



Johnson & Block
AND COMPANY, INC.

Certified Public Accountants

TOWN OF LISBON
Waukesha County, Wisconsin

FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT

December 31, 2013

Quality service through our commitment to clients and staff.

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TOWN OF LISBON
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INDEPENDENT AUDITOR'S REPORT

April 11, 2014

Honorable Chairman and Town Board
Town of Lisbon
Waukesha County, Wisconsin

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, 2013, which collectively comprise the Town's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

We believe 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, each major fund, and the aggregate remaining fund information of the Town of Lisbon, as of December 31, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on 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 a 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lisbon, Wisconsin's financial statements as a whole. 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 financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
Certified Public Accountants
Madison, Wisconsin

Town of Lisbon
Statement of Net Position
December 31, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and Equivalents	\$ 3,336,076	\$ 216,501	\$ 3,552,577
Taxes Receivable	4,375,299	242,631	4,617,930
Accounts Receivable	360,385	-	360,385
Prepaid Expenses	1,620	-	1,620
Total Current Assets	8,073,380	459,132	8,532,512
Capital Assets:			
Capital Assets	32,852,337	579,887	33,432,224
Less: Accumulated Depreciation	(17,524,688)	(4,084)	(17,528,772)
Net Capital Assets	15,327,649	575,803	15,903,452
Other Assets:			
Capacity Entitlements - net of amortization	1,653,233	-	1,653,233
Total Assets	\$ 25,054,262	\$ 1,034,935	\$ 26,089,197
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Expenses	\$ 396,358	\$ 12,235	\$ 408,593
Deposits Payable	102,872	-	102,872
Accrued Interest	91,355	-	91,355
Current Portion of Long-term Obligations	1,072,124	-	1,072,124
Total Current Liabilities	1,662,709	12,235	1,674,944
Noncurrent Liabilities:			
Noncurrent Portion of Long-term Obligations	6,884,954	-	6,884,954
Total Noncurrent Liabilities	6,884,954	-	6,884,954
Total Liabilities	8,547,663	12,235	8,559,898
DEFERRED INFLOWS OF RESOURCES			
Deferred Tax Levy	4,369,721	242,631	4,612,352
Total Deferred Inflows of Resources	4,369,721	242,631	4,612,352
NET POSITION			
Net Investement in Capital Assets	9,141,642	575,803	9,717,445
Unrestricted	2,995,236	204,266	3,199,502
Total Net Position	12,136,878	780,069	12,916,947
Total Liabilities, Deferred Outflows of Resources and Net Position	\$ 25,054,262	\$ 1,034,935	\$ 26,089,197

See accompanying notes to the basic financial statements.

Town of Lisbon
Statement of Activities
For the Year Ended December 31, 2013

<u>Functions/Programs</u>	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business Activities	Total
Governmental Activities						
General Government	\$ 561,125	\$ 89,215	\$ 119,148	\$ (352,762)		\$ (352,762)
Public Safety	1,342,722	677,784	133,173	(531,765)		(531,765)
Public Works	2,231,757	109,607	338,071	(1,784,079)		(1,784,079)
Sanitation	725,238	751,130	-	25,892		25,892
Recreation and Education	603,665	7,193	124,219	(472,253)		(472,253)
Interest and Fiscal Charges	270,475	32,959	-	(237,516)		(237,516)
Total Governmental Activities	5,734,982	1,667,888	714,611	(3,352,483)		(3,352,483)
Business-type Activities						
Storm Water	101,296	201,739	-		100,443	100,443
Total Business-type Activities	101,296	201,739	-		100,443	100,443
Total Government	\$ 5,836,278	#####	\$ 714,611	(3,352,483)	100,443	(3,252,040)
General Revenues:						
Taxes:						
Property Taxes, levied for general purposes				2,187,693	-	2,187,693
Property Taxes, levied for debt service				1,233,106	-	1,233,106
Other Taxes				114,245	-	114,245
Interest and Investment Earnings				7,529	-	7,529
Miscellaneous				62,608	-	62,608
Total General Revenues				3,605,181	-	3,605,181
<i>Special item</i> - loss on disposal of asset				(23,463)	-	(23,463)
Change in Net Position				229,235	100,443	329,678
Net Position, beginning of year				11,907,643	679,626	12,587,269
Net Position, end of year				\$ 12,136,878	\$ 780,069	\$ 12,916,947

See accompanying notes to the basic financial statements.

**Town of Lisbon
Balance Sheet
Governmental Funds
December 31, 2013**

	General Fund	Capital Projects - Equipment Acquisition	Debt Service Fund	Total Non- Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 2,033,182	\$ 569,366	\$ 362,334	\$ 371,189	\$ 3,336,071
Receivables:					
Taxes	3,134,699	-	1,233,106	-	4,367,805
Accounts	334,839	33,040	-	-	367,879
Prepaid Expenses	1,620	-	-	-	1,620
Total Assets	<u>\$ 5,504,340</u>	<u>\$ 602,406</u>	<u>\$ 1,595,440</u>	<u>\$ 371,189</u>	<u>\$ 8,073,375</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 296,164	\$ 100,090	\$ -	\$ 106	\$ 396,360
Deposits Payable	102,872	-	-	-	102,872
Total Liabilities	<u>399,036</u>	<u>100,090</u>	<u>-</u>	<u>106</u>	<u>499,232</u>
Deferred Inflows of Resources:					
Deferred Tax Levy	3,136,615	-	1,233,106	-	4,369,721
Total Deferred Inflows of Resources	<u>3,136,615</u>	<u>-</u>	<u>1,233,106</u>	<u>-</u>	<u>4,369,721</u>
Fund Balances:					
Nonspendable	9,114	-	-	-	9,114
Restricted	13,500	179,500	362,334	371,083	926,417
Assigned	135,259	98,493	-	-	233,752
Unassigned	1,810,816	224,323	-	-	2,035,139
Total Fund Balances	<u>1,968,689</u>	<u>502,316</u>	<u>362,334</u>	<u>371,083</u>	<u>3,204,422</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,504,340</u>	<u>\$ 602,406</u>	<u>\$ 1,595,440</u>	<u>\$ 371,189</u>	<u>\$ 8,073,375</u>

See accompanying notes to the basic financial statements.

Town of Lisbon
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2013

	General Fund	Capital Projects - Equipment Acquisition	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	\$ 2,187,693	\$ -	\$ 1,233,106	\$ -	\$ 3,420,799
Other Taxes	114,245	-	-	-	114,245
Intergovernmental	541,395	159,785	-	-	701,180
License and Permits	357,358	-	-	-	357,358
Fines, Forfeits and Penalties	72,998	-	-	-	72,998
Charges for Services	1,114,912	-	32,959	7,111	1,154,982
Interest Income	7,114	97	174	143	7,528
Donations	-	86,394	-	1,859	88,253
Miscellaneous Income	65,699	35,942	-	16,000	117,641
Total Revenues	<u>4,461,414</u>	<u>282,218</u>	<u>1,266,239</u>	<u>25,113</u>	<u>6,034,984</u>
EXPENDITURES					
Current:					
General Government	586,458	-	-	-	586,458
Public Safety	1,242,719	-	-	-	1,242,719
Public Works	1,186,617	-	-	-	1,186,617
Sanitation	725,238	-	-	-	725,238
Recreation and Education	601,927	-	-	9,308	611,235
Capital Outlay	-	673,669	-	-	673,669
Debt Service	-	4,000	1,233,106	-	1,237,106
Total Expenditures	<u>4,342,959</u>	<u>677,669</u>	<u>1,233,106</u>	<u>9,308</u>	<u>6,263,042</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>118,455</u>	<u>(395,451)</u>	<u>33,133</u>	<u>15,805</u>	<u>(228,058)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from Long-Term Debt	-	567,000	-	-	567,000
Transfers In	-	85,125	13,230	33,356	131,711
Transfers Out	(33,356)	-	-	(98,355)	(131,711)
Total Other Financing Sources and Uses	<u>(33,356)</u>	<u>652,125</u>	<u>13,230</u>	<u>(64,999)</u>	<u>567,000</u>
Net Change in Fund Balances	85,099	256,674	46,363	(49,194)	338,942
Fund Balances - Beginning	1,883,590	245,642	315,971	420,277	2,865,480
Fund Balances - Ending	<u>\$ 1,968,689</u>	<u>\$ 502,316</u>	<u>\$ 362,334</u>	<u>\$ 371,083</u>	<u>\$ 3,204,422</u>

See accompanying notes to the basic financial statements.

Town of Lisbon
Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position
December 31, 2013

Total fund balances, governmental funds \$ 3,204,422

Amounts reported for governmental activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not current financial resources and therefore
are not reported as assets in governmental funds:

Governmental capital assets	32,852,337	
Governmental accumulated depreciation	<u>(17,524,688)</u>	
		15,327,649

Other assets used in governmental activities are not current financial resources and therefore
are not reported as assets in governmental funds:

Governmental other assets	2,677,311	
Governmental accumulated amortization	<u>(1,024,078)</u>	
		1,653,233

Long-term liabilities, including bonds and notes payable, are not due in the current
period and therefore are not reported in the fund statements. Long-term liabilities
reported in the Statement of Net Position that are not reported in the funds balance
sheet are:

General obligation debt	(6,186,007)	
Contracts payable	(1,575,378)	
Accrued vacation and sick	(133,111)	
OPEB liability	(62,582)	
Accrued interest	<u>(91,348)</u>	
		(8,048,426)

Net Position of Governmental Activities in the Statement of Net Position		<u><u>\$12,136,878</u></u>
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See accompanying notes to the basic financial statements.

Town of Lisbon

**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, 2013**

Net change in fund balances - total governmental funds:		\$ 338,942
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:		
Compensated absences recorded when paid in governmental funds		35,933
Other post employment benefits recorded when paid in governmental funds		(12,884)
In the statement of activities, only the gain/loss on the disposal of capital assets is reported, whereas in the governmental funds there is no use of financial resources. As a result, the change in net position differs from the change in fund balance by the net book value of the disposed capital assets.		
		(23,463)
The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.		
Capital outlay reported in governmental fund statements	791,025	
Depreciation/Amortization expenses reported in the Statement of Activities	<u>(1,299,949)</u>	
Amount by which capital outlays are greater (less) than depreciation in the current period		(508,924)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the Statement of Net Position and does not affect the Statement of Activities.		
The amount of long-term debt principal payments in the current year	960,118	
Acquisition of long-term debt is reported in the governmental funds as an other financing source, but is reported as an increase in long-term debt in the Statement of Net Position and does not affect the Statement of Activities.		
The amount of long-term debt acquired in the current year	<u>(567,000)</u>	
The decrease (increase) in long-term debt		393,118
In governmental funds, interest payments on outstanding debt are reported as an expenditure when paid. In the Statement of Activities, interest is reported as incurred.		
Interest paid is greater (less) than interest accrued by		6,513
Change in net position of governmental activities		<u><u>\$ 229,235</u></u>

See accompanying notes to the basic financial statements.

**Town of Lisbon
Statement of Net Position
Proprietary Fund
December 31, 2013**

	<u>Storm Water</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 216,501
Receivables	
Taxes	242,631
Total Current Assets	<u>459,132</u>
Capital Assets:	
Land and Improvements	334,838
Other Capital Assets	245,049
Less Accumulated Depreciation	(4,084)
Net Capital Assets	<u>575,803</u>
Total Assets	<u><u>\$ 1,034,935</u></u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 12,236
Total Current Liabilities	<u>12,236</u>
Total Liabilities	<u>12,236</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Tax Levy	242,631
Total Deferred Inflows of Resources	<u>242,631</u>
NET POSITION	
Unrestricted	780,068
Total Net Position	<u>780,068</u>
Total Liabilities, Deferred Inflows of Resources and Net Assets	<u><u>\$ 1,034,935</u></u>

See accompanying notes to the basic financial statements.

Town of Lisbon
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2013

	<u>Storm Water</u>
OPERATING REVENUES	
Charges for Services	\$ 201,738
Total Operating Revenues	<u>201,738</u>
OPERATING EXPENSES	
Operation and Maintenance	97,212
Depreciation	4,084
Total Operating Expenses	<u>101,296</u>
Operating Income (Loss)	<u>100,442</u>
Change in Net Position	100,442
Total Net Position - Beginning	<u>679,626</u>
Total Net Position - Ending	<u><u>\$ 780,068</u></u>

See accompanying notes to the basic financial statements.

Town of Lisbon
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2013

	Storm Water Utility
Cash Flows From:	
Operating Activities:	
Receipts from customers and users	\$ 201,738
Payments to suppliers	(100,008)
Net cash - operating activities	101,730
Capital and Related Financing Activities	
Acquisition and construction of plant assets	(85,072)
Net cash - capital and related financing activities	(85,072)
Net change in cash and cash equivalents	16,658
Cash and cash equivalents-Beginning of year	199,843
Cash and cash equivalents-End of year	\$ 216,501
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating Income (Loss)	\$ 100,442
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	4,084
Changes in assets and liabilities:	
Taxes receivable	(41,026)
Accounts payable	(2,796)
Deferred tax levy	41,026
Net cash provided (used) by operating activities	\$ 101,730

See accompanying notes to the basic financial statements.

Town of Lisbon
Statement of Net Position
Fiduciary Fund
December 31, 2013

	<u>Tax Agency</u>
ASSETS	
Cash and Investments	\$ 10,318,947
Property Taxes Receivable	<u>4,181,723</u>
Total Assets	<u><u>\$ 14,500,670</u></u>
LIABILITIES	
Due to Other Governments	<u>\$ 14,500,670</u>
Total Liabilities	<u><u>\$ 14,500,670</u></u>

See accompanying notes to the basic financial statements.

TOWN OF LISBON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying summary of the Town of Lisbon's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be reviewed as an integral part of the accompanying financial statements. The accounting policies of the Town conform to accounting principles generally accepted in the United States of America as applicable to municipalities. A summary of the significant accounting policies follows:

REPORTING ENTITY

This report includes all of the funds of the Town of Lisbon. The reporting entity for the Town consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

The Town of Lisbon is a municipal corporation governed by an elected five-member board. The Town has no component units which must be included in the reporting entity because of the significance of their operational or financial relationships with the Town.

Certain other significant governmental entities providing services within the Town are administered by separate boards or commissions and are not accountable to the Town. Consequently, financial information for the following entities is not included within the scope of the Town's reporting entity and are not included in the Town's financial statements:

- Town of Lisbon Sanitary District No. 1
- Pauline Haass Public Library
- Lannon Interceptor
- Hamilton School District
- Arrowhead Union High School
- Richmond School District
- Merton Joint School District No. 9
- Lake County Municipal Court

TOWN OF LISBON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

“Government-wide” financial statements are basic financial statements required for all governmental units. The statement of net position and the statement of activities are the two required statements. Both statements are prepared on the full accrual basis. Previously, in accordance with accounting standards for governmental units, the Town used the modified accrual basis of accounting for certain funds. The modified accrual basis of accounting continues to be the appropriate basis of accounting for governmental activity fund financial statements.

In addition, all funds in the fund financial statements are reported as business-type activities, governmental activities or fiduciary funds. The definitions for these types of activities are discussed in other portions of Note 1.

Finally, all non-fiduciary funds are further classified as major or non-major funds. In reporting financial condition and results of operations for governmental units, the standard concentrates on major funds versus non-major funds.

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.

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 instead as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

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

Fund Financial Statements

Fund financial statements of the reporting entity are organized into individual 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, liabilities, net position/fund equity, revenues, and expenditures/expenses.

TOWN OF LISBON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Fund Financial Statements, continued

Funds are reported as major funds or non-major 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, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type and
- b. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or proprietary fund that the Town believes is particularly important to financial statement users may be reported as a major fund.

The Town reports the following major governmental funds:

General Fund – accounts for the Town’s primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund – accounts for resources accumulated and payments made for principal and interest on long-term debt.

Capital Projects – Equipment Acquisition Fund – accounts for proceeds from long-term borrowings and other resources to be used for capital improvement projects.

The Town reports the following non-major governmental funds:

Non-Major Governmental Funds

Special Revenue Funds – used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

- Building Fund
- Park Fund
- Library Fund
- Fire Operations Fund

Capital Projects Funds – used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

- Sewer Study Fund

TOWN OF LISBON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Fund Financial Statements, continued

The Town reports the following major proprietary fund:

Enterprise Funds - Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The following is the enterprise fund used by the Town:

Storm Water Utility District

In addition, the Town reports the following fund type:

Fiduciary Funds - Agency funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The Tax Collection Agency Fund is accounted for in the Agency Fund.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Measurement focus refers to what is being measured, basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

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 of resources. Grants and similar items are recognized 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.

TOWN OF LISBON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

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. "Measurable" means the amount of the transaction can be determined. 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 sixty 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 of resources. They are recognized as revenues in the succeeding year when services financed by the levy are being provided. Property taxes are levied in November 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 districts and technical college district. Taxes for all state and other local governmental units billed in the current year for the succeeding year are reflected as due to other taxing units on the accompanying agency fund statement of net position.

Property tax calendar – 2013 tax roll:

Lien date and levy date	December 2013
Tax bills mailed	December 2013
Payment in full, or	January 31, 2014
First installment due	January 31, 2014
Second installment due to County	July 31, 2014
Tax settlement with County:	
Initial settlement	January 15, 2014
Second settlement	February 20, 2014
Final settlement	August 15, 2014
Personal property taxes in full	January 31, 2014
Tax deed by County - 2013	
delinquent real estate taxes	October 2016

Intergovernmental aids and grants are recognized as revenues in the period the Town is entitled to the resources and the amounts are available. Amounts owed to the Town, which are not available, are recorded as receivables and deferred inflows of resources. Amounts received prior to the entitlement period are also recorded as deferred inflows of resources.

Special assessments are recognized as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows of resources. Delinquent special assessments being held for collection by the county are reported as receivables and nonspendable fund balance in the general fund.

TOWN OF LISBON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

Fund Financial Statements (Continued)

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.

The Town reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows arise from taxes levied in the current year, which are for subsequent year's operations. For governmental fund financial statements, deferred inflows arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows also arise when resources are received before the Town has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the balance for deferred inflow is removed from the balance sheet and revenue is recognized.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Town's enterprise fund is user charges for storm water runoff. Operating expenses for enterprise funds include the cost of services, administrative expenses and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Unbilled receivables are not recorded, as the amount is not material.

Fiduciary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting, as described previously in this note.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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
December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. 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. B.

The Town adopted annual Governmental Fund budgets for the General Fund, Debt Service Fund and certain Capital Projects Funds. These budgets are adopted in accordance with State Statutes and are presented in accordance with accounting principles generally accepted in the United States of America. The budgetary data presented in the Budgetary Comparison Schedules reflects the original approved budgets of the above funds and subsequent revisions authorized by the Town's Board. Changes to the overall budget must be approved by a two-thirds town board action. All annual appropriations lapse at year end. Budget control is exercised at the total fund level for all funds. The Town does not adopt a budget for the Special Revenue Funds.

D. CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Town considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. At December 31, 2013 all investments held by the enterprise fund were cash equivalents.

E. RECEIVABLES

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.

A provision for uncollectible ambulance accounts receivable of \$36,931 has been made.

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 government-wide financial statements as "internal balances".

F. INVENTORIES AND PREPAID ITEMS

Inventories of materials and supplies are not recognized when amount is not considered material.

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.

TOWN OF LISBON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. CAPITAL ASSETS

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. 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 5 years for general capital assets and 5 years for infrastructure assets. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated fair 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 charge to accumulated depreciation.

Depreciation of all exhaustible fixed 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 of depreciation. 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 Years

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

H. COMPENSATED ABSENCES

A liability for vacation or sick leave is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources. Benefits are subject to negotiation between the Town and the association representing the Highway Department employees and Town Hall employees. All vested vacation and sick leave pay is accrued when incurred in the government-wide financial statements.

The following is the Town's policy for vacation and sick pay:

Vacation pay - The Town's policy allows full-time and represented part-time employees at the Town Hall to earn varying amounts of vacation pay each year depending on the total number of years employed. Employees are allowed to carry over up to 2 weeks of unused vacation from year to year.

TOWN OF LISBON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. COMPENSATED ABSENCES (Continued)

Sick pay - Through 2011, the Town's policy allowed full-time employees to earn sick leave at the rate of one day per month. Employees retiring or terminating employment before fifteen years of full-time service to the Town are paid a varying percent (between 50% and 100% depending on years of service) of accumulated sick leave at current pay rates. Employees retiring or terminating after 15 years or more are paid out at 100%. Starting in 2012, employees will earn sick leave at the rate of 1 day per two months. Twenty-five percent of the sick time earned in 2012 and going forward will be paid out upon resignation/retirement according to the schedule above.

I. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred outflow of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred inflow of resources represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

J. LONG-TERM OBLIGATIONS

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and contracts 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) is reported as other financing sources and payments of principal and interest are reported as expenditures.

Post-Employment Benefits

The Town provides certain health care benefits upon retirement for Public Works and Town Hall employees hired prior to 2000. If an employee has completed 25 years of full-time service and is at least 62 years of age, they are entitled to 3 years of health insurance. If an employee has completed 30 years of full-time service and is at least 60 years of age, they are entitled to 5 years of health insurance.

Net other post-employment benefit obligations – The Town follows GASB Statement No. 45 “*Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions*”. This pronouncement requires the Town to calculate and recognize a net other post-employment benefit obligation (NOPEBO) at year-end. The NOPEBO is, in general, the cumulative difference between the actuarial required contribution and the actual contributions since January 1, 2009. The Town has not retroactively reported the liability.

TOWN OF LISBON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. CLAIMS AND JUDGMENTS

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year-end.

L. 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 and reduced by the outstanding balances 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 position that do not meet the definition 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

The Town follows GASB Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions.*” The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The categories of fund balance presented in the Town’s financial statements have changed as a result of implementing this Statement.

In the fund financial statements, governmental fund balance is presented in five possible categories:

- Nonspendable** – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

TOWN OF LISBON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. EQUITY CLASSIFICATIONS (Continued)

Restricted – resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed – resources which are subject to limitations the government imposes upon itself through formal action of the Town Board, and that remain binding unless removed in the same manner.

Assigned – resources neither restricted nor committed for which a government has stated intended use for a specific purpose. This intent can be expressed through the Town Board or through the Town Board delegating this responsibility to the Town Treasurer through the budgetary process.

Unassigned – resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

The Town would typically use Restricted fund balances first, followed by Committed resources and then Assigned resources, but reserves the right to selectively spend Unassigned resources first and to defer the use of these other classified funds.

See Note 8 for additional information.

2. DEPOSITS AND INVESTMENTS

At December 31, 2013, the cash and investments consist of the following:

Deposits in Local Government Investment Pool	\$ 1,142,097
Deposits in Financial Institutions, Interest Bearing Accounts	<u>12,729,427</u>
	<u>\$ 13,871,524</u>

Cash and investments as of December 31, 2013 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 3,552,577
Fiduciary Funds:	
Cash and Investments	<u>10,318,947</u>
Total Cash and Investments	<u>\$ 13,871,524</u>

TOWN OF LISBON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

2. DEPOSITS AND INVESTMENTS (Continued)

Investment of Town funds is restricted by State statutes. Available investments are limited to:

- (1) Deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in this State if the time deposits mature in not more than three years;
- (2) Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government;
- (3) Bonds or securities of any county, drainage district, VTAE district, village, city, town, district or school district of this State;
- (4) Any security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's investor service or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating;
- (5) Bonds or securities issued under the authority of the municipality;
- (6) The local government pooled-investment fund as established under Section 25.50 of the Wisconsin Statutes;
- (7) Agreements in which a public depository agrees to repay funds advanced to it by the Board, plus interest, if the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government.
- (8) Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- (9) Repurchase agreements with public depositories, with certain conditions.
- (10) Bonds issued by the University of Wisconsin Hospital and Clinics Authority.

Foreign Currency Risk

The Town did not invest in any foreign currency during the year.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure of fair value losses arising from increasing interest rates.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Town has no investment policy that would further limit its investments choices.

TOWN OF LISBON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

2. DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Board would not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the Town would not be able to recover the value of its investment of collateral securities that are in the possession of another party. The Board does not have an investment policy for custodial credit risk.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts and \$250,000 for demand deposits. Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations.

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. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2013, the fair value of the Town's share of the LGIP's assets was substantially equal to the amount reported in these statements.

Fluctuating cash flows during the year due to tax collections, receipt of state aids and/or proceeds from borrowing may have resulted in temporary balances exceeding insured amounts by substantially higher amounts.

As of December 31, 2013, the Town's deposits with financial institutions in excess of federal depository insurance limits and state deposit guarantees were exposed to custodial credit risk as follows:

Insured by Federal and State Deposit Insurance	\$ 1,300,000
Collateralized by bonds/securities held by the pledging financial institution	11,227,075
Uninsured and uncollateralized	128,388
Total Deposits in Financial Institutions	<u>\$ 12,655,463</u>

Concentration of Credit Risk

The Town does not have a policy for concentration of credit risk. No Town investment represents 5% or more of the total investments.

TOWN OF LISBON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

3. CAPITAL ASSETS

Capital assets transactions for the governmental activities year ended December 31, 2013 are summarized below:

	Balance 1/1/2013	Additions	Deletions	Balance 12/31/2013
<u>Governmental Activities</u>				
Land – non-depreciable	\$ 558,240	\$ -	\$ -	\$ 558,240
Buildings and improvements	2,740,912	62,374	7,006	2,796,280
Equipment and furnishings	4,041,615	340,185	16,295	4,365,505
Infrastructure	<u>25,186,319</u>	<u>388,466</u>	<u>442,473</u>	<u>25,132,312</u>
 Total Capital Assets	 <u>\$ 32,527,086</u>	 <u>\$ 791,025</u>	 <u>\$ 465,774</u>	 <u>\$ 32,852,337</u>
 Accumulated Depreciation				
Buildings and improvements	\$ 743,783	\$ 41,988	\$ 5,600	\$ 780,171
Equipment and furnishings	1,532,478	231,530	14,311	1,749,697
Infrastructure	<u>14,501,257</u>	<u>915,963</u>	<u>422,400</u>	<u>14,994,820</u>
 Total Accumulated Depreciation	 <u>16,777,518</u>	 <u>1,189,481</u>	 <u>442,311</u>	 <u>17,524,688</u>
 Capital Assets Net of Depreciation	 <u>\$ 15,749,568</u>	 <u>\$ (398,456)</u>	 <u>\$ 23,463</u>	 <u>\$ 15,327,649</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 15,028
Public safety	97,731
Public works	1,042,399
Culture and Recreation	<u>34,323</u>
 Total governmental activities depreciation expense	 <u>\$ 1,189,481</u>

TOWN OF LISBON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

3. CAPITAL ASSETS (Continued)

Capital asset transactions in the business type activities for the year ended December 31, 2013 are summarized below:

	Balance 1/1/2013	Additions	Deletions	Balance 12/31/2013
<u>Storm Water</u>				
Capital assets not being depreciated				
Construction in progress	\$ 159,977	\$ 85,072	\$ 245,049	\$ -
Land and land rights	334,838	-	-	334,838
Total Capital Assets Not Being Depreciated	<u>494,815</u>	<u>85,072</u>	<u>245,049</u>	<u>334,838</u>
Capital assets being depreciated				
Plant	\$ -	\$ 245,049	\$ -	\$ 245,049
Total Capital Assets Being Depreciated	<u>-</u>	<u>245,049</u>	<u>-</u>	<u>245,049</u>
Total Capital Assets	159,977	330,121	245,049	579,887
Less: Accumulated depreciation	<u>-</u>	<u>(4,084)</u>	<u>-</u>	<u>(4,084)</u>
Net Storm Water Plant	<u>\$ 159,977</u>	<u>\$ 326,037</u>	<u>\$ 245,049</u>	<u>\$ 575,803</u>

4. CAPACITY ENTITLEMENTS

In 1994, the Town entered into an intermunicipal agreement with the Village of Sussex to provide sewage treatment services to property owners and citizens of the Town. The Town is sharing in the capital costs based on a cost allocation summary. In 1994, the costs allocated to the Town were \$764,716. In 2009, upgrades and expansion to the wastewater treatment facility were completed. The costs allocated to the Town for this project were \$1,912,595. The Capacity Entitlements asset represents the capacity rights the Town has purchased in the wastewater treatment plant. The asset will be amortized over the term of the contracts of 28 and 23 years, respectively. At December 31, 2013, accumulated amortization was \$1,024,078.

5. DEFINED BENEFIT PENSION PLAN

All eligible Town employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work over 600 hours a year are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011 expected to work at least 1,200 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.

TOWN OF LISBON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

5. DEFINED BENEFIT PENSION PLAN (Continued)

Covered employees are required by statute to contribute one-half of the actuarially determined contribution rate for General category employees. Required contributions for protective contributions 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. Contribution rates for 2013 are:

	<u>Employee</u>	<u>Employer</u>
General	6.65%	6.65%
Protective with Social Security	6.65%	9.75%

The payroll for the Town's employees covered by the WRS for the year ended December 31, 2013 was \$815,797 the employer's total payroll was \$1,123,387. The total required contribution for the year ended December 31, 2013 was \$119,003, which consisted of \$69,687 or 8.5% of payroll from the employer and \$49,317, or 6.05% of payroll from employees. Total contributions for the years ending December 31, 2012 and 2011 were \$110,345 and \$106,451 respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. 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 employee's three highest years earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. Participants employed prior to July 1, 2011 are immediately vested. Participants hired after June 30, 2011 are fully vested after five years.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of the Wisconsin Statutes. The WRS issues an annual financial report that may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

6. POSTRETIREMENT HEALTH CARE BENEFITS

Post retirement benefits

From an accrual accounting perspective, the cost of other postemployment benefits ("OPEB"), like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future years when it is paid. In adopting the requirements of GASB Statement No. 45 during the year ended December 31, 2009, the Town recognizes the cost of postemployment healthcare benefits in the year when the employee services are received, report the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

TOWN OF LISBON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

6. POSTRETIREMENT HEALTH CARE BENEFITS (Continued)

Plan description

The Town provides post-retirement benefits for certain employees for current and future health and life insurance benefit expenses through a single-employer defined benefit plan to all full-time contracted employees who retire after attaining a certain number of years of service based upon position.

Expenditures for postretirement health care benefits are recognized when paid. The calculation of the Actuarial Accrued Liability (AAL) has been done in accordance with the Alternative Measurement Method, as outlined in GASB Statement No. 45. The post-retirement plan does not issue stand-alone financial reports.

Employees participating in the OPEB benefit consisted of the following at January 1, 2013, the date of the latest actuarial valuation.

Retirees	2
Active	4
Number of participating employees	6

The funded status of the OPEB benefit as of the most recent actuarial valuation date (January 1, 2013) is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/13	<u>\$0</u>	<u>\$125,179</u>	<u>\$125,179</u>	<u>0%</u>	N/A	N/A

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The accompanying schedule of employer contributions present trend information about the amounts contributed to the plan by employers in comparison to the Annual Required Contribution (ARC), an amount that is actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortized any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

TOWN OF LISBON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

6. POSTRETIREMENT HEALTH CARE BENEFITS (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used to include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial values of assets, consistent with the long-term perspective of the calculations. Additional information as of the latest actuarial valuation follows:

Measurement date	1/1/2013
Actuarial cost method	Entry Age Cost
Valuation Method	Alternative Measurement Method
Amortization method	30 year level dollar
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions*	
Investment rate of return	5.50%
Projected payroll increases	3.3%
Medical care trend	9.5% decreasing by 1.00% each year down to 5.50% then decreasing by 0.50% down to 5.00%

*implicit in these rates is an assumed rate of inflation of 4.00%

The current year employer contribution was as follows:

Year Ended	Annual Required	Actual	Percent	Net OPEB
December 31,	Contribution	Contribution	Contributed	Obligation
2013	\$9,437	\$0	0%	(Asset)
	<u>\$9,437</u>	<u>\$0</u>	<u>0%</u>	<u>\$59,135</u>

TOWN OF LISBON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

7. LONG-TERM OBLIGATIONS

The long-term obligations activity for the year ended December 31, 2013 is summarized below:

	Balance		Payments/		Balance	Amounts due
	Jan. 1, 2013	Additions	Adjustments		Dec. 31, 2013	within 1 year
General obligation						
promissory notes	\$ 6,333,157	\$ 567,000	\$ 714,150	\$ 6,186,007	\$ 866,072	
Village of Sussex						
contracts payable	1,790,627	-	234,414	1,556,213	152,139	
Village of Lannon						
contracts payable	30,719	-	11,554	19,165	12,175	
Accumulated sick pay						
and vacation pay	169,043	42,394	78,326	133,111	20,871	
OPEB Liability	49,698	12,884	-	62,582	-	
	\$ 8,373,244	\$ 622,278	\$ 1,038,444	\$ 7,957,078	\$ 1,051,257	

A. General Long-Term Debt

The full faith, credit and resources of the Town have been irrevocably pledged to collateralize all general obligation debt. Details of the general obligation debt payable at December 31, 2013 are as follows:

Date of Issue	Interest Rate	Principal Payable	Interest Payable	Original Amount	Balance 12/31/13	Amount due within 1 year
7/1/2004	3.80%	7/1/05-14	1/1 & 7/1	\$ 300,000	\$ 30,000	\$ 30,000
7/5/2006	4.0-4.5%	3/1/08-21	3/1 & 9/1	2,940,000	1,915,000	200,000
3/1/2007	4%	3/1/07-17	3/1 & 9/1	2,120,000	1,275,000	240,000
4/15/2008	3.95%	4/15/09-18	4/15 &	790,000	395,000	79,000
5/15/2009	3.38%	5/15/10-19	5/15 &	470,000	282,000	47,000
7/1/2010	3.05%	7/1/11-20	7/1 & 1/1	550,000	385,000	55,000
8/1/2011	3.15%	8/1/12-21	2/1 & 8/1	650,000	520,000	65,000
9/26/2011	3.75%	3/15	3/15	337,000	282,182	33,947
8/15/2012	2.00%	8/15/13-22	2/15 & 8/15	594,250	534,825	59,425
8/1/2013	2.00%	8/1/14-23	2/1 & 8/1	567,000	567,000	56,700
					<u>\$ 6,186,007</u>	<u>\$ 866,072</u>

TOWN OF LISBON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

7. LONG-TERM OBLIGATIONS (Continued)

B. Contracts Payable - Unsecured

Village of Sussex - Contracts Payable

In August 1994, the Town and the Village of Sussex approved resolutions supporting the construction of a new library facility whereby the Town has committed to share in the cost of the new library facility. The Town's share of the debt service on the library bonds is subject to annual adjustments based on contractual arrangements. At December 31, 2013, the amount of this commitment was estimated at \$61,968, which has been recorded as a long-term contract payable. The Town's share may be adjusted for changes in the equalized value provision of the agreement.

In 2007, the Town entered into an intermunicipal agreement with the Village of Sussex whereby the Town has committed to share in the capital costs of the expansion and upgrade of the Sussex Wastewater Treatment Facility. The Town will receive rights to additional wastewater treatment capacity. At December 31, 2013, the amount of this commitment, which is recorded as a long-term contract payable, is \$1,494,246.

In 1996, the Town entered into an intermunicipal agreement with the Village of Lannon whereby the Town has committed to share in the capital costs of the construction of the Lannon Interceptor Sewer System. At December 31, 2013, the amount of this commitment is \$19,165, which has been recorded as a long-term contract payable.

Village of Lannon - Contracts Payable

Details related to the contracts payable at December 31, 2013 are as follows:

Type	Date of Issue	Interest Rate	Principal Payable	Interest Payable	Original Amount	Balance 12/31/2013	Amount due within 1 year
Village of Sussex							
Contracts payable:							
Clean Water Fund							
Loans:	2007	2.55%	5/1/09-27	5/1&11/1	1,912,595	1,494,246	90,171
Library Bonds	1995	4.4-5.75	8/1/97-14	8/1	1,283,054	61,968	61,968
Village of Lannon							
Contracts payable:							
Lannon Interceptor	1996	3.62	5/1/97-14	5/1&11/1	94,420	13,719	6,730
	1996	4.55	11/1/97-14	5/1&11/1	48,580	5,445	5,445
						<u>\$1,575,378</u>	<u>\$164,314</u>

TOWN OF LISBON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

7. LONG-TERM OBLIGATIONS (Continued)

B. Contracts Payable – Unsecured (Continued)

Annual principal and interest payments to maturity on general obligation debt and long-term contracts payable are as follows:

Year	Principal	Interest	Total	Balance Outstanding December 31,
2014	\$ 1,030,386	\$ 250,394	\$ 1,280,780	\$ 6,730,999
2015	1,026,801	212,198	1,239,000	5,704,197
2016	1,068,463	174,970	1,243,434	4,635,734
2017	1,092,272	136,338	1,228,610	3,543,462
2018	741,171	104,323	845,494	2,802,291
2019-2023	2,320,441	209,252	2,529,692	481,850
2024-2028	481,850	17,126	498,976	0
	<u>\$ 7,761,385</u>	<u>\$ 1,104,601</u>	<u>\$ 8,865,986</u>	

D. Other Long-Term Debt Disclosures

Section 67.03 of the Wisconsin Statutes restricts the Town's general obligation debt to 5% of the equalized value of all property in the Town. The Town's margin of indebtedness at December 31, 2013 is summarized below:

Equalized valuation - 2013	<u>\$1,019,198,300</u>
Margin of indebtedness:	
5% of equalized valuation	\$ 50,959,915
Less: outstanding general obligation debt	<u>(6,186,007)</u>
Margin of indebtedness	<u>\$ 44,773,908</u>

Interest expenditures on long-term debt during the year were \$266,635.

TOWN OF LISBON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

8. GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the governmental funds balance sheet at December 31, 2013 include the following:

	Major Funds			Non-major Funds	Total
	General	Capital Projects	Debt Service	Governmental Funds	
Nonspendable:					
Delinquent personal property taxes	\$ 7,494	\$ -	\$ -	\$ -	\$ 7,494
Prepaid expenses	1,620	-	-	-	1,620
Total Nonspendable	9,114	-	-	-	9,114
Restricted					
Wastewater treatment study	-	-	-	104,747	104,747
Library	-	-	-	32,575	32,575
Park	-	-	-	59,621	59,621
Building	-	-	-	110,587	110,587
Fire Operations	-	-	-	63,553	63,553
Holding tank fund	13,500	-	-	-	13,500
Fire equipment fund	-	179,500	-	-	179,500
Debt service	-	-	362,334	-	362,334
Total Restricted	13,500	179,500	362,334	371,083	926,417
Assigned:					
2014 budget appropriations	121,231	98,493	-	-	219,724
9/11 Memorial	14,028	-	-	-	14,028
Total Assigned	135,259	98,493	-	-	233,752
Unassigned:	1,836,808	224,323	-	-	2,061,131
Total	\$ 1,994,681	\$ 502,316	\$ 362,334	\$ 371,083	\$ 3,230,414

9. 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; injuries to employees; employee health claims; unemployment compensation claims; and environmental damage for which the Town purchases commercial insurance. There has been no reduction in insurance coverage from the coverage in the prior year. Insurance settlements for claims resulting from the risks covered by commercial insurance have not exceeded the insurance coverage in any of the past three years.

TOWN OF LISBON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

10. WASTEWATER TREATMENT STUDY

The Town has completed its wastewater treatment study for two areas of the Town. A facilities plan for each area has been developed to identify the type of the existing wastewater treatment systems, identify problems with the existing systems, evaluate a variety of potential wastewater treatment options and select the most effective and efficient solution to the existing wastewater treatment problems and future treatment needs. These studies were funded by grants from the U.S. Environmental Protection Agency which is administered by the Wisconsin Department of Natural Resources (DNR).

Over the years, the Town has received approximately \$350,000 in grant funds for these studies. At December 31, 2013, the Capital Projects Fund includes approximately \$104,747 of unspent grant funds.

The facilities plan is the first step in a three-step process required to complete wastewater treatment works under the Federal or State grant programs. The second step is preparation of detailed design plans and specifications. The third and final step is construction of the required wastewater treatment facilities.

In August 1987, the Town created the Town of Lisbon Sanitary District No. 1 to assume the responsibilities related to planning area No. 1. At December 31, 2013, the future development of planning area No. 2 was uncertain.

11. JOINT VENTURE

The Pauline Haass Public Library was created by the Town of Lisbon and the Village of Sussex by adoption of ordinances dated June 22, 1987 and May 26, 1987 respectively. On dissolution of the Library, the net position of the Library will be divided among the two municipalities in accordance with the ratio of expense sharing in the average of the five year period preceding termination. The Library is governed by a seven member board consisting of three members appointed by each municipality and the School District Superintendent. The Town and the Village are each obligated by contract to annually finance the Library's budget. Funding the costs of the Library is shared by each municipality proportionately, based upon the equalized valuation of each municipality as of October 1 of the year the budget is approved. In accordance with the joint venture agreement, the Town remitted \$448,528 to finance the 2013 budget, which is reported as a General Fund expenditure. The Town has also committed to partially repay bonds issued to construct the library facility as described in Note 7 B. Complete financial statements for the Library can be obtained from the Library Director at N64 W23760 Main Street, Sussex, Wisconsin.

12. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended December 31, 2013, some expenditures exceeded budget. Revenues and other financing sources were available to fund the excess. The Town controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of these items can be found in the Town's year-end budget to actual report.

TOWN OF LISBON
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

13. CONTINGENCIES AND COMMITMENTS

Town is involved in several legal actions and claims, most of which normally occur in governmental operations. These actions and claims are being defended by the Town's various insurance carriers, since claims brought against the Town are generally covered by insurance policies. In the opinion of Town management, these actions, claims and any other proceedings known to exist at December 31, 2013, are not likely to have a material adverse impact on the Town's financial position.

Funding for the operating budget of the Town comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the Town. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the Town.

14. SUBSEQUENT EVENTS

On January 27, 2014 the Town board approved debt issuance in the amount of \$539,250 with an interest rate of 2.9%. This will be used in part to refinance existing debt with the Board of Commissioners of Public Lands.

In January 2014, the Town ordered a new patrol truck with attachments not to exceed \$180,000.

In January 2014, the Pauline Haass Public Library Board filed an action seeking an interpretation of the intermunicipal agreement between the Town of Lisbon and the Village of Sussex. The interpretation sought involves clarification of who owns some land that was donated by Pauline Haass when the original library was created.

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information

**Town of Lisbon
Budgetary Comparison Schedule for the General Fund
For the Year Ended December 31, 2013**

	Budgeted Amounts		Actual	Variances with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 2,187,500	\$ 2,187,500	\$ 2,187,693	\$ 193
Other taxes	111,200	111,200	114,245	3,045
Intergovernmental	472,106	472,106	541,395	69,289
Licenses, permits and fees	264,790	264,790	357,358	92,568
Fines and forfeits	76,300	76,300	72,998	(3,302)
Charges for services	1,078,624	1,078,624	1,114,912	36,288
Interest	15,000	15,000	7,114	(7,886)
Miscellaneous	54,000	54,000	65,699	11,699
Total Revenues	<u>4,259,520</u>	<u>4,259,520</u>	<u>4,461,414</u>	<u>201,894</u>
Expenditures:				
Current				
General government	633,131	633,131	586,458	46,673
Public safety	1,201,943	1,201,943	1,242,719	(40,776)
Public works	1,031,230	1,031,230	1,186,617	(155,387)
Sanitation	731,250	731,250	725,238	6,012
Recreation and education	735,669	735,669	601,927	133,742
Total Expenditures	<u>4,333,223</u>	<u>4,333,223</u>	<u>4,342,959</u>	<u>(9,736)</u>
Excess (deficiency) of revenues over expenditures	<u>(73,703)</u>	<u>(73,703)</u>	<u>118,455</u>	<u>192,158</u>
Other Financing Sources (Uses):				
Transfers in(out)	<u>73,703</u>	<u>73,703</u>	<u>(33,356)</u>	<u>(107,059)</u>
Net change in fund balances	-	-	85,099	85,099
Fund balance-Beginning of year	<u>1,883,590</u>	<u>1,883,590</u>	<u>1,883,590</u>	-
Fund balance-End of year	<u>\$ 1,883,590</u>	<u>\$ 1,883,590</u>	<u>\$ 1,968,689</u>	<u>\$ 85,099</u>

Required Supplementary Information

Town of Lisbon

**Schedule of Funding Progress and Employer Contributions
Other Post Employment Benefits
December 31, 2013**

Other Post Employment Benefits

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2011	\$ -	\$ 118,916	\$ 118,916	0.00%	N/A	N/A
1/1/2012	\$ -	\$ 134,982	\$ 134,982	0.00%	N/A	N/A
1/1/2013	\$ -	\$ 125,179	\$ 125,179	0.00%	N/A	N/A

Schedule of Employer Contributions

Fiscal Year End	Annual Required Contribution (ARC)	Contribution	Percentage of ARC Contributed	Net OPEB Obligation (Asset)
12/31/2011	\$ 6,231	\$ -	0.00%	\$ 36,814
12/31/2012	\$ 12,884	\$ -	0.00%	\$ 49,698
12/31/2013	\$ 9,437	\$ -	0.00%	\$ 59,135

OTHER SUPPLEMENTARY INFORMATION

Other Supplementary Information

**Town of Lisbon
Budgetary Comparison Schedule for the Capital Projects Fund- Equipment Acquisition
For the Year Ended December 31, 2013**

	Budgeted Amounts		Actual (GAAP Basis)	Variances with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Grants	\$ -	\$ -	\$ 112,480	\$ 112,480
Donations	-	-	86,394	86,394
Charges for services	-	-	47,305	47,305
Interest	-	-	97	97
Miscellaneous	-	-	35,942	35,942
Total Revenues	<u>-</u>	<u>-</u>	<u>282,218</u>	<u>282,218</u>
Expenditures:				
Current				
Capital outlay	605,250	605,250	673,669	(68,419)
Debt service	4,750	4,750	4,000	750
Total Expenditures	<u>610,000</u>	<u>610,000</u>	<u>677,669</u>	<u>(67,669)</u>
Excess (deficiency) of revenues over expenditures	<u>(610,000)</u>	<u>(610,000)</u>	<u>(395,451)</u>	<u>214,549</u>
Other Financing Sources (Uses):				
Proceeds from debt	510,000	510,000	567,000	57,000
Transfers In	30,000	30,000	85,125	55,125
Total other financing sources(uses)	<u>540,000</u>	<u>540,000</u>	<u>652,125</u>	<u>112,125</u>
Net change in fund balances	(70,000)	(70,000)	256,674	326,674
Fund balance-Beginning of year	245,642	245,642	245,642	-
Fund balance-End of year	<u>\$ 175,642</u>	<u>\$ 175,642</u>	<u>\$ 502,316</u>	<u>\$ 326,674</u>

Other Supplementary Information

**Town of Lisbon
Budgetary Comparison Schedule for the Debt Service Fund
For the Year Ended December 31, 2013**

	Budgeted Amounts		Actual (GAAP Basis)	Variances with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 1,233,106	\$ 1,233,106	\$ 1,233,106	\$ -
Charges for services	-	-	32,959	32,959
Interest	-	-	174	174
Total Revenues	<u>1,233,106</u>	<u>1,233,106</u>	<u>1,266,239</u>	<u>33,133</u>
Expenditures:				
Current				
Debt service	1,245,705	1,245,705	1,233,106	12,599
Total Expenditures	<u>1,245,705</u>	<u>1,245,705</u>	<u>1,233,106</u>	<u>12,599</u>
Excess (deficiency) of revenues over expenditures	<u>(12,599)</u>	<u>(12,599)</u>	<u>33,133</u>	<u>45,732</u>
Other Financing Sources (Uses):				
Transfers	12,599	12,599	13,230	631
Total other financing sources(uses)	<u>12,599</u>	<u>12,599</u>	<u>13,230</u>	<u>631</u>
Net change in fund balances	-	-	46,363	46,363
Fund balance-Beginning of year	315,971	315,971	315,971	-
Fund balance-End of year	<u>\$ 315,971</u>	<u>\$ 315,971</u>	<u>\$ 362,334</u>	<u>\$ 46,363</u>

Other Supplementary Information

**Town of Lisbon
Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2013**

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS	Total Non-Major Governmental Funds
	Library Fund	Park Fund	Building Fund	Fire Operations Fund	Sewer Study Fund	
ASSETS						
Cash and Investments	\$ 32,575	\$ 59,727	\$ 110,587	\$ 63,553	\$ 104,747	\$ 371,189
Total Assets	<u>\$ 32,575</u>	<u>\$ 59,727</u>	<u>\$ 110,587</u>	<u>\$ 63,553</u>	<u>\$ 104,747</u>	<u>\$ 371,189</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ -	\$ 106	\$ -	\$ -	\$ -	\$ 106
Total Liabilities	<u>-</u>	<u>106</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106</u>
FUND BALANCES						
Restricted	32,575	59,621	110,587	63,553	104,747	371,083
Total Fund Balances	<u>32,575</u>	<u>59,621</u>	<u>110,587</u>	<u>63,553</u>	<u>104,747</u>	<u>371,083</u>
Total Liabilities and Fund Balances	<u>\$ 32,575</u>	<u>\$ 59,727</u>	<u>\$ 110,587</u>	<u>\$ 63,553</u>	<u>\$ 104,747</u>	<u>\$ 371,189</u>

Other Supplementary Information

**Town of Lisbon
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended December 31, 2013**

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS	Total Nonmajor Governmental Funds
	Library Fund	Park Fund	Building Fund	Fire Operations Fund	Sewer Study Fund	
REVENUES						
Charges for Services	\$ -	\$ -	\$ -	\$ 7,111	\$ -	\$ 7,111
Interest Income	23	10	70	40	-	143
Donations	-	1,859	-	-	-	1,859
Miscellaneous Income	13,230	2,770	-	-	-	16,000
Total Revenues	<u>13,253</u>	<u>4,639</u>	<u>70</u>	<u>7,151</u>	<u>-</u>	<u>25,113</u>
EXPENDITURES						
Current:						
Culture, Recreation and Education	-	9,308	-	-	-	9,308
Total Expenditures	<u>-</u>	<u>9,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,308</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>13,253</u>	<u>(4,669)</u>	<u>70</u>	<u>7,151</u>	<u>-</u>	<u>15,805</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	33,356	-	-	-	33,356
Transfers Out	<u>(13,230)</u>	<u>(10,000)</u>	<u>(75,125)</u>	<u>-</u>	<u>-</u>	<u>(98,355)</u>
Total Other Financing Sources and Uses	<u>(13,230)</u>	<u>23,356</u>	<u>(75,125)</u>	<u>-</u>	<u>-</u>	<u>(64,999)</u>
Net Change in Fund Balances	23	18,687	(75,055)	7,151	-	(49,194)
Fund Balances - Beginning	<u>32,552</u>	<u>40,934</u>	<u>185,642</u>	<u>56,402</u>	<u>104,747</u>	<u>420,277</u>
Fund Balances - Ending	<u>\$ 32,575</u>	<u>\$ 59,621</u>	<u>\$ 110,587</u>	<u>\$ 63,553</u>	<u>\$ 104,747</u>	<u>\$ 371,083</u>

**TOWN OF LISBON
COMPARATIVE SCHEDULE OF PROPERTY TAXES LEVIED
AND ASSESSED AND EQUALIZED VALUATIONS**

2009-2013 Tax Rolls

	2009	2010	2011	2012	2013
State tax	\$ 191,709	\$ 185,257	\$ 184,537	\$ 175,376	\$ 172,964
County tax	2,110,892	2,150,777	2,186,581	2,175,491	2,186,039
Special District tax	43,000	44,000	44,000	43,000	44,000
Local tax	3,227,132	3,321,862	3,364,773	3,420,606	3,585,266
School tax:					
Local schools	10,937,403	11,210,113	11,160,070	11,085,720	10,742,705
Vocational school	1,306,832	1,346,541	1,360,736	1,344,074	1,340,969
Total general property tax levy	17,816,968	18,258,550	18,300,697	18,244,267	18,071,943
Special assessments and special charges:					
Sewer/water main	499	-	-	-	-
Noxious weeds	1,959	1,881	-	2,233	2,389
Garbage removal	647,420	695,015	723,980	748,394	779,022
Sewer capacity charge	45,432	45,128	33,200	32,959	-
Stormwater utility	201,726	201,333	201,362	201,605	242,631
Other	12,813	3,025	2,592	8,700	221
Delinquent utility charges	6,740	8,597	10,339	10,805	13,994
Total special assessments and special charges	916,589	954,979	971,473	1,004,696	1,038,257
Woodland land taxes	504	504	504	721	906
Total tax rolls	\$ 18,734,061	\$ 19,214,033	\$ 19,272,674	\$ 19,249,684	\$ 19,111,106
Assessed valuation	<u>\$ 1,106,011,492</u>	<u>\$ 1,111,108,603</u>	<u>\$ 1,138,212,411</u>	<u>\$ 1,144,606,242</u>	<u>\$ 1,021,284,391</u>
Equalized valuation	<u>\$ 1,129,654,600</u>	<u>\$ 1,091,634,500</u>	<u>\$ 1,087,393,700</u>	<u>\$ 1,033,412,700</u>	<u>\$ 1,019,198,300</u>
Ratio of assessment	<u>98%</u>	<u>102%</u>	<u>105%</u>	<u>111%</u>	<u>100%</u>