 118,171
Proportion Basis	Reported Payroll
Change in proportion since prior Measurement Date	None

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2017

11. Connecticut Municipal Employees' Retirement (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 next fiscal year. Other amounts reported as deferred inflows of resources will be recognized in pension expense as follows:

	Earnings	Experience	Proportion	Total
2017	\$ 30,966	\$ 2,729	\$ (13,940)	\$ 19,755
2018	30,966	2,729	(13,940)	19,755
2019	51,632	2,729	(13,940)	40,421
2020	29,615	2,430	(12,404)	19,641
	<u>\$ 143,179</u>	<u>\$ 10,617</u>	<u>\$ (54,224)</u>	<u>\$ 99,572</u>

Payable to the pension plan – The Town had \$378,702 payable to the Plan as of June 30, 2017. The payable represents the Town's remaining balance of the buy-in to the Plan.

12. Other Post-Employment Benefits ("OPEB")

The Town recognizes the cost of post-employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town's future cash flows. The liability accumulated from the years prior to adopting this accounting procedure will be phased in over 30 years.

Plan Description - The Town provides certain health care benefits for retired employees through a single-employer defined benefit plan administered by the Town of Lisbon. The Connecticut General Statutes 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.

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

Amortization Component:

Actuarial Accrued Liability as of July 1, 2015	\$ 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	\$ 148,000
Interest on net OPEB obligation	45,548
Adjustment to annual required contribution	<u>(65,654)</u>
Annual OPEB Cost	127,894
Contributions made	<u>(14,565)</u>
Increase in net OPEB obligation	113,329
Net OPEB Obligation - Beginning of the year	1,214,600
Net OPEB Obligation - End of the year	<u>\$ 1,327,929</u>

Town of Lisbon, Connecticut

Notes to Financial Statements (Continued)
June 30, 2017

12. Other Post-Employment Benefits ("OPEB") (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)
2017	\$ 127,894	\$ 14,565	11%	\$ 1,327,929
2016	165,417	18,048	11%	1,214,600
2015	164,613	17,930	11%	1,067,231

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, 2015
Actuarial Cost Method	Entry Age Normal
Discount Rate	3.75%
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 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, 2017

13. Contingencies

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.

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.

14. 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.

15. 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.

16. Tax Abatements

The Town hosts, Wheelabrator, a trash-energy plant. When the plant was built, the Town entered into a contract with Wheelabrator which abated property taxes on the plant in exchange for \$1,000,000 annual payments in lieu of property taxes per year (adjusted for any actual taxes paid). The contract also required that Wheelabrator pay royalties to the Town annually. These are approximately \$150,000 per year.

The agreement will expire in 2020. Both the payments in lieu of taxes and the royalties paid to the Town, totaling \$1,136,375 or 9% of the budgeted revenues of the General Fund in the current fiscal year, will cease. The plant, should it remain in operation, will revert to the regular tax rolls. The Town has not yet made an assessment of the value of plant and the related tax loss.

17. State of Connecticut Information and Restrictions

State's Financial Condition – Although the Town of Lisbon continues to hold a Aaa bond rating, the State's bond rating has decreased to AA- and its outlook for the future has been changed from stable to negative. This reflects increasing constraints on Connecticut achieving long-term structural balance according to the rating agency Standard and Poor's Global Ratings. This has caused approximately one-third of Connecticut cities and towns' bond ratings to drop or their outlook for the future to be changed from stable to negative. In the current year, the Town of Lisbon received \$4,708,472 in payments from the State's budget plus the State paid \$1,226,833 on behalf of the Town for teachers' retirement benefits. These payments may be greatly or totally reduced in subsequent years. In addition, the Town may be required to pay additional costs charged by the State.

As discussed in note 4 and above, the Town participates in a cost-sharing multiple employer public employee retirement system with the State of Connecticut ("Plan") covering teachers' retirement benefits. Currently the plan is funded solely by the State. During Connecticut budget negotiations, various proposals were made to share the costs of the Plan. Generally the net pension liability in a cost sharing plan is allocated based on same allocation as the costs are allocated. The pension liability for teachers' in Lisbon, currently reported 100% as a State of Connecticut liability, is \$11,249,813. This figure represents Lisbon's share of the \$14,245,051,000 liability the State reports for all teachers in the plan.

Motor Vehicle Tax Cap – Beginning in fiscal year 2017, the State of Connecticut capped the mill rate for motor vehicle taxes. The motor vehicle mill rate cap for fiscal year 2018 will be 39 mills. The rate cap in fiscal year 2019 and thereafter will be 46 mills. Towns with mill rates above these thresholds are currently scheduled to be reimbursed for lost revenue.

18. GASB Pronouncements Issued, But Not Yet Effective

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 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. Management does not expect this statement to have a significant impact on the Town.
- GASB Statement 83 – *Certain Asset Retirement Obligations* – This statement addresses accounting and financial reporting for certain asset retirement obligations ("ARO"). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement. The statement is effective for periods beginning after June 15, 2018. Management does not expect this statement to have a significant impact on the Town.
- GASB Statement 84 – *Fiduciary Activities* – This statement provides guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported and is effective for periods beginning after December 15, 2018. Management is currently assessing the impact of this standard on the Town.

18. GASB Pronouncements Issued, But Not Yet Effective (Continued)

- GASB Statement 85 – *Omnibus 2017* – This statement addresses practice issues that have been identified during implementation and application of certain GASB statements and is effective for periods beginning after June 15, 2017. Management does not expect this statement to have a significant impact on the Town.
- GASB Statement 86 – *Certain Debt Extinguishment Issues* –The primary objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt, are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement is effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. Management does not expect this statement to have a significant impact on the Town.
- GASB Statement 87 – *Leases* - This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement is effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. Management is currently assessing the impact of this standard on the Town.

Town of Lisbon, Connecticut

Required Supplementary Information
June 30, 2017

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis)-General Fund
Year Ended June 30, 2017

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
REVENUES					
Property Tax Revenues					
Property taxes	\$7,647,055	\$ -	\$7,647,055	\$7,982,000	\$ 334,945
Benefit assessment - WPCA	14,000	-	14,000	23,674	9,674
Sewer assessment	8,000	-	8,000	4,841	(3,159)
	<u>7,669,055</u>	<u>-</u>	<u>7,669,055</u>	<u>8,010,515</u>	<u>341,460</u>
Intergovernmental Revenues					
Education					
Education cost sharing	3,544,878	-	3,544,878	3,524,071	(20,807)
Magnet school transportation	-	-	-	11,700	11,700
Other educational grants	10,045	-	10,045	-	(10,045)
	<u>3,554,923</u>	<u>-</u>	<u>3,554,923</u>	<u>3,535,771</u>	<u>(19,152)</u>
Other					
Pequot funds	23,657	-	23,657	23,657	-
DUI grants	25,000	-	25,000	-	(25,000)
Local capital improvement grant (LOCIP)	-	-	-	50,000	50,000
Other grants	78,517	-	78,517	67,647	(10,870)
	<u>127,174</u>	<u>-</u>	<u>127,174</u>	<u>141,304</u>	<u>14,130</u>
Tax Relief					
Elderly and totally disabled	30,000	-	30,000	24,635	(5,365)
Veterans	3,500	-	3,500	2,938	(562)
Totally disabled	500	-	500	483	(17)
Payment in lieu of taxes - state property	130	-	130	-	(130)
	<u>34,130</u>	<u>-</u>	<u>34,130</u>	<u>28,056</u>	<u>(6,074)</u>
	<u>3,716,227</u>	<u>-</u>	<u>3,716,227</u>	<u>3,705,131</u>	<u>(11,096)</u>
Local Revenues					
Fees					
Land fees	18,000	-	18,000	15,168	(2,832)
Preservation fees	600	-	600	1,598	998
Planning and zoning fees	3,000	-	3,000	3,730	730
Miscellaneous fees	1,500	-	1,500	4,240	2,740
Local capital improvement fees	1,800	-	1,800	1,788	(12)
Sport license fees	75	-	75	60	(15)
Dog license fees	300	-	300	406	106
	<u>25,275</u>	<u>-</u>	<u>25,275</u>	<u>26,990</u>	<u>1,715</u>
Permits					
Building permits	62,000	-	62,000	56,055	(5,945)
Pistol permits	2,000	-	2,000	2,380	380
	<u>64,000</u>	<u>-</u>	<u>64,000</u>	<u>58,435</u>	<u>(5,565)</u>
Charges for Services					
Conveyance tax	20,000	-	20,000	29,947	9,947
Copies	7,000	-	7,000	7,556	556
	<u>27,000</u>	<u>-</u>	<u>27,000</u>	<u>37,503</u>	<u>10,503</u>
Interest on Investments					
	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>14,597</u>	<u>9,597</u>
					(Continued)

(Continued)

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis)-General Fund
Year Ended June 30, 2017

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Wheelabrator					
Contract fee	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 987,365	\$ (12,635)
Host community royalties	156,000	-	156,000	149,010	(6,990)
	<u>1,156,000</u>	<u>-</u>	<u>1,156,000</u>	<u>1,136,375</u>	<u>(19,625)</u>
Other					
Telecommunications property	12,000	-	12,000	11,515	(485)
Recreation committee program fees	-	-	-	33,555	33,555
Senior van donation box	800	-	800	244	(556)
Tuition - regular education	7,873	-	7,873	8,006	133
Recreation committee summer program	32,700	-	32,700	-	(32,700)
Refunds	-	-	-	99,385	99,385
	<u>53,373</u>	<u>-</u>	<u>53,373</u>	<u>152,705</u>	<u>99,332</u>
	<u>1,330,648</u>	<u>-</u>	<u>1,330,648</u>	<u>1,426,605</u>	<u>95,957</u>
TOTAL REVENUES	<u>12,715,930</u>	<u>-</u>	<u>12,715,930</u>	<u>13,142,251</u>	<u>426,321</u>
SELECTMEN'S EXPENDITURES					
Selectmen's Office					
First selectman's salary	46,898	-	46,898	46,898	-
Second selectman's salary	5,051	-	5,051	5,051	-
Third selectman's salary	5,051	-	5,051	5,051	-
Bookkeeper's salary	28,127	(156)	27,971	25,313	2,658
Secretary/clerk's salary	46,130	156	46,286	46,271	15
Selectmens' supplies	3,000	-	3,000	2,765	235
Supplies and expense	3,000	-	3,000	2,308	692
	<u>137,257</u>	<u>-</u>	<u>137,257</u>	<u>133,657</u>	<u>3,600</u>
Town Clerk's Office					
Town clerk's salary	46,217	-	46,217	46,217	-
Asst. town clerk's salary	19,500	86	19,586	19,586	-
Records management service	13,000	-	13,000	12,670	330
Supplies and expense	6,000	-	6,000	5,800	200
Vital statistics	1,500	(86)	1,414	1,409	5
Document preservation grant	1	-	1	-	1
	<u>86,218</u>	<u>-</u>	<u>86,218</u>	<u>85,682</u>	<u>536</u>
Tax Collector's Office					
Tax collector's salary	39,276	-	39,276	39,276	-
Tax clerk's wages	7,172	-	7,172	6,590	582
Contracted service	2,897	-	2,897	2,752	145
Computer management/support	5,004	-	5,004	4,729	275
On-line bill pay	1,225	-	1,225	1,225	-
Tax refunds	4,000	(500)	3,500	703	2,797
Supplies and expense	4,250	500	4,750	4,599	151
Delinquent motor vehicle tax fee	1,050	-	1,050	-	1,050
	<u>64,874</u>	<u>-</u>	<u>64,874</u>	<u>59,874</u>	<u>5,000</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, 2017

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Assessor's Office					
Assessor's salary	\$ 42,386	\$ 426	\$ 42,812	\$ 42,812	\$ -
Assessor's clerk salary	9,860	1,882	11,742	11,732	10
Tax mapping	1,500	(1,500)	-	-	-
Computer maintenance/support	14,310	(3,829)	10,481	6,190	4,291
Supplies and expense	2,800	-	2,800	1,959	841
	<u>70,856</u>	<u>(3,021)</u>	<u>67,835</u>	<u>62,693</u>	<u>5,142</u>
Treasurer's Office					
Treasurer's salary	18,564	-	18,564	18,186	378
Deputy treasurer's salary	1,000	-	1,000	1,000	-
Bank charges	500	-	500	-	500
Supplies and expense	1,000	1,052	2,052	2,052	-
	<u>21,064</u>	<u>1,052</u>	<u>22,116</u>	<u>21,238</u>	<u>878</u>
Board of Finance					
Auditor	17,200	-	17,200	16,200	1,000
Supplies and expense	1,500	-	1,500	896	604
	<u>18,700</u>	<u>-</u>	<u>18,700</u>	<u>17,096</u>	<u>1,604</u>
Planning and Zoning					
Purchased services	52,000	-	52,000	49,227	2,773
Supplies and expense	2,000	3,500	5,500	2,945	2,555
	<u>54,000</u>	<u>3,500</u>	<u>57,500</u>	<u>52,172</u>	<u>5,328</u>
Zoning Board of Appeals					
Supplies and expense	1,550	-	1,550	1,146	404
Board of Tax Review					
Salaries	825	-	825	825	-
Supplies and expense	225	-	225	-	225
	<u>1,050</u>	<u>-</u>	<u>1,050</u>	<u>825</u>	<u>225</u>
Conservation Commission					
Enforcement officer	8,000	-	8,000	6,983	1,017
Supplies and expense	1,250	-	1,250	910	340
	<u>9,250</u>	<u>-</u>	<u>9,250</u>	<u>7,893</u>	<u>1,357</u>
Historic District Study Commission					
Historic district study	2	-	2	-	2
Recycling Committee					
Purchased services	55,730	-	55,730	53,977	1,753
Supplies	100	-	100	-	100
	<u>55,830</u>	<u>-</u>	<u>55,830</u>	<u>53,977</u>	<u>1,853</u>
Registrars of Voters					
Democratic registrar's salary	8,142	-	8,142	8,142	-
Republican registrar's salary	8,142	-	8,142	8,142	-
Purchased services	1,000	-	1,000	-	1,000
Supplies and expense	35,000	-	35,000	31,418	3,582
Democratic deputy registrar	300	-	300	300	-
Republican deputy registrar	300	-	300	300	-
	<u>52,884</u>	<u>-</u>	<u>52,884</u>	<u>48,302</u>	<u>4,582</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, 2017

	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	\$ 9,735	\$ 265
Supplies and expenses	600	-	600	297	303
	<u>10,600</u>	<u>-</u>	<u>10,600</u>	<u>10,032</u>	<u>568</u>
Non-Allocated Expenditures					
Employee insurance	260,000	(36,110)	223,890	178,668	45,222
Social security and medicare	53,775	826	54,601	54,600	1
Municipal education	4,000	-	4,000	2,590	1,410
Unemployment compensation	4,000	-	4,000	210	3,790
Union related contingency	5,600	-	5,600	5,150	450
Pension	1,000	-	1,000	459	541
Town share retirement compensation	40,000	6,742	46,742	46,395	347
Employee retirement accrued liability	37,600	-	37,600	37,270	330
Town counsel	45,000	-	45,000	41,976	3,024
Town engineer	50,000	-	50,000	34,835	15,165
Insurance and bonding	165,000	27,263	192,263	192,191	72
Payroll service	6,000	-	6,000	4,809	1,191
Consulting fees/contracted services	55,000	-	55,000	45,350	9,650
Town hall utilities	30,000	-	30,000	20,168	9,832
Town hall maintenance	10,000	-	10,000	8,138	1,862
Town hall equipment maintenance	1,500	-	1,500	-	1,500
Town hall computer	7,500	-	7,500	7,500	-
Town hall copier maintenance	2,500	-	2,500	1,599	901
Town hall postage	10,000	-	10,000	9,862	138
Town hall supplies and expense	3,500	-	3,500	2,911	589
Advertising and communications	4,500	-	4,500	2,421	2,079
Walking weekend	150	-	150	-	150
Donations	1,650	-	1,650	200	1,450
Auditors contracted services	1	-	1	-	1
Miscellaneous bookkeeping issues	-	-	-	(300)	300
	<u>798,276</u>	<u>(1,279)</u>	<u>796,997</u>	<u>697,002</u>	<u>99,995</u>
Town Memberships					
Town memberships	<u>77,532</u>	<u>-</u>	<u>76,041</u>	<u>76,041</u>	<u>-</u>
Fire Protection					
Lisbon volunteer fire dept.	107,700	-	107,700	107,700	-
LVFD SCBA's	2,500	-	2,500	2,492	8
Hydrant rental	30,317	-	30,317	30,256	61
Recruitment/retention	11,700	-	11,700	-	11,700
	<u>152,217</u>	<u>-</u>	<u>152,217</u>	<u>140,448</u>	<u>11,769</u>
Police Protection					
Resident state trooper contract	161,594	-	161,594	161,594	-
Trooper's supplies and expenses	3,000	-	3,000	2,729	271
Resident state trooper overtime	37,500	-	37,500	40,780	(3,280)
	<u>202,094</u>	<u>-</u>	<u>202,094</u>	<u>205,103</u>	<u>(3,009) *</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, 2017

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Other Protection and Prevention					
Building inspector wages	\$ 27,500	\$ -	\$ 27,500	\$ 27,458	\$ 42
Fire marshal's salary	8,014	-	8,014	4,478	3,536
Dept. emergency mgmt. director's stipend	1,750	-	1,750	1,750	-
Animal control officer's salary	15,925	-	15,925	15,925	-
Tree warden stipend	200	-	200	200	-
Burning official	200	-	200	200	-
Zoning enforcement wages	10,000	-	10,000	9,970	30
Building inspector supplies and expense	2,500	-	2,500	2,363	137
Fire marshal supplies and expense	3,000	-	3,000	2,896	104
Dept. of emergency management expense	3,250	-	3,250	3,231	19
Dog damages	1	-	1	-	1
ZEO supplies and expense	500	-	500	47	453
	<u>72,840</u>	<u>-</u>	<u>72,840</u>	<u>68,518</u>	<u>4,322</u>
Highways and Streets					
Highway department salaries	227,800	-	227,800	227,800	-
Street lighting	26,500	4,250	30,750	29,756	994
Contracted services	50,000	-	50,000	44,109	5,891
Town garage utilities	40,000	-	40,000	37,198	2,802
Town equipment and trucks	80,000	-	80,000	72,825	7,175
Highway dept. supplies	7,500	-	7,500	6,704	796
Road repair and maintenance	65,000	(17,000)	48,000	48,000	-
General road repair	25,000	(423)	24,577	23,945	632
Town garage maintenance	10,000	-	10,000	7,502	2,498
Sanitation	25,000	-	25,000	14,780	10,220
	<u>556,800</u>	<u>(13,173)</u>	<u>543,627</u>	<u>512,619</u>	<u>31,008</u>
Health and Welfare					
Public health nursing	5,500	-	5,500	-	5,500
Health department	28,137	-	28,137	28,136	1
Sewer line fees	7,250	3,021	10,271	9,311	960
	<u>40,887</u>	<u>3,021</u>	<u>43,908</u>	<u>37,447</u>	<u>6,461</u>
Seniors and Senior Center					
Senior coordinator's salary	36,848	-	36,848	36,811	37
Van driver's salary	24,648	(500)	24,148	18,097	6,051
Senior meal site wages	16,869	500	17,369	17,264	105
Senior center coverage wages	4,600	3,000	7,600	5,136	2,464
Senior citizen's services	3,500	-	3,500	2,588	912
Senior center utilities	15,000	-	15,000	13,045	1,955
Senior center maintenance	13,000	(3,700)	9,300	8,590	710
Senior van maintenance	1,900	-	1,900	1,345	555
Senior coordinator supplies	1,000	-	1,000	609	391
Senior center supplies	1,000	-	1,000	610	390
Senior center copier expense	850	700	1,550	1,463	87
	<u>119,215</u>	<u>-</u>	<u>119,215</u>	<u>105,558</u>	<u>13,657</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, 2017

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Recreation					
Special events	\$ 49,500	\$ -	\$ 49,500	\$ 37,498	\$ 12,002
Recreation purchased services	17,000	-	17,000	16,771	229
Recreation supplies	4,135	-	4,135	2,953	1,182
Recreation mnt of municipal rec fields	2,200	-	2,200	1,402	798
Lisbon meadows park	10,000	-	10,000	8,479	1,521
	82,835	-	82,835	67,103	15,732
TOTAL SELECTMEN'S EXPENDITURES	<u>2,686,831</u>	<u>(9,900)</u>	<u>2,675,440</u>	<u>2,464,426</u>	<u>211,014</u>
BOARD OF EDUCATION	<u>9,483,998</u>	<u>-</u>	<u>9,483,998</u>	<u>9,476,549</u>	<u>7,449</u>
CAPITAL OUTLAY					
Capital improvements	20,000	17,000	37,000	25,446	11,554
Equipment, furniture, fixtures	3,000	-	3,000	-	3,000
	<u>23,000</u>	<u>17,000</u>	<u>40,000</u>	<u>25,446</u>	<u>14,554</u>
DEBT SERVICE					
Principal, general obligation bond	465,000	-	465,000	465,000	-
Interest, general obligation bond	56,850	-	56,850	52,875	3,975
Principal, Hoydilla property	45,000	-	45,000	45,000	-
Interest, Hoydilla property	10,097	-	10,097	6,978	3,119
	<u>576,947</u>	<u>-</u>	<u>576,947</u>	<u>569,853</u>	<u>7,094</u>
TOTAL EXPENDITURES	<u>12,770,776</u>	<u>7,100</u>	<u>12,776,385</u>	<u>12,536,274</u>	<u>240,111</u>
Excess (Deficiency) of Revenues Over Expenditures	(54,846)	(7,100)	(60,455)	605,977	666,432
OTHER FINANCING SOURCES AND (USES)					
Operating transfers out	<u>(190,000)</u>	<u>(198,934)</u>	<u>(388,934)</u>	<u>(388,934)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>\$ (244,846)</u>	<u>\$ (206,034)</u>	<u>\$ (449,389)</u>	<u>\$ 217,043</u>	<u>\$ 666,432</u>
Adjustments to Generally Accepted Accounting Principles (GAAP)					
On behalf revenues from teachers' retirement netted in budget				1,226,833	
On behalf expenditures from teacher's retirement netted in budget				(1,226,833)	
Revenue from the excess cost sharing grant - student based				293,081	
Expenditures netted for the excess cost sharing grant				(293,081)	
Change in encumbrances					
Prior year encumbrances				(67,076)	
Current year encumbrances				26,383	
Change in accrued payroll					
Board of Education				12,279	
General government				(5,584)	
Proceeds from long-term debt netted in budget				765,000	
Debt service expenditures netted with proceeds				(765,000)	
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing (Uses) - GAAP Basis				<u>\$ 183,045</u>	

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Budgetary Basis)-General Fund
Year Ended June 30, 2017

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 and Board of Education budget 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.

* This account was over the appropriation by the indicated amount.

Required Supplementary Information
 Other Post Employment Benefits
 Year Ended June 30, 2017

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
6/30/2017	\$ 148,000	\$ 14,565	9.84%
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%

Required Supplementary Information
Connecticut Municipal Employees' Retirement System
June 30, 2017
Last 10 Years or Since the Inception of GASB 67/68

	<u>2017</u>	<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	<u>0.250981%</u>	<u>0.197105%</u>	<u>0.197105%</u>
Town's portion net pension liability	<u>\$ 492,619</u>	<u>\$ 269,858</u>	<u>\$ 202,758</u>
Town's covered payroll	<u>\$ 597,453</u>	<u>\$ 437,388</u>	<u>\$ 437,388</u>
Town's proportionate share of the collective net pension liability as a % of covered payroll	<u>82.45%</u>	<u>61.70%</u>	<u>46.36%</u>
Plan Fiduciary net position as a % of total pension liability	<u>88.29%</u>	<u>90.52%</u>	<u>90.48%</u>

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

Town's contractually required contribution	\$ 67,990	\$ 49,478	\$ 48,686
Town's contributions in relation to the contractually required contribution	<u>67,990</u>	<u>49,478</u>	<u>\$ 48,686</u>
Town's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 597,453</u>	<u>\$ 437,388</u>	<u>\$ 437,388</u>
Town's contributions as a percentage of covered payroll	<u>11.38%</u>	<u>11.31%</u>	<u>11.13%</u>

Notes to Schedule

Changes in benefit terms	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

See Independent Auditors' Report

Required Supplementary Information
Connecticut Teachers Retirement System
June 30, 2017
Last 10 Years or Since the Inception of GASB 67/68

	<u>2017</u>	<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>	<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>\$11,249,813</u>	<u>\$8,517,731</u>	<u>\$7,872,936</u>
Total proportionate share of the collective net pension liability	<u>\$11,249,813</u>	<u>\$8,517,731</u>	<u>\$7,872,936</u>
Town's covered payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Town's proportionate share of the collective net pension liability as a % of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a % of total pension liability	<u>52.26%</u>	<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>	<u>\$ -</u>
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The Town is not required to contribute to the plan. The State contributes on behalf of the Town.

Required Supplementary Information
Connecticut Teachers Retirement System (*continued*)
Last 10 Years

Notes to Required Supplementary Information

Changes of benefit term	None
Changes of assumptions	<ol style="list-style-type: none"> 1. Reduce the inflation assumption from 3.00% to 2.75%. 2. Reduce the real rate of return assumption from 5.50% to 5.25% which, when combined with the inflation assumption change, results in a decrease in the investment rate of return assumption from 8.50% to 8.00%. 3. Reduce the annual rate of wage increase assumption from 0.75% to 0.50%. 4. Slightly modify the merit portion of the salary scale. 5. Reduce the payroll growth assumption from 3.75% to 3.25%. 6. Update mortality tables to projected versions of the RPH-2014 mortality tables. 7. Increase normal retirement rates for females at most ages and prorable retirement rates for males at most ages. Decrease early retirement rates for both males and females. 8. Increase rates of withdrawal. 9. Decrease rates of disability for males.
Actuarial cost method	Entry Age
Amortization method	Level percent of salary, closed
Remaining amortization period	21.4 years
Asset valuation method	4 year smoothed market
Inflation	2.75%
Salary increases	3.25%-6.00%, average, including inflation
Investment rate of return	8.00% net of pension plan investment expense, including inflation

See Independent Auditors' Report

Town of Lisbon, Connecticut

Combining Fund Financial Statements
June 30, 2017

Combining Balance Sheet
Other Governmental Funds
June 30, 2017

	Special Revenue Funds	Permanent Funds	Total Other Governmental Funds
ASSETS			
Cash and equivalents	\$ 74,557	\$ 3,777	\$ 78,334
Other receivables			
Accounts	9,126	-	9,126
Loans	97,217	-	97,217
Intergovernmental	40,478	-	40,478
Inventories	8,437	-	8,437
Total Assets	<u>\$ 229,815</u>	<u>\$ 3,777</u>	<u>\$ 233,592</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 555	\$ -	\$ 555
Accrued payroll and related	276	-	276
Unearned revenues - performance	8,928	-	8,928
Due to other funds	19,201	-	19,201
Total Liabilities	<u>28,960</u>	<u>-</u>	<u>28,960</u>
Fund balances			
Nonspendable	6,385	1,100	7,485
Restricted	152,909	2,677	155,586
Assigned	41,561	-	41,561
Total Fund Balances	<u>200,855</u>	<u>3,777</u>	<u>204,632</u>
Total Liabilities and Fund Balances	<u>\$ 229,815</u>	<u>\$ 3,777</u>	<u>\$ 233,592</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Other Governmental Funds
 Year Ended June 30, 2017

	Special Revenue Funds	Permanent Funds	Total Other Governmental Funds
REVENUES			
Intergovernmental revenues	\$ 610,599	\$ -	\$ 610,599
Local revenues	261,374	2	261,376
Total Revenues	<u>871,973</u>	<u>2</u>	<u>871,975</u>
EXPENDITURES			
Current expenditures			
General government	22,575	-	22,575
Police protection	28,545	-	28,545
Seniors and senior center	20,132	-	20,132
Education	654,579	-	654,579
Total Expenditures	<u>725,831</u>	<u>-</u>	<u>725,831</u>
Net Change in Fund Balances	146,142	2	146,144
Fund Balances - Beginning of Year	<u>54,713</u>	<u>3,775</u>	<u>58,488</u>
Fund Balances - End of Year	<u>\$ 200,855</u>	<u>\$ 3,777</u>	<u>\$ 204,632</u>

Combining Balance Sheet
Special Revenue Funds
June 30, 2017

	Miscellaneous Town Grant Fund	Cafeteria Fund	After School Child Care Fund	Shooting Stars Fund	Education Grants Fund	Total Special Revenue Funds
ASSETS						
Cash and equivalents	\$ 25,360	\$ 10,876	\$ 3,142	\$ 8,287	\$ 26,892	\$ 74,557
Other receivables						
Accounts	-	-	9,126	-	-	9,126
Loans	97,217	-	-	-	-	97,217
Intergovernmental	48	10,128	-	-	30,302	40,478
Inventories	-	8,021	416	-	-	8,437
Total Assets	\$ 122,625	\$ 29,025	\$ 12,684	\$ 8,287	\$ 57,194	\$ 229,815
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 555	\$ -	\$ -	\$ -	\$ -	\$ 555
Accrued payroll and related	-	276	-	-	-	276
Unearned revenues	-	1,822	-	-	7,106	8,928
Due to other funds	19,201	-	-	-	-	19,201
Total Liabilities	19,756	2,098	-	-	7,106	28,960
Fund balances						
Nonspendable	-	5,969	416	-	-	6,385
Restricted	102,821	-	-	-	50,088	152,909
Assigned	48	20,958	12,268	8,287	-	41,561
Total Fund Balances	102,869	26,927	12,684	8,287	50,088	200,855
Total Liabilities and Fund Balances	\$ 122,625	\$ 29,025	\$ 12,684	\$ 8,287	\$ 57,194	\$ 229,815

Town of Lisbon, Connecticut

Statement 4

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Special Revenue Funds
Year Ended June 30, 2017

	Miscellaneous Town Grant Fund	Cafeteria Fund	After School Child Care Fund	Shooting Stars Fund	Education Grants Fund	Total Special Revenue Funds
REVENUES						
Intergovernmental revenues	\$ 147,176	\$ 78,962	\$ -	\$ -	\$ 384,461	\$ 610,599
Local revenues	8,524	131,461	107,314	14,075	-	261,374
Total Revenues	<u>155,700</u>	<u>210,423</u>	<u>107,314</u>	<u>14,075</u>	<u>384,461</u>	<u>871,973</u>
EXPENDITURES						
Current						
General government	22,575	-	-	-	-	22,575
Police protection	28,545	-	-	-	-	28,545
Seniors and senior center	5,778	-	-	14,354	-	20,132
Education	-	202,757	113,264	-	338,558	654,579
Total Expenditures	<u>56,898</u>	<u>202,757</u>	<u>113,264</u>	<u>14,354</u>	<u>338,558</u>	<u>725,831</u>
Excess (Deficiency) of Revenues Over Expenditures	98,802	7,666	(5,950)	(279)	45,903	146,142
Fund Balances (Deficit) - Beginning of Year	<u>4,067</u>	<u>19,261</u>	<u>18,634</u>	<u>8,566</u>	<u>4,185</u>	<u>54,713</u>
Fund Balances - End of Year	<u>\$ 102,869</u>	<u>\$ 26,927</u>	<u>\$ 12,684</u>	<u>\$ 8,287</u>	<u>\$ 50,088</u>	<u>\$ 200,855</u>

See Independent Auditors' Report

Combining Balance Sheet
 Permanent Funds
 June 30, 2017

	Palmer Fund	Preston Learned Fund	Total Permanent Funds
ASSETS			
Cash and equivalents	\$ 693	\$ 3,084	\$ 3,777
FUND BALANCES			
Nonspendable	\$ 100	\$ 1,000	\$ 1,100
Restricted	593	2,084	2,677
Total Fund Balances	\$ 693	\$ 3,084	\$ 3,777

See Independent Auditors' Report

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Permanent Funds
 Year Ended June 30, 2017

	Palmer Fund	Preston Learned Fund	Total Permanent Funds
REVENUES			
Local revenues	\$ -	\$ 2	\$ 2
EXPENDITURES			
Current Expenditures			
General government	-	-	-
Net Change in Fund Balance	-	2	2
Fund Balances - Beginning of Year	<u>693</u>	<u>3,082</u>	<u>3,775</u>
Fund Balances - End of Year	<u>\$ 693</u>	<u>\$ 3,084</u>	<u>\$ 3,777</u>

See Independent Auditors' Report

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Year Ended June 30, 2017

	Balance Beginning	Additions	Deductions	Balance Ending
Student Activity Fund				
Assets				
Cash	\$ 28,585	\$ 50,630	\$ (44,395)	\$ 34,820
Liabilities				
Due to others	\$ 28,585	\$ 50,630	\$ (44,395)	\$ 34,820
Surety Bonds				
Assets				
Cash	\$ 100,522	\$ 5,000	\$ (500)	\$ 105,022
Liabilities				
Due to others	\$ 100,522	\$ 5,000	\$ (500)	\$ 105,022
Combined Total				
Assets				
Cash	\$ 129,107	\$ 55,630	\$ (44,895)	\$ 139,842
Liabilities				
Due to others	\$ 129,107	\$ 55,630	\$ (44,895)	\$ 139,842

See Independent Auditors' Report

Town of Lisbon, Connecticut

Supplementary Schedules
June 30, 2017

Net Ending Receivable Balance	106,418	
	48,776	
	31,561	
	21,025	
	12,680	
	7,916	
	4,522	
	7,093	
	4,690	
	4,889	
	6,511	
	8,712	
	3,577	
	2,846	
	1,793	
	273,009	
	(16,650)	
	256,359	

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Town of Lisbon, Connecticut

Schedule 2

**Statement of Changes in Fund Balance by Project - Capital Nonrecurring Fund
Year Ended June 30, 2017**

	Fund Balance Beginning	Appropriations	Internal Transfers	Revenue	Current Year Expenditures And Transfers	Fund Balance Ending
Restricted Fund Balance:						
Open space fees	\$ 55,400	\$ -	\$ -	\$ 6,000	\$ -	\$ 61,400
Committed Fund Balance:						
Bundy Hill Road bridge	118,308	415,156	-	-	(24,600)	390,556
School window project	-	-	-	4,614	-	122,922
1 South Burnham Highway	-	-	80,000	-	(25,500)	54,500
Plan of conservation and development	25,028	-	-	-	-	25,028
Ford F-550 mason dump truck	-	-	111,000	-	(108,425)	2,575
Revaluation	72,210	-	-	-	(71,610)	600
Strawberry Fields sidewalks	-	-	-	19,600	(19,600)	-
Burnham Tavern	21,000	-	-	-	(21,000)	-
Ladder fire truck	-	-	160,000	-	(161,575)	(1,575)
	<u>236,546</u>	<u>415,156</u>	<u>351,000</u>	<u>24,214</u>	<u>(432,310)</u>	<u>594,606</u>
Assigned Fund Balance:						
Salt shed construction	290,000	15,000	-	-	-	305,000
Capital projects	237,659	70,000	(80,000)	-	-	227,659
Plan of conservation and development	90,000	25,000	-	-	-	115,000
Public and safety vehicles	280,609	55,000	(271,000)	-	-	64,609
Land purchases	48,121	10,000	-	-	-	58,121
Revaluation	32,200	15,000	-	-	-	47,200
GIS assessor mapping	46,250	-	-	-	-	46,250
Lisbon meadow park improvements	15,498	-	-	-	-	15,498
Voting machine replacement	10,000	-	-	-	-	10,000
Undesignated	98,002	-	-	10,434	-	108,436
	<u>1,148,339</u>	<u>190,000</u>	<u>(351,000)</u>	<u>10,434</u>	<u>-</u>	<u>997,773</u>
Total of All Projects	<u>\$ 1,440,285</u>	<u>\$ 605,156</u>	<u>\$ -</u>	<u>\$ 40,648</u>	<u>\$ (432,310)</u>	<u>\$ 1,653,779</u>

See Independent Auditors' Report

Statement of Changes in Fund Balance by Grant - Miscellaneous Town Grants Fund
 Year Ended June 30, 2017

	Fund Balance Beginning	Revenue	Current Year Expenditures	Fund Balance Ending
Restricted Fund Balance:				
Farmers market	\$ 1,931	\$ 1,163	\$ (1,161)	\$ 1,933
Senior program	2,110	7,339	(5,778)	3,671
CT Department of Transportation - DUI	-	28,545	(28,545)	-
Small Cities Block Grant	-	114,631	(17,414)	97,217
Town Clerk preservation grant	-	4,000	(4,000)	-
Restricted Fund Balance	<u>4,041</u>	<u>155,678</u>	<u>(56,898)</u>	<u>102,821</u>
Assigned Fund Balance	<u>26</u>	<u>22</u>	<u>-</u>	<u>48</u>
Total of All Projects	<u>\$ 4,067</u>	<u>\$ 155,700</u>	<u>\$ (56,898)</u>	<u>\$ 102,869</u>

See Independent Auditors' Report

Town of Lisbon, Connecticut

Internal Control and Compliance Reports
June 30, 2017

**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, 2017, 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 23, 2018.

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.

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 23, 2018

Town of Lisbon, Connecticut

State Single Audit
June 30, 2017

**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, 2017. 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, 2017.

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. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Report on Schedule of Expenditures of State Financial Assistance Required by the 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, 2017, 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 23, 2018, 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 23, 2018

Town of Lisbon, Connecticut

Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2017

State Grantor Pass-Through Grantor Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
Connecticut State Library			
Historic Documents Preservation Grants	12060-CSL66094-35150	\$ -	\$ 4,000
Total Connecticut State Library		-	4,000
Department of Transportation			
Small Town Economic Assistance Program (DOT)	12052-DOT57191-40532	-	19,600
Town Aid Road Grants Transportation Fund	12052-DOT57131-43455	-	80,587
Total Department of Transportation		-	100,187
Department of Justice			
Non-Budgeted Operating Appropriation	34001-JUD95162-40001	-	3,275
Office of Policy and Management			
Reimbursement to Towns - Tax Loss on State Owned Property	11000-OPM20600-17004	-	130
Reimbursement of Property Tax - Disability Exemption	11000-OPM20600-17011	-	483
Property Tax Relief for Elderly Circuit Breaker	11000-OPM20600-17018	-	24,635
Property Tax Relief for Veterans	11000-OPM20600-17024	-	2,938
Local Capital Improvement Program (LOCIP)	12050-OPM20600-40254	-	50,000
Municipal Purposes and Projects	12050-OPM20600-43587	-	3,683
Total Office of Policy and Management		-	81,869
Office of Early Childhood			
School Readiness Grant Program	11000-OEC64845-16274	-	80,325
School Readiness Quality Enhancement	11000-OEC64845-17097	-	2,439
Total Office of Early Childhood		-	82,764
Department of Education			
Child Nutrition State Match	11000-SDE64370-16211	-	2,029
Health Foods Initiative	11000-SDE64370-16212	-	4,114
Adult Education	11000-SDE64370-17030	-	9,984
School Breakfast Program	11000-SDE64370-17046	-	2,908
Magnet Schools	11000-SDE64370-17057	-	11,700
Total Department of Education		-	30,735
Total State Financial Assistance before Exempt Programs		-	302,830
EXEMPT PROGRAMS			
Department of Education			
Education Cost Sharing	11000-SDE64370-17041		3,524,071
Special Education - Excess Cost - Student Based	11000-SDE64370-17047	-	293,081
Total Department of Education		-	3,817,152
Department of Administrative Services			
School Construction Grants - Interest	13009-DAS27636-40896	-	-
School Construction Grants - Principal	13009-DAS27636-40901	-	4,614
Total Department of Children and Families		-	4,614

(continued)

Town of Lisbon, Connecticut

Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2017

State Grantor Pass-Through Grantor Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
Office of Policy and Management			
Municipal Revenue Sharing	12002-OPM20600-17102	\$ -	\$ 45,413
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	-	23,657
<i>Total Office of Policy and Management</i>		-	69,070
Total Exempt Programs		-	3,890,836
Total State Financial Assistance		\$ -	\$ 4,193,666

Town of Lisbon, Connecticut

Notes to Schedule of Expenditures of State Financial Assistance For the Year Ended June 30, 2017

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, 2017. 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 modified 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

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2017

Financial Statement Findings:

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

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.

Current Status: The finding has been repeated.

State Program Findings:

MW-2016-001 – Internal Controls over Allowable Costs

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

Current Status: The finding has been corrected.

Town of Lisbon, Connecticut

Schedule of Findings and Questioned Costs
Year Ended June 30, 2017

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? yes X 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
Office of Early Childhood		
School Readiness Grant Program	11000-OEC64845-16274	\$80,325

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, 2017

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 to act as a controller for the Town.

Section III - State Financial Assistance Findings and Questioned Costs

No matters were reported.

Lisbon Town Hall





LISBON

This area originally was wholly within the Town of Norwich and consisted of a tract of land in the heart of the Mohegan Indian territory. Josiah Read is believed the earliest white settler, having purchased a mile-long tract from the Indians in 1687. In 1718 sixteen petitioners were granted the right to establish the North East Society, the third ecclesiastical society in Norwich, for their worship of God. The Newent Ecclesiastical Society was founded in 1723, with the Reverend Daniel Kirkland as its first settled minister. It is believed the name Newent was used since many settlers came from Newent, England. Finally, in 1786, the Newent Ecclesiastical Society was incorporated as the Town of Lisbon, probably so named because early inhabitants engaged in commercial shipping with Lisbon, Portugal.

Erected by the Town of Lisbon
and the Connecticut Historical Commission

1975



