



**TOWN OF LISBON**  
W234 N8676 Woodside Rd.  
Lisbon, WI 53089

**Agenda**  
**Town of Lisbon Annual Meeting of the Electors**  
**Tuesday, April 16, 2019**  
**Richard Jung Memorial Fire Station, N54 W26455 Lisbon Rd.**  
**7:00 p.m.**

- 1. Call Annual Meeting of the Electors to Order.**
- 2. Pledge of Allegiance.**
- 3. Introduction of Town Board members and other officials.**
- 4. Approval of minutes from the April 17, 2018 Annual Meeting.**
- 5. Town Board & Department Reports.**
  - a. Town Board Supervisors
  - b. Building Inspection
  - c. Fire Department
  - d. Park Department
  - e. Police Department
  - f. Public Works Department
  - g. Town Hall
- 6. Any business desired to be discussed by a qualified electorate.**
- 7. Presentation and approval of the 2018 Annual Audit Report.**
- 8. Adjournment to Wednesday, November 13, 2019 for the Budget Public Hearing and Special Town Meeting of the Electors.**

Joseph Osterman  
Town Chairman

Gina C. Gresch, MMC/WCPC  
Town Administrator

**NOTE:** Individual members of the Town Board will be available after the meeting to discuss town related issues with citizens who are present.

**NOTE:** Please notify the Town of Lisbon 72 hours in advance if you plan to attend and will need an interpreter or assistive hearing device.

**NOTICE:** It is possible that members of and possibly a quorum of members of other governmental bodies of the municipality may be in attendance at the above-stated meeting to gather information: no action will be taken by any governmental body at the above-stated meeting other than the governmental body specifically referred to above in this notice.

**Minutes of the Town of Lisbon Annual Meeting of the Electors  
Tuesday, April 17, 2018  
Richard Jung Memorial Fire Station, N54 W26455 Lisbon Rd.  
7:00 p.m.**

**Call to Order.**

Chairman Osterman called the Annual Meeting of the Electors to order at 7:07 p.m.

**Pledge of Allegiance.**

The Pledge of Allegiance was recited.

**Introduction of Town Board members and other officials.**

Clerk Gresch introduced the current Town Board members, Supervisor #1 Tedia Gamiño, Supervisor #3 Linda Beal, Supervisor #4 Becky Plotecher and Chairman Joe Osterman. Also introduced was Fire Chief Doug Brahm, Waukesha County Sheriff's Department Captain Lisa Panas, Auditor Jan Froelick, Building Inspector Bryan Oelhafen, Public Works Director Joe DeStefano, Jr., Park Superintendent John Greiten, Administrator Matthew Janecke, Treasurer Amy Buchman and Clerk Gina Gresch. Absent: Supervisor #2 Marc Moonen.

**Administer Oaths of Office to re-elected Town Board members.**

Clerk Gresch administered the oaths of office to re-elected Supervisors Tedia Gamiño and Linda Beal.

**Approval of minutes from the 2017 Annual Meeting as printed.**

*Motion by John Greiten to approve the April 18, 2017 Annual Meeting as printed. Seconded by Doug Brahm. Motion carried unanimously.*

**Presentation and approval of 2017 Supervisor's Annual Audit Report.**

Auditor Jan Froelick reviewed the Supervisor's Annual Audit Report and stated the Town is in a good financial position. The equalized value has been steadily increasing which gives the Town more debt capacity if needed.

**Lisa Oddis, W220N9359 Townline Road**, asked how the road project budget is doing. Chairman Osterman stated it has all been under budget and is doing so well the Town can improve more roads than originally planned. She also what the HazMat Grant is. Administrator Janecke stated it was a state grant the Town received to take ownership of a few properties in the Town on Maple Avenue and raze the home because it was entirely in the floodplain.

**Town Board & Department's Reports.**

Administrator Janecke stated the Department Heads decided to put together an annual report with detailed information and activities for each department, and also includes their goals and accomplishments. This report is attached to the minutes. The Town's Department Heads gave a brief presentation summarizing their portion of the report.

**Lisa Oddis, W220N9359 Townline Road**, asked what the Town is doing about invasive plant control. Park Superintendent Greiten stated the Town has a long range plan he follows and citizen groups do weed and garlic pulls. He's also always looking for volunteers for park activities.

**Any business desired to be discussed by a qualified electorate.**

**Jane Stadler, N56W27126 Lisbon Road**, asked if the Town has ever considered putting up the reflective address number signs. She sees them in other communities and they are very helpful to the Fire Department, Public Works and anyone delivering things. Fire Chief Brahm stated it is clear in the Town's ordinance how to post your address, but enforcing that is tough. The signs are helpful, however electronic mapping and apps are becoming the way to go. Your location is sent directly to the computer in the squad or ambulance and it takes you right to your house and you don't have to look for the numbers. Jane Stadler stated the Town's type of addresses aren't recognized on GPS maps. It would be a good idea to consider this project. She also asked how much longer the Town will be at the current compost site location? Public Works Director DeStefano stated Payne and Dolan will be moving the compost site in 2019.

**Adjournment to Wednesday, November 14, 2018 for the Budget Public Hearing and Special Town Meeting of the Electors.**

*Motion by Jane Stadler to adjourn and set the date for the Budget Public Hearing and Special Town Meeting of the Electors for Wednesday, November 14, 2018. Seconded by Kevin Bujak. Motion carried. Meeting adjourned at 8:24 PM.*

Respectfully submitted,

Gina Gresch, MMC/WCPC  
Town of Lisbon Clerk



# **TOWN OF LISBON POLICE SERVICES**

**2017**

---

- Captain Lisa Panas
  - Deputy Benjamin Peterson
  - Deputy Kyle Steger
  - Deputy Carlos Reyes
  - Deputy Keith McDonald
  - Deputy Nick Ollinger
  - Deputy Zach Bell
  - School Resource Officer Gary Kelly
-

## ENFORCEMENT/PATROL

- 655 Citations
  - 428 Verbal Warnings
  - 29 Warrant Pick ups
  - 174 Suspicious persons
  - 24 OWI
  - 47 Ordinance Citations
  - 18 Parking Citations
  - 1845 House/Building Checks
  - 104 Disabled Vehicles
  - 368 Assist Fire
  - 21 Vehicle Lock outs
  - 176 Follow Up Investigations
  - 101 Well Being Checks
  - 23 Process Serves
-

## CALLS FOR SERVICE

- 6 Battery
  - 15 Burglary
  - 2 Child Abuse
  - 16 Controlled Substance
  - 20 Criminal Damage To Property
  - 31 Disorderly Conduct
  - 51 Disputes
  - 29 Domestic Violence
  - 43 Fraud
  - 15 Harassment
  - 28 Loud Noise
  - 3 Theft of Motor Vehicle
  - 38 Maintain Peace
  - 34 Theft
  - 12 Uncontrollable Juvenile
  - 39 Weapons Offense
-

## COMMUNITY EVENTS (489 CONTACTS)



## **SOME PROGRAMS INCLUDE...**

- National Night Out
  - Safety Days
  - Easter Egg Extravaganza
  - Tours
  - Heritage Days
  - Citizen Ride Alongs
  - School Safety Presentations
-

# LISBON FIRE DEPARTMENT

**2017  
ANNUAL  
REPORT**  
*AVAILABLE IN PRINTED  
FORM*



## ISO; INSURANCE SERVICE OFFICE

- Grading Agency for Fire Departments
  - Lisbon Fire in process of testing
    - Is how insurance premiums are determined
    - Assesses:
      - Manpower, water systems, response times, apparatus, pump capacity, dispatch, fire prevention, life safety code enforcement, training, reporting and documentation, more.
- Initial report returned
  - In process of editing or disputing
    - Some areas to be reviewed
    - Improved from a 6/10 to 4/10

# BARK RIVER EMERGENCY SERVICES

- Hartland, Merton and Lisbon Inter-municipal agreement
- Standardized response guidelines
- Shared training and instructors
- Shared paramedics
- Shared software and programs
- Shared officers
- Shared apparatus
- Explorer program
- County feasibility study supports actions



# 2018-19 STAFFING GOALS

- Feasibility study identifies staffing concerns
- Paid on call / volunteer systems are not sustainable
- Long term plans must be developed
  - Establishing more career positions each year
  - Changing pay structure for part-time employees
  - Transition to complete career department over time
  - Integrating plan with neighboring communities



# S.A.F.E. ty Dayz

Safe and Fast Extrication



## LISBON COMMUNITY PARK



### SAVE THE DATE! SATURDAY JUNE 2ND 2018

### 7am - 9am CHECK IN 9am - 5pm EVENT

Tow Trucks In Motion

FIREHOUSE SUBS  
REFRESHMENTS

Kid's Games by  
the Boy Scouts

Plus Many More  
Activities....

# AUTO EXTRICATION EVENT!!

Kids Survive Alive Smoke  
House



## Fun For The Whole Family

**LISBON FIRE AND  
FLIGHT FOR LIFE  
BLOOD DRIVE &  
OPEN HOUSE**

**May 22nd**

**2:30 PM to 7:00PM**

# 2018 LISBON PARKS ANNUAL REPORT



## 2017 HIGHLIGHTS & SOCIAL EVENTS

- Lisbon's sport fields provided field space to over 1,000 adults/children (Baseball, Football, Soccer, and Lacrosse)
- Worked with several local non-profit organizations: SOS Food Pantry (Food Drives), Waukesha Sheriff Department (National Night Out), the Sussex/Lisbon Lions Club (Annual Ride for the Blind Event)
- Waukesha County Park and Land Use Department and Lisbon Parks have teamed up to provide educational materials pertaining to Ground Water/ Storm Water Runoff, Rain Gardens, Recycling of Hazardous Waste and Turf/Tree Heath Care practices to the public.
- Town hosted four (4) successful free family social events throughout 2017. Winter Fest, Easter Egg Extravaganza, Safety Dayz and Heritage Weekend.
- Open air shelters were reserved over 50 times in 2017 for social occasions like: Family Reunions, Birthday Celebrations, Weddings, Anniversary's, Church Fellowship Celebrations, Corporate Events and local middle school field trips/picnics.

## 2018 GOALS

Based on an assessment of departmental operations, town board and supervisory discussions, budgetary considerations and staffing needs, we propose the following organizational goals for 2018.

- Complete park improvement projects on time and within budget.
  - Improve staff efficiency by continuing education/training of my employees.
  - Manage quality park facilities & outdoor recreational opportunities
  - Maintain the department's fleet/equipment in a cost efficient and safe manner.
  - Provide appropriate town sponsored family social events.
  - Cultivate partnerships with our local business's and non-profit organizations
  - Represent Lisbon in a professional manner at the State, Local and County levels
-

## **2018 PROJECTS**

- Construction of an outside fire training area at the Ricard Jung Fire Station
- Create a new Lisbon Park Boucher Handout
- Sport infield renovation work.
- Remove/ Install playground equipment, Stone Family and Lisbon Oaks Parks.
- Upgrade Community Park's ice rink .

**THIS CONCLUDES MY 2018 PARK DEPARTMENTS ANNUAL REPORT IF ANYONE HAS ANY QUESTIONS, I WOULD LIKE TO TAKE AT THIS TIME. THANK YOU**



# **2018 DPW ANNUAL REPORT**

**TOWN OF LISBON**

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# THE CREW



# MISSION STATEMENT

- To provide municipal services and public improvements in an efficient effective manner in order to preserve the quality of life within the community.
-

# WHAT DOES THE DPW DO?



# 2017 ACCOMPLISHMENTS

- 33 Culverts replaced ahead of the paving program
  - Completed phase #2 of the paving program
  - Completed the town wide street sign upgrades
  - Conducted our annual Illicit Discharge inspection for our MS4 reporting
  - Had a very safe & efficient year while accomplishing our day to day preventive maintenance duties on right of ways and building maintenance
  - A lot of hard work went in to having a safe and efficient snow and ice removal season
  - Staff went out a total of 37 times for snow removal and de-icing operations
  - Continued to build great relationships between all departments
  - Continued to be efficient with responding to residents' concerns
-

# 2018 GOALS

- Maintain streets and right-of-ways in an above average condition, which are safe, clean and passable at all times.
  - Respond to residents' concerns in a timely manner.
  - Keep the Town Board informed on the status of the DPW and maintain a balanced budget.
  - Work with the Town Engineer to help identify and plan for infrastructure improvements on Town roads and right-of ways.
  - Maintain a positive relationship with surrounding communities.
  - Continue with safety training and keeping the employees up to date on new safety policies and procedures.
-

# SNOW & ICE CONTROL

2017/2018 Winter

- 37 Events & Counting....
- 4,396 Gallons of Fuel
- 1,695 Tons of Salt
- 4,424 Gallons of Calcium Chloride



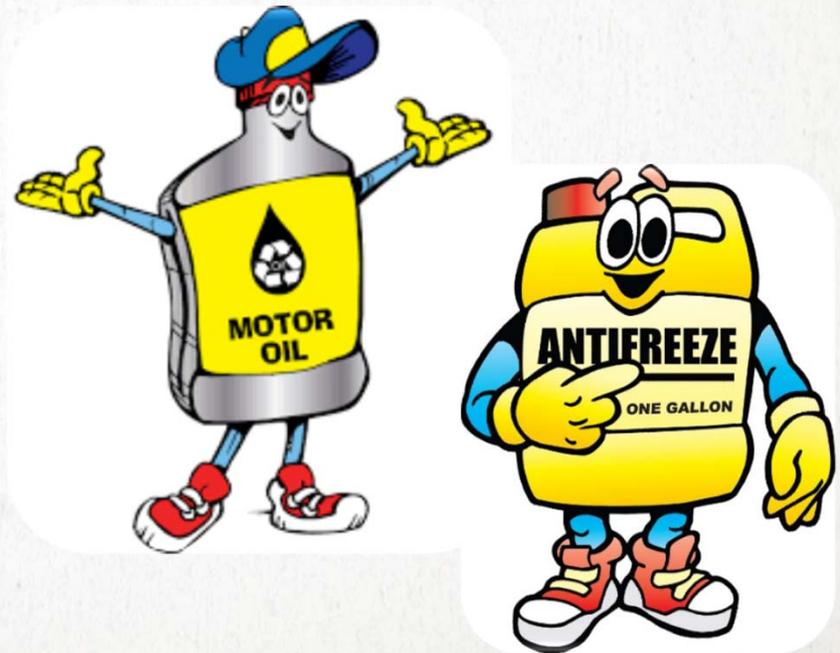
# COMPOST SITE

8,300 Yards of Brush & Yard Waste



# WASTE OIL & ANTI-FREEZE DROP OFF

- 8,575 Gallons of Waste Oil
- 915 Gallons of Anti-Freeze
- 11 – Drums of Oil Filters



## **PAVING PROGRAM**

- HICKORY ROAD**
- NORTH LISBON ROAD**
- DUPLAINVILLE ROAD**
- COLGATE ROAD NORTH**
- SPRING HILL SUBDIVISION**
- CIRCLE CREST SUBDIVISION**
- CROOKED BRIDGE SUBDIVISION**
- ROLLING HILLS SUBDIVISION**
- OAKWOOD ROAD/COURT**
- LYNNDALE FARMS SUBDIVISIONS**



# **GRANITE SLAG**

- GLEN RIDGE SUBDIVISION**
- VICTORIA CIRCLE SUBDIVISION**
- CORDELL LANE**
- INDIAN GRASS LANE**



# 2018 PROJECTS

## PAVING

- GOOD HOPE ROAD
- MICAH ROAD
- PETERSON ROAD
- LYNN MARIE COURT
- CAROL ANN CIRCLE
- BONNIE LANE
- CENTER OAK ROAD
- SECTION ON PLAINVIEW ROAD
- LISBON LAWNS SUBDIVISION



## MAINTENANCE

- CRACK FILLING THROUGHOUT THE TOWN
- CULVERT REPLACEMENT
- R.O.W. PREVENTATIVE MAINTENANCE

**BRYAN OELHAFEN**

**PREMIER  
BUILDING  
INSPECTIONS  
LLC**





**PLUMBING,  
ELECTRICAL,  
HVAC, AND  
CONSTRUCTION  
INSPECTIONS  
FOR THE TOWN  
OF LISBON**

## WHO DOESN'T LIKE SOME STATISTICS

	<u>2016</u>	<u>2017</u>
Total	833	803
New Homes	31	33
Acc. Builds.	28	37
Additions	11	8
Pools/Decks	22	25
Rec. Rooms	21	22
Remodels	41	38
Commercial	10	11
Misc.	664	626

(service, plumb. heating, siding, windows, fence, foundation repairs)

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**WAIT...THERE'S MORE STATISTICS!  
ORDINANCE VIOLATIONS**

**BUILDING  
INSPECTION  
ALL THE COOL KIDS  
ARE DOING IT**

**Violations acted on**

2016 29

2017 31

# ENOUGH OF THE PAST. WHAT'S IN OUR FUTURE ?

(REMAINING LOTS IN MAJOR SUBDIVISIONS)

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- **Twin Pine Farms** 40 phase I and II
- **Ironwood East and West** 53
- **Celtic Ridge** 12
- **River Glen** 10
- **Barnwood** 53

# THANK YOU!

TO THE LISBON RESIDENTS, ELECTED OFFICIALS, ALL DEPARTMENTS AND COMMITTEES!

I ENJOY WORKING WITH ALL OF YOU!



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# TOWN HALL

W234 N8676 WOODSIDE ROAD

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## TOWN HALL

Town Hall employees are committed to delivering superior customer service that meets the needs of the citizens, business owners and others in a consistent manner with professionalism, politeness and promptness. We also strive to be:

- Respectful by treating our customers as we wish to be treated to ensure that every interaction is conducted in a pleasant and professional manner.
  - Communicate by actively listening to our customers and respond in a clear and concise manner. We will communicate through available resources, providing accurate information in a manner that is easy to understand.
  - Committed to upholding values of transparency, participation, and collaboration in tangible ways that benefit the residents of the Town.
-

## TOWN HALL



Pictured from right to left: Administrative Assistant – Kris Porter, Town Administrator – Matthew Janecke, Deputy Treasurer and Benefits Coordinator – Kelley Sharon, and Clerk – Gina Gresch.

Not Pictured is Treasurer Amy Buchman

## **TOWN ADMINISTRATOR – MATT JANECKE**

Is the chief administrative officer to the Town responsible to the Town Board for the proper administration of the business and affairs of the Town. The Administrator shall have power and duties as follows: Carry out all directives of the Town Board which require administrative implementation; Be responsible for the administration of all day to day operations of the town government; etc.

## **TOWN CLERK – GINA GRESCH**

The Town Clerk is a statutory officer that is responsible for: preparation of agendas and official minutes for Boards, Commissions, and Committees, legal notification to the public, maintenance of finance records, election administration, issue alcohol, and related licenses and management of records which the clerk is legal custodian. The Town Clerk receives all claims filed against the Town as well as correspondence directed to the Town.

- Supported by Administrative Assistant Kris Porter
-

## TREASURER – AMY BUCHMAN

The Town Treasurer is responsible for the proper administration of the financial affairs and fiscal records of the Town, with responsibilities and duties as set forth in the Town Code and State Statutes. In addition, the Treasurer is responsible for carrying out all directives of the Town Board which require the Treasurer's assistance in implementation; be responsible to establish procedures to increase the effectiveness and efficiency of the Town Government relating to the Treasurers function; etc.

- The Treasurer is supported by Deputy Treasurer and Benefits Coordinator, Kelley Sharon

## 2017 TOWN HALL ACCOMPLISHMENTS

- Town Administrator – Matt Janecke
  - Hired a new Planner - The initial steps for hiring a new Planner was to work with the Plan Commission to identify the role of the Planner. Vierbicher, Dan Lindstrom were brought on late in 2017.
  - Hired a new Treasurer - A new job advertisement was created for the position and posted to several different job boards. I received several quality applications, interviewing three candidates initially, including Amy. Amy was interviewed again as our only finalist, and it was decided to make her an offer, and she ultimately accepted the position. This process took approximately four months to complete.
  - Barnwood Conservancy - This project began in late 2016 and early 2017. Many meetings were held to discuss the layout of the property and what the developer will provide in exchange for the Planned Unit Development (PUD) overlay. Specifically discussed was the inclusion of the trails and open space throughout the property, as well as a green space that evolved from a ball field to a pavilion and now an open space with a pavilion that makes use of the reclaimed barn wood. This is an on-going project.
  - Sewer Capacity purchased for the Lied's Property - An agreement with Sussex was made to purchase 128,000 gallons of capacity for \$220,160.

## 2017 TOWN HALL ACCOMPLISHMENTS (CONT.)

- Clerk – Gina Gresch
    - Updated letters of credit/surety bonds sheet/balances; refunded those who needed to be refunded and balanced monies kept with the General Ledger.
    - Updated garbage collection and storm water special charge records for taxes with Treasurer Buchman.
    - Kris Porter scanned all of the Plats of Surveys so we can easily find and email them when requested.
    - Organized the boxes upstairs at the Fire Department – started with 182 (60+ to recycle, 35 burned or shredded, sent 20+ boxes to the Fire Department for storage); all organized and labeled for destruction dates.
    - Implemented new fee schedule and keep it up-to-date.
    - Successfully conducted two election, perfect returns to Waukesha County.
  - Treasurer – Amy Buchman (Hired in September 2017)
    - Made it through her first municipal budget and tax collections cycles.
    - Has almost completed balancing 2017.
-

## 2018 TOWN HALL GOALS

- Administrator – Matt Janecke
    - Begin the budget process sooner, to include a presentation of the Administrator's Budget to the Board by the first Board meeting in September.
    - Annualize capital costs for equipment and roads, and make a recommendation the Board on a sustainable amount of funds to set aside from year to year to pay for future capital expenses in full or part.
    - Create a Performance Evaluation Process for all Town Employees. As part of the newly established employee Performance Evaluation, the following will be established: job descriptions for all employees; and appropriate salary ranges for all positions.
    - Provide more employee mentoring to the Department Head and other Staff members.
    - Reformat the Gazette so that residents find it more interesting and enjoyable to read.
    - Analyze employee health insurance proposals by using market place or elsewhere to realize cost savings for similar or better insurance plan proposals in comparison to what is currently being offered to employees.
    - Advertise for the sale of the Pauline Haass Land and make a recommendation to the Board on a Purchase Agreement.
-

## 2018 TOWN HALL GOALS (CONT.)

- Town Clerk – Gina Gresch
  - Working with the Treasurer on implementing electronic payments online and in the office.
  - Working with the Treasurer researching new accounting software which could include licensing and permitting modules.
  - Continue to scan and electronically file all documents into respective tax key files or subject files if not property related. When time allows, we work backwards in time; Gina reviewing the files, Kris scanning and saving them
  - Streamlining the Plan Commission process with Planner Lindstrom.
  - Conduct four successful elections – two down, two to go.
  - Recruit more election inspectors/implement Adopt-A-Polling Place.
  - Update dog license database which leads into automating the dog license renewal process with mail merge letter sent in the fall.

## 2018 TOWN HALL GOALS (CONT.)

- Town Treasurer– Amy Buchman
    - Working with the Clerk on implementing electronic payments online and in the office.
    - Working with the Clerk researching new accounting software which could include licensing and permitting modules.
    - Reformatting the budget with the Administrator which could be accomplished with a new accounting software.
    - Streamline monthly processes going forward (billing, balancing bank and GL accounts, LifeQuest).
    - Research the Chase Commercial Credit Card program to pay regularly paid invoices (i.e. WE Energies, phones, Advanced Disposal, Waukesha County Police Services, etc.) with this specific card and in turn the Town receives a yearly rebate from the program; or pay certain regularly paid invoices using ACH through the bank.
    - Attend Year 1 of the UW-GB Treasurer’s Institute in July.
    - Consider more investment opportunities.
-

**QUESTIONS AND COMMENTS.**

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**RECEIVED**

*By Gina Gresch at 11:11 am, Apr 04, 2019*

# DRAFT

## **TOWN OF LISBON**

Lisbon, Wisconsin

### **FINANCIAL STATEMENTS**

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2018

# DRAFT

## TOWN OF LISBON

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# DRAFT

## TOWN OF LISBON

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# DRAFT

## INDEPENDENT AUDITORS' REPORT

To the Town Board  
Town of Lisbon  
Lisbon, Wisconsin

### **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, Wisconsin, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Town of Lisbon'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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 Town of Lisbon'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 Town of Lisbon'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 that 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 of Lisbon, Wisconsin, as of December 31, 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As discussed in Note I, the Town of Lisbon adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective January 1, 2018. Our opinions are not modified with respect to this matter.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lisbon's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Milwaukee, Wisconsin  
April 15, 2019

# DRAFT

**BASIC FINANCIAL STATEMENTS**

**TOWN OF LISBON**  
**STATEMENT OF NET POSITION**  
As of December 31, 2018

# DRAFT

	Primary Government		
	Governmental Activities	Business - type Activities	Totals
<b>ASSETS</b>			
Cash and investments	\$ 4,227,362	\$ 210,696	\$ 4,438,058
Taxes receivable	5,010,007	228,925	5,238,932
Delinquent personal property taxes receivable	5,578	-	5,578
Accounts receivable, net	667,466	-	667,466
Internal balances	4,054	(4,054)	-
Prepaid items	83,222	-	83,222
Restricted assets - net pension asset	208,370	-	208,370
Land held for resale	1,709,545	-	1,709,545
Capacity entitlements, net	1,100,897	-	1,100,897
Capital assets			
Land	558,240	-	558,240
Other capital assets	37,225,763	818,496	38,044,259
Less: Accumulated depreciation/amortization	(17,989,749)	(41,857)	(18,031,606)
Total Assets	32,810,755	1,212,206	34,022,961
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	34,558	-	34,558
Other postemployment benefit related amount	10,255	-	10,255
Pension related amounts	383,655	-	383,655
Total Deferred Outflows of Resources	428,468	-	428,468
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	311,708	6,327	318,035
Deposits	213,142	200	213,342
Accrued interest payable	107,823	-	107,823
Noncurrent liabilities			
Due within one year	1,678,520	-	1,678,520
Due in more than one year	10,814,077	-	10,814,077
Total Liabilities	13,125,270	6,527	13,131,797
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related amounts	414,331	-	414,331
Unearned revenues	5,009,707	228,925	5,238,632
Total Deferred Inflows of Resources	5,424,038	228,925	5,652,963
<b>NET POSITION</b>			
Net investment in capital assets	9,977,277	776,639	10,753,916
Restricted:			
Library	10,710	-	10,710
Park	34,172	-	34,172
Building	41,654	-	41,654
Fire operations	123,710	-	123,710
Sewer study	104,937	-	104,937
Pension	208,370	-	208,370
Unrestricted (deficit)	4,189,085	200,115	4,389,200
<b>TOTAL NET POSITION</b>	<b>\$ 14,689,915</b>	<b>\$ 976,754</b>	<b>\$ 15,666,669</b>

See accompanying notes to financial statements.

**TOWN OF LISBON**

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2018

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government	
						Business-type Activities	Totals
Governmental activities							
General government	\$ 1,049,546	\$ 130,216	\$ -	\$ -	\$ (919,330)	\$ -	\$ (919,330)
Public safety	2,075,087	1,004,765	52,314	-	(1,018,008)	-	(1,018,008)
Public works	2,308,067	193,519	289,970	71,408	(1,753,170)	-	(1,753,170)
Sanitation	768,759	822,279	-	-	53,520	-	53,520
Culture and recreation	198,492	10,643	-	-	(187,849)	-	(187,849)
Conservation and development	73,168	52,143	-	-	(21,025)	-	(21,025)
Interest and fiscal charges	257,458	-	-	-	(257,458)	-	(257,458)
Total governmental activities	6,730,577	2,213,565	342,284	71,408	(4,103,320)	-	(4,103,320)
Business-type activities							
Utility District No. 1 - Stormwater and Refuse	201,399	227,541	-	3,055	-	29,197	29,197
Total business-type activities	201,399	227,541	-	3,055	(4,103,320)	29,197	(4,074,123)
Total primary government	\$ 6,931,976	\$ 2,441,106	\$ 342,284	\$ 74,463			

General revenues							
Taxes							
Property taxes, levied for general purposes		2,620,336			2,620,336		2,620,336
Property taxes, levied for debt service		1,429,585			1,429,585		1,429,585
Other taxes		100,940			100,940		100,940
Intergovernmental revenues not restricted to specific programs		139,218			139,218		139,218
Investment income		86,540			86,540		86,540
Miscellaneous		146,092			146,092		146,092
Total general revenues		4,522,711			4,522,711		4,522,711
Change in net position		419,391			419,391	29,197	448,588
NET POSITION - Beginning of Year		14,270,524			14,270,524	947,557	15,218,081
NET POSITION - END OF YEAR		\$ 14,689,915			\$ 14,689,915	\$ 976,754	\$ 15,666,669

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See accompanying notes to financial statements.

TOWN OF LISBON

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2018

# DRAFT

	General	Debt Service Fund	Capital Projects - Equipment Acquisition Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 2,624,612	\$ 21,279	\$ 1,229,563	\$ 351,908	\$ 4,227,362
Taxes receivable	3,521,827	1,488,180	-	-	5,010,007
Delinquent personal property taxes receivable	5,578	-	-	-	5,578
Accounts receivable (net)	635,312	-	30,242	1,912	667,466
Due from other funds	79,060	-	-	-	79,060
Prepaid items	83,222	-	-	-	83,222
<b>TOTAL ASSETS</b>	<b>\$ 6,949,611</b>	<b>\$ 1,509,459</b>	<b>\$ 1,259,805</b>	<b>\$ 353,820</b>	<b>\$ 10,072,695</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 203,251	\$ -	\$ 29,023	\$ 5,751	\$ 238,025
Accrued liabilities	73,683	-	-	-	73,683
Deposits	213,142	-	-	-	213,142
Due to other funds	-	-	-	75,006	75,006
Total Liabilities	490,076	-	29,023	80,757	599,856
Deferred inflows of resources					
Unearned revenue	3,521,527	1,488,180	-	-	5,009,707
Fund Balances					
Nonspendable	88,800	-	-	-	88,800
Restricted	-	21,279	-	315,183	336,462
Committed	-	-	1,230,782	31,048	1,261,830
Assigned	-	-	-	-	-
Unassigned (deficits)	2,849,208	-	-	(73,168)	2,776,040
Total Fund Balances	2,938,008	21,279	1,230,782	273,063	4,463,132
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 6,949,611</b>	<b>\$ 1,509,459</b>	<b>\$ 1,259,805</b>	<b>\$ 353,820</b>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. See Note II. A.	19,794,255
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	208,370
Land held for resale does not relate to current financial resources and is not reported in the governmental funds.	1,709,545
Capacity entitlements do not relate to current financial resources and are not reported in the governmental funds.	1,100,897
Deferred outflows of resources related to pensions do not related to current financial resources and are not reported in the governmental funds.	383,655
Deferred outflows of resources related to deferred charges for refundings do not relate to current financial resources and are not reported in the governmental funds.	34,558
Deferred inflows of resources related to pensions do not related to current financial resources and are not reported in the governmental funds.	(414,331)
The total other postemployment benefit liability does not relate to current financial resources and is not reported in the governmental funds.	(250,958)
Deferred outflows of resources related to other postemployment benefits do not related to current financial resources and are not reported in the governmental funds.	10,255
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note II. A.	(12,349,463)

**NET POSITION OF GOVERNMENTAL FUNDS**

**\$ 14,689,915**

## TOWN OF LISBON

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2010**DRAFT**

	General	Debt Service Fund	Capital Projects - Equipment Acquisition Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 2,721,276	\$ 1,429,585	\$ -	\$ -	\$ 4,150,861
Intergovernmental revenues	481,502	-	-	-	481,502
Regulation and compliance	538,280	-	-	-	538,280
Public charges for services	1,536,717	-	-	5,317	1,542,034
Intergovernmental charges for services	33,321	-	71,408	37,061	141,790
Investment income	58,800	-	26,962	779	86,541
Miscellaneous	233,667	-	-	4,745	238,412
<b>Total Revenues</b>	<b>5,603,563</b>	<b>1,429,585</b>	<b>98,370</b>	<b>47,902</b>	<b>7,179,420</b>
<b>EXPENDITURES</b>					
Current					
General government	968,747	-	-	-	968,747
Public safety	1,845,219	-	-	-	1,845,219
Public works	934,287	-	-	33,171	967,458
Sanitation	768,759	-	-	-	768,759
Culture and recreation	173,186	-	-	6,250	179,436
Conservation and development	-	-	-	73,168	73,168
Capital Outlay	-	-	1,863,585	-	1,863,585
Debt Service	-	-	-	-	-
Principal	3,159	1,635,151	-	-	1,638,310
Interest	-	289,892	-	-	289,892
<b>Total Expenditures</b>	<b>4,693,357</b>	<b>1,925,043</b>	<b>1,863,585</b>	<b>112,589</b>	<b>8,594,574</b>
Excess (deficiency) of revenues over expenditures	910,206	(495,458)	(1,765,215)	(64,687)	(1,415,154)
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of capital assets	53,875	-	-	-	53,875
Transfers in	-	150,000	457,019	-	607,019
Transfers out	(572,019)	-	-	(35,000)	(607,019)
<b>Total Other Financing Sources (Uses)</b>	<b>(518,144)</b>	<b>150,000</b>	<b>457,019</b>	<b>(35,000)</b>	<b>53,875</b>
<b>Net Change in Fund Balances</b>	<b>392,062</b>	<b>(345,458)</b>	<b>(1,308,196)</b>	<b>(99,687)</b>	<b>(1,361,279)</b>
FUND BALANCE - BEGINNING OF YEAR	2,545,946	366,737	2,538,978	372,750	5,824,411
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 2,938,008</b>	<b>\$ 21,279</b>	<b>\$ 1,230,782</b>	<b>\$ 273,063</b>	<b>\$ 4,463,132</b>

See accompanying notes to financial statements.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2018

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Net change in fund balances - total governmental funds \$ (1,361,279)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	1,863,585
Some items reported as capital outlay were not capitalized	(72,553)
Some items reported as current expenditures were capitalized	46,010
Depreciation is recorded in the government-wide statements	(1,352,715)
Net book value of assets disposed of	(83,327)

Debt issued provides 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.

Principal repaid	1,638,310
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Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Accrued sick and vacation pay	(11,695)
Net pension liability	264,817
Deferred outflows of resources related to pensions	163,664
Deferred inflows of resources related to pensions	(458,644)
Total other postemployment benefit liability	(149,003)
Deferred outflows of resources related to other postemployment benefits	10,255
Amortization of deferred charge on refunding	(11,520)
Amortization of premium on long-term debt	30,723
Accrued interest on debt	13,230
Amortization of capacity entitlements	<u>(110,467)</u>

<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 419,391</u></b>
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TOWN OF LISBON  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
As of December 31, 2018

# DRAFT

	Business-type Activities - Enterprise Fund
	Storm Water Fund
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and investments	\$ 210,696
Taxes receivable	228,925
Total Current Assets	439,621
<b>NON-CURRENT ASSETS</b>	
Capital assets	
Property and equipment	818,496
Less: Accumulated depreciation/amortization	(41,857)
Total Non-Current Assets	776,639
Total Assets	1,216,260
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	5,751
Accrued liabilities	576
Deposits	200
Due to other funds	4,054
Total Current Liabilities	10,581
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Subsequent year's tax levy	228,925
<b>NET POSITION</b>	
Investment in capital assets	776,639
Unrestricted	200,115
<b>TOTAL NET POSITION</b>	<b>\$ 976,754</b>

See accompanying notes to financial statements.

## TOWN OF LISBON

**DRAFT**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION - PROPRIETARY FUND  
For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Fund
	Storm Water Fund
<b>OPERATING REVENUES</b>	
Charges for services	\$ 227,343
Other operating revenue	198
Total Operating Revenues	<u>227,541</u>
<b>OPERATING EXPENSES</b>	
Operation and maintenance	192,449
Depreciation	8,950
Total Operating Expenses	<u>201,399</u>
Operating income before capital contributions	26,142
<b>CAPITAL CONTRIBUTIONS</b>	<u>3,055</u>
<b>Change in Net Position</b>	29,197
NET POSITION - Beginning of Year	<u>947,557</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 976,754</u>

See accompanying notes to financial statements.

STATEMENT OF CASH FLOW  
 PROPRIETARY FUND  
 For the Year Ended December 31, 2018

	<u>Business-type Activities - Enterprise Fund</u>
	<u>Storm Water Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Received from customers	\$ 227,542
Paid to vendors for goods and services	(153,075)
Paid to employees for services	(28,993)
Net Cash Flows from Operating Activities	<u>45,474</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition and construction of capital assets	(19,969)
Grant received	3,055
Net Cash Flows from Capital and Related Financing Activities	<u>(16,914)</u>
<b>Net Change in Cash and Cash Equivalents</b>	28,560
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>182,136</u>
<b>CASH AND CASH EQUIVALENTS - End of Year</b>	<u>\$ 210,696</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES:</b>	
Operating income	\$ 26,142
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation expense	8,950
Changes in assets and liabilities	
Taxes receivable	(4,207)
Accounts payable	5,751
Accrued liabilities	576
Due to other funds	4,055
Deferred inflow of resources - subsequent year's tax levy	4,207
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 45,474</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
None	

See accompanying notes to financial statements.

# DRAFT

## TOWN OF LISBON

### STATEMENT OF ASSETS AND LIABILITIES AGENCY FUND As of December 31, 2018

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	Agency Fund - Tax Roll Fund
<b>ASSETS</b>	
Cash and cash equivalents	\$ 11,746,934
Taxes receivable	<u>2,336,970</u>
Total Assets	<u>\$ 14,083,904</u>
<b>LIABILITIES</b>	
Liabilities	
Accounts payable	\$ 33,826
Due to other taxing units	<u>14,050,078</u>
Total Liabilities	<u>\$ 14,083,904</u>

See accompanying notes to financial statements.

## TOWN OF LISBON

### INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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## TOWN OF LISBON

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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#### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The accounting policies of the Town of Lisbon (the "Town"), Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

##### ***A. REPORTING ENTITY***

This report includes all of the funds of the town. The reporting entity for the town consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The town has not identified any organizations that meet this criteria.

##### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS***

In June 2015, the GASB issued statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. This standard was implemented January 1, 2018.

##### ***Government-Wide Financial Statements***

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the 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. The town does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

## TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

##### ***Fund Financial Statements***

Financial statements of the town are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the town or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the town believes is particularly important to financial statement users may be reported as a major fund.

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

The town reports the following major governmental funds:

- General Fund - accounts for the town's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- Debt service fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs, other than TID or enterprise debt.
- Capital projects fund - Equipment Acquisition Fund - 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 capital facilities and other capital assets.

The town reports the following major enterprise fund:

- Storm Water Fund - accounts for operations of the storm water system

## TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

##### ***Fund Financial Statements (cont.)***

The town reports the following nonmajor governmental funds:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Library Fund  
Building Fund  
Compost Fund

Park Fund  
Fire Operations Fund

Capital Projects Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

TID #1 Fund

Sewer Study Fund

In addition, the town reports the following fund types:

Agency Funds - used to account for and report assets held by the town in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Tax Roll Fund

#### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION***

##### ***Government-Wide Financial Statements***

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the town's storm water fund and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

## TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

#### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)***

##### ***Fund Financial Statements***

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the town is entitled the resources and the amounts are available. Amounts owed to the town which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the storm water fund are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

##### ***All Financial Statements***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure 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.

## TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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#### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY***

##### ***1. Deposits and Investments***

For purposes of the statement of cash flows, the town considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of town funds is restricted by Wisconsin state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

The town has adopted an investment policy. That policy follows the state statute for allowable investments.

No policy exists for the following risks:

- Credit risk
- Custodial credit risk
- Interest rate risk
- Concentration of credit risk
- Investments highly sensitive to interest rate changes
- Foreign currency risk

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

## TOWN OF LISBON

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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#### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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##### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

##### ***1. Deposits and Investments (cont.)***

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2018, the fair value of the town's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note IV. A. for further information.

##### ***2. Receivables***

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the town, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of assets and liabilities - agency fund.

Property tax calendar - 2018 tax roll:

Lien date and levy date	December 2018
Tax bills mailed	December 2018
Payment in full, or	January 31, 2019
First installment due	January 31, 2019
Second installment due	July 31, 2019
Personal property taxes in full	January 31, 2019
Tax sale - 2018 delinquent real estate taxes	October 2021

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the storm water fund because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

## TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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#### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

##### ***3. Prepaid Items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

##### ***4. Restricted Assets***

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

##### ***5. Capital Assets***

###### ***Government-Wide Statements***

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$5,000 for infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	20-40 Years
Improvements	10-20 Years
Machinery and Equipment	5-20 Years
Infrastructure	20-40 Years

## TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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#### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

##### ***5. Capital Assets (cont.)***

###### ***Fund Financial Statements***

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

##### ***6. Deferred Outflows of Resources***

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

##### ***7. Compensated Absences***

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2018, are determined on the basis of current salary rates and include salary related payments.

##### ***8. Long-Term Obligations/Conduit Debt***

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

## TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

#### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

##### ***9. Deferred Inflows of Resources***

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

##### ***10. Equity Classifications***

###### ***Government-Wide Statements***

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the town's policy to use restricted resources first, then unrestricted resources as they are needed.

###### ***Fund Statements***

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

## TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)**

##### **10. Equity Classifications (cont.)**

###### **Fund Statements (cont.)**

- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Town Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Town Board that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Town Board has, by resolution, adopted a financial policy authorizing the Administrator to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The town considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the town would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The town has a formal minimum fund balance policy. That policy is to maintain a working capital fund of 20% of the ensuing year's budgeted general fund expenditures with a target of 30%. The balance at year end was \$1,045,604, and is included in unassigned general fund fund balance.

See Note IV. G. for further information.

##### **11. Pension**

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

## TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018

### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

#### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

##### ***12. Basis for Existing Rates***

###### ***Storm Water Fund***

Current storm water rates are approved by the Town Board annually and placed on tax bills.

##### ***13. Land Held for Resale***

The Town purchased land held for resale. In the government-wide statements, this item is reported at the lower of cost or estimated market value of the property.

### **NOTE II - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

#### ***A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION***

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. The details of this reconciliation include the following items.

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.

Land	\$	558,240
Buildings and improvements		3,043,581
Equipment and furnishings		5,538,031
Infrastructure		28,598,142
Intangible - software		46,010
Less: Accumulated depreciation		<u>(17,989,749)</u>
Combined Adjustment for Capital Assets	\$	<u>19,794,255</u>

## TOWN OF LISBON

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

#### **NOTE II - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)**

##### **A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION (cont.)**

Long-term liabilities applicable to the town's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities-both current and long-term-are reported in the statement of net position.

Bonds and notes payable	\$	10,836,531
Accumulated sick and vacation pay		139,487
Accrued interest		107,823
Village of Sussex contract payable		1,019,835
Unamortized debt premium		<u>245,786</u>
Combined Adjustment for Long-Term Liabilities	\$	<u>12,349,462</u>

#### **NOTE III - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

##### **A. BUDGETARY INFORMATION**

A budget has been adopted for the General Fund, Debt Service Fund and the Capital Project Fund - Equipment Acquisition Fund. A budget has not been formally adopted for Special revenue funds - Park Fund, Building Fund, Fire Operations Fund and Library Fund and Capital projects funds - Sewer study Fund and TID #1 Fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

##### **B. EXCESS EXPENDITURES OVER APPROPRIATIONS**

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Special revenue fund - Compost Fund	\$ 30,451	\$ 33,171	\$ 2,720
Capital Project Fund - Equipment acquisition fund	189,141	1,863,586	1,674,445

The town controls expenditures at the function level. Some individual functions experienced expenditures which exceeded appropriations. The detail of those items can be found in the town's year-end budget to actual report.

## TOWN OF LISBON

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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#### **NOTE III - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)**

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##### ***C. DEFICIT BALANCES***

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2018, the following individual funds held a deficit balance:

Fund	Amount	Reason
Capital Project Fund - TID #1 Fund	\$ <u>73,168</u>	Expenditures exceeding revenue sources

TID district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases. Fund deficits are anticipated to be funded with future tax increment or long-term borrowing.

##### ***D. LIMITATIONS ON THE TOWN'S TAX LEVY***

Wisconsin law limits the town's future tax levies. Generally the town is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the town's equalized value due to new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The town is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

## TOWN OF LISBON

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

#### NOTE IV - DETAILED NOTES ON ALL FUNDS

##### *A. DEPOSITS AND INVESTMENTS*

The town maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments.

The town's deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 14,816,210	\$ 14,833,597	Custodial credit
LGIP	1,368,582	1,368,582	Credit
Petty cash	<u>200</u>	<u>-</u>	N/A
Total Deposits and Investments	<u>\$ 16,184,992</u>	<u>\$ 16,202,179</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 4,438,058		
Per statement of assets and liabilities - agency fund			
Tax Roll Fund	<u>11,746,934</u>		
Total Deposits and Investments	<u>\$ 16,184,992</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

The town maintains collateral agreements with its banks. At December 31, 2018, the banks had pledged various government securities in the amount of \$13,393,684 to secure the town's deposits.

##### ***Custodial Credit Risk***

##### **Deposits**

Custodial credit risk is the risk that in the event of a financial institution failure, the town's deposits may not be returned to the town.

## TOWN OF LISBON

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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#### NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

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##### A. DEPOSITS AND INVESTMENTS (cont.)

###### *Custodial Credit Risk* (cont.)

##### Deposits (cont.)

As of December 31, 2018, \$289,386 of the town's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 289,282</u>
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###### *Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The town had investments in the external Wisconsin Local Government Investment Pool which is not rated.

See Note I.D.1. for further information on deposit and investment policies.

##### B. RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year.

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unearned</u>
Property taxes receivable for subsequent year	<u>\$ 5,009,707</u>
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 5,009,707</u>

## TOWN OF LISBON

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

#### **NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)**

#### **C. RESTRICTED ASSETS**

The following represent the balances of the restricted assets:

#### **Net Pension Asset**

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

#### **D. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2018, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 558,240	\$ -	\$ -	\$ 558,240
Total Capital Assets Not Being Depreciated	558,240	-	-	558,240
Capital assets being depreciated/amortized				
Buildings and improvements	2,824,948	218,633	-	3,043,581
Equipment and furnishings	5,396,306	325,818	184,093	5,538,031
Infrastructure	28,265,001	1,246,581	913,440	28,598,142
Intangibles - software	-	46,010	-	46,010
Total Capital Assets Being Depreciated/Amortized	36,486,255	1,837,042	1,097,533	37,225,764
Total Capital Assets	37,044,495	1,837,042	1,097,533	37,784,004
Less: Accumulated depreciation/amortization for				
Buildings and improvements	(984,857)	(43,414)	-	(1,028,271)
Equipment and furnishings	(2,324,126)	(324,295)	146,621	(2,501,800)
Infrastructure	(14,342,257)	(983,856)	867,585	(14,458,528)
Intangibles - software	-	(1,150)	-	(1,150)
Total Accumulated Depreciation/Amortization	(17,651,240)	(1,352,715)	1,014,206	(17,989,749)
Net Capital Assets Being Depreciated/Amortized	18,835,015	484,327	83,327	19,236,015
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation/Amortization	\$ 19,393,255	\$ 484,327	\$ 83,327	\$ 19,794,255

## TOWN OF LISBON

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

#### **NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)**

#### **D. CAPITAL ASSETS (cont.)**

Depreciation/amortization expense was charged to functions as follows:

#### **Governmental Activities**

General government	\$ 56,067
Public safety	157,122
Public works	1,116,462
Culture and recreation	<u>23,064</u>
Total Governmental Activities Depreciation/Amortization Expense	<u>\$ 1,352,715</u>

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type Activities</b>				
Capital assets not being depreciation				
Land	\$ 530,141	\$ -	\$ -	\$ 530,141
Total Capital Assets Not Being Depreciation	<u>530,141</u>	<u>-</u>	<u>-</u>	<u>530,141</u>
Capital assets being depreciated/amortized				
Storm water infrastructure	268,386	12,300	-	280,686
Intangible - software	-	7,669	-	7,669
Total Capital Assets Being Depreciated/Amortized	<u>268,386</u>	<u>19,969</u>	<u>-</u>	<u>288,355</u>
Total Capital Assets	<u>798,527</u>	<u>19,969</u>	<u>-</u>	<u>818,496</u>
Less: Accumulated depreciation for				
Storm water infrastructure	(32,907)	(8,758)	-	(41,665)
Intangible - software	-	(192)	-	(192)
Total Accumulated Depreciation	<u>(32,907)</u>	<u>(8,950)</u>	<u>-</u>	<u>(41,857)</u>
Net Capital Assets Being Depreciated/Amortized	<u>235,479</u>	<u>11,019</u>	<u>-</u>	<u>246,498</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 765,620</u>	<u>\$ 11,019</u>	<u>\$ -</u>	<u>\$ 776,639</u>

## TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018

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### NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

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#### *E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS*

##### *Interfund Receivables/Payables*

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Storm Water Fund	\$ 4,054
General Fund	Special revenue fund - compost fund	1,838
General Fund	Capital projects fund - TID #1 fund	<u>73,168</u>
Total - Fund Financial Statements		79,060
Less: Fund eliminations		<u>(75,006)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ 4,054</u>

All amounts are due within one year.

The principal purpose of these interfunds is to fund cash deficits. All remaining balances resulted 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.

## TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018

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### NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

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#### *E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)*

##### *Transfers*

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
Debt Service Fund	General Fund	\$ 150,000	To cover debt service costs.
Capital Projects Fund - Equipment Acquisition fund	Special Revenue Fund - Park Fund	35,000	To cover capital costs.
Capital Projects Fund - Equipment Acquisition fund	General Fund	<u>422,019</u>	To cover capital costs.
Total - Fund Financial Statements		607,019	
Less: Fund eliminations		<u>(607,019)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ -</u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## TOWN OF LISBON

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

#### **NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)**

#### ***F. LONG-TERM OBLIGATIONS***

Long-term obligations activity for the year ended December 31, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 12,371,968	\$ -	\$ 1,535,437	\$ 10,836,531	\$ 1,488,588
Village of Sussex contracts payable	1,119,549	-	99,714	1,019,835	102,254
(Discounts)/Premiums	<u>276,509</u>	-	<u>30,723</u>	<u>245,786</u>	-
Sub-totals	<u>13,768,026</u>	<u>-</u>	<u>1,665,874</u>	<u>12,102,152</u>	<u>1,590,842</u>
Other Liabilities					
Accumulated sick and vacation pay	127,792	99,373	87,678	139,487	87,678
Capital leases	3,160	-	3,160	-	-
Other postemployment benefits liability	<u>101,955</u>	<u>149,003</u>	-	<u>250,958</u>	-
Total Other Liabilities	<u>232,907</u>	<u>248,376</u>	<u>90,838</u>	<u>390,445</u>	<u>87,678</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 14,000,933</u>	<u>\$ 248,376</u>	<u>\$ 1,756,712</u>	<u>\$ 12,492,597</u>	<u>\$ 1,678,520</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the town may not exceed 5% of the equalized value of taxable property within the town's jurisdiction. The debt limit as of December 31, 2018, was \$62,070,885. Total general obligation debt outstanding at year end was \$10,836,531.

## TOWN OF LISBON

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

#### **NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)**

#### **F. LONG-TERM OBLIGATIONS (cont.)**

##### **General Obligation Debt**

All general obligation notes and bonds payable are backed by the full faith and credit of the town. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund.

##### **Governmental Activities**

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2018</u>
General obligation debt	05/15/09	05/15/19	3.38%	\$ 470,000	\$ 47,000
General obligation debt	07/01/10	07/01/20	3.05	550,000	110,000
General obligation debt	08/01/11	08/01/21	3.15	650,000	195,000
General obligation debt	08/15/12	08/15/22	2.00	594,250	237,700
General obligation debt	08/01/13	08/01/23	2.00	567,000	283,500
General obligation debt	03/01/14	03/01/24	2.90	539,250	323,550
General obligation debt	12/11/14	03/15/21	.5 - 1.9	2,115,000	810,000
General obligation debt	01/01/15	02/15/22	0.00	23,304	11,597
General obligation debt	07/07/16	03/01/26	2.00	8,060,000	7,260,000
General obligation debt	07/26/16	3/15/36	3.50	1,700,000	<u>1,558,184</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 10,836,531</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 1,488,588	\$ 232,665
2020	1,493,672	201,147
2021	1,481,115	168,484
2022	1,143,500	139,538
2023	1,098,631	115,011
2024-2028	3,318,898	273,125
2029-2033	481,148	109,659
2034-2036	<u>330,979</u>	<u>23,449</u>
Totals	<u>\$ 10,836,531</u>	<u>\$ 1,263,078</u>

## TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018

### NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

#### *F. LONG-TERM OBLIGATIONS (cont.)*

##### *Village of Sussex contracts payable*

Village of Sussex contracts payable at December 31, 2018 consist of the following:

##### **Governmental Activities**

Village of Sussex contracts payable	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2018
Clean Water fund loan	2007	05/01/27	2.55%	\$ 1,912,595	\$ 1,019,835
Total Governmental Activities Village of Sussex contracts payable					\$ 1,019,835

Debt service requirements to maturity are as follows:

Years	Governmental Activities Village of Sussex contracts payable	
	Principal	Interest
2019	\$ 102,254	\$ 24,673
2020	104,858	22,035
2021	107,529	19,331
2022	110,267	16,557
2023	113,076	13,713
2024-2027	481,851	24,931
Totals	\$ 1,019,835	\$ 121,240

##### ***Other Debt Information***

Estimated payments of accumulated sick and vacation pay and the other post employment benefits liability are not included in the debt service requirement schedules. The accumulated sick and vacation pay and the other post employment benefits liability attributable to governmental activities will be liquidated primarily by the general fund.

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018

**NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)**

**G. NET POSITION/FUND BALANCES**

Net position reported on the government wide statement of net position at December 31, 2018, includes the following:

**Governmental Activities**

Net Investment in Capital Assets

Land	\$ 558,240
Other capital assets, net of accumulated depreciation/amortization	19,236,014
Less: Long-term debt outstanding	(10,836,531)
Plus: Unspent capital related debt proceeds	1,230,782
Plus: Unamortized charge on refunding	34,558
Less: Unamortized debt premium	<u>(245,786)</u>
Total Net Investment in Capital Assets	<u><u>\$ 9,977,277</u></u>

**Governmental Funds**

Governmental fund balances reported on the fund financial statements at December 31, 2018, include the following:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects - Equipment Acquisition Fund</u>	<u>Nonmajor Funds</u>	<u>Totals</u>
<b>Fund Balances</b>					
<b>Nonspendable:</b>					
Prepaid items	\$ 83,222	\$ -	\$ -	\$ -	\$ 83,222
Delinquent personal property taxes	<u>5,578</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,578</u>
Sub-total	<u>88,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,800</u>
<b>Restricted for:</b>					
Debt service	-	21,279	-	-	21,279
Library	-	-	-	10,710	10,710
Park	-	-	-	34,172	34,172
Building	-	-	-	41,654	41,654
Fire operations	-	-	-	123,710	123,710
Sewer study	-	-	-	104,937	104,937
Sub-total	<u>-</u>	<u>21,279</u>	<u>-</u>	<u>315,183</u>	<u>336,462</u>
<b>Committed to:</b>					
Equipment acquisition	-	-	1,230,782	-	1,230,782
Compost	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,048</u>	<u>31,048</u>
Sub-total	<u>-</u>	<u>-</u>	<u>1,230,782</u>	<u>31,048</u>	<u>1,261,830</u>
<b>Unassigned (deficit):</b>	<u>2,849,208</u>	<u>-</u>	<u>-</u>	<u>(73,168)</u>	<u>2,776,040</u>
<b>Total Fund Balances</b>	<u><u>\$ 2,938,008</u></u>	<u><u>\$ 21,279</u></u>	<u><u>\$ 1,230,782</u></u>	<u><u>\$ 273,063</u></u>	<u><u>\$ 4,463,132</u></u>

## TOWN OF LISBON

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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#### NOTE V - OTHER INFORMATION

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##### *A. EMPLOYEES' RETIREMENT SYSTEM*

**Plan description.** The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

**Vesting.** For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

**Benefits provided.** Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants, if hired on or before 12/31/2016) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

## TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018

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### NOTE V - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Post-retirement adjustments.** The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2008	6.6%	0%
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4.0

## TOWN OF LISBON

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

#### NOTE V - OTHER INFORMATION (cont.)

##### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Contributions.** Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$70,191 in contributions from the town.

Contribution rates for the plan year reported as of December 31, 2018 are:

Employee Category	Employee	Employer
General (Executives & Elected Officials)	6.8%	6.8%
Protective with Social Security	6.8%	10.6%
Protective without Social Security	6.8%	14.9%

##### ***Pension Asset, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At December 31, 2018, the town reported an asset of \$208,370 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The town's proportion of the net pension asset was based on the town's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the town's proportion was 0.00701800%, which was an increase of 0.00016596% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the town recognized pension expense of \$101,270.

## TOWN OF LISBON

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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#### NOTE V - OTHER INFORMATION (cont.)

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##### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

At December 31, 2018, the town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 264,739	\$ 123,836
Changes in assumptions	41,169	-
Net differences between projected and actual earnings on pension plan investments	-	286,386
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,398	4,109
Employer contributions subsequent to the measurement date	<u>75,349</u>	<u>-</u>
Totals	<u>\$ 383,655</u>	<u>\$ 414,331</u>

\$75,349 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2019	\$ 22,905
2020	(2,044)
2021	(72,479)
2022	(54,899)
2023	492

## TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018

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### NOTE V - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Actuarial assumptions.** The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Liability (Asset):	December 31, 2017
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*:	2.1%

*\* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 – 2014. The total pension liability for December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

## TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018

### NOTE V - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Long-term expected return on plan assets.** The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	50%	8.2%	5.3%
Fixed Income	24.5	4.2	1.4
Inflation Sensitive Assets	15.5	3.8	1.0
Real Estate	8	6.5	3.6
Private Equity/Debt	8	9.4	6.5
Multi-Asset	4	6.5	3.6
Total Core Fund	110	7.3	4.4
<u>Variable Fund Asset Class</u>			
U.S Equities	70	7.5	4.6
International Equities	30	7.8	4.9
Total Variable Fund	100	7.9	5.0

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

**Single discount rate.** A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018

### NOTE V - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Sensitivity of the town's proportionate share of the net pension asset to changes in the discount rate.** The following presents the town's proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the town's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
Town's proportionate share of the net pension asset	\$(539,125)	\$208,370	\$776,490

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

At December 31, 2018, the town reported a payable to the pension plan of \$11,353 which represents contractually required contributions outstanding as of the end of the year.

#### B. RISK MANAGEMENT

The town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

#### C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

#### D. OTHER POSTEMPLOYMENT BENEFITS

The town administers a single-employer defined contribution healthcare plan ("the Retiree Health Plan"). The plan provides health insurance benefits for eligible retirees and their spouses through the town's group health insurance plan, which covers both active and retired members. Plan provisions and contribution requirements are established and may be amended by the town board.

## TOWN OF LISBON

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

#### NOTE V - OTHER INFORMATION (cont.)

##### *D. OTHER POSTEMPLOYMENT BENEFITS (cont.)*

##### *GENERAL INFORMATION ABOUT THE OPEB PLAN*

**Plan description.** The town's defined benefit OPEB plan, provides OPEB for all permanent full-time employees hired prior to January 1, 2000 upon retirement and that are eligible for WRS. The OPEB plan is a single-employer defined benefit OPEB plan administered by the town. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Town Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

**Benefits provided.** The town provides healthcare insurance benefits for retirees. The benefit terms provide for payment of 75 percent of health insurance premiums for retirees.

**Employees covered by benefit terms.** At December 31, 2018, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	1
Active plan members	<u>11</u>
	<u><u>12</u></u>

##### *TOTAL OPEB LIABILITY*

The town's total OPEB liability of \$250,958 was measured as of December 31, 2017, and was determined by an actuarial valuation as of that date.

**Actuarial assumptions and other inputs.** The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary increases	Range from 3.5% in service year 1 to .4% in service year 30 for general and 4.8% in service year 1 to .5% in service year 30 for protective
Healthcare cost trend rates	Range from -1.29% in year one to 5.0% in years 18 and over

The discount rate was based on the municipal bond rate.

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

## TOWN OF LISBON

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

#### **NOTE V - OTHER INFORMATION (cont.)**

##### ***D. OTHER POSTEMPLOYMENT BENEFITS (cont.)***

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study conducted in 2015 using Wisconsin Retirement System experience from 2012-2014.

##### ***CHANGES IN THE TOTAL OPEB LIABILITY***

	Total OPEB Liability
Balances at December 31, 2017	\$ 101,955
Changes for the year:	
Service cost	7,120
Interest	8,396
Prior year activity	135,283
Benefit payments	(1,796)
Net changes	149,003
Balances at December 31, 2018	\$ 250,958

***Sensitivity of the total OPEB liability to changes in the discount rate.*** The following presents the total OPEB liability of the town, as well as what the town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (- percent) or 1-percentage-point higher (- percent) than the current discount rate:

	1% Decrease (2.5%)	Discount Rate (3.5%)	1% Increase (4.5%)
Net OPEB liability	\$ 263,672	\$ 250,958	\$ 238,632

***Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.*** The following presents the net OPEB liability of the town, as well as what the town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower ( (2.3) percent decreasing to 4.0 percent) or 1-percentage-point higher ((0.3) percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

	Healthcare Cost Trend Rates		
	1% Decrease ((2.3)% Decreasing to 4.0%)	((1.3)% Decreasing to 5.0%)	1% Increase ((0.3)% Decreasing to 6.0%)
Net OPEB liability	\$ 234,420	\$ 250,958	\$ 269,017

## TOWN OF LISBON

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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#### **NOTE V - OTHER INFORMATION (cont.)**

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##### ***D. OTHER POSTEMPLOYMENT BENEFITS (cont.)***

##### ***OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB***

For the year ended December 31, 2018, the town recognized OPEB expense of \$15,516. At December 31, 2018, the town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Employer contributions subsequent to measurement date	\$ <u>10,255</u>
Total	\$ <u><u>10,255</u></u>

\$10,255 reported as deferred outflows related to OPEB resulting from contributions subsequent to the measurement date will be recognized in OPEB expense in the year ended December 31, 2019.

##### ***E. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS***

The Governmental Accounting Standards Board (GASB) has approved the following:

- > Statement No. 83, *Certain Asset Retirement Obligations*
- > Statement No. 84, *Fiduciary Activities*
- > Statement No. 87, *Leases*
- > Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*
- > Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- > Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*

When they become effective, application of these standards may restate portions of these financial statements.

# DRAFT

REQUIRED SUPPLEMENTARY INFORMATION

# DRAFT

## TOWN OF LISBON

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL GENERAL FUND

For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		Variance with Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
<b>REVENUES</b>			
Taxes	\$ 2,720,637	\$ 2,721,276	\$ 639
Intergovernmental revenues	453,989	481,502	27,513
Regulation and compliance	412,808	538,280	125,472
Public charges for services	1,336,509	1,536,717	200,208
Intergovernmental charges for services	51,408	33,321	(18,087)
Investment income	5,000	58,800	53,800
Miscellaneous	53,900	233,667	179,767
Total Revenues	<u>5,034,251</u>	<u>5,603,563</u>	<u>569,312</u>
<b>EXPENDITURES</b>			
Current			
General government	807,294	968,747	(161,453)
Public safety	1,913,046	1,845,219	67,827
Public works	1,312,991	934,287	378,704
Sanitation	820,195	768,759	51,436
Culture and recreation	179,009	173,186	5,823
Debt Service			
Principal	1,716	3,159	(1,443)
Interest	-	-	-
Total Expenditures	<u>5,034,251</u>	<u>4,693,357</u>	<u>340,894</u>
Excess of revenues over (under) expenditures	-	910,206	910,206
<b>OTHER FINANCING SOURCES</b>			
Proceeds from sale of capital assets	-	53,875	53,875
Transfer out	-	(572,019)	(572,019)
Total other financing sources	<u>-</u>	<u>(518,144)</u>	<u>(518,144)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>392,062</u>	<u>\$ 392,062</u>
FUND BALANCE - Beginning of Year		<u>2,545,946</u>	
<b>FUND BALANCE - END OF YEAR</b>		<u>\$ 2,938,008</u>	

See independent auditors' report and accompanying notes to required supplementary information.

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS -  
OTHER POSTEMPLOYMENT BENEFITS OBLIGATION - TOWN RETIREE BENEFITS PLAN  
For the Year Ended December 31, 2018

		2018
Total OPEB Liability		
Service cost	\$	7,120
Interest		8,396
Prior year activity		135,283
Differences between expected and actual experience		-
Changes of assumptions		-
Benefit payments		(1,796)
Net Change in Total OPEB Liability		149,003
Total OPEB Liability - Beginning		101,955
Total OPEB Liability - Ending	\$	250,958
 Covered-employee payroll	 \$	 287,430
 Total OPEB liability as a percentage of covered-employee payroll		 87.31%

*Note: This schedule is to show information for 10 years.  
However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.*

SCHEDULE OF EMPLOYER CONTRIBUTIONS - OTHER POSTEMPLOYMENT BENEFITS  
 OBLIGATION - TOWN RETIREE BENEFITS PLAN  
 For the Year Ended December 31, 2018

	2018
Actuarially determined contribution	\$ -
Contributions in relation to the actuarially determined contribution	-
Contribution deficiency (excess)	\$ -
Covered-employee payroll	\$ 287,430
Contributions as a percentage of covered-employee payroll	0.00%

*Note: This schedule is to show information for 10 years.  
 However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.*

TOWN OF LISBON

# DRAFT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) -  
WISCONSIN RETIREMENT SYSTEM  
For the Year Ended December 31, 2018

WRS Fiscal Year End Date	Proportion of the Net Pension Asset	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.006753080%	\$ (165,829)	\$ 804,079	-20.62%	102.74%
12/31/15	0.006773830%	110,073	917,335	12.00%	98.20%
12/31/16	0.006852040%	56,477	902,432	6.26%	99.12%
12/31/17	0.007018000%	(208,370)	900,604	23.14%	102.93%

TOWN OF LISBON

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM  
For the Year Ended December 31, 2018

Town's Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 69,036	\$ (69,036)	\$ -	\$ 917,335	7.53%
12/31/16	66,397	(66,397)	-	902,432	7.36%
12/31/17	70,893	(70,893)	-	907,525	7.81%
12/31/18	71,138	(71,138)	-	900,683	7.90%

See independent auditors' report and accompanying notes to required supplementary information.

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***BUDGETARY INFORMATION***

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1. C.

The budget amounts presented are as presented in the original budget and no amendments were adopted during the year. The Town may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds board action.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the function level of expenditure.

***WISCONSIN RETIREMENT SYSTEM***

The amounts determined for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The town is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

*Changes in benefit terms.* There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

*Changes in Assumptions.* There were no changes in assumptions.

***TOWN OTHER POST EMPLOYMENT BENEFITS***

The town is required to present the last ten years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

*Changes in benefit terms.* There were no changes of benefit terms for town.

*Changes in Assumptions.* There were no changes in assumptions.

# DRAFT

SUPPLEMENTARY INFORMATION

**TOWN OF LISBON**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
As of December 31, 2018

	Special Revenue Funds					Capital Projects Funds				Total Nonmajor Funds
	Library Fund	Park Fund	Building Fund	Fire Operations Fund	Compost Fund	TID #1 Fund	Sewer Study Fund			
<b>ASSETS</b>										
Cash and investments	\$ 10,710	\$ 34,172	\$ 41,654	\$ 123,710	\$ 36,725	\$ -	\$ 104,937	\$ -	\$ 351,908	
Accounts receivable	-	-	-	-	1,912	-	-	-	1,912	
<b>TOTAL ASSETS</b>	<b>\$ 10,710</b>	<b>\$ 34,172</b>	<b>\$ 41,654</b>	<b>\$ 123,710</b>	<b>\$ 38,637</b>	<b>\$ -</b>	<b>\$ 104,937</b>	<b>\$ -</b>	<b>\$ 353,820</b>	
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>										
Liabilities										
Accounts payable	-	-	-	-	5,751	-	-	-	5,751	
Due to other funds	-	-	-	-	1,838	73,168	-	-	75,006	
Total Liabilities	-	-	-	-	7,589	73,168	-	-	80,757	
Fund Balances (Deficits)										
Restricted	10,710	34,172	41,654	123,710	-	-	104,937	-	315,183	
Committed	-	-	-	-	31,048	-	-	-	31,048	
Unassigned	-	-	-	-	-	(73,168)	-	-	(73,168)	
Total Fund Balances (Deficits)	<b>10,710</b>	<b>34,172</b>	<b>41,654</b>	<b>123,710</b>	<b>31,048</b>	<b>(73,168)</b>	<b>104,937</b>	<b>-</b>	<b>273,063</b>	
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 10,710</b>	<b>\$ 34,172</b>	<b>\$ 41,654</b>	<b>\$ 123,710</b>	<b>\$ 38,637</b>	<b>\$ -</b>	<b>\$ 104,937</b>	<b>\$ -</b>	<b>\$ 353,820</b>	

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**TOWN OF LISBON**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2018

	Special Revenue Funds					Capital Projects Funds				Total Nonmajor Funds
	Library Fund	Park Fund	Building Fund	Fire Operations Fund	Compost Fund	TID #1 Fund	Sewer Study Fund			
<b>REVENUES</b>										
Public charges for services	\$ -	\$ 1,487	\$ 3,830	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,317
Intergovernmental charges for services	-	-	-	-	37,061	-	-	-	-	37,061
Investment income	-	-	-	779	-	-	-	-	-	779
Miscellaneous	-	4,745	-	-	-	-	-	-	-	4,745
Total Revenues	-	6,232	3,830	779	37,061	-	-	-	-	47,902
<b>EXPENDITURES</b>										
Current										
Public works	-	-	-	-	33,171	-	-	-	-	33,171
Culture and recreation	-	6,250	-	-	-	-	-	-	-	6,250
Conservation and development	-	-	-	-	-	73,168	-	-	-	73,168
Total Expenditures	-	6,250	-	-	33,171	73,168	-	-	-	112,589
Excess (deficiency) of revenues over expenditures	-	(18)	3,830	779	3,890	(73,168)	-	-	-	(64,887)
<b>OTHER FINANCING SOURCES</b>										
Transfers out	-	(35,000)	-	-	-	-	-	-	-	(35,000)
Total Other Financing Sources	-	(35,000)	-	-	-	-	-	-	-	(35,000)
Net Changes in Fund Balance	-	(35,018)	3,830	779	3,890	(73,168)	-	-	-	(99,687)
FUND BALANCE - Beginning of Year	10,710	69,190	37,824	122,931	27,158	-	104,937	-	-	372,750
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	\$ 10,710	\$ 34,172	\$ 41,654	\$ 123,710	\$ 31,048	\$ (73,168)	\$ 104,937	\$ -	\$ -	\$ 273,063

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