



PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 21, 2023

NEW MONEY ISSUE

S&P GLOBAL RATINGS: AA

In the opinion of Hawkins Delafield & Wood, Bond Counsel to the Town, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code; however, for tax years beginning after December 31, 2022, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond Counsel to the Town is also of the opinion that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purpose of the Connecticut income tax on individuals, trusts and estates, and interest on the Bonds is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. See "TAX MATTERS" herein.

**TOWN OF LISBON, CONNECTICUT
\$4,400,000* GENERAL OBLIGATION BONDS, ISSUE OF 2023
(BANK QUALIFIED)**

Dated: Date of Delivery

Due: August 15, as shown below

MATURITY SCHEDULE

Maturity	Amount*	Coupon	Yield	CUSIP¹	Maturity	Amount*	Coupon	Yield	CUSIP¹
2024	\$220,000			536376---	2034	\$220,000			536376---
2025	220,000			536376---	2035	220,000			536376---
2026	220,000			536376---	2036	220,000			536376---
2027	220,000			536376---	2037	220,000			536376---
2028	220,000			536376---	2038	220,000			536376---
2029	220,000			536376---	2039	220,000			536376---
2030	220,000			536376---	2040	220,000			536376---
2031	220,000			536376---	2041	220,000			536376---
2032	220,000			536376---	2042	220,000			536376---
2033	220,000			536376---	2043	220,000			536376---

Electronic proposals via PARITY® for the Bonds will be received until 11:30 A.M. (Eastern Time) on Wednesday, November 29, 2023 at Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443 as described in the Notice of Sale. See Appendix D herein.

Interest on the Bonds will be payable August 15, 2024 and semiannually thereafter on February 15 and August 15 in each year until maturity or earlier redemption.

The Bonds are subject to optional redemption prior to maturity as more fully described herein. See "Optional Redemption" herein.

The Bonds will be issued by means of a book-entry-only system and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing their ownership in the Bonds. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owners of the Bonds. Ownership of the Bonds may be in principal amounts of \$5,000 or integral multiples thereof. See "Book-Entry-Only Transfer System" herein.

The Bonds will be general obligations of the Town of Lisbon, Connecticut (the "Town"), and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. See "Security and Remedies" herein.

U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut will certify the Bonds and act as Registrar, Transfer Agent, and Paying Agent on the Bonds.

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Hawkins Delafield & Wood, LLP, of Hartford, Connecticut, Bond Counsel to the Town. It is expected that delivery of the Bonds in book-entry-only form will be made through the facilities of DTC in New York, New York on or about December 14, 2023. Delivery of the Bonds will be made against payment in Federal Funds.

This cover page contains certain information for quick reference only. It is NOT a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

¹ CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems, Inc. which is not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. The Town is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment without notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell, or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which said offer, solicitation or sale would be unlawful prior to registration or qualification under the laws of any such jurisdiction.

No dealer, broker, salesman or other person has been authorized by the Town of Lisbon, Connecticut (the “Town”) or the Municipal Advisor to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Town or the Municipal Advisor. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness.

The Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date of this Official Statement.

The Municipal Advisor to the Town has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Town and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

This Official Statement may include “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Without limiting the foregoing, the words “may,” “believe,” “could,” “might,” “possible,” “potential,” “project,” “will,” “should,” “expect,” “intend,” “plan,” “predict,” “anticipate,” “estimate,” “approximate,” “contemplate,” “continue,” “target,” “goal” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. All forward-looking statements included in this Official Statement are based on information available to the Town up to the date as of which such statements are to be made, or otherwise up to, and including, the date of this document, and the Town assumes no obligation to update any such forward-looking statements to reflect events or circumstances that arise after the date hereof or after the date of any report containing such forward-looking statement, as applicable. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain important factors, including, but not limited to (i) the effect of and from, future municipal, state and federal budgetary matters, including state and federal grants and other forms of financial aid to the Town; (ii) federal tax policy, including the deductibility of state and local taxes for federal tax purposes; (iii) macroeconomic economic and business developments, both for the country as a whole and particularly affecting the Town; (iv) financial services industry developments; (v) litigation or arbitration; (vi) climate and weather related developments, natural disasters and other acts of God; (vii) factors used in estimating future obligations of the Town; (viii) the effects of epidemics and pandemics, including economic effects; and (ix) other factors contained in this Official Statement.

BOND COUNSEL

HAWKINS DELAFIELD & WOOD LLP

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MUNICIPAL ADVISOR

MUNISTAT SERVICES, INC.

Madison, Connecticut
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BOND ISSUE SUMMARY

The information in this Bond Issue Summary and the front cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change.

Date of Sale:	<u>Wednesday, November 29, 2023, 11:30 A.M. (Eastern Time).</u>
Location of Sale:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443.
Issuer:	Town of Lisbon, Connecticut (the “Town”).
Issue:	\$4,400,000* General Obligation Bonds, Issue of 2023 (the “Bonds”).
Dated Date:	Date of Delivery.
Interest Due:	February 15 and August 15 in each year until maturity, commencing August 15, 2024.
Principal Due:	Serially, August 15, 2024 through August 15, 2043, as detailed in this Official Statement.
Purpose and Authority:	The proceeds of the Bonds will be used to finance a new Fire Station as authorized by the voters of the Town, as described in “Use of Bond Proceeds” herein. See “Authorization and Purpose” herein also.
Redemption:	The Bonds are subject to optional redemption prior to maturity as more fully described herein. See “Optional Redemption” herein.
Security:	The Bonds will be general obligations of the Town of Lisbon, Connecticut and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
Credit Rating:	The Town received a credit rating of “AA” with a stable outlook from S&P Global Ratings (“S&P”) on the Bonds. See “Rating” herein.
Bond Insurance:	The Town does not expect to direct purchase a credit enhancement facility.
Basis of Award:	Lowest True Interest Cost (“TIC”), as of dated date.
Tax Exemption:	Refer to Appendix B, “Form of Legal Opinion of Bond Counsel” and “Tax Matters” herein.
Bank Qualification:	The Bonds shall be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense incurred to carry the Bonds.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided annual financial information, operating data, timely, notices of certain events with respect to the Bonds within ten (10) business days of the occurrence of such events, pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form of Appendix C to this Official Statement.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27 th Floor, Hartford, Connecticut 06013.
Legal Opinion:	Hawkins Delafield & Wood LLP of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about December 14, 2023 against payment in Federal Funds .
Issuer Official:	Questions concerning the Official Statement should be directed to Mr. Thomas Sparkman, First Selectman, Town of Lisbon, Town Hall, 1 Newent Road, Lisbon, Connecticut 06351. Telephone: 860-376-3400.
Municipal Advisor:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Susan Caron, Vice President, Telephone: 860-372-1887.

The Preliminary Official Statement is available in electronic form only at www.i-dealpropectus.com and munistat.com. For additional information please contact the Municipal Advisor at susan.caron@munistat.com or mark.chapman@munistat.com

*Preliminary, subject to change.

I. SECURITIES OFFERED

INTRODUCTION

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Lisbon, Connecticut (the “Town”) in connection with the sale and issuance of \$4,400,000* General Obligation Bonds, Issue of 2023 (the “Bonds”) of the Town.

The Bonds are being offered for sale at public bidding. A Notice of Sale dated November 21, 2023 has been furnished to prospective bidders. Reference is made to the Notice of Sale (see Appendix D herein) for the terms and conditions of the sale and the bidding on the Bonds.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof. All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents, and all references to the Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

The presentation of information is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the Town.

Munistat Services, Inc. (“Munistat”) or the “Municipal Advisor” is engaged as Municipal Advisor to the Town in connection with the issuance of the Bonds. The Municipal Advisor’s fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. Munistat, in its capacity as Municipal Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal and state income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

Set forth in Appendix A “Basic Financial Statements” hereto is a copy of the report of the independent auditors for the Town with respect to the financial statements of the Town included in that appendix. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

The Town considers this Official Statement to be “final” for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but is subject to revision or amendment.

DESCRIPTION OF THE BONDS

The Bonds will be dated the date of delivery and will mature in annual installments on August 15 in each of the years and in the principal amounts set forth on the cover page hereof. The Bonds will be issued in denominations of \$5,000 or integral multiples thereof. Interest on the Bonds will be payable semiannually at the rates indicated on the cover page hereof, on February 15 and August 15 in each year until maturity or earlier redemption, commencing on August 15, 2024, and will be payable to the registered owners of the Bonds as of the close of business on the last business day of January and July in each year. Interest will be calculated on the basis of 360-day year, consisting of twelve 30-day months.

A book-entry transfer system will be employed evidencing ownership of the Bonds with transfers of ownership on the records of the Depository Trust Company, New York, New York (“DTC”), and its participants pursuant to rules and

*Preliminary, subject to change.

procedures established by DTC and its participants. See “Book-Entry-Only Transfer System” herein. The certifying bank, registrar, transfer agent and paying agent for the Bonds will be U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut.

The legal opinion with respect to the Bonds will be rendered by Hawkins Delafield & Wood LLP, in substantially the form set forth in Appendix B to this Official Statement.

The Bonds are subject to optional redemption prior to maturity as more fully described under “Optional Redemption” below.

OPTIONAL REDEMPTION

The Bonds maturing on or before August 15, 2031 are not subject to redemption prior to maturity. The Bonds maturing on August 15, 2032 and thereafter are subject to redemption prior to maturity, at the option of the Town, at any time on and after August 15, 2031, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the redemption prices (expressed as a percentage of the principal amount of Bonds to be redeemed) set forth in the following table, plus interest accrued and unpaid to interest, to the redemption date:

<u>Period During Which Redeemed</u>	<u>Redemption Price</u>
August 15, 2031 and thereafter	100.00%

NOTICE OF REDEMPTION

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days prior to the redemption date to the registered owner of such Bonds designated for redemption in whole or in part at the address of such registered owner as the same shall last appear on the registration books for the Bonds kept for such purpose. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds, or portions thereof so called for redemption will cease to bear interest after the specified redemption date. So long as Cede & Co., as nominee for Depository Trust Company (“DTC”) is the registered owner of the Bonds, notice of redemption will be sent only to DTC (or its successor securities depository) or its successor nominee.

If less than all the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Town in its discretion may determine, provided, however, that the portion of any Bonds to be redeemed shall be in the principal amount of \$5,000 or multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

The Town, so long as a book-entry system is used for the Bonds, will send any notice of redemption only to DTC (or a successor securities depository) or its nominee. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. (See “Book-Entry-Only Transfer System”, herein for discussion of DTC and definitions of “Direct Participants”, “Indirect Participants” and “Beneficial Owners”.)

Redemption of a portion of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interests held by DTC Participants in the Bonds to be redeemed, the interest to be reduced by such redemptions in accordance with its own rules or other agreements with DTC Participants. The DTC Participants and Indirect Participants may allocate reductions of the interest in the Bonds to be redeemed held by the Beneficial Owners. Any such allocation of interest in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town, or be the responsibility of, the Town, the Registrar or Paying Agent, for the Bonds.

BOOK-ENTRY-ONLY TRANSFER SYSTEM

The Bonds will be issued by means of a book-entry system and registered in the name of Cede & Co., as nominee for the Depository Trust Company (“DTC”), New York, New York. This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and accredited by DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry Transfer System has been provided by DTC for use in disclosure documents such as this Official Statement. The Town believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The Town cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One-fully registered Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity and interest rate, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited,

which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds in an issue are being redeemed, DTC's practice is to determine by lot, the amount of interest for each Direct Participant in such issue as to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on, and redemption premium, if any, with respect to the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Town or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, bond and note certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond and note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

REPLACEMENT BONDS

The determination of the Town officials authorizing the issuance of the Bonds provides for issuance of fully-registered Bond certificates directly to beneficial Owners of the Bonds and or their nominees in the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, and the Town fails to identify another qualified securities depository for the Bonds to replace DTC; or (b) the Town determines to discontinue the book-entry-only system of evidence and transfer of ownership of the Bonds. A Beneficial Owner of the Bonds, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Bonds.

DTC PRACTICES

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

SECURITY AND REMEDIES

The Bonds will be general obligations of the Town of Lisbon, Connecticut and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due.

Unless paid from other sources, the Bonds are payable from general property tax revenues. The Town has the power under the General Statutes of Connecticut, as amended (hereinafter referred to as the “Connecticut General Statutes” or “CGS”) to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income taxable at limited amounts. Under existing statutes, the State of Connecticut is obligated to pay the Town the amount of tax revenue that the Town would have received except for the limitation on its power to tax such dwelling houses or the Town may place a lien on the property for the amount of tax relief granted plus interest.

Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Bonds.

There are no statutory provisions for priorities in the payment of general obligations of the Town. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Bonds, or judgments thereon, in priority to other claims.

The Town is subject to suit on its general obligation bonds and notes and a court of competent jurisdiction has the power in appropriate proceedings to render a judgment against the Town. Courts of competent jurisdiction also have the power in appropriate proceedings to order payment of a judgment on such bonds and note from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors including the current operating needs of the Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on such bonds and note would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted by the Congress or the Connecticut General Assembly and to the exercise of judicial discretion. Under the Federal bankruptcy code, the Town may seek relief only, among other requirements, if it is specifically authorized in its capacity as a municipality or by name, to be a debtor under Chapter 9 of Title 11 of the United States Code, or by State law or a governmental officer or organization empowered by State law to authorize such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds, notes or other obligations.

CONSIDERATIONS FOR BONDHOLDERS

The COVID-19 Outbreak and Pandemics in General

On January 30, 2020, the outbreak of COVID-19 was declared a Public Health Emergency of International Concern by the World Health Organization. On March 13, 2020, the President of the United States declared a national emergency as a result of the COVID-19 outbreak. On March 10, 2020, Governor Lamont declared a state of emergency throughout the State of Connecticut (the “State”) and took steps to mitigate the spread and impacts of COVID-19. As of May 11, 2023, the federal and State public health emergency declarations have been terminated.

In response to the COVID-19 pandemic, on March 11, 2021, President Biden signed into law the \$1.9 trillion American Rescue Plan Act of 2021 (the “Rescue Plan”) that provided various forms of financial assistance and other relief to state and local governments. The Town received \$1.3 million from the Rescue Plan with the Board of Education receiving an additional \$428 thousand. The Town developed a plan for the use of such funds that focused on infrastructure improvements and other initiatives that comply with the program eligibility criteria.

For up-to-date information concerning the State’s actions in response to COVID-19, see <https://portal.ct.gov/coronavirus>. Neither the Town, nor the parties involved with the issuance of the Bonds, has reviewed the information provided by the State on its website and such parties take no responsibility for the accuracy thereof.

To date, the COVID-19 outbreak has had no material adverse effect on the finances of the State or the Town.

Pandemics, epidemics and other public health emergencies, may adversely impact the Town and its revenues, expenses and financial condition. The Town cannot predict the duration and extent of such pandemics, epidemics and other health emergencies, or quantify the magnitude of their ultimate impact on the State and regional economy, or on the revenues and expenses of the Town. Pandemics, epidemics and other health emergencies may be ongoing, and their dynamic nature may lead to many uncertainties, including (i) the geographic spread as they evolve; (ii) the severity as they mutate; (iii) the duration of the outbreak; (iv) actions that may be taken by governmental authorities to contain or mitigate future outbreaks; (v) the development of medical therapeutics or vaccinations; (vi) travel restrictions; (vii) the impact of the outbreak on the local, State or global economy; (viii) whether and to what extent the State Governor may order additional public health measures; and (ix) the impact of the outbreak and actions taken in response to the outbreak on the Town revenues, expenses and financial condition.

Prospective investors should assume that restrictions and limitations related to COVID-19 and any future variants or pandemics may be instituted by the State or federal government.

Cybersecurity

The Town like many other public and private entities, relies on technology to conduct its operations. The Town and its departments face cyber threats from time to time, including but not limited to hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls, including hiring an outside vendor for the security of the Town’s government networks. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage the Town’s digital networks and systems and the costs of remedying any such damage could be substantial. The Town has not incurred any breaches. The Town has a contract with Threat Hunting for cyber protection.

Environmental Factors

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. Like much of Connecticut, the Town is vulnerable to inland wetland, small river and stream flooding. Furthermore, the Town faces other threats due to climate change, including damaging wind that could become more severe and frequent. The Town has a very active program of tree inspections and removals, in coordination with the Town’s electrical utility provider. The Town cannot predict the timing, extent or severity of climate change and its impact on its operations and finances. The Town recently updated their Hazard Mitigation Plan and added a section on climate adaptation.

QUALIFICATIONS FOR FINANCIAL INSTITUTIONS

The Bonds **will** be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

AVAILABILITY OF CONTINUING DISCLOSURE

The Town of Lisbon prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State Office of Policy and Management (“OPM”) within six months of the end of its fiscal year. The Town provides, and will continue to provide, to the rating agency ongoing disclosure in the form of annual audited financial statements, adopted budgets and other materials relating to its management and financial condition as may be necessary or requested.

The Town will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as Appendix C to this Official Statement (the “Continuing Disclosure Agreement”), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, (i) annual financial information and operating data, (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain listed events and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement.

The Town has previously undertaken in Continuing Disclosure Agreements entered into for the benefit of holders of certain of its general obligation bonds or notes to provide annual financial information and event notices pursuant to Rule 15c2-12. In the past five years, the Town has not failed to comply in any material respect with its previous undertakings under such agreements except for the failure to make timely filings on EMMA of annual financial information and operating data for its fiscal year ending June 30, 2022. The audited financial statements for fiscal year ending June 30, 2022 were delayed but once completed, the Town submitted all required information on April 19, 2023. Such delay in the completion of the audited financial statements for fiscal year 2022 arose as a result of the Board of Education being late on supplying its required information.

AUTHORIZATION AND PURPOSE

The Bonds are being issued pursuant to Title 7 of the General Statutes, as amended, and a resolution approved at a Town referendum held on September 22, 2021 authorizing the issuance of bonds in an amount not to exceed \$13,000,000 to finance a new fire station in the Town (the “Fire Station Project”).

USE OF BOND PROCEEDS

The proceeds of the Bonds will be used to finance the “Fire Station Project” as shown in the below chart:

Project	Amount Authorized	Previously Bonded	Grants & Other Funds Applied	The Bonds*	Authorized But Unissued*
2021 Fire Station Project.....	\$13,000,000	\$8,000,000	\$74,852	\$4,400,000	\$525,148
Total.....	\$13,000,000	\$8,000,000	\$74,852	\$4,400,000	\$525,148

*Preliminary, subject to change.

RATING

The Town received a credit rating of “AA” with a stable outlook from S&P Global Ratings (“S&P”).

The rating reflects only the view of the rating agency and an explanation of the significance of such rating may be obtained from S&P Global Ratings, 55 Water Street, 45th Floor, New York, New York 10041. There is no assurance that the rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by such rating agency if in its judgment circumstances so warrant. A revision or withdrawal of a rating may have an effect on the market price of the Town’s bonds or notes, including the Bonds.

II. THE ISSUER



DESCRIPTION OF THE TOWN

The Town of Lisbon was taken from the City of Norwich and incorporated in May of 1786. The Town is located about 42 miles southeast from the City of Hartford, and is bordered on the north by the Town of Canterbury, on the east by the Town of Griswold, on the south by the Town of Preston and on the west by the Town of Sprague and the City of Norwich. The Town is a suburban community covering an area of 16.5 square miles. The population in 2021 according to the U.S. Census Bureau was 4,198.

The Town of Lisbon is traversed by state routes 138, 12 and 169 and has easy access to Route 2 and Interstate 395, a major north-south highway approximately three miles from the center of Town. A 32.1 mile section of Route 169 was designated a State Scenic Highway in 1991 and a National Scenic Highway by the Federal Highway Administration in 1996. The Town is served by the Providence and Worcester Railroad and motor common-carriers. Intrastate buses provide passenger transportation. Both Bradley International Airport and T.F. Green International Airport are located approximately one hour away. Bradley International in Windsor Locks, Connecticut and T.F. Green in Warwick, Rhode Island.

Nearby employment can be found in Norwich, Ledyard, Montville, Groton, Plainfield and New London.

ECONOMIC DEVELOPMENT

Lisbon expanded its economic base with the development in 2001 of a \$50 million shopping center known as Lisbon Landing serving Eastern Connecticut and the I-395 corridor. The shopping center is approximately 575,000 square feet on 76 acres of land on Route 12. Some of the tenants include AT&T, T-Mobile, Bath and Body Works, Famous Footwear, Home Depot, Kohl's, Michaels Crafts Store, AMC Classic Theaters, Panera Bread, Petco, Ruby Tuesday, and Wal-Mart Supercenter. Lisbon Landing employs in excess of 1,000 people from Connecticut and nearby Rhode Island.

In addition, Crossing at Lisbon is a \$30 million, 342,000 square foot retail complex also located on Route 12, across from Lisbon Landing. Tenants include Aldi's Grocery Store, Aspen Dental, Chili's Restaurant, Tokyo Nail Salon,

GameStop, GNC Vitamins, Hair Cutter, Lowe’s Home Improvements, Mattress Firm, and Target. Numerous restaurants and small scale retail are also located nearby.

Other large employers in the area include Foxwoods Resort Casino, Mohegan Sun Casino, Electric Boat and Pfizer, Inc.

FORM OF GOVERNMENT

The Town has a Town Meeting form of government with a three-member Board of Selectmen elected to two-year terms and a six-member Board of Finance elected to six-year staggered terms. Elections are held biennially in November in every odd-numbered year. The legislative body also has the powers and privileges conferred and granted to towns and cities under the Constitution and the General Statutes of the State of Connecticut.

The First Selectman is the full-time Chief Executive and Administrative Officer of the Town and oversees the execution of all laws and ordinances governing the Town. The First Selectman presides over the Board of Selectmen and has full voting privileges on the Board.

The Board of Finance is responsible for proposing annual budgets and special appropriations at Town Meetings. Lisbon’s professional staff also includes a part-time Treasurer. The Treasurer is responsible for the coordination of the activities of the accounting staff and treasury management functions of the Town. In addition, the Treasurer is responsible for the maintenance of the general ledgers of the various funds and account groups of the Town; financial planning and cost accounting; financial report preparation; supervision of the annual independent audit; and the investment of all Town funds.

PRINCIPAL TOWN OFFICIALS

<u>Office</u>	<u>Name</u>	<u>Manner of Selection</u>	<u>Term</u>	<u>Years of Service</u>
First Selectman.....	Thomas Sparkman.....	Elected	11/23-11/25	27 Years
Selectman.....	Robert T. Brownie Sr..	Elected	11/23-11/25	18 Years
Selectman.....	William C. Surfus.....	Elected	11/23-11/25	7 Years
Town Clerk.....	Michelle Grant.....	Elected	11/23-11/25	1 Year
Treasurer.....	Chris Maynard.....	Elected	11/23-11/25	8 Years
Tax Collector.....	Kenneth Bomba.....	Elected	11/23-11/25	1 Year
Assessor.....	Rosalyn C. Dupuis.....	Hired	N/A	4 Months
Chairman, Board of Finance.....	Wayne Donaldson.....	Elected	11/23-11/29	18 Years
Superintendent of Schools.....	Sally Keating.....	Appointed	Contract	14 Years

Source: Town Officials.

SUMMARY OF MUNICIPAL SERVICES

Police Protection: The Town has a resident State Trooper in addition to being serviced by Troup E of the Connecticut State Police located in Montville.

Fire Protection/Ambulance: A combination of the Lisbon Volunteer Fire Department and two full time paid positions provide both fire protection and ambulance service to the Town.

Of the eighty-two active firemen, forty-one are Emergency Medical Technicians and all are State certified.

Public Works: The Town employs five full-time people who are responsible for maintaining the roads and property of the Town.

Solid Waste: In 1989, the Town of Lisbon entered into an agreement with Riley Energy Systems of Lisbon Corporation and Regional Landfill Development of Lisbon, Inc., pursuant to which the Wheelabrator solid waste disposal facility was constructed in the Town of Lisbon. In October 2019, a new agreement was entered into for which

the Town receives the sum of \$417,500 from Riley payable in equal quarterly installments each year on the first day of January, April, July and October for each year the agreement is in effect, reduced by an amount equal to the property taxes paid by Riley on the facility. The new agreement was established in consideration of Lisbon serving as the host community. The agreement expires in December 31, 2030. In addition, the Town is entitled to royalty payments averaging \$110,000 a year based upon the tonnage of solid waste that is processed at the plant and which originates outside of Lisbon. The Town is subject to a cap on municipal and residential solid waste; commercial entities must contract for pick up and disposal of their solid waste separately.

Recreation Commission: Appointed members, who work with the Department of Public Works employees have the responsibility of the maintenance of the public recreational fields. They also provide a summer activity program as well as after school/winter sports programs.

Utilities: Eversource Energy, formerly the Connecticut Light & Power Company, a subsidiary of Northeast Utilities and Power Company and the Jewett City Light Company provide electricity to the Town.

TOWN EMPLOYEES

The following table illustrates the permanent full and part-time Town employees for the last five fiscal years:

<u>Fiscal Year</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
General Government.....	30	30	30	30	30
Board of Education.....	78	78	77	81	95
Total.....	108	108	107	111	125

Source: Town Officials.

MUNICIPAL EMPLOYEES' BARGAINING UNITS

<u>Organization</u>	<u>Number of Employee</u>	<u>Current Contract Expiration</u>
General Government		
Municipal Employees' Union Independent (MEUI)/SEIU Local 506...	13	June 30, 2027
General Government sub-total.....	13	
Board of Education		
Lisbon Education Association.....	43	June 30, 2025
Municipal Employees' Union Independent (MEUI)/SEIU Local 506...	15	June 30, 2027
Board of Education sub-total.....	58	
Total General Government and Board of Education.....	71	

Source: Town of Lisbon.

Sections 7-473c, 7-474, and 10-153a to 10-153n of the Connecticut General Statutes provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of an affected municipality may reject an arbitration panel's decision by a two-thirds majority vote. The State and the employee organization must be advised in writing of the reasons for rejection. The State will then appoint a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel may accept the last best offer of either party or anything in between. In reaching its determination, the arbitration panel shall give priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration of contracts, in assessing the financial

capability of a town, there is an irrefutable presumption that a budget reserve of (i) 5% or less with respect to teachers' contracts, and (ii) 15% or less with respect to other municipal employees, is not available for payment of the cost of any item subject to arbitration. In the light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

EDUCATION SYSTEM

The Lisbon School District is comprised of a single school governed by the local nine-member Board of Education. The Lisbon Central School services grades pre-kindergarten through 8. The members of the Board of Education are elected to six-year staggered terms. The primary function of the Board is to establish policy. Some of the areas for which such policies are set include curriculum, budget requests submission, ensuring funds for education as appropriated by the Town are properly expended, implementation of both State and Federal laws, and planning for facilities needed by the system, including construction and renovation.

SCHOOL FACILITIES

<u>School</u>	<u>Grades</u>	<u>Construction/Addition/ Renovation</u>	<u>Number of Classrooms</u>	<u>Enrollment 10/01/2023</u>	<u>Capacity</u>
Lisbon Central Elementary.....	PreK-8	1927, 1947, 1953, 1962, 1972, 1985, 1989, 2002, 2012	43	629	650

Source: Town of Lisbon, Superintendent's Office.

SCHOOL ENROLLMENT

<u>School Year</u>	<u>PreK-8</u>	<u>9-12 ¹</u>	<u>Total</u>
	<i>Historical</i>		
2019-20	419	216	635
2020-21	427	219	646
2021-22	426	209	635
2022-23	433	206	639
2023-24	434	195	629

¹ Students have a choice of attending several area high schools or technical/vocational schools.
Source: Town of Lisbon, Superintendent's Office.

III. ECONOMIC AND DEMOGRAPHIC INFORMATION

POPULATION TRENDS

<u>Year</u>	<u>Population¹</u>	<u>% Increase</u>	<u>Density²</u>
1960	2,019	-	122
1970	2,808	36.1	170
1980	3,279	16.8	199
1990	3,790	15.6	230
2000	4,069	7.4	247
2010	4,338	6.6	263
2020	4,246	(2.1)	257
2021	4,198	(1.1)	254

¹ 1970-2021 – U.S. Census Bureau.

² Per square mile: 16.5 square miles.

AGE DISTRIBUTION OF THE POPULATION

<u>Age</u>	<u>Town of Lisbon</u>		<u>New London County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under 5.....	163	3.9	13,084	4.9	182,122	5.1
5 - 9.....	425	10.1	12,672	4.7	196,540	5.5
10 - 14.....	267	6.4	17,005	6.3	224,371	6.2
15 - 19.....	231	5.5	16,922	6.3	245,790	6.8
20 - 24.....	290	6.9	19,483	7.2	241,370	6.7
25 - 34.....	319	7.6	35,009	13.0	445,861	12.4
35 - 44.....	471	11.2	30,677	11.4	439,098	12.2
45 - 54.....	556	13.2	34,718	12.9	488,283	13.5
55 - 59.....	346	8.2	21,261	7.9	269,688	7.5
60 - 64.....	374	8.9	18,942	7.0	252,028	7.0
65 - 74.....	452	10.8	29,038	10.8	357,409	9.9
75 - 84.....	211	5.0	14,005	5.2	173,149	4.8
85 and over..	93	2.2	6,315	2.3	89,621	2.5
Total	<u>4,198</u>	<u>100.0</u>	<u>269,131</u>	<u>100.0</u>	<u>3,605,330</u>	<u>100.0</u>
Median Age (years)		43.7		41.4		41.0

Source: U.S. Census Bureau, 2017-2021 American Community Survey.

INCOME DISTRIBUTION

	Town of Lisbon		New London County		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
Less than \$10,000	10	0.8	1,582	2.2	23,811	2.6
\$ 10,000 to 14,999	17	1.4	1,175	1.7	14,243	1.6
\$ 15,000 to 24,999	34	2.7	2,473	3.5	36,091	4.0
\$ 25,000 to 34,999	69	5.5	4,172	5.9	44,586	4.9
\$ 35,000 to 49,999	136	10.9	6,267	8.8	71,397	7.8
\$ 50,000 to 74,999	180	14.4	10,856	15.3	123,873	13.6
\$ 75,000 to 99,999	184	14.7	9,243	13.0	113,529	12.5
\$100,000 to 149,999 ..	336	26.8	16,119	22.7	188,052	20.7
\$150,000 to 199,999 ..	139	11.1	9,346	13.1	117,255	12.9
\$200,000 or more	147	11.7	9,840	13.8	177,169	19.5
Total	1,252	100.0	71,073	100.0	910,006	100.0

Source: U.S. Census Bureau, 2017-2021 American Community Survey.

INCOME LEVELS¹

	Town of Lisbon	New London County	State of Connecticut
Per Capita Income, 2021.....	\$40,657	\$42,312	\$47,869
Per Capita Income, 2020.....	\$41,696	\$40,995	\$45,668
Per Capita Income, 2010.....	\$33,685	\$32,888	\$36,775
Per Capita Income, 2000.....	\$22,476	\$24,678	\$28,766
Median Family Income, 2021.....	\$98,889	\$99,305	\$106,441
Median Family Income, 2020.....	\$101,250	\$94,894	\$102,061
Median Family Income, 2010.....	\$86,469	\$80,425	\$84,170
Median Family Income, 2000.....	\$61,888	\$59,857	\$65,521
Percent Below Poverty Level 2021.....	4.2%	6.2%	6.8%

Source: ¹ U.S. Department of Commerce, Bureau of Census, 2020, 2010, 2000; U.S. Census Bureau, 2017-2021 American Community Survey.

EDUCATIONAL ATTAINMENT
Years of School Completed Age 25 and Over

Educational Attainment Group	Town of Lisbon		New London County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade.....	25	0.9	4,736	2.5	101,461	4.0
9th to 12th grade.....	131	4.6	8,487	4.5	123,560	4.9
High School graduate.....	1,027	36.4	54,331	28.6	656,949	26.1
Some college - no degree.....	637	22.6	39,861	21.0	418,214	16.6
Associates degree.....	324	11.5	16,907	8.9	194,987	7.8
Bachelor's degree.....	317	11.2	35,980	18.9	561,567	22.3
Graduate or professional degree.....	361	12.8	29,663	15.6	458,399	18.2
Total.....	2,822	100.0	189,965	100.0	2,515,137	100.0
Percent High School Graduate or Higher....		94.5%		93.0%		91.1%
Percent Bachelor's Degree or Higher.....		24.0%		34.6%		40.6%

Source: U.S. Census Bureau, 2017-2021 American Community Survey.

MAJOR EMPLOYERS
As of November 2023

Employer	Nature of Business	Estimated Number of Employees
Home Depot.....	Retail Store.....	250 - 499
Wal-Mart.....	Retail Store.....	250 - 499
Lowe's.....	Retail Store.....	100 - 249
Target.....	Retail Store.....	100 - 249
Town of Lisbon.....	Municipality.....	108
Adam's Market.....	Grocery/Liquor Store.....	50 - 99
Kohl's.....	Retail Store.....	50 - 99
McDonalds.....	Restaurant.....	50 - 99
Ruby Tuesday.....	Restaurant.....	50 - 99
AMC Classic Lisbon 12.....	Movie Theater.....	20 - 49
Bath & Body Works.....	Retail Store.....	20 - 49
Chili's.....	Restaurant.....	20 - 49
Michaels.....	Retail Craft Store.....	20 - 49
Norwich Lumber.....	Retail Lumber.....	20 - 49
Panera Bread.....	Restaurant.....	20 - 49
ULTA Beauty.....	Retail Cosmetics.....	20 - 49
Wheelabrator Technologies.....	Incinerator Power Plant.....	20 - 49

Source: Town Officials and Connecticut Department of Labor.

EMPLOYMENT BY INDUSTRY

	Town of Lisbon		New London County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fisheries.....	0	0.0	846	0.6	7,314	0.4
Construction.....	58	2.8	8,017	6.1	113,665	6.2
Manufacturing.....	241	11.5	18,738	14.2	192,688	10.6
Wholesale trade.....	103	4.9	2,032	1.5	41,165	2.3
Retail trade.....	233	11.2	13,719	10.4	194,081	10.6
Transportation & warehousing & utilities...	109	5.2	5,060	3.8	80,481	4.4
Information.....	40	1.9	1,682	1.3	36,259	2.0
Finance, insurance, real estate.....	122	5.8	5,995	4.5	164,657	9.0
Professional, scientific & management.....	163	7.8	12,414	9.4	212,866	11.7
Educational, health & social services.....	433	20.7	33,173	25.2	482,274	26.5
Arts, entertainment & recreation.....	287	13.8	18,069	13.7	148,835	8.2
Other professional services.....	173	8.3	5,432	4.1	82,217	4.5
Public administration.....	125	6.0	6,626	5.0	66,493	3.6
Total.....	2,087	100.0	131,803	100.0	1,822,995	100.0

Source: U.S. Census Bureau, 2017-2021 American Community Survey.

UNEMPLOYMENT DATA

Yearly Average	Norwich/ Town of			
	Lisbon	New London Labor Market ¹	State of Connecticut	United States
	%	%	%	%
2013	7.6	8.7	8.0	7.4
2014	7.3	7.2	6.6	6.2
2015	6.2	6.1	5.6	5.3
2016	5.4	5.0	4.8	4.9
2017	4.7	4.3	4.4	4.4
2018	3.8	3.8	3.9	3.9
2019	3.6	3.5	3.6	3.7
2020	8.9	9.9	7.9	8.1
2021	7.0	6.8	6.3	5.4
2022	4.9	4.2	4.2	3.7
2023 Monthly ²				
January	4.4	4.1	4.2	3.9
February	4.7	4.5	4.6	3.9
March	4.4	4.1	4.3	3.6
April	3.2	3.0	3.0	3.1
May	4.1	3.6	3.7	3.4
June	4.3	3.7	4.0	3.8
July	3.9	3.6	3.9	3.8
August	3.6	3.2	3.5	3.9
September	2.9	2.7	3.0	3.6

¹ Not seasonally adjusted.

² Estimated

Source: Department of Labor, State of Connecticut.

AGE DISTRIBUTION OF HOUSING

Year Built	Town of Lisbon		New London County		State of Connecticut	
	Units	Percent	Units	Percent	Units	Percent
1939 or earlier.....	330	18.5	28,979	23.6	323,631	21.2
1940 - 1949.....	49	2.7	5,225	4.3	100,445	6.6
1950 - 1959.....	147	8.2	14,860	12.1	224,412	14.7
1960 - 1969.....	82	4.6	15,919	13.0	203,726	13.3
1970 - 1979.....	385	21.6	16,251	13.2	206,448	13.5
1980 - 1989.....	322	18.1	15,320	12.5	191,539	12.5
1990 - 1999.....	119	6.7	10,774	8.8	118,124	7.7
2000 - 2009.....	189	10.6	11,136	9.1	104,519	6.8
2010 - 2019.....	160	9.0	4,146	3.4	53,427	3.5
2020 or later.....	0	0.0	54	0.0	768	0.1
Total.....	<u>1,783</u>	<u>100.0</u>	<u>122,664</u>	<u>100.0</u>	<u>1,527,039</u>	<u>100.0</u>
Percent Owner Occupied.....		90.5%		67.3%		66.2%

Source: U.S. Census Bureau, 2017-2021 American Community Survey.

HOUSING INVENTORY

Type	Town of Lisbon		New London County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
1-unit, detached.....	1,553	87.1	78,986	64.4	899,368	58.9
1-unit, attached.....	0	0.0	5,583	4.6	90,010	5.9
2 units.....	128	7.2	9,595	7.8	122,509	8.0
3 or 4 units.....	29	1.6	7,855	6.4	127,995	8.4
5 to 9 units.....	0	0.0	6,713	5.5	79,520	5.2
10 to 19 units.....	0	0.0	4,016	3.3	54,673	3.6
20 or more units.....	0	0.0	6,891	5.6	141,189	9.2
Mobile home, boat, other.....	73	4.1	3,025	2.5	11,775	0.8
Total	<u>1,783</u>	<u>100.0</u>	<u>122,664</u>	<u>100.0</u>	<u>1,527,039</u>	<u>100.0</u>

Source: U.S. Census Bureau, 2017-2021 American Community Survey.

OWNER-OCCUPIED HOUSING VALUES

Sales Price Category	Town of Lisbon		New London County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000	54	3.6	2,969	4.0	19,747	2.1
\$ 50,000 to \$ 99,999 ...	39	2.6	1,907	2.6	25,603	2.8
\$ 100,000 to \$149,999 ...	73	4.8	6,311	8.6	68,932	7.4
\$ 150,000 to \$199,999 ...	167	11.1	11,243	15.3	130,158	14.1
\$ 200,000 to \$299,999 ...	710	47.1	23,682	32.2	250,981	27.1
\$ 300,000 to \$499,999 ...	440	29.2	20,540	27.9	268,183	29.0
\$ 500,000 to \$999,999 ...	18	1.2	5,945	8.1	117,839	12.7
\$1,000,000 and over	8	0.5	1,048	1.4	44,060	4.8
Total	1,509	100.0	73,645	100.0	925,503	100.0
Median Value ¹	\$126,700		\$117,200		\$166,900	
Median Value ²	\$257,200		\$257,600		\$286,700	

¹ U.S. Department of Commerce, Bureau of Census, 2000.

² U.S. Census Bureau, 2017-2021 American Community Survey.

Source: U.S. Census Bureau, 2017-2021 American Community Survey.

BUILDING PERMITS

Calendar Ending 6/30	Total	
	Number	Value
2023 ¹	137	\$ 1,747,686
2022	372	9,440,359
2021	354	7,622,739
2020	361	7,785,573
2019	356	7,717,564

¹ Permits issued through October 1, 2023.

Source: Building Department, Town of Lisbon.

LAND USE SUMMARY

Lisbon covers approximately 10,712 acres (16.7 square miles) of area within its municipal boundaries. The land use survey found that 6,714 acres or 63% of the land is either developed for residential, business or industrial purposes, or committed to a specific use such as open space or municipal use.

Residential land (5,215 acres) accounts for 78% of the developed land. The next major land use category is the amount of land in roads (approximately 560 acres). Approximately 495 acres are used for business purposes representing about 7% of all developed land in Lisbon.

<u>Type of Land Use</u>	<u>Acres</u>	<u>Percent of</u>	
		<u>Committed Land</u>	<u>Total Land</u>
Residential.....	5,215	78%	49%
Single Family.....	5,105		
Multi-Family.....	109		
Commercial.....	495	7%	5%
Municipal/Open Space.....	147	2%	1%
Transportation/Utilities.....	568	8%	5%
Water.....	290	4%	3%
Developed/Committed.....	<u>6,714</u>	<u>100%</u>	<u>63%</u>
Vacant/Potentially Developable.....	<u>3,997</u>		<u>37%</u>
Total Area.....	10,712		100%

Source: Town of Lisbon, Assessor's Office.

IV. TAX BASE DATA

ASSESSMENTS

Pursuant to Section 12-62 of the Connecticut General Statutes, the Town must do a revaluation of real property every five years and the assessor must fully inspect each parcel, including measuring or verifying the exterior dimensions of a building and entering and examining the interior of the building once every ten years. The Town's most recent general property revaluation of all real estate was effective on the Grand List of October 1, 2021. Section 12-62 also imposes a penalty on municipalities that fail to effect revaluations as required, with certain exceptions. Municipalities may choose to phase-in real property assessment increases resulting from a revaluation, but such phase-in must be implemented in less than five assessment years. The maintenance of an equitable tax base, and the location and appraisal of all real and personal property within the Town for inclusion onto the Grand List are the responsibilities of the Assessor's Office. The Grand List represents the total of assessed values for all taxable real and personal property located within the Town on October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments for real property are compiled at seventy percent (70%) of the estimated market value at the time of the last general revaluation.

When a new structure or modification to an existing structure is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Inspector. A physical appraisal is then completed and the structure classified and priced from a schedule developed at the time of the last revaluation. Property depreciation and obsolescence factors are also considered when arriving at an equitable value.

All personal property (furniture, fixtures, equipment, and machinery) is revalued annually. An assessor's check and audit is completed periodically. Assessments for personal property are computed at seventy percent (70%) of present value.

Motor vehicle lists are furnished to the Town by the State of Connecticut, and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule as recommended by the State of Connecticut Office of Policy and Management and the Assessor of the Town of Lisbon. Section 12-71b of the Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next July 1 are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The tax is prorated, and the proration is based on the number of months of ownership between October 1 and the following July 1. Motor vehicles purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October 1 Grand List, the taxpayer is entitled to certain credits. Assessments for motor vehicles are computed at seventy percent (70%) of the annual appraisal of market value.

PROPERTY TAX COLLECTION PROCEDURE

Taxes for each fiscal year are levied on all assessed property on the Grand List as of the prior October 1, and are due July 1, payable in two installments on July 1 and January 1. All motor vehicle taxes and property tax bill which are less than or equal to \$100 are due and payable in a single installment on July 1. Payments not received by August 1 and February 1 become delinquent, with interest charged at the rate of 1.50% per month from the due date of the tax. In accordance with State law, all interest is collected first and then taxes in the order of the oldest outstanding tax first. Outstanding real estate tax accounts are lien-ed each year prior to June 30 with legal demands. Alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle and personal property accounts are transferred to a suspense account after three years at which time they cease to be carried as receivables. Real estate accounts are transferred to suspense fifteen years after the due date in accordance with State statutes.

MOTOR VEHICLE PROPERTY TAX RATE

Section 12-71e of the Connecticut General Statutes, as amended, allows municipalities to tax motor vehicles at a different rate than other taxable property but caps the motor vehicle tax rate at 32.46 mills for the assessment year commencing October 1, 2021. Section 4-661 of the Connecticut General Statutes, as amended ("Section 4-661"), diverts a portion of the state collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to motor vehicle property tax cap. The Town's motor vehicle tax rate for the current 2022 assessment year (the fiscal year ending June 30, 2024) is 23.43 mills.

COMPARATIVE ASSESSED VALUATIONS

Grand List Dated	Real Property (%)	Personal Property (%)	Motor Vehicle Property (%)	Gross Taxable Grand List	Less Exemptions ¹	Net Taxable Grand List	% Growth
2022	78.4	11.8	9.8	\$489,841,696	\$19,893,590	\$469,948,106	0.9%
2021 ²	79.4	10.9	9.6	480,054,575	14,503,760	465,550,815	14.3%
2020	78.0	12.9	9.1	421,867,840	14,715,763	407,152,077	3.1%
2019	80.4	10.9	8.7	409,802,145	14,720,081	395,082,064	4.3%
2018	82.1	9.4	8.6	397,990,785	19,048,560	378,942,225	1.2%
2017	82.1	9.6	8.4	393,108,042	18,830,105	374,277,937	0.7%
2016 ²	82.1	9.6	8.4	387,532,999	15,932,231	371,600,768	0.3%
2015	83.1	8.9	7.9	386,924,464	16,340,158	370,584,306	-0.1%
2014	82.6	9.5	7.9	389,246,460	18,196,948	371,049,512	0.4%
2013	83.0	9.0	8.0	386,395,892	16,966,209	369,429,683	0.3%

¹ Connecticut General Statutes Section 12-81 (72) exempts new manufacturing equipment from property taxation by municipalities.

² Revaluation year.

Source: Assessor's Office, Town of Lisbon.

PROPERTY TAX LEVIES AND COLLECTIONS

Grand List 1-Oct	FY Ending 30-Jun	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Collected	Percent Uncollected	Percent Annual Levy	Amount Uncollected
					End of Each Fiscal Year	End of Each Fiscal Year	Uncollected 6/30/2023	as of 6/30/2023
2022	2024	\$469,948,106	23.43	\$9,458,143	Collections 7/1/2023 and 1/1/24			N/A
2021	2023	465,550,815	23.23	10,456,240	98.7% ¹	1.3% ¹	1.3%	\$140,789
2020	2022	407,152,077	23.23	9,557,607	98.8%	1.2%	0.5%	\$44,005
2019	2021	395,082,064	23.23	9,215,787	98.7%	1.3%	0.1%	10,924
2018	2020	378,942,225	23.23	8,879,459	98.7%	1.3%	0.0%	2,767
2017	2019	374,277,937	22.50	8,473,572	99.4%	0.6%	0.0%	0
2016	2018	371,600,768	22.50	8,395,709	99.0%	1.0%	0.0%	0
2015	2017	370,584,306	20.50	7,647,714	98.6%	1.4%	0.0%	0
2014	2016	371,049,512	19.50	7,268,444	98.4%	1.6%	0.0%	0
2013	2015	369,429,683	19.50	7,228,592	98.1%	1.9%	0.0%	0

¹ Estimated.

Source: Tax Collector's Office, Town of Lisbon.

TEN LARGEST TAXPAYERS^{1,2}

<u>Business-Name</u>	<u>Nature Of Business</u>	<u>Assessment 10/1/2022</u>	<u>Rank</u>	<u>Percent of Total¹</u>
Eversource	Utility.....	\$ 15,516,290	1	3.30%
Lisbon Landing LLC.....	Shopping Plaza.....	13,949,300	2	2.97%
Wal-Mart Real Estate Business Trust.....	Retail.....	12,064,090	3	2.57%
Lisbon Investors, LLC.....	Real Estate.....	10,716,990	4	2.28%
Home Depot USA Inc.....	Retail.....	8,565,640	5	1.82%
Target Corp.....	Retail.....	8,869,430	6	1.89%
Lisbon Landing Phase II, LLC.....	Shopping Plaza.....	5,872,640	7	1.25%
Yankee Gas Service Co.....	Utility.....	6,939,200	8	1.48%
Wal-Mart Stores East, Inc.....	Retail.....	2,086,540	9	0.44%
Lisbon River Road, LLC.....	Shopping Plaza.....	2,021,390	10	0.43%
Total		\$ 86,601,510		18.43%

¹ Based on a 10/1/22 Net Taxable Grand List of \$469,948,106.

² In October 2019, a new agreement with Riley Energy Systems of Lisbon Corporation and Regional Landfill Development of Lisbon, Inc., for the Wheelabrator facility, went into effect which includes annual payments of \$417,500 in lieu of property taxes along with royalties of approximately \$110,000 per year.

Source: Assessor's Office, Town of Lisbon.

EQUALIZED NET GRAND LIST

<u>Grand List of 10/1</u>	<u>Equalized Net Grand List</u>	<u>% Growth</u>
2021	\$666,335,419	2.94%
2020	751,158,014	26.51%
2019	647,297,450	8.93%
2018	593,737,663	-0.08%
2017	594,207,503	7.72%
2016	551,635,867	1.93%
2015	541,196,238	-2.63%
2014	555,793,822	8.87%
2013	510,510,496	-9.69%
2012	565,256,731	3.04%

Source: State of Connecticut, Office of Policy and Management.

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V. FINANCIAL INFORMATION

FISCAL YEAR

The Town's fiscal year begins July 1 and ends June 30.

ACCOUNTING POLICIES

The financial statements of the Town of Lisbon have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The reporting model includes the following segments:

Management's Discussion and Analysis (MD&A) – provides introductory information on basic financial statements and an analytical overview of the Town's financial activities.

Government-wide financial statements – consist of a statement of net assets and a statement of activities, which are prepared on the accrual basis of accounting. These statements distinguish between governmental activities and business-type activities and exclude fiduciary (employee retirement system and agency funds). Capital assets, including infrastructure and long-term obligations are included along with current assets and liabilities.

Fund financial statements – provide information about the Town's governmental, proprietary and fiduciary funds. These statements emphasize major fund activity and, depending on the fund type, utilize different basis of accounting.

Required supplementary information – in addition to the MD&A, budgetary comparison schedules are presented for the General Fund.

Please refer to Appendix A under "Notes to the Financial Statements" herein for measurement focus and basis of accounting of the government-wide financial statements as well as the fiduciary fund financial statements of the Town.

BUDGETARY PROCEDURES

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

The Board of Finance holds a public hearing, not less than two weeks before the Annual Town Meeting per statute 7-344, at which itemized estimates of the expenditures of the Town for the next fiscal year are presented. At this time, individuals are able to recommend any appropriations that they desire to the Board of Finance to consider. The Board of Finance then considers the estimates and any other matters brought to their attention at a public meeting held subsequent to the public hearing and prior to the annual meeting. The Board of Finance prepares the proposed budget.

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

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

The governing body may amend the annual budget subject to the requirements of the Connecticut General Statutes. The Board of Finance may make a one-time additional appropriation up to \$20,000 to any appropriation.

A Town meeting must be called to make appropriations over \$20,000 or additional changes to a previously adjusted appropriation.

Municipal Budget Expenditure Cap

Section 4-661 of the Connecticut General Statutes reduces a municipality’s municipal revenue sharing grant if its general budget expenditures exceed the threshold set forth in said Section, thereby effectively imposing a “spending cap” on Connecticut municipalities. Beginning in fiscal year 2018, and in each fiscal year thereafter, the Office of Policy and Management (“OPM”) must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions, including but not limited to debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the statute. For each applicable fiscal year, OPM must determine the municipality’s percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase in the municipality’s population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of OPM whether the municipality exceeded the cap set forth in the statute and if so the amount by which the cap was exceeded. over the cap. The biennium budget adopted by the General Assembly in June 2023 provides funding for the municipal revenue sharing grant for the fiscal years ending June 30, 2024 and June 30, 2025. Revenue grant sharing levels to the Town are expected to remain the same for such fiscal years.

ANNUAL AUDIT

Pursuant to Connecticut law, the Town is required to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by OPM and a copy of the report must be filed with such Office within six months of the end of the fiscal year. For the fiscal year ended June 30, 2022, the examination was conducted by the firm of King, King & Associates, P.C., independent certified public accountants, of Winsted, Connecticut.

PENSION PLANS

Connecticut Municipal Employees’ Retirement System

All Town employees not covered by the teacher retirement system participate in the Municipal Employees’ Retirement System (MERS). This is a cost-sharing multiple-employer, contributory public retirement system established by the State of Connecticut and administered by the State retirement Commission to provide pension benefits for the employees of participating local government authorities. Chapters 7-25 to 7-451 of the State of Connecticut General Statutes, which can be amended by legislative action, establishes MERS benefits, member contribution rates and other plan provisions. MERS is considered to be part of the State of Connecticut’s financial reporting entity and is included in the State’s financial reports as a pension trust fund. Those reports can be obtained at www.ct.gov.

FY	Town’s Contractually	Annual	% of ADEC
Ending	Required	Contribution	Contributed
30-Jun	Contribution	Contribution	Contributed
<i>Municipal Employees Retirement System (MERS)</i>			
2022	\$99,881	\$99,881	100.00%
2021	88,555	88,555	100.00%
2020	79,811	79,811	100.00%
2019	72,945	72,945	100.00%
2018	71,152	71,152	100.00%

Connecticut State Teachers’ Retirement System: Teachers, principals, superintendents, or supervisors engaged in services of public schools are provided with pensions through the Connecticut State Teachers’ retirement System (the

“System”). The System is a cost sharing multiple-employers defined benefit pension plan administered by the Connecticut State Teacher’s Retirement Board (CTRB). Chapter 167a of the Connecticut General Statutes grants authority to establish and amend the benefited terms to the CTRB Board. The CTRB issues a publicly available financial report that can be obtained at www.ct.gov. Effective January 1, 2018, participants are required to contribute 7.00%. The Town does not and is not legally responsible to contribute to the plan.

For further information on the plans, please refer to Appendix A under the Town of Lisbon’s “Notes to the Financial Statements, Note 10”, herein.

OTHER POST-EMPLOYMENT BENEFITS (“OPEB”)

The Town provides to certain retired employees a contributory Other Post-Employment Benefits Plan. The plan provides healthcare insurance benefits for eligible retirees and their spouses. The plan is currently being funded on a pay as you go basis. The Town does not issue a publicly available financial report and is not included in the financial statement of another entity. No assets are accumulated in a trust that meets the criteria of GASB No. 75.

The Town implemented GASB Statement No. 75 effective in Fiscal Year 2018. The following net OPEB liability at June 30, 2022, determined by an actuarial valuation as of July 1, 2021 and based on actuarial assumptions as of that date, were as follows:

	Total OPEB Liability
Balance at 6/30/21	\$1,698,283
Changes for the year	
Service Cost	50,124
Interest	60,194
Changes of Benefit Terms	0
Difference Between Expected and Actual Experience	(669,361)
Changes in Assumptions or other Inputs	186,319
Benefit Payments	(67,537)
Net Changes	(440,261)
Balance as 6/30/22	<u>\$1,258,022</u>

The following presents the OPEB liability, determined by an actuarial valuation as of July 1, 2021, calculated using the discount rate of 2.16% for the OPEB liability, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	1.16%	2.16%	3.16%
Town's Net OPEB Liability as of June 30, 2022	\$ 1,433,669	\$ 1,258,022	\$ 1,112,730

For further information on the plans, please refer to Appendix A under the Town of Lisbon’s “Notes to the Financial Statements, Note 10”, herein.

INVESTMENT POLICIES AND PRACTICES

Sections 7-400 and 7-402 of the Connecticut General Statutes govern the investments the Town is permitted to acquire. Generally, the Town may invest in certificates of deposit, municipal bonds and notes, obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States

Postal Service, all the Federal Home Loan Banks, all Federal Land Banks, the Tennessee Valley Authority, or any other agency of the United States government, and money market mutual funds.

The Town's operating funds are invested under the responsibility and authority of the Town Treasurer. Currently, the Town's short-term investments consist of Certificates of Deposit, State of Connecticut Short Term Investment Fund ("STIF") and Money Market Accounts.

The Town's investment practices are in compliance with the Connecticut General Statutes.

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COMPARATIVE GENERAL FUND OPERATING STATEMENT
Budget and Actual
(Budgetary Basis)

	Fiscal Year 2021-22			Fiscal Year	Fiscal Year
	Final Budget	Actual Operations	Variance Favorable (Unfavorable)	2022-23 Adopted Budget	2023-24 Adopted Budget
REVENUES					
Property Taxes	\$ 9,458,143	\$ 9,627,414	\$ 169,271	\$ 10,349,195	\$ 10,924,962
Intergovernmental	3,071,241	3,079,526	8,285	3,073,661	2,808,441
Local Revenues.....	655,950	813,960	158,010	718,800	753,800
Investment Income.....	5,000	17,141	12,141	15,000	15,000
TOTAL REVENUES	13,190,334	13,538,041	347,707	14,156,656	14,502,203
EXPENDITURES					
General Government	1,782,503	1,652,537	129,966	1,764,247	1,841,344
Fire Protection.....	482,468	472,587	9,881	198,405	201,294
Police Protection.....	166,863	162,571	4,292	199,500	173,720
Other Protection & Prevention.....				71,818	74,329
Highways and Streets.....	599,982	563,319	36,663	608,692	616,637
Health Department.....				30,356	31,078
Seniors and Senior Center.....	140,017	132,020	7,997	146,261	148,976
Recreation.....	82,515	19,905	62,610	82,015	82,015
Board of Education.....	10,050,814	9,834,315	216,499	10,179,667	10,685,997
Capital Outlay.....	273,000	251,198	21,802	23,000	23,000
Debt Service.....	277,343	277,342	1	701,217	851,252
Contingency.....				151,478	-
TOTAL EXPENDITURES	13,855,505	13,365,794	489,711	14,156,656	14,729,642
Excess (deficiency) of revenues over expenditures	(665,171)	172,247	837,418	-	(227,439)
Other financing sources (uses):					
Appropriation of fund balance.....	357,642	-	(357,642)	-	-
Transfers In	-	85,152	85,152	-	227,439
Transfers Out	-	(110,000)	(110,000)	-	-
Total Other financing sources (uses) ..	357,642	(24,848)	(382,490)	-	227,439
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (307,529)	\$ 367,399	\$ 454,928	\$ -	\$ -

Source: Audit Report 2022; Adopted Budgets 2023 and 2024.

GENERAL FUND BALANCE SHEET
Summary of Audited Assets and Liabilities
(GAAP Basis)

FISCAL YEAR ENDED:	2022	2021	2020	2019	2018
ASSETS					
Cash and cash equivalents	\$ 3,670,436	\$ 4,336,035	\$ 3,549,237	\$ 2,853,177	\$ 20,659
Investments.....	-	-	-	-	2,464,612
Restricted Cash.....	109,813	102,768	107,109	119,072	131,822
Receivable, Net of Allowance.....	254,954	246,863	249,633	256,245	255,858
Other Assets.....	-	-	-	-	-
Prepays.....	-	-	-	-	-
Due from Other Funds.....	15,934	23,991	-	10	13,444
TOTAL ASSETS.....	\$ 4,051,137	\$ 4,709,657	\$ 3,905,979	\$ 3,228,504	\$ 2,886,395
LIABILITIES					
Accounts payable & Accrued Items.....	\$ 73,438	\$ 179,868	\$ 229,669	\$ 143,310	\$ 276,918
Intergovernmental Payable.....	-	-	-	-	-
Bond Anticipation Notes.....	-	-	630,000	675,000	-
Unearned Revenue	-	-	-	-	-
Performance Bonds.....	109,813	102,768	107,109	119,072	131,822
Due to Other Funds.....	-	624,456	-	-	10,027
Total Liabilities	183,251	907,092	966,778	937,382	418,767
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue:					
Property Taxes and Interest.....	193,863	191,930	153,187	133,722	190,250
Sewer Assessment Charges.....	24,480	38,463	47,557	58,899	65,336
Intergovernmental Revenue.....	-	-	-	-	-
TOTAL DEFERRED INFLOWS.....	218,343	230,393	200,744	192,621	255,586
FUND BALANCE					
Nonspendable	-	-	-	-	-
Restricted	44,104	39,172	46,669	42,599	42,625
Committed	-	-	-	396,358	-
Assigned.....	62,503	157,784	124,644	133,801	196,185
Unassigned	3,542,936	3,375,216	2,567,144	1,525,743	1,973,232
TOTAL FUND BALANCE.....	3,649,543	3,572,172	2,738,457	2,098,501	2,212,042
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 4,051,137	\$ 4,709,657	\$ 3,905,979	\$ 3,228,504	\$ 2,886,395

Source: Audit Reports 2018-2022.

GENERAL FUND REVENUES AND EXPENDITURES
Summary of Audited Revenues and Expenditures
(GAAP Basis)

FISCAL YEAR ENDED	2022	2021	2020	2019	2018
REVENUES					
Property Taxes	\$9,627,414	\$9,231,937	\$9,002,675	\$8,591,003	\$8,454,127
Intergovernmental Revenues.....	4,297,479	4,195,291	4,284,721	4,458,563	4,764,699
Charges for Services.....	812,314	846,357	1,386,322	1,382,455	1,365,790
Interest and Dividends.....	17,141	8,752	72,848	90,814	46,231
Transfers In	795,152 ¹	585,000 ²	-	-	-
Total Revenues & Transfers In	<u>\$15,549,500</u>	<u>\$14,867,337</u>	<u>\$14,746,566</u>	<u>\$14,522,835</u>	<u>\$14,630,847</u>
EXPENDITURES					
Current:					
General Government	1,650,891	1,610,141	1,995,441	1,647,791	1,549,110
Fire Protection.....	472,587	350,326	176,482	178,308	153,537
Police Protection.....	162,571	147,736	151,557	149,290	197,399
Highway and Streets.....	563,319	553,560	541,959	511,722	539,070
Seniors and Senior Center.....	132,020	114,241	119,957	116,785	113,411
Recreation.....	19,905	9,093	47,516	52,967	58,108
Education.....	11,122,296	10,853,445	10,688,004	10,700,279	10,941,209
Debt Service.....	277,342	248,929	259,142	371,670	431,927
Capital Outlay.....	961,198	36,151	16,552	9,564	20,000
Transfers Out.....	110,000	110,000	110,000	178,000	626,216
Total Expenditures & Transfers Out	<u>15,472,129</u>	<u>14,033,622</u>	<u>14,106,610</u>	<u>13,916,376</u>	<u>14,629,987</u>
Results from Operations.....	77,371	833,715	639,956	606,459	860
Fund Balance - July 1	<u>3,572,172</u>	<u>2,738,457</u>	<u>2,098,501</u>	<u>1,492,042</u> ³	<u>2,211,182</u>
Fund Balance - June 30	<u>\$3,649,543</u>	<u>\$3,572,172</u>	<u>\$2,738,457</u>	<u>\$2,098,501</u>	<u>\$2,212,042</u>

¹ Includes \$710,000 of proceeds from equipment financing.

² Includes \$585,000 of issuance of bond anticipation notes.

³ Restated.

ANALYSIS OF GENERAL FUND EQUITY
(GAAP BASIS)

FISCAL YEAR ENDED	2022	2021	2020	2019	2018
Nonspendable.....	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted.....	44,104	39,172	46,669	42,599	42,625
Committed.....	-	-	-	396,358	-
Assigned.....	62,503	157,784	124,644	133,801	196,185
Unassigned.....	<u>3,542,936</u>	<u>3,375,216</u>	<u>2,567,144</u>	<u>1,525,743</u>	<u>1,973,232</u>
Total Fund Balance.....	<u>3,649,543</u>	<u>3,572,172</u>	<u>2,738,457</u>	<u>2,098,501</u>	<u>2,212,042</u>
Unassigned Fund Balance As % of					
Total Expenditures.....	22.90%	24.05%	18.20%	10.96%	13.49%

Source: Audit Reports 2018-2022.

PROPERTY TAX REVENUES

Fiscal Year	General Fund	Property Tax	Property Tax
	Revenues & Transfers in	Revenues	Revenues as a Percentage of General Fund Revenues
2024 ¹	\$14,729,642	\$10,924,962	74.2 %
2023 ¹	14,156,656	10,349,195	73.1
2022	15,549,500	9,627,414	61.9
2021	14,867,337	9,231,937	62.1
2020	14,746,566	9,002,675	61.0
2019	14,522,835	8,591,003	59.2
2018	14,630,847	8,454,127	57.8

¹ Adopted Budgets.

INTERGOVERNMENTAL REVENUES

Fiscal Year	General Fund	Intergovernmental	Aid as a Percentage of General Fund Revenues
	Revenues & Transfers in	Revenue	
2024 ¹	\$14,729,642	\$2,808,441	19.1 %
2023 ¹	14,156,656	3,073,661	21.7
2022	15,549,500	4,297,479	27.6
2021	14,867,337	4,195,291	28.2
2020	14,746,566	4,284,721	29.1
2019	14,522,835	4,458,563	30.7
2018	14,630,847	4,764,699	32.6

¹ Adopted Budgets.

EXPENDITURES

Fiscal Year	Education	Public Safety	General Government	Public Works	Debt Service
2024 ¹	72.5%	2.5%	12.5%	4.2%	5.8%
2023 ¹	71.9%	2.8%	12.5%	4.3%	5.0%
2022	71.9%	4.1%	10.7%	3.6%	1.8%
2021	77.3%	3.5%	11.5%	3.9%	1.8%
2020	75.8%	2.3%	14.1%	3.8%	1.8%
2019	76.9%	2.4%	11.8%	3.7%	2.7%
2018	74.8%	2.4%	10.6%	3.7%	3.0%

¹ Adopted Budgets.

VI. DEBT SUMMARY

PRINCIPAL AMOUNT OF INDEBTEDNESS

As of December 14, 2023
(Pro Forma)

Long-Term Debt: Bonds			Original	Principal	Date of
Date of Issue	Purpose	Rate %	Issue Amount	Outstanding as	Fiscal Year
				of 12/14/2023*	Maturity
<u>General Purpose</u>					
8/6/2021	General Purpose	2.375%	\$ 540,000	\$ 432,000	2032
11/30/2021	General Purpose, Series B	2.00-4.00%	8,000,000	7,575,000	2042
12/14/2023	General Purpose.....	<i>This Issue</i>	4,400,000	4,400,000	2044
	Total.....		\$ 12,940,000	\$ 12,407,000	

*Preliminary, subject to change

Short-Term Debt:

None

Other Long-Term Debt:

The Town entered into a lease agreement for the purchase of a pumper truck in August 26, 2021. The balance outstanding as of December 14, 2023 is \$433,825. Principal and interest payments are due on August 26 in each year, commencing on August 26, 2022 with the final maturity August 26, 2026.

Capital Leases Payable as of December 14, 2023, Principal Only:

2025	141,952
2026	144,592
2027	<u>147,281</u>
	\$433,825

ANNUAL BONDED DEBT MATURITY SCHEDULE ^{1,2,3}

As of December 14, 2023
(Pro Forma)

Fiscal Year Ending 30-Jun	General Obligation Bonds			The Bonds*	Percent Retired
	Principal	Interest	Total		
2024	\$ -	\$ 106,545	\$ 106,545	\$ -	0.00%
2025	479,000	203,949	682,949	220,000	5.63%
2026	479,000	185,666	664,666	220,000	11.27%
2027	479,000	167,384	646,384	220,000	16.90%
2028	474,000	149,201	623,201	220,000	22.50%
2029	474,000	131,119	605,119	220,000	28.09%
2030	474,000	113,036	587,036	220,000	33.68%
2031	474,000	99,154	573,154	220,000	39.28%
2032	474,000	89,471	563,471	220,000	44.87%
2033	420,000	80,430	500,430	220,000	50.03%
2034	420,000	72,030	492,030	220,000	55.19%
2035	420,000	63,630	483,630	220,000	60.34%
2036	420,000	55,230	475,230	220,000	65.50%
2037	420,000	46,830	466,830	220,000	70.66%
2038	420,000	38,430	458,430	220,000	75.82%
2039	420,000	30,030	450,030	220,000	80.98%
2040	420,000	21,630	441,630	220,000	86.14%
2041	420,000	13,125	433,125	220,000	91.30%
2042	420,000	4,410	424,410	220,000	96.45%
2043	-	-	-	220,000	98.23%
2044	-	-	-	220,000	100.00%
Total	\$ 8,007,000	\$ 1,671,300	\$ 9,678,300	\$ 4,400,000	

¹ Excludes capital lease obligations and other long-term commitments.

² Excludes \$479,000 in principal and \$115,686.25 in interest payments made in fiscal year 2023-24.

³ Numbers may not add due to rounding.

*Preliminary, subject to change

OVERLAPPING/UNDERLYING DEBT

The Town has no overlapping or underlying debt.

DEBT STATEMENT
As of December 14, 2023
(Pro Forma)

Long-Term Indebtedness*	
General Purpose (includes the Bonds*)	\$ 12,940,000
Schools.....	-
Sewers.....	-
Total Long-Term Indebtedness.....	<u>12,940,000</u>
Total Short-Term Indebtedness.....	<u>-</u>
Total Direct Indebtedness.....	<u>12,940,000</u>
Exclusions:	
Sewer assessment receivable ¹	85,411
Net Direct Indebtedness.....	<u>12,854,589</u>
Overlapping/Underlying Indebtedness.....	<u>-</u>
Total Overall Net Direct Indebtedness.....	<u><u>\$ 12,854,589</u></u>

*Preliminary, subject to change

¹ As of June 30, 2022.

NOTE: Does not include capital lease obligations, other long-term commitment, and authorized but unissued debt.

CURRENT DEBT RATIOS*
December 14, 2023
(Pro Forma)

Population ¹	4,198
Net Taxable Grand List (10/1/22).....	\$469,948,106
Estimated Full Value.....	\$671,354,437
Equalized Net Taxable Grand List (10/1/21) ² ..	\$666,335,419
Per Capita Income (2021) ¹	\$40,657

	Total Direct debt	Total Net Direct Debt	Total Overall Net Debt
	<u>12,940,000</u> *	<u>\$12,854,589</u> *	<u>\$12,854,589</u> *
Per Capita.....	\$3,082.42	\$3,062.07	\$3,062.07
Ratio to Net Taxable Grand List.....	2.75%	2.74%	2.74%
Ratio to Estimated Full Value.....	1.93%	1.91%	1.91%
Ratio to Equalized Net Taxable Grand List.....	1.94%	1.93%	1.93%
Debt per Capita to Money Income per Capita.....	7.58%	7.53%	7.53%

*Preliminary, subject to change

¹ U.S. Census Bureau, 2017-2021 American Community Survey.

² Office of Policy and Management, State of Connecticut.

BOND AUTHORIZATION

The Town of Lisbon has the power to incur indebtedness by issuing bonds and notes as authorized by the Connecticut General Statutes subject to statutory debt limitations. The issuance of bonds and notes is authorized upon the recommendations of the Board of Finance and approved by the voters at a by the Town meeting or referendum.

TEMPORARY FINANCING

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS § 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of project costs or temporary notes when they become due and payable and the legislative body schedules principal reductions by the end of the third year and for all subsequent years during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for sewer and certain school projects) of the estimated net project cost (CGS § 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years, or, for sewer projects, by the amount of time temporary financing has been outstanding.

Temporary notes must be permanently funded no later than eleven years from the initial borrowing date except for sewer notes issued in anticipation of State and/or Federal grants. If a written commitment exists, the municipality may renew the notes from time to time in terms not to exceed six months until such time that the final grant payments are received (CGS § 7-378b).

Temporary notes may also be issued for up to fifteen years for certain capital projects associated with the operation of a waterworks system (CGS § 7-244a) or a sewage system (CGS § 7-264a). In the first year following the completion of the project(s), or in the sixth year (whichever is sooner), and in each year thereafter, the notes must be reduced by at least 1/15 of the total amount of the notes issued by funds derived from certain sources of payment.

Temporary notes may be issued in one year maturities for up to fifteen years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS § 7-269a).

LIMITATION OF INDEBTEDNESS

Municipalities shall not incur indebtedness through the issuance of bonds or notes which will cause aggregate indebtedness by class to exceed the following:

General Purposes:	2.25 times annual receipts from taxation
School Purposes:	4.50 times annual receipts from taxation
Sewer Purposes:	3.75 times annual receipts from taxation
Urban Renewal Purposes:	3.25 times annual receipts from taxation
Unfunded Pension Liability Purposes:	3.00 times annual receipts from taxation

In no case however, shall total indebtedness exceed seven times the base. "Annual receipts from taxation," (the "base,") are defined as total tax collections including interest, penalties and late payment of taxes and state payments for revenue loss under CGS Sections 12-129d and 7-528.

The statutes also provide for exclusion from the debt limit calculation debt (i) issued in anticipation of taxes; (ii) issued for the supply of water, gas, electricity; for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes; and for two or more of such purposes; (iii) issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement; (iv) issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or for which allocation has been approved by the State Bond Commission or from a contract with the state, state agencies or another municipality providing for the reimbursement of costs but only to the extent such indebtedness can be paid from such proceeds; (v) issued for certain water pollution control projects; and (vi) upon placement in an escrow of the proceeds of refunding bonds, notes or other obligations or other funds of the municipality in an amount sufficient to provide for the payment when due of principal of and interest on such bond, note or other evidence of indebtedness.

STATEMENT OF STATUTORY DEBT LIMITATION¹

As of December 14, 2023

(Pro Forma)

TOTAL RECEIPTS FOR FISCAL YEAR ENDED JUNE 30, 2022 (including interest and lien fees) \$ 9,249,178 ²

STATE REIMBURSEMENT FOR REVENUE LOSS ON:

Tax Relief for Elderly

431

BASE FOR ESTABLISHING DEBT LIMIT

\$ 9,249,609

DEBT LIMITATION:	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Past Pension</u>	<u>Total Debt</u>
2.25 times base.....	\$ 20,811,620					
4.50 times base.....		\$41,623,241				
3.75 times base.....			\$34,686,034			
3.25 times base.....				\$30,061,229		
3.00 times base.....					\$27,748,827	
7.00 times base.....						\$ 64,747,263
INDEBTEDNESS (Includes the Bonds*)						
Bonds Payable.....	\$ 12,940,000	\$ -	\$ -	\$ -	\$ -	\$ 12,940,000
Authorized but Unissued Debt.....	525,148	-	-	-	-	525,148
TOTAL BONDED INDEBTEDNESS	<u>13,465,148</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,465,148</u>
Less Sewer Assessments	-	-	(85,411)	-	-	(85,411)
NET BONDED INDEBTEDNESS	<u>13,465,148</u>	<u>-</u>	<u>(85,411)</u>	<u>-</u>	<u>-</u>	<u>13,550,559</u>
Excess of Limit Over Outstanding and Authorized Debt	<u>\$ 7,346,472</u>	<u>\$41,623,241</u>	<u>\$34,771,445</u>	<u>\$30,061,229</u>	<u>\$27,748,827</u>	<u>\$ 51,196,704</u>

¹ Excludes capital lease obligations and other long-term commitments.

² Fiscal year ended June 30, 2023 figures are not yet available.

*Preliminary, subject to change

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$64,747,263.

AUTHORIZED BUT UNISSUED DEBT

As of December 14, 2023

(Pro Forma)

<u>Project</u>	<u>Amount Authorized</u>	<u>Previously Bonded</u>	<u>Grants & Other Funds Applied</u>	<u>The Bonds*</u>	<u>Debt Authorized but Unissued</u>			
					<u>General Purpose</u>	<u>School</u>	<u>Sewers</u>	<u>Total</u>
2021 Fire Station Project....	\$13,000,000	\$8,000,000	\$74,852	\$4,400,000	\$525,148	\$0	\$0	\$525,148
Total	\$13,000,000	\$8,000,000	\$74,852	\$4,400,000	\$525,148	\$0	\$0	\$525,148

*Preliminary, subject to change

PRINCIPAL AMOUNT OF OUTSTANDING DEBT¹

<u>Long-Term Debt</u>	<u>2023 Est.</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Bonds.....	\$ 8,486,000	\$ 8,750,000	\$ 425,000	\$ 645,000	\$ 865,000	\$ 1,195,000
Short-Term Debt						
Bond Anticipation Notes.....	-	-	585,000	630,000	675,000	720,000
Equipment Lease.....	573,185	710,000	-	-	-	-
Totals.....	<u>\$ 9,059,185</u>	<u>\$ 9,460,000</u>	<u>\$ 1,010,000</u>	<u>\$ 1,275,000</u>	<u>\$ 1,540,000</u>	<u>\$ 1,915,000</u>

¹ Does not include capital leases and other long-term commitments.

Source: Annual Audited Financial Statements 2018-2022, Estimate 2023.

RATIO OF DIRECT OVERALL DEBT TO VALUATION, POPULATION AND INCOME

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt	Ratio of Direct Debt to Net Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population¹	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%)²
2023 Est.	\$465,550,815	\$665,072,593	\$9,059,185	1.95%	1.36%	4,198	\$2,157.98	5.31%
2022	407,152,077	581,645,824	9,460,000	2.32%	1.63%	4,198	2,253.45	5.54%
2021	395,082,064	564,402,949	1,010,000	0.26%	0.18%	4,198	240.59	0.59%
2020	378,942,225	541,346,036	1,275,000	0.34%	0.24%	4,246	300.28	0.74%
2019	374,277,937	534,682,767	1,540,000	0.41%	0.29%	4,247	362.61	0.89%
2018	371,600,768	530,858,240	1,915,000	0.52%	0.36%	4,272	448.27	1.10%

¹ U.S. Census Bureau, American Community Survey.

² Income per Capita: \$40,657: U.S Census Bureau, 2017-2021 American Community Survey.

THE TOWN OF LISBON HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES.

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VII. TAX MATTERS

OPINION OF BOND COUNSEL

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Town, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, for tax years beginning after December 31, 2022, interest on the Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Town in connection with the Bonds, and Bond Counsel has assumed compliance by the Town with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the Town, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and interest on the Bonds is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any future action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, changes in law or in interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds.

CERTAIN ONGOING FEDERAL TAX REQUIREMENTS AND COVENANTS

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Town has covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

CERTAIN COLLATERAL FEDERAL TAX CONSEQUENCES

The following is a brief discussion of certain collateral federal income tax matters with respect to the Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds.

Prospective owners of the Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Bonds may be taken into account

in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

ORIGINAL ISSUE DISCOUNT

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Bond (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Bonds. In general, the issue price for each maturity of Bonds is expected to be the initial public offering price set forth on the cover page of the Official Statement. Bond Counsel further is of the opinion that, for any Bonds having OID (a “Discount Bond”), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner’s adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

BOND PREMIUM

In general, if an owner acquires a bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that bond (a “Premium Bond”). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

INFORMATION REPORTING AND BACKUP WITHHOLDING

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor”

generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

MISCELLANEOUS

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law or otherwise prevent beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

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VIII. LEGAL AND OTHER LITIGATION

LITIGATION

The Town of Lisbon, its officers, employees, boards and commissions are named defendants in a few lawsuits. With regard to these pending lawsuits, it is the Town Attorney's opinion that such pending litigation will not be finally determined so as to result individually or in the aggregate in final judgments against the Town which would materially adversely affect its financial position.

MUNICIPAL ADVISOR

The Town has retained Munistat Services, Inc. (the "Municipal Advisor") to serve as its municipal advisor in connection with the issuance of the Bonds. The Municipal Advisor has not independently verified any of the information contained in this Official Statement and makes no guarantee as to its completeness or accuracy. The Municipal Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds, and receipt by the Town of payment therefor. The Town may engage the Municipal Advisor to perform other services, including without limitation, providing certain investment services with regard to the investment of Bond proceeds.

TRANSCRIPT AND CLOSING DOCUMENTS

Upon the delivery of the Bonds, the original purchaser will be furnished with the following:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay the principal of and interest on the Bonds.
2. A Certificate on behalf of the Town signed by the First Selectman and Treasurer which will be dated the date of delivery and attached to a signed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that at the time the bids on the Bonds were accepted, the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.
3. A receipt for the purchase price of the Bonds.
4. The approving opinion of Hawkins Delafield & Wood LLP, Bond Counsel, of Hartford, Connecticut substantially in the form of Appendix B attached hereto.
5. An executed Continuing Disclosure Agreement for the Bonds substantially in the form of Appendix C attached hereto.
6. The Town will make available to the winning Purchaser of the Bonds a reasonable number of copies of the Official Statement at the Town's expense within seven business days of the bid opening.

A transcript of the proceedings taken by the Town in authorizing the Bonds will be kept in file at the offices of U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut and will be available for examination upon reasonable request.

CONCLUDING STATEMENT

This Official Statement is not to be construed as a contract or agreement between the Town and the purchaser or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any of such opinion or estimate will be realized.

No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

Information herein has been derived by the Town from various officials, departments and other sources and is believed by the Town to be reliable, but such information, other than that obtained from official records of the Town, has not been independently confirmed or verified by the Town and its accuracy is not guaranteed.

This Official Statement has been duly prepared and delivered by the Town, and executed for and on behalf of the Town by the following officials:

TOWN OF LISBON

By: _____
Thomas Sparkman, *First Selectman*

By: _____
Chris Maynard, *Treasurer*

Dated: November ___, 2023

APPENDIX A – BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Appendix A - Basic Financial Statements - is taken from the Annual Report of the Town of Lisbon for the Fiscal Year ended June 30, 2022 as presented by the Auditors and does not include all of the schedules or management letter made in such report. A copy of the complete report is available upon request to the First Selectman, Town of Lisbon, Connecticut.



INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of Lisbon, Connecticut

Report on the Audit of the Financial Statements

Opinions

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, as of and for the year ended June 30, 2022, 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.

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, business activities and the aggregate remaining fund information of the Town of Lisbon, as of June 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Lisbon and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Lisbon's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Lisbon's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the pension and OPEB schedules on pages 4-8, 54-55, and 51-53 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

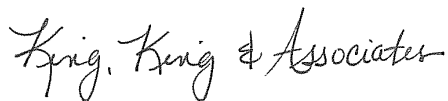
Supplementary Information

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 accompanying combining and individual nonmajor fund financial statements, and other supplemental schedules are presented for purposes of additional analysis and are 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 combining and individual nonmajor fund financial statements, and other supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2023, on our consideration of the Town of Lisbon's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Lisbon's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Lisbon's internal control over financial reporting and compliance.



King, King & Associates, P.C., CPAs
Winsted, CT
March 17, 2023

TOWN OF LISBON, CONNECTICUT
Management's Discussion and Analysis
June 30, 2022

As management of the Town of Lisbon, CT, we offer readers of the Town of Lisbon, CT's financial statements this narrative overview and analysis of the financial activities of the Town of Lisbon, CT for the fiscal year ended June 30, 2022.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town of Lisbon, CT exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$16,776,195 (*net position*). Governmental activities reflect an unrestricted net position in the amount of \$2,622,811 which may be used to meet ongoing obligations to citizens and creditors. Restricted net position of \$1,244,743 is restricted for various programs such as small cities loans, road repairs and maintenance, education, and others.
- In the Town's business-type activities, total net position decreased by \$107,785.
- As of the close of the current fiscal year, the Town of Lisbon, CT's governmental funds reported combined ending fund balances of \$14,987,715, an increase of \$7,901,406 in comparison with the prior year. Of this amount, \$3,520,454 is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,542,936 or 23 percent of total General Fund budget basis expenditures and transfers. The total fund balance of the General Fund was \$3,649,543 or 23.7 percent of total General Fund budget basis expenditures and transfers.
- A new 10-year agreement was signed that began January 2021. Wheelabrator will pay \$417,500 in lieu of taxes annually as well as royalties of approximately \$150,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town of Lisbon, CT's basic financial statements. The Town of Lisbon, CT's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Lisbon, CT's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town of Lisbon, CT's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator whether the financial position of the Town of Lisbon, CT is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position is changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., earned but unused vacation leave).

TOWN OF LISBON, CONNECTICUT
Management's Discussion and Analysis
June 30, 2022

Both of the government-wide financial statements distinguish functions of the Town of Lisbon, CT that are principally supported by intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Lisbon, CT include education, public safety, general government, public works, health and welfare, and recreation. Property taxes, state and federal grants, and local revenues such as fees and licenses finance most of these activities. The business-type activities of the Town of Lisbon, CT include fees to customers to help it cover all or most of the cost of certain services it provides.

The government-wide financial statements can be found on pages 12-13 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Lisbon, CT, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Lisbon, CT can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

The Town of Lisbon, CT, maintains eleven (11) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Nonrecurring Fund and the Town Aid Roads Fund. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town of Lisbon, CT, adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 14-17 of this report.

Proprietary Funds. The Town maintains one proprietary fund. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Pollution Control Authority.

The basic proprietary fund financial statements can be found on pages 18-20 of this report.

TOWN OF LISBON, CONNECTICUT
Management's Discussion and Analysis
June 30, 2022

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town of Lisbon, CT's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 21-22 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-52 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Lisbon, CT, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$16,776,195 at the close of the most recent fiscal year.

	Governmental Activities		Business-Type Activities		Totals	
	2022	Restated 2021	2022	2021	2022	Restated 2021
Current and Other Assets	\$ 16,295,831	\$ 8,344,703	\$ 120,637	\$ 120,033	\$ 16,416,468	\$ 8,464,736
Capital Assets	12,377,669	11,203,614	2,160,362	2,265,023	14,538,031	13,468,637
Total Assets	<u>28,673,500</u>	<u>19,548,317</u>	<u>2,280,999</u>	<u>2,385,056</u>	<u>30,954,499</u>	<u>21,933,373</u>
Deferred Outflows of Resources	656,680	699,483	-	-	656,680	699,483
Long-term Liabilities	12,211,438	4,073,085	-	-	12,211,438	4,073,085
Other Liabilities	1,231,961	999,764	59,505	55,777	1,291,466	1,055,541
Total Liabilities	<u>13,443,399</u>	<u>5,072,849</u>	<u>59,505</u>	<u>55,777</u>	<u>13,502,904</u>	<u>5,128,626</u>
Deferred Inflows of Resources	1,332,080	549,117	-	-	1,332,080	549,117
Net Position:						
Net Investment in Capital Assets	10,901,146	10,160,568	2,160,362	2,265,023	13,061,508	12,425,591
Restricted	1,244,743	1,209,478	-	-	1,244,743	1,209,478
Unrestricted	2,408,812	3,255,788	61,132	64,256	2,469,944	3,320,044
Total Net Position	<u>\$ 14,554,701</u>	<u>\$ 14,625,834</u>	<u>\$ 2,221,494</u>	<u>\$ 2,329,279</u>	<u>\$ 16,776,195</u>	<u>\$ 16,955,113</u>

The largest portion of the Town's net position reflects its investment in capital assets (land, buildings and systems, machinery and equipment, and infrastructure assets such as roads and bridges) less any related debt used to acquire those assets that is still outstanding. The Town uses these assets to provide services to its citizens; consequently, these assets are not available for spending. Net investment in capital assets increased by \$740,578 primarily due to fixed asset additions and the pay down of related debt being greater than depreciation.

The Town's restricted net position of \$1,244,743 increased by \$35,265 compared to last years restricted net position of \$1,209,478.

TOWN OF LISBON, CONNECTICUT
Management's Discussion and Analysis
June 30, 2022

The Town's unrestricted net position of \$2,469,944 decreased by \$850,100 compared to last years unrestricted net position of \$3,320,044. This decrease is primarily due to deferred inflows related to post-employment benefits.

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
REVENUES						
<i>General Revenues:</i>						
Property Taxes	\$ 10,032,864	\$ 9,709,725	\$ -	\$ -	\$ 10,032,864	\$ 9,709,725
Unrestricted Grants & Contributions	279,545	308,683	-	-	279,545	308,683
Unrestricted Investment Income	51,487	14,509	355	244	51,842	14,753
<i>Program Revenues:</i>						
Charges for Services	563,981	407,860	123,190	82,111	687,171	489,971
Operating Grants and Contributions	5,765,224	6,155,017	-	-	5,765,224	6,155,017
Capital Grants and Contributions	-	48,000	-	-	-	48,000
Total Revenues	16,693,101	16,643,794	123,545	82,355	16,816,646	16,726,149
EXPENSES						
<i>Governmental Activities:</i>						
General Government	1,761,597	1,777,379	-	-	1,761,597	1,777,379
Fire Protection	533,017	458,910	-	-	533,017	458,910
Police Protection	162,571	147,736	-	-	162,571	147,736
Highways and Streets	983,830	812,143	-	-	983,830	812,143
Seniors and Senior Center	152,083	122,205	-	-	152,083	122,205
Recreation	67,350	57,396	-	-	67,350	57,396
Education	12,912,830	13,276,038	-	-	12,912,830	13,276,038
Interest on Long-Term Debt	190,956	9,382	-	-	190,956	9,382
<i>Business-Type Activities:</i>						
Water Pollution Control Authority	-	-	231,330	222,098	231,330	222,098
Total Expenses	16,764,234	16,661,189	231,330	222,098	16,995,564	16,883,287
Change in Net Position	(71,133)	(17,395)	(107,785)	(139,743)	(178,918)	(157,138)
Beginning Net Position, Restated	14,625,834	14,609,148	2,329,279	2,469,022	16,955,113	17,078,170
Ending Net Position	\$ 14,554,701	\$ 14,591,753	\$ 2,221,494	\$ 2,329,279	\$ 16,776,195	\$ 16,921,032

Governmental activities. Governmental activities decreased the Town of Lisbon, CT's net position by \$71,133.

Sixty percent (60%) of the revenues of the Town were derived from property taxes, followed by thirty-five percent (35%) from grants and contributions, three percent (3%) from charges for services and two percent (2%) of the Town's revenue in the fiscal year was derived from investment and other income.

Seventy-seven percent (77%) of the expenses of the Town relate to education, six percent (6%) relate to highways and streets, five percent (5%) relate to fire and police protection, one percent (1%) relate to seniors and recreation, and eleven percent (11%) relate to general government.

TOWN OF LISBON, CONNECTICUT
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Business-Type activities. The business-type activities consist of the Water Pollution Control Authority. The Authority's cost and expenses are a direct result of the amount of waste flowing from the Town into the Jewett City Waste Water Treatment Plant. Revenue and expenses will vary from year to year based on the flow from the residences and businesses connected to the system.

The activity of the Authority has been relatively consistent as the system has not been expanding to significant new users in recent years. The Authority shows a loss each year, but it is primarily due to the depreciation expense, a non-cash expense, and any repairs needed to the lines. This year depreciation totaled \$104,660 and the decrease in net position totaled \$107,785.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Town of Lisbon, CT uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Town of Lisbon, CT's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town of Lisbon, CT's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town of Lisbon, CT's governmental funds reported combined ending fund balances of \$14,987,715 an increase of \$7,867,325 in comparison with the prior year. Twenty-Three percent (23%) of this total amount constitutes *unassigned fund balance*, which is available for spending at the government's discretion.

General Fund. The General Fund is the chief operating fund of the Town of Lisbon, CT. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,542,936. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 23.8 percent of total General Fund budget basis expenditures and transfers.

The fund balance of the Town of Lisbon, CT's General Fund increased by \$77,371 during the current fiscal year. Along with the budgeted surplus, key factors in this increase are as follows:

- Expenditures coming in less than budgeted, primarily in non-allocated expenditures, highways and streets, and recreation.
- There were proceeds from equipment financing which contributed \$710,000.

Town Aid Road Fund. The fund balance of the Town Aid Road Fund decreased by \$97,389 during the current fiscal year. This decrease is primarily attributable to spending \$279,472 on highways and streets.

Capital Nonrecurring Fund. The fund balance of the Capital Nonrecurring Fund increased by \$7,782,103 during the current fiscal year. This increase is primarily related to an authorized transfer from unassigned fund balance of the General Fund in the amount of \$110,000 to fund future capital projects and purchases, along with grants and interest and dividends received, less the current year capital outlays.

TOWN OF LISBON, CONNECTICUT
Management's Discussion and Analysis
June 30, 2022

Miscellaneous Town Grant Fund. The fund balance of the Miscellaneous Town Grant Fund decreased by \$48 during the current fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Board of Finance can revise the Town budget with additional appropriations and budget transfers. Transfers do not increase the total budget, but instead move appropriations from one department to another department. State Statutes allow these transfers to be made by the Board of Finance without a Town Meeting. Below is a summarized view of the final budget and actual results for the General Fund:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property Taxes	\$ 9,458,143	\$ 9,627,414	\$ 169,271
Intergovernmental	3,071,241	3,079,526	8,285
Local Revenues	655,950	813,960	158,010
Investment Income	5,000	17,141	12,141
Total Revenues	<u>13,190,334</u>	<u>13,538,041</u>	<u>347,707</u>
EXPENDITURES			
Selectmen	3,254,348	3,002,939	251,409
Education	10,050,814	9,834,315	216,499
Capital Outlay	273,000	251,198	21,802
Debt Service	277,343	277,342	1
Total Expenditures	<u>13,855,505</u>	<u>13,365,794</u>	<u>489,711</u>
OTHER FINANCING SOURCES (USES)			
Appropriation from Fund Balance	357,642	-	(357,642)
Transfers	-	(24,848)	(24,848)
Total Other Financing Sources (Uses)	<u>357,642</u>	<u>(24,848)</u>	<u>(382,490)</u>
INCREASE (DECREASE)			
IN FUND BALANCE	<u>\$ (307,529)</u>	<u>\$ 147,399</u>	<u>\$ 454,928</u>

The original approved budget projected a deficit of \$307,529. The Town approved additional appropriations from fund balance of (\$382,490) during the year.

Actual revenues came in \$347,707 greater than budgeted. Much of this is due to higher-than-expected revenues from tax collections (above budget by \$169,271), as well as higher than expected local revenues (above budget by \$158,010).

Expenditures were \$489,711 under the final budget with a number of appropriations significantly under budget which is primarily made up of non-allocated selectmen's expenditures which was \$91,743 under budget, highways and streets which was \$36,663 under budget, and recreation which was \$62,610 under budget.

TOWN OF LISBON, CONNECTICUT
Management's Discussion and Analysis
June 30, 2022

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The Town of Lisbon, CT's reported value in capital assets for its governmental and business-type activities as of June 30, 2022, amounts to \$14,538,032 (net of accumulated depreciation). This reported value in capital assets includes land, buildings and systems, machinery and equipment, and infrastructure. The total increase in the Town's investment in capital assets for the current fiscal year was \$1,069,395, which consisted of capital additions of \$1,799,759 and current year depreciation of \$730,364.

	<u>2022</u>	<u>2021</u>
<i>Governmental Activities:</i>		
Land	\$ 2,612,463	\$ 2,612,463
Construction in Progress	785,154	-
Buildings and Systems	5,692,716	6,002,370
Machinery and Equipment	1,545,003	731,413
Infrastructure	1,742,333	1,857,368
	<u>\$ 12,377,669</u>	<u>\$ 11,203,614</u>
	<u>2022</u>	<u>2021</u>
<i>Business-type Activities:</i>		
Buildings and Systems	<u>\$ 2,160,363</u>	<u>\$ 2,265,023</u>

Major capital asset events during the current fiscal year included the following:

- The addition of a Fire Truck with accessories
- The start of construction of the Firehouse building

Additional information on the Town of Lisbon, CT's capital assets can be found in Note 6 on page 34 of this report.

Long-term debt. At the end of the current fiscal year, the Town of Lisbon, CT had long-term debt and liabilities outstanding of \$12,211,438.

	<u>2022</u>	<u>2021</u>
G.O. Bonds	\$ 8,750,000	\$ 425,000
Bond Anticipation Note	-	585,000
Equipment Financing Notes	710,000	-
Unamortized Premium	542,070	33,046
Compensated Absences	351,745	350,743
OPEB Liability	1,258,022	1,698,283
Net Pension Liability	599,601	981,013
Total	<u>\$ 12,211,438</u>	<u>\$ 4,073,085</u>

The Town of Lisbon, CT's total long-term debt and liabilities increased \$8,138,353 (200 percent) during the current fiscal year due mainly to the reporting of Bond Anticipation Note being reported as long-term debt and the paydown of the General Obligation Bonds. Additional information on the Town of Lisbon, CT's long-term debt can be found in Note 7 on pages 35-36 of this report.

The Town currently maintains a bond rating of Aa3 by Moody's.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

A summary of key economic factors affecting the Town are as follows:

- The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which from time to time will affect the amount of intergovernmental revenues the Town will receive.
- Increased threat of losing State funding will continue to be a variable in our local budget.
- The Town has negotiated a new 10-year agreement beginning in January 2021 in the amount of \$417,500 and tipping fees of \$0.50 per ton of non-Lisbon trash estimated at \$100,000 plus per year.
- The Town recently purchased a new fire truck, and the first of 5 payments will begin in the 2023-2024 budget year of \$151,021.
- The Town approved the issuance of Bonds in the amount of \$13,000,000. The initial \$8,000,000 bond payments begin in the 2023-2024 budget year of \$636,330.
- Without increase or negative adjustments to the Town's General Budget or the Board of Education budget the payments for the Firehouse and the fire truck represent approximately a 2 mill increase in the mill rate.

All of these factors were considered in preparing the Town of Lisbon, CT's budget for the 2023 fiscal year and the Boards of Selectmen and Finance are preparing a plan of action for the worst-case scenarios.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Lisbon, CT's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Board of Finance, Town of Lisbon, 1 Newent Road, Lisbon, CT 06351.

Basic Financial Statements

TOWN OF LISBON, CONNECTICUT

Statement of Net Position

June 30, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 15,540,692	\$ 96,875	\$ 15,637,567
Investments	4,247	-	4,247
Restricted Cash	109,813	-	109,813
Receivables, Net of Allowance	634,114	23,762	657,876
Other Assets	6,965	-	6,965
Capital Assets:			
Assets Not Being Depreciated	3,397,617	-	3,397,617
Assets Being Depreciated, Net	8,980,052	2,160,362	11,140,414
Total Assets	28,673,500	2,280,999	30,954,499
Deferred Outflows of Resources			
Deferred Outflows - Pension	239,940	-	239,940
Deferred Outflows - OPEB	416,740	-	416,740
Total Deferred Outflows of Resources	656,680	-	656,680
Liabilities			
Accounts Payable and Accrued Items	297,883	59,505	357,388
Unearned Revenue	682,077	-	682,077
Performance Bonds	109,813	-	109,813
Accrued Interest Payable	142,188	-	142,188
Noncurrent Liabilities:			
Due Within One Year	363,647	-	363,647
Due In More Than One Year	11,847,791	-	11,847,791
Total Liabilities	13,443,399	59,505	13,502,904
Deferred Inflows of Resources			
Deferred Inflows - Pension	357,995	-	357,995
Deferred Inflows - OPEB	974,085	-	974,085
Total Deferred Inflows of Resources	1,332,080	-	1,332,080
Net Position			
Net Investment in Capital Assets	10,901,146	2,160,362	13,061,508
Restricted:			
Nonexpendable	1,100	-	1,100
Expendable	1,243,643	-	1,243,643
Unrestricted	2,408,812	61,132	2,469,944
Total Net Position	\$ 14,554,701	\$ 2,221,494	\$ 16,776,195

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

TOWN OF LISBON, CONNECTICUT
Statement of Activities
For the Year Ended June 30, 2022

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating		Primary Government			
			Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Functions/Program Activities								
Governmental Activities:								
General Government	\$ 1,761,597	\$ 296,674	\$ 163,483	\$ -	\$ (1,301,440)		\$ (1,301,440)	
Fire Protection	533,017	-	-	-	(533,017)		(533,017)	
Police Protection	162,571	-	-	-	(162,571)		(162,571)	
Highways and Streets	983,830	-	179,793	-	(804,037)		(804,037)	
Seniors and Senior Center	152,083	9,857	549	-	(141,677)		(141,677)	
Recreation	67,350	11,424	-	-	(55,926)		(55,926)	
Education	12,912,830	246,026	5,421,399	-	(7,245,405)		(7,245,405)	
Interest Expense	190,956	-	-	-	(190,956)		(190,956)	
Total Governmental Activities	<u>16,764,234</u>	<u>563,981</u>	<u>5,765,224</u>	<u>-</u>	<u>(10,435,029)</u>		<u>(10,435,029)</u>	
Business-Type Activities:								
Water Pollution Control Authority	231,330	123,190	-	-		(108,140)	(108,140)	
Total Primary Government	<u>\$ 16,995,564</u>	<u>\$ 687,171</u>	<u>\$ 5,765,224</u>	<u>\$ -</u>		<u>(108,140)</u>	<u>(10,543,169)</u>	
General Revenues:								
Property Taxes, Payment in Lieu of Taxes, Interest and Liens					10,032,864		10,032,864	
Grants and Contributions not Restricted to Specific Programs					279,545		279,545	
Unrestricted Investment Earnings					51,487	355	51,842	
Total General Revenues					<u>10,363,896</u>	<u>355</u>	<u>10,364,251</u>	
Change in Net Position					(71,133)	(107,785)	(178,918)	
Net Position at Beginning of Year, Restated					14,625,834	2,329,279	16,955,113	
Net Position at End of Year					<u>\$ 14,554,701</u>	<u>\$ 2,221,494</u>	<u>\$ 16,776,195</u>	

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

TOWN OF LISBON, CONNECTICUT

Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	Capital Nonrecurring Fund	Town Aid Roads Fund	Miscellaneous Town Grant Fund	Education Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and Cash Equivalents	\$ 3,670,436	\$ 10,386,711	\$ 588,916	\$ 581,575	\$ 68,699	\$ 244,355	\$ 15,540,692
Investments	-	-	-	-	-	4,247	4,247
Restricted Cash	109,813	-	-	-	-	-	109,813
Receivables, Net of Allowance	254,954	-	-	235,018	77,990	66,152	634,114
Other Assets	-	-	-	-	-	6,965	6,965
Due from Other Funds	15,934	-	-	-	-	-	15,934
Total Assets	<u>\$ 4,051,137</u>	<u>\$ 10,386,711</u>	<u>\$ 588,916</u>	<u>\$ 816,593</u>	<u>\$ 146,689</u>	<u>\$ 321,719</u>	<u>\$ 16,311,765</u>
Liabilities							
Accounts Payable and Accrued Items	\$ 73,438	\$ 217,233	\$ 203	\$ 103	\$ -	\$ 6,906	\$ 297,883
Unearned Revenue	-	9,463	-	513,877	158,737	-	682,077
Performance Bonds	109,813	-	-	-	-	-	109,813
Due to Other Funds	-	-	-	5,500	10,434	-	15,934
Total Liabilities	<u>183,251</u>	<u>226,696</u>	<u>203</u>	<u>519,480</u>	<u>169,171</u>	<u>6,906</u>	<u>1,105,707</u>
Deferred Inflows of Resources							
Unavailable Revenue:							
Property Taxes and Interest	193,863	-	-	-	-	-	193,863
Sewer Assessment Charges	24,480	-	-	-	-	-	24,480
Total Deferred Inflows of Resources	<u>218,343</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>218,343</u>
Fund Balances							
Nonspendable	-	-	-	-	-	1,100	1,100
Restricted	44,104	-	588,713	297,113	-	313,713	1,243,643
Committed	-	9,494,766	-	-	-	-	9,494,766
Assigned	62,503	665,249	-	-	-	-	727,752
Unassigned	3,542,936	-	-	-	(22,482)	-	3,520,454
Total Fund Balances	<u>3,649,543</u>	<u>10,160,015</u>	<u>588,713</u>	<u>297,113</u>	<u>(22,482)</u>	<u>314,813</u>	<u>14,987,715</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,051,137</u>	<u>\$ 10,386,711</u>	<u>\$ 588,916</u>	<u>\$ 816,593</u>	<u>\$ 146,689</u>	<u>\$ 321,719</u>	<u>\$ 16,311,765</u>

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

TOWN OF LISBON, CONNECTICUT

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2022

Fund balances reported in governmental funds Balance Sheet \$ 14,987,715

**Amounts reported for governmental activities in the government- wide
Statement of Net Position are different because:**

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

<i>Capital Assets</i>	25,835,202
<i>Depreciation</i>	(13,457,533)

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

<i>Property taxes and interest receivable greater than 60 days</i>	193,863
<i>Assessments receivable greater than 60 days</i>	24,480

Certain changes related to pensions and OPEB are deferred and amortized over time.

(675,400)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements.

<i>Bonds payable</i>	(8,750,000)
<i>Bond premiums</i>	(542,070)
<i>Equipment Financing Notes</i>	(710,000)
<i>Net Pension Liability - MERS</i>	(599,601)
<i>OPEB liability</i>	(1,258,022)
<i>Accrued interest</i>	(142,188)
<i>Compensated Absences</i>	<u>(351,745)</u>

Net position of governmental activities \$ 14,554,701

TOWN OF LISBON, CONNECTICUT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	General Fund	Capital Nonrecurring Fund	Town Aid Roads Fund	Miscellaneous Town Grant Fund	Education Grants Fund	Nonmajor Governmental Funds	Total
Revenues							
Property Taxes, Interest and Lien Fees	\$ 9,627,414	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,627,414
Intergovernmental Revenues	4,297,479	-	179,793	163,483	644,185	360,814	5,645,754
Charges for Services	812,314	21,000	-	5,811	22,893	232,990	1,095,008
Interest and Dividends	17,141	32,042	2,290	-	-	14	51,487
Other	-	-	-	-	-	-	-
Total Revenues	<u>14,754,348</u>	<u>53,042</u>	<u>182,083</u>	<u>169,294</u>	<u>667,078</u>	<u>593,818</u>	<u>16,419,663</u>
Expenditures							
Current:							
General Government	1,650,891	-	-	78,936	-	-	1,729,827
Fire Protection	472,587	-	-	-	-	-	472,587
Police Protection	162,571	-	-	-	-	-	162,571
Highway and Streets	563,319	-	279,472	-	-	-	842,791
Seniors and Senior Center	132,020	-	-	5,254	-	11,872	149,146
Recreation	19,905	-	-	-	-	-	19,905
Education	11,122,296	-	-	-	693,076	450,660	12,266,032
Debt Service:							
Principal	260,000	-	-	-	-	-	260,000
Interest and Issuance Costs	17,342	53,793	-	-	-	-	71,135
Capital Outlay	961,198	852,693	-	-	-	-	1,813,891
Total Expenditures	<u>15,362,129</u>	<u>906,486</u>	<u>279,472</u>	<u>84,190</u>	<u>693,076</u>	<u>462,532</u>	<u>17,787,885</u>
Excess/(Deficiency) of Revenues over Expenditures	(607,781)	(853,444)	(97,389)	85,104	(25,998)	131,286	(1,368,222)
Other Financing Sources/(Uses)							
Proceeds from the Issuance of Bonds	-	8,000,000	-	-	-	-	8,000,000
Proceeds from Bond Premiums	-	525,547	-	-	-	-	525,547
Proceeds from Equipment Financing	710,000	-	-	-	-	-	710,000
Transfers In	85,152	110,000	-	-	-	-	195,152
Transfers Out	(110,000)	-	-	(85,152)	-	-	(195,152)
Total Other Financing Sources/(Uses)	<u>685,152</u>	<u>8,635,547</u>	<u>-</u>	<u>(85,152)</u>	<u>-</u>	<u>-</u>	<u>9,235,547</u>
Net Change in Fund Balances	77,371	7,782,103	(97,389)	(48)	(25,998)	131,286	7,867,325
Fund Balances at Beginning of Year, Restated	<u>3,572,172</u>	<u>2,377,912</u>	<u>686,102</u>	<u>297,161</u>	<u>3,516</u>	<u>183,527</u>	<u>7,120,390</u>
Fund Balances at End of Year	<u>\$ 3,649,543</u>	<u>\$ 10,160,015</u>	<u>\$ 588,713</u>	<u>\$ 297,113</u>	<u>\$ (22,482)</u>	<u>\$ 314,813</u>	<u>\$ 14,987,715</u>

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

TOWN OF LISBON, CONNECTICUT

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2022

Net change in fund balances - total governmental funds	\$ 7,867,325
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**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 Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

<i>Capital outlay</i>	1,799,759
<i>Depreciation expense</i>	(625,704)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.

<i>Property taxes and interest collected accrual basis change</i>	1,933
<i>Assessment revenue accrual basis change</i>	(13,983)

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

<i>Proceeds from long-term debt - general obligation bonds</i>	(8,540,000)
<i>Proceeds from long-term debt - equipment financing notes</i>	(710,000)
<i>Premium on bonds issued</i>	(525,547)
<i>Principal payments on long-term debt - bond anticipation notes</i>	585,000
<i>Principal payments on long-term debt - general obligation bonds</i>	215,000
<i>Amortization of premium</i>	16,523

<i>Amortization of deferred outflows related to pension and OPEB benefits</i>	(42,803)
<i>Increase in deferred inflows related to pension and OPEB benefits</i>	(782,963)

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

<i>Accrued interest</i>	(136,344)
<i>Net Pension Liability - MERS</i>	381,412
<i>OPEB liability</i>	440,261
<i>Compensated Absences</i>	<u>(1,002)</u>

Change in net position of governmental activities	<u>\$ (71,133)</u>
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The notes to the financial statements are an integral part of this statement

TOWN OF LISBON, CONNECTICUT

Statement of Net Position

Proprietary Funds

June 30, 2022

	Water Pollution Control Authority Fund
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 96,875
Usage Receivable	23,762
Total Current Assets	<u>120,637</u>
Capital Assets:	
Buildings and Improvements	4,186,405
Less Accumulated Depreciation	<u>(2,026,043)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>2,160,362</u>
Total Assets	<u><u>\$ 2,280,999</u></u>
Deferred Outflows of Resources	<u>-</u>
Liabilities	
Current Liabilities:	
Accounts Payable	<u>\$ 59,505</u>
Deferred Inflows of Resources	<u>-</u>
Net Position	
Net Investment in Capital Assets	2,160,362
Unrestricted	<u>61,132</u>
Total Net Position	<u><u>\$ 2,221,494</u></u>

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

TOWN OF LISBON, CONNECTICUT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2022

	Water Pollution Control Authority Fund
OPERATING REVENUES	
Charges for Services	\$ 123,190
OPERATING EXPENSES	
Contractual Services	125,466
Other Supplies and Expenses	1,203
Depreciation Expense	104,661
Total Operating Expenses	231,330
Operating Income/(Loss)	(108,140)
NONOPERATING REVENUES (EXPENSES)	
Interest Income	355
Change in Net Position	(107,785)
Net Position - Beginning of Year	2,329,279
Net Position - End of Year	\$ 2,221,494

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

TOWN OF LISBON, CONNECTICUT

Statement of Cash Flows

Proprietary Fund

For the Year Ended June 30, 2022

	Water Pollution Control Authority Fund
Cash Flows from Operating Activities:	
Receipts from Customers and Users	\$ 109,827
Payments to Suppliers	<u>(122,941)</u>
Net Cash Provided by Operating Activities	<u>(13,114)</u>
Cash Flows from Investing Activities:	
Interest Income	<u>355</u>
Net Cash Provided by Investing Activities	<u>355</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(12,759)
Cash and Cash Equivalents at Beginning of Year	<u>109,634</u>
Cash and Cash Equivalents at End of Year	<u>\$ 96,875</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:	
Operating Income/(Loss)	<u>\$ (108,140)</u>
Adjustments to Reconcile Income/(Loss) to Net Cash Provided by Operating Activities:	
Depreciation	104,661
Change in Assets and Liabilities:	
(Increase) Decrease in Usage Receivable	(13,363)
Increase (Decrease) in Accounts Payable	<u>3,728</u>
Total Adjustments	<u>95,026</u>
Net Cash Provided by Operating Activities	<u>\$ (13,114)</u>

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

TOWN OF LISBON, CONNECTICUT

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2022

	Private-Purpose Trust Funds
Assets	
Cash and Cash Equivalents	\$ 72,127
Total Assets	<u>72,127</u>
Deferred Outflows of Resources	<u>-</u>
Liabilities	
Payables	<u>-</u>
Total Liabilities	<u>-</u>
Deferred Inflows of Resources	<u>-</u>
Net Position	
Restricted for Scholarships	<u>72,127</u>
Total Net Position	<u>\$ 72,127</u>

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

TOWN OF LISBON, CONNECTICUT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

	Private-Purpose Trust Funds
Additions	
Contributions	\$ -
Interest Income	127
Total Additions	127
Deductions	
Scholarships	-
Total Deductions	-
Change in Net Position	127
Net Position at Beginning of Year	72,000
Net Position at End of Year	\$ 72,127

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

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Town of Lisbon, Connecticut (the “Town”) have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing the governmental accounting and financial reporting principles. The Town’s significant accounting policies are described below.

Reporting Entity

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

The Town's financial statements include the accounts of all Town controlled operations. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Town of Lisbon (the primary government) and its component units. The basic criteria for inclusion of a component unit in a governmental unit's reporting entity for financial reporting is the exercise of oversight responsibility. Oversight responsibility is determined on the basis of financial interdependence, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters and scope of public service. Currently, there are no entities considered component units of the Town. The Town includes all funds, agencies, boards, commissions, and authorities that are controlled by or dependent on the Town's executive and legislative branches. The financial statements presented herein do not include agencies which have been formed under applicable State laws or separate and distinct units of government apart from the Town of Lisbon.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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. 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 properly included among program revenues are reported instead as general revenues.

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in the demonstrating compliance with finance related legal and contractual provisions. The Town maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. The Town maintains proprietary and fiduciary funds which are reported by type. Since the governmental

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation.

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

Adoption of New Accounting Standards

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, Leases. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principles that leases are financings of the right to use an underlying asset. The Entity adopted the requirements of the guidance effective July, 1, 2021, however, management concluded that they did not have any significant arrangements that met the requirement of this standard.

Measurement Focus, Basis of Accounting, and Financial Statements Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Their revenues are recognized when they become 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.

Property taxes when levied, licenses, expenditure reimbursement type grants, certain intergovernmental revenues, transfers and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. For reimbursement grants, the Town considers revenues to be available if they are collected within one year of the end of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Expenditures are generally recorded when a liability is incurred. Exceptions to this general rule include: compensated absences, debt service, capital leases, other post-employment benefit obligations, and claims and judgments that are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

TOWN OF LISBON, CONNECTICUT

Notes to the Financial Statements

Governmental Funds are those through which most governmental functions typically are financed. The following are the Town's major governmental funds:

- The *General Fund* is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another manner. Revenues are derived primarily from property taxes, state grants, licenses, permits, charges for services, and earnings on investments.
- The *Capital Nonrecurring Fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.
- The *Town Aid Road Fund* is used to account for the expenditures against the state grant of the same name. This grant can only be used for expenditures for the Town's roads.
- The *Miscellaneous Town Grant Fund* is used to account for and report financial resources related to the federal American Rescue Plan Act grant and other miscellaneous grants.
- The *Education Grants Fund* is used to account for and report financial resources related to the federal, state, and local educational grants and other miscellaneous grants.

The town reports the following major proprietary funds:

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

Fiduciary Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, and other governments. Fiduciary funds are not included in the government-wide financial statements. The fiduciary funds are as follows:

- The *Custodial Funds* account for resources held by the Town in a purely custodial capacity on behalf of student groups.
- The *Private Purpose Trust Fund* is used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The Town utilizes private purpose trust funds to account for activities of funds held in trust for student scholarships.

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

Estimates

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

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

Cash and Cash Equivalents – The Town’s cash and cash equivalents are considered to be cash on hand, demand deposits, and pooled investment funds, with original maturities of three months or less from the date of acquisition. This definition also applies to the proprietary funds statement of cash flows.

Investments - In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust whose portfolios are limited to obligations of the United States and its agencies, in obligations of any state or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. Investments are stated at fair value, based on quoted market prices. Certificates of Deposit are reported at cost.

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

Taxes Receivable - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The Town has established an allowance for estimated uncollectible motor vehicle and personal property taxes and interest in the amount of \$17,456. Property taxes are assessed as of October 1 and billed the following July. Real property bills are payable in two installments, July 1 and January 1. Motor vehicle and personal property taxes are payable in one installment on July 1, with the motor vehicle supplemental bills payable on January 1. Assessments for real and personal property, including motor vehicles, are computed at seventy percent of the market value. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the Town. Receivables are recorded and revenues recognized as earned or as specific program expenditure/expenses are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables and payables. They arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 for machinery, equipment, vehicles, land, and buildings and systems, and \$25,000 for infrastructure, and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and Systems	20 - 40
Machinery, Equipment, and Vehicles	5 - 20
Infrastructure	20 - 50

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

Long-term obligations - In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period they are incurred.

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

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

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

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

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

The Town reports deferred outflows and inflows of resources related to pensions and OPEB in the government-wide statement of net position. A deferred outflow or inflow of resources related to pensions and OPEB results from differences between expected and actual experience, the net difference between projected and actual earnings, change in proportional share, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits (active employees and inactive employees) other than the net difference between projected and actual earnings which is included in expense over a five-year period and Town contributions subsequent to the measurement date which is included in the subsequent year.

The Town also reports unavailable revenue from property taxes and related interest in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Fund equity and net position– Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents the net position of the Town, which is not restricted for any project or other purpose.

When both restricted and unrestricted resources are available for certain expenses, the Town expends restricted resources first and uses unrestricted resources when the restricted funds are depleted.

In the fund financial statements, fund balances of governmental funds are classified in the following five separate categories:

Nonspendable Fund Balance – Indicates amounts that cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Examples are items that are not expected to be converted to cash including inventories and prepaid expenditures. Examples of items legally or contractually required to be maintained intact are the corpus of permanent funds.

Restricted Fund Balance – Indicates amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

Committed Fund Balance – Indicates amounts that can be used only for specific purposes pursuant to formal action of the Town’s highest level of decision-making authority. The Board of Finance can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the Town removes or changes the purpose by taking the same action that was used to establish the commitment.

Assigned Fund Balance – Indicates amounts that are constrained by the Town’s intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by action of Town Officials.

Unassigned Fund Balance – Represents the remaining fund balance after amounts are set aside for all other classifications.

When both restricted and unrestricted (committed, assigned, unassigned) amounts of fund balance are available for use for expenditures incurred, it is the Town’s policy to use restricted fund balance first if the expenditure meets the restricted purpose, followed by committed, assigned and unassigned amounts.

Fair Value of Financial Instruments

In accordance with GASB Statement No. 72, the Town is required to measure the fair value of its assets and liabilities under a three-level hierarchy, as follows:

Level 1: Quoted market prices for identical assets or liabilities to which an entity has access to at the measurement date.

Level 2: Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets in markets that are not active;
- c. Observable inputs other than quoted prices for the assets or liability;
- d. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting entity; and *unobservable inputs* reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Certificates of Deposit are reported at amortized cost and are excluded from the fair value disclosures.

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A formal, legally approved, annual budget is adopted for the General Fund only.

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

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

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

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

The governing body may amend the annual budget subject to the requirements of the Connecticut General Statutes. The Board of Finance may make a one-time additional appropriation up to \$20,000 to any appropriations.

A Town meeting must be called to make appropriations over \$20,000 or additional changes to a previously adjusted appropriation. During the year, \$357,642 of additional appropriations were made from fund balance. These increased the original budget by the same amount.

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

NOTE 3 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by Statute or in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an “out of state bank” as defined by the Statutes, which is not a “qualified public depository”.

The following is a summary of cash and cash equivalents at June 30, 2022:

	Governmental Funds	Proprietary Funds	Fiduciary Funds	Total
Cash	\$ 13,852,925	\$ 96,875	\$ 72,139	\$ 14,021,939
Cash Equivalents	1,195,642	-	-	1,195,642
Restricted Cash	109,813	-	-	109,813
Total	<u>\$ 15,158,380</u>	<u>\$ 96,875</u>	<u>\$ 72,139</u>	<u>\$ 15,327,394</u>

Custodial Credit Risk - Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town’s custodial credit risk policy is to only use banks that are in the State of Connecticut. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank’s risk-based capital ratio. The following is a reconciliation of the Town’s deposits subject to custodial credit risk:

Cash and Cash Equivalents	\$ 15,819,517
Less: Cash Equivalents (STIF)	(1,195,642)
Plus: Investments (CDs)	4,247
	<u>\$ 14,628,122</u>

At year-end, the Town’s carrying amount of deposits subject to custodial credit risk was \$14,628,122 and the bank balance was \$14,967,870. Of the bank balance, Federal Depository Insurance Corporation insured \$780,871.

As of June 30, 2022, \$14,186,999 of the Town’s bank balance of \$14,628,122 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 12,718,299
Uninsured and collateral held by pledging bank's Trust department not in the Town's name	1,468,700
Total	<u>\$ 14,186,999</u>

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

Cash Equivalents

At June 30, 2022, the Town's cash equivalents (Short-Term Investment Fund "STIF") amounted to \$1,195,642. STIF is rated AAAM by Standard and Poor's and has an average maturity of under 60 days.

Investments

The following is a summary of investments at June 30, 2022:

	Governmental	
	<u>Funds</u>	
Certificates of Deposit	\$	4,247

Custodial Credit Risk - Investments. This is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Town does not have a policy for custodial credit risk.

Credit Risk – The Town does not have an investment policy that limits investment choices further than the Connecticut General Statutes. Generally, credit risk is defined as the risk that an issuer of a debt type investment will not fulfill its obligation to the holder. This is measured by assignment of a rating by a nationally recognized rating organization.

Concentrations of Credit Risk – The Town has no policy limiting an investment in any one issuer that is in excess of 5% of the Town's total investments.

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

As of June 30, 2022, the Town had the following investments subject to interest rate risk:

	<u>Total</u>	<u>Investment Maturities (In Years)</u>		
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>
Certificates of Deposit	\$ 4,247	\$ -	\$ 4,247	\$ -

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

NOTE 4 – RECEIVABLES

Receivables as of year-end for the Town’s individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Miscellaneous Town Grant Fund</u>	<u>WPCA</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:					
Property taxes	\$ 196,498	\$ -	\$ -	\$ -	\$ 196,498
Interest, Liens, and Fees	40,601	-	-	-	40,601
Assessments	24,480	-	-	-	24,480
Usage Charges	-	-	23,762	-	23,762
Loans	-	235,018	-	-	235,018
Intergovernmental	4,143	-	-	131,806	135,949
Accounts	7,546	-	-	12,336	19,882
Gross Receivables	<u>273,268</u>	<u>235,018</u>	<u>23,762</u>	<u>144,142</u>	<u>676,190</u>
Less allowance for uncollectibles:					
Property taxes	(15,178)	-	-	-	(15,178)
Interest, Liens, and Fees	(3,136)	-	-	-	(3,136)
Total allowance	<u>(18,314)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,314)</u>
Net Total Receivables	<u>\$ 254,954</u>	<u>\$ 235,018</u>	<u>\$ 23,762</u>	<u>\$ 144,142</u>	<u>\$ 657,876</u>

Governmental funds report unavailable revenue in connection with receivables that are not considered to be available 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>Unavailable</u>	<u>Unearned</u>
General Fund:		
Property Taxes and Interest	\$ 193,863	\$ -
Assessments	24,480	-
Capital Nonrecurring Fund:		
Advances on Grants	-	9,463
Miscellaneous Town Grant Fund:		
Advances on Grants	-	513,877
Other Governmental Funds:		
Advances on Grants	-	158,737
Prepaid Meals	-	1,188
Total Unavailable/Unearned Revenue for Governmental Funds	<u>\$ 218,343</u>	<u>\$ 683,265</u>

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

NOTE 5 – CAPITAL ASSETS

The following is a summary of the change in capital assets as of June 30, 2022:

	Beginning Balance	Increases	Decreases	Ending Balances
<i>Governmental Activities</i>				
Capital assets, not being depreciated				
Land	\$ 2,612,463	\$ -	\$ -	\$ 2,612,463
Construction in Progress	-	785,154	-	785,154
Total capital assets, not being depreciated	2,612,463	785,154	-	3,397,617
Capital assets, being depreciated				
Buildings and Systems	14,609,240	54,605	-	14,663,845
Machinery & Equipment	4,081,791	960,000	-	5,041,791
Infrastructure	2,731,949	-	-	2,731,949
Total capital assets, being depreciated	21,422,980	1,014,605	-	22,437,585
Less accumulated depreciation for:				
Buildings and Systems	8,606,870	364,259	-	8,971,129
Machinery & Equipment	3,350,378	146,410	-	3,496,788
Infrastructure	874,581	115,035	-	989,616
Total accumulated depreciation	12,831,829	625,704	-	13,457,533
Total capital assets, being depreciated	8,591,151	388,901	-	8,980,052
<i>Governmental Activities capital assets, net</i>	<u>\$ 11,203,614</u>	<u>\$ 1,174,055</u>	<u>\$ -</u>	<u>\$ 12,377,669</u>
<i>Business-Type Activities:</i>				
Capital assets, being depreciated				
Buildings and Systems	\$ 4,186,405	\$ -	\$ -	\$ 4,186,405
Less accumulated depreciation for:				
Buildings and Systems	1,921,382	104,660	-	2,026,042
Total accumulated depreciation	1,921,382	104,660	-	2,026,042
<i>Business-Type Activities capital assets, net</i>	<u>\$ 2,265,023</u>	<u>\$ (104,660)</u>	<u>\$ -</u>	<u>\$ 2,160,363</u>

Depreciation and amortization expense were charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	\$ 18,986
Fire Protection	60,403
Highways and Streets	151,165
Recreation	47,445
Seniors and Senior Center	2,937
Education	344,768

Total Depreciation Expense	
Governmental Activities	<u>\$ 625,704</u>
Business-Type Activities:	
WPCA	<u>\$ 104,660</u>

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The outstanding balances between funds result mainly from the time lag between the dates that: 1) inter-fund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made. At June 30, 2022, there were no outstanding balances between funds.

Fund transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and 2) to account for unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers during the year ended June 30, 2022 were as follows:

Transfer Out:	Transfer In:	Total
General Fund	Capital Nonrecurring Fund	\$ 110,000
Miscellaneous Town Grant Fund	General Fund	85,152
		\$ 195,152

NOTE 7 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable:					
General Obligation Bonds	\$ 425,000	\$ 8,540,000	\$ 215,000	\$ 8,750,000	\$ 210,000
Unamortized Premium	33,046	525,547	16,523	542,070	16,523
Total Bonds Payable	458,046	9,065,547	231,523	9,292,070	226,523
Bond Anticipation Note	585,000	-	585,000	-	-
Equipment Financing Notes	-	710,000	-	710,000	136,815
Compensated Absences	350,743	18,684	17,682	351,745	309
OPEB Liability	1,698,283	-	440,261	1,258,022	-
Net Pension Liability	981,013	-	381,412	599,601	-
Total	\$ 4,073,085	\$ 9,794,231	\$ 1,655,878	\$ 12,211,438	\$ 363,647

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

General Obligation Bonds

The Town issues general obligation bonds to provide financing for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the Town and pledge the full faith and credit of the Town. General obligation bonds outstanding as of June 30, 2022 consisted of the following:

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Principal Outstanding June 30, 2022</u>
Water/Schools Refunding Bonds	2012	\$ 3,560,000	2 - 3%	7/15/2022	\$ 210,000
Town Fire Station Project Bond	2022	\$ 8,000,000	2 - 4%	8/15/2041	8,000,000
Hoydila Project Bond	2022	\$ 540,000	2.38%	8/1/2031	540,000
					<u>\$ 8,750,000</u>

Bonds Authorized and Unissued

At June 30, 2022, the Town has debt authorized but unissued of \$5,000,000.

The annual debt service requirements of the Town's general obligation bonds are as follows:

<u>Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 210,000	\$ 268,778	\$ 478,778
2024	479,000	229,748	708,748
2025	479,000	205,231	684,231
2026	479,000	186,949	665,949
2027	479,000	168,667	647,667
2028-2032	2,370,000	588,395	2,958,395
2033-2037	2,154,000	318,825	2,472,825
2038-2042	2,100,000	107,625	2,207,625
Total	<u>\$ 8,750,000</u>	<u>\$ 2,074,218</u>	<u>\$ 10,824,218</u>

Interest paid and expensed on G.O. bonds for the year ended June 30, 2022 totaled \$9,525.

Compensated Absences

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

Equipment Financing Notes

The Town has equipment financing notes for the acquisition of various equipment.

<u>Equipment</u>	<u>Year of Issue</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Principal Outstanding June 30, 2022</u>
Fire Truck and Accessories	2022	\$ 710,000	1.860%	8/26/2026	<u>\$ 710,000</u>

Annual debt service requirements on equipment financing notes as of June 30, 2022 are as follows:

<u>Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 136,815	\$ 13,206	\$ 150,021
2024	139,360	10,661	150,021
2025	141,952	8,069	150,021
2026	144,592	5,429	150,021
2027	147,281	2,740	150,021
Total	<u>\$ 710,000</u>	<u>\$ 40,105</u>	<u>\$ 750,105</u>

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

NOTE 8 – TAX ABATEMENTS

The Town hosts Wheelabrator, a trash to energy plant. When the plant was built, the Town entered into an agreement with Wheelabrator and Eastern Connecticut Resource Recovery Authority which abated property taxes on the plant in exchange for \$1,000,000 annual payments in lieu of property taxes per year. The contract also required that Wheelabrator pay royalties to the Town annually, which were approximately \$150,000 per year. A new 10-year agreement was signed which began December 2020. The new agreement includes annual payments of \$417,500 in lieu of property taxes along with royalties of approximately \$150,000 per year.

NOTE 9 - FUND BALANCE COMPONENTS

The components of fund balance for the governmental funds at June 30, 2022 are as follows:

	General Fund	Capital Nonrecurring Fund	Town Aid Road Fund	Miscellaneous Town Grant Fund	Education Grants Fund	Nonmajor Governmental Funds	Total
Fund Balances:							
Nonspendable:							
Permanent Fund Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,100	\$ 1,100
Restricted for:							
General Government	\$ -	\$ -	\$ -	\$ 772	\$ -	\$ 2,708	\$ 3,480
Public Works	-	-	588,713	-	-	-	588,713
Town Clerk Documents	44,104	-	-	-	-	-	44,104
Small Cities Loans	-	-	-	296,341	-	-	296,341
Education	-	-	-	-	-	302,557	302,557
Senior and Senior Center	-	-	-	-	-	8,448	8,448
Total Restricted	<u>\$ 44,104</u>	<u>\$ -</u>	<u>\$ 588,713</u>	<u>\$ 297,113</u>	<u>\$ -</u>	<u>\$ 313,713</u>	<u>\$ 1,243,643</u>
Committed to:							
General Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital	-	9,494,766	-	-	-	-	9,494,766
Total Committed	<u>\$ -</u>	<u>\$ 9,494,766</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,494,766</u>
Assigned:							
Encumbrances- Education	\$ 62,503	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,503
Capital	-	665,249	-	-	-	-	665,249
Total Assigned	<u>\$ 62,503</u>	<u>\$ 665,249</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 727,752</u>
Unassigned:	<u>\$ 3,542,936</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,482)</u>	<u>\$ -</u>	<u>\$ 3,520,454</u>

NOTE 10 – RETIREMENT BENEFITS

Connecticut State Teacher’s Retirement System

Plan Description: Teachers, principals, superintendents, or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers’ Retirement System (the “System”). The System is a cost sharing multiple-employer defined benefit pension plan administered by the Connecticut State Teachers’ Retirement Board (CTRB). Chapter 167a of the State Statutes grants authority to establish and amend the benefited terms to the CTRB Board. The CTRB issues a publicly available financial report that can be obtained at www.ct.gov, or by writing to the State of Connecticut, Office of the State Comptroller, 165 Capital Avenue, Hartford, Connecticut 06106.

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

Benefit Provisions: The Plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Normal Retirement: Retirement benefits for the employees are calculated as 2% of the average annual salary times years of credited service (maximum benefit is 75% of average annual salary during the 3 highest years of salary). In addition, amounts derived from the accumulation of the 6% contributions made prior to July 1, 1989, and voluntary contributions are payable.

Early Retirement: Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

Minimum Benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly benefit of \$1,200 to teachers who retire under the normal retirement provisions and who have completed at least 25 years of full time Connecticut service at retirement.

Disability Retirement: Employees are eligible for service-related disability regardless of length of service. Five years of credited service is required for non-service-related disability or eligibility. Disability benefits are calculated as 2% per year of service times the average of the highest three years of pensionable salary, as defined per the plan, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this Plan (without regard for cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed 75% of average annual salary.

Contributions: Per Connecticut General Studies Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended, and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

Employer (School Districts): School District employers are not required to make contributions to the plan. The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount, that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

Employees: Participants are required to contribute 7% of their annual salary to the System as required by the CGS Section 10-183b(7). For the year ended June 30, 2022 the certified teachers' contribution to the Connecticut Teachers Retirement Board was \$266,550. Covered payroll for the Town for the year ended June 30, 2022 was approximately \$3,230,913.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2022 the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution.

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>11,339,930</u>
Total	\$	<u>11,339,930</u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2022, the Town had no proportionate share of the net pension liability.

For the year ended June 30, 2022, the Town recognized benefits expense and contribution revenue of \$949,541 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$732,019 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.50 Percent
Salary increases, including inflation	3.00-6.50 Percent
Long-term investment rate of return, net of pension investment expense, including inflation.	6.90 Percent

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females as ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

Future cost-of-living increases for members who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

The long-term expected rate of return on pension investments was determined using a log-normal distributions analysis 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.

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

The current capital market assumptions and the target asset allocation as provided by the Treasurer's Office are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity Fund	20.00%	5.60%
Developed Market Intl. Stock Fund	11.00%	6.00%
Emerging Market Intl. Stock Fund	9.00%	7.90%
Core Fixed Income Fund	16.00%	2.10%
Inflation Linked Bond Fund	5.00%	1.10%
Emerging Market Debt Fund	5.00%	2.70%
High Yield Bond Fund	6.00%	4.00%
Real Estate Fund	10.00%	4.50%
Private Equity	10.00%	7.30%
Alternative Investments	7.00%	2.90%
Liquidity Fund	1.00%	0.40%

Discount Rate: The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The Town's proportionate share of the net pension liability is \$0 and therefore the change in the discount rate would only impact the amount recorded by the State of Connecticut.

Connecticut Municipal Employees' Retirement System

Plan Description: All Town employees not covered by the Town pension plan or the teacher retirement system participate in the Municipal Employees' Retirement System (MERS). This is a cost-sharing multiple-employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits for the employees of participating local government authorities. Chapters 7-425 to 7-451 of the State of Connecticut General Statutes, which can be amended by legislative action, establishes MERS benefits, member contribution rates and other plan provisions. MERS is considered to be part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports can be obtained at www.ct.gov.

Benefit Provisions: The Plan provides retirement, disability and death benefits, and annual cost-of-living adjustments to plan members and their beneficiaries. Employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active aggregate service, or 25 years of aggregate service. In addition, compulsory retirement is at age 65 for police and fire members.

Normal Retirement: For members not covered by social security, retirement benefits are calculated as 2% of the average of the three highest paid years of service times the years of service. For members covered by social security, retirement benefits are calculated as 1.5% of the average of the three highest paid years of service not in excess of the year's breakpoint, times years of service. Maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually.

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

Early Retirement: Members must have 5 years of continuous or 15 years of active aggregate service. Benefits are calculated as a service retirement allowance on the basis of the average of the three highest paid years of service to the date of termination. Deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

Disability Retirement – Service Connected: Employees who are totally and permanently disabled and such disability has arisen out of and in the course of employment with the municipality. Disability due to heart and hypertension in the case of fire and police, is presumed to have been suffered in the line of duty. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability with a minimum benefit (including worker’s compensation benefits) of 50% of compensation at the time of disability, are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

Disability Retirement – Non-Service Connected: Employees who have 10 years of service and are totally and permanently disabled. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability.

Death Benefit: Employees who are eligible for service, disability or early retirement and married for at least 12 months preceding death. Benefits are calculated based on the average of the three highest paid years of service and creditable service at date of death, payable to the spouse. Benefit is equal to 50% of the average of the life annuity allowance and the reduced 50% joint and survivor allowance.

Contributions - Member: Contributions for members not covered by social security are 6% of compensation; for members covered by social security, 3.25% of compensation up to the social security taxable wage base plus 6%, if any, in excess of such base.

Contributions – Employer: Participating employers make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment, which covers the liabilities of MERS not met by member contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2022 the Town reports a total liability of \$599,601 for government-wide financials for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at that date. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2021, the Town’s proportion was 0.253%.

For the year ended June 30, 2022, the Town recognized pension expense of \$126,363. As of June 30, 2022, the Town reported deferred inflows and outflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Town contributions subsequent to the measurement date	\$ 99,881	\$ -
Difference between projected and actual earnings	-	256,876
Difference between expected and actual experience	52,196	87,635
Change of assumptions	80,656	-
Change in proportional share	7,207	13,484
Total	<u>\$ 239,940</u>	<u>\$ 357,995</u>

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

Amounts reported as deferred outflows of resources related to Town contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Amounts reported as deferred outflows of resources related to pension will be recognized in the pension expense as follows:

Year ended June 30:	
2023	\$ 26,956
2024	(90,211)
2025	(72,224)
2026	<u>(82,457)</u>
	<u>\$ (217,936)</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary increases, including inflation	3.50-10.00 Percent
Long-term investment rate of return, net of pension investment expense, including inflation.	7.00 Percent

Mortality rates were based on the RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees for the period after retirement and for dependent beneficiaries. The RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB is used by Police and Fire for the period after retirement and for dependent beneficiaries. For disabled retirees, the RP-2014 Disabled Retiree Mortality Table projected to 2020 by Scale BB is used.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2012 – June 30, 2017.

The long-term expected rate of return on pension investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension 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.

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	20.00%	5.30%
Developed Market International	11.00%	5.10%
Emerging Market International	9.00%	7.40%
Core Fixed Income	16.00%	1.60%
Inflation Linked Bond	5.00%	1.30%
Emerging Market Debt	5.00%	2.90%
High Yield Bonds	6.00%	3.40%
Real Estate	10.00%	4.70%
Private Equity	10.00%	7.30%
Alternative Investments	7.00%	3.20%
Liquidity Fund	<u>1.00%</u>	0.90%
Total	<u>100.00%</u>	

Discount Rate: The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the Town's proportionate share of the net pension liability, calculated using the discount rate of 7.00%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>6.0%</u>	<u>7.0%</u>	<u>8.0%</u>
Net Pension Liability as of June 30, 2022	<u>\$ 1,000,759</u>	<u>\$ 599,601</u>	<u>\$ 254,194</u>

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

Other Post-Employment Benefits

Plan Description: The Town currently provides to certain retired employees Other Post-Employment Benefits (“OPEB”). The plan provides healthcare insurance benefits for eligible retirees and their spouses. The plan is currently being funded on a pay as you go basis. The plan does not issue a publicly available financial report and is not included in the financial statements of another entity. No assets are accumulated in a trust that meets the criteria of GASB No. 75.

Contributions: The Town recommended contributions are actuarially determined on an annual basis using the entry age normal method. Contributions are established by contract and may be amended by union negotiations. The Town’s total plan contribution (implicit rate subsidy) was \$59,617 and the teacher’s retirement board subsidy was \$7,920.

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

Employees Covered by Benefit Terms: As of July 1, 2021, the following employees are covered by the benefit terms:

Retirees and beneficiaries receiving benefits	4
Active plan members	41
	45
	45

Total OPEB Liability: The Town’s total OPEB liability of \$1,258,022 was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021.

Actuarial Assumptions and Other Inputs: The total OPEB liability was determined based upon a July 1, 2021 actuarial valuation for the Town using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Discount Rate	2.16%
Inflation Rate	2.40%
 <u>Healthcare Cost Trend Rates:</u>	
Initial Medical Trend Rate	6.50%
Ultimate Medical Trend Rate	4.40%
Year Ultimate Medical Trend Rate Reached	2032

The discount rate used is equal to the published Bond Buyer GO 20-Bond Municipal Index as of the measurement date.

Mortality rates were based on the Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), projected to the valuation date with Scale MP-2019.

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

The current valuation reflects changes in the actuarial assumptions to represent the Enrolled Actuary's current best estimate of anticipated experience of the plan. The following areas had changes in assumptions:

- Mortality tables changed to Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), projected to the valuation date with Scale MP-2021.
- Healthcare cost trend rates changed from 6.50% in 2019 reduced to an ultimate rate of 4.60% in 2027 and later to 6.50% in 2021 reduced to an ultimate rate of 4.40% in 2032 and later.

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 6/30/21	\$ 1,698,283
Changes for the year:	
Service Cost	50,124
Interest	60,194
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	(669,361)
Changes in Assumptions or other Inputs	186,319
Benefit Payments	(67,537)
Net Changes	(440,261)
Balance at 6/30/22	\$ 1,258,022

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 (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

	1% Decrease 1.16%	Current Discount Rate 2.16%	1% Increase 3.16%
Total OPEB Liability	\$ 1,433,669	\$ 1,258,022	\$ 1,112,730

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: 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 healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	\$ 1,088,332	\$ 1,258,022	\$ 1,463,068

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the Town recognized OPEB expense of \$48,555. As of June 30, 2022, the Town reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 444	\$ 944,411
Change of assumptions	416,296	29,674
Total	\$ 416,740	\$ 974,085

Amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Year ended June 30:	
2023	\$ (53,843)
2024	(53,843)
2025	(53,843)
2026	(53,843)
2027	(53,843)
Thereafter	(288,130)
	\$ (557,345)

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

Connecticut Teachers' Retirement System - OPEB

Plan Description - Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with benefits, including retiree health insurance, through the Connecticut Teachers' Retirement System—a cost sharing multi-employer defined benefit pension plan administered by the TRB. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov.

Benefit Provisions - The Plan covers retired teachers and administrators of public schools in the State who are receiving benefits from the Plan. The Plan provides healthcare insurance benefits to eligible retirees and their spouses. Any member that is currently receiving a retirement or disability benefit through the Plan is eligible to participate in the healthcare portion of the Plan. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue healthcare coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the Plan sponsored by the system. If they elect to remain in the Plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

Contributions - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

School district employers are not required to make contributions to the Plan. The State of Connecticut's estimated allocated contribution to the Plan on behalf of the Town was \$22,344.

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers' pay for one third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

Actuarial Assumptions - The total OPEB liability was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

Inflation	2.50%
Real Wage Growth	0.50%
Wage Inflation	3.00%
Salary increases	3.00-6.50%, including inflation
Long-term investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
<u>Municipal bond index rate:</u>	
Measurement Date	2.17%
Prior Measurement Date	2.21%

The projected fiduciary net position is projected to be depleted in 2023.

Single equivalent interest rate

Measurement Date	2.17%, net of OPEB plan investment expense, including price inflation
Prior Measurement Date	2.21%, net of OPEB plan investment expense, Including price inflation

Healthcare cost trend rates:

Medicare	5.125% for 2020 decreasing to an ultimate Rate of 4.50% by 2023
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Mortality rates were based on the PubT-2010 Health Retiree Table (adjusted 105% for males and 103% for females as ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

Long-Term Rate of Return - The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class.

The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Expected 10-Year Geometric Real Rate of Return	Standard Deviation
U.S. Treasuries (Cash Equivalents)	100.0%	-0.42%	1.78%
Price inflation		2.50%	
Expected rate of return (Rounded nearest 0.25%)		2.00%	

Discount Rate - The discount rate used to measure the total OPEB liability was 2.17%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of June 30, 2020. In addition to the actuarial methods and assumptions of the June 30, 2020 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

Based on those assumptions, the plan's fiduciary net position was projected to be depleted in 2023 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates - The following presents the total OPEB liability, calculated using current cost trend rates, as well as what the Plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than current healthcare cost trend rates:

	1% Lower Trend Rates	Current Trend Rates	1% Higher Trend Rates
Initial Healthcare Cost Trend Rate	4.125%	5.125%	6.125%
Ultimate Healthcare Cost Trend Rate	3.50%	4.50%	5.50%
Total OPEB Liability	\$ 1,034,769	\$ 1,235,465	\$ 1,509,912

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

Sensitivity of the Net OPEB Liability to Changes in Discount Rates - The following presents the net OPEB liability, calculated using the current discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (1.17%)	Current Discount Rate (2.17%)	1% Increase (3.17%)
Net OPEB liability	\$ 1,512,166	\$ 1,235,465	\$ 1,019,784

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2022 the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Town were as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>1,235,465</u>
Total	<u>\$ 1,235,465</u>

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. At June 30, 2022, the Town had no proportionate share of the net OPEB liability.

For the year ended June 30, 2022, the Town recognized OPEB expense and revenue of \$22,344 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$45,622 for OPEB expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

NOTE 11 – RISK MANAGEMENT

The Town is exposed to various risks of loss involving torts, theft of, damage to, and destruction of assets, errors and omissions, injuries of employees, natural disaster and public official liabilities. The Town generally obtains commercial insurance for these risks. Coverage has not been significantly reduced and settled claims have not exceeded commercial coverage in any of the last three fiscal years.

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

NOTE 12 – LITIGATION AND CONTINGENCIES

The Town is not a defendant in any lawsuits that, in the opinion of Town Management, in consultation with the Town Attorney, will have an adverse, material effect on the Town's financial position.

Grants - The Town participates in several Federal and State assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of certain of these programs for or including the year ended June 30, 2022 have not yet been conducted. Accordingly, the Town's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

NOTE 13 – UPCOMING PRONOUNCEMENTS

GASB Pronouncements Issued, But Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

GASB Statement No. 91 – *Conduit Debt Obligations* – The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022.

GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022.

GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements* – This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022.

GASB Statement No. 99 – *Omnibus 2022* - The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for the Town's reporting period beginning July 1, 2022. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the Town's reporting period beginning July 1, 2023.

TOWN OF LISBON, CONNECTICUT
Notes to the Financial Statements

GASB Statement No. 100 – *Accounting Changes and Error Corrections* - The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for the Town’s reporting period beginning July 1, 2023.

GASB Statement No. 101 – *Compensated Absences* - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for the Town’s reporting period beginning July 1, 2024.

NOTE 14 – PRIOR PERIOD RESTATEMENT

The Town previously reported the activities of the Student Activity Fund as fiduciary activities. As of July 1, 2021, the Town made the following reporting change: the Student Activities Fund is now reported as a special revenue fund.

The government-wide net position and nonmajor governmental funds fund balance were restated as a result of the implementation. The results of the changes to the fund balance and net position are as follows:

	Governmental Activities	Nonmajor Governmental Funds	Custodial Funds
Net position/fund balance as reported at June 30, 2021	\$ 14,591,753	\$ 152,962	\$ 34,081
Reclassify to proper fund type	34,081	34,081	(34,081)
Net position/fund balance as restated at July 1, 2021	\$ 14,625,834	\$ 187,043	\$ -

**Required
Supplementary
Information**

TOWN OF LISBON, CONNECTICUT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
REVENUES				
Property Taxes				
Property Taxes	\$ 9,458,143	\$ 9,458,143	\$ 9,612,571	\$ 154,428
Benefit Assessment - WPCA	-	-	14,843	14,843
Sewer Assessment	-	-	-	-
Total Property Taxes	<u>9,458,143</u>	<u>9,458,143</u>	<u>9,627,414</u>	<u>169,271</u>
Intergovernmental				
Education				
Education Cost Sharing	2,899,516	2,899,516	2,911,659	12,143
Other Educational Grants	10,909	10,909	1,300	(9,609)
Total Education	<u>2,910,425</u>	<u>2,910,425</u>	<u>2,912,959</u>	<u>2,534</u>
Other				
Pequot Funds	11,287	11,287	11,287	-
Municipal Stabilization Grant	139,316	139,316	139,316	-
Other Grants	3,683	3,683	6,633	2,950
Total Other	<u>154,286</u>	<u>154,286</u>	<u>157,236</u>	<u>2,950</u>
Tax Relief				
Veterans	2,200	2,200	3,206	1,006
Totally Disabled	500	500	451	(49)
Payment in Lieu of Taxes - State Property	3,830	3,830	5,674	1,844
Total Tax Relief	<u>6,530</u>	<u>6,530</u>	<u>9,331</u>	<u>2,801</u>
Total Intergovernmental	<u>3,071,241</u>	<u>3,071,241</u>	<u>3,079,526</u>	<u>8,285</u>
Local Revenues				
Fees				
Land Fees	18,000	18,000	36,007	18,007
Preservation Fees	-	-	1,294	1,294
TC Farm Fund MERS	-	-	1,697	1,697
Planning and Zoning Fees	5,000	5,000	9,631	4,631
Miscellaneous Fees	1,000	1,000	3,758	2,758
Local Capital Improvement Fees	1,800	1,800	1,941	141
Sports License Fees	100	100	77	(23)
Dog License Fees	350	350	1,230	880
Total Fees	<u>26,250</u>	<u>26,250</u>	<u>55,635</u>	<u>29,385</u>
Permits				
Building Permits	40,000	40,000	135,992	95,992
Pistol Permits	2,000	2,000	2,310	310
Total Permits	<u>42,000</u>	<u>42,000</u>	<u>138,302</u>	<u>96,302</u>

See accountant's report.

TOWN OF LISBON, CONNECTICUT

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Charges for Services				
Conveyance Tax	\$ 30,000	\$ 30,000	\$ 67,632	\$ 37,632
Copies	7,000	7,000	8,294	1,294
Total Charges for Services	<u>37,000</u>	<u>37,000</u>	<u>75,926</u>	<u>38,926</u>
Wheelabrator				
Contract Fee	417,500	417,500	417,500	-
Host Community Royalties	92,000	92,000	101,325	9,325
Total Wheelabrator	<u>509,500</u>	<u>509,500</u>	<u>518,825</u>	<u>9,325</u>
Other				
Telecommunications Property	8,000	8,000	7,370	(630)
Recreation Committee Program Fees	33,000	33,000	11,424	(21,576)
Senior Van Donation Box	200	200	549	349
Refunds	-	-	5,929	5,929
Total Other	<u>41,200</u>	<u>41,200</u>	<u>25,272</u>	<u>(15,928)</u>
Total Local Revenues	<u>655,950</u>	<u>655,950</u>	<u>813,960</u>	<u>158,010</u>
Investment Income	<u>5,000</u>	<u>5,000</u>	<u>17,141</u>	<u>12,141</u>
Total Revenues	<u>13,190,334</u>	<u>13,190,334</u>	<u>13,538,041</u>	<u>347,707</u>
EXPENDITURES				
General Government				
Selectmen's Office				
First Selectman's Salary	52,546	52,546	52,545	1
Second Selectman's Salary	5,660	5,660	5,659	1
Third Selectman's Salary	5,660	5,660	5,659	1
Bookkeeper's Salary	37,269	37,269	37,269	-
Secretary/Clerk's Salary	44,757	44,757	44,757	-
Selectmens' Supplies	3,000	3,000	2,986	14
Supplies and Expenses	3,000	3,000	1,823	1,177
Total Selectmen's Office	<u>151,892</u>	<u>151,892</u>	<u>150,698</u>	<u>1,194</u>
Town Clerk's Office				
Town Clerk's Salary	51,782	51,782	51,782	-
Assistant Town Clerk's Salary	23,889	23,889	23,889	-
Records Management Service	6,000	6,000	11,782	(5,782)
Supplies and Expenses	13,000	13,000	9,754	3,246
Vital Statistics	1,500	1,500	1,308	192
Document Preservation Grant	1	1	-	1
Total Town Clerk's Office	<u>96,172</u>	<u>96,172</u>	<u>98,515</u>	<u>(2,343)</u>

See accountant's report.

TOWN OF LISBON, CONNECTICUT

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Tax Collector's Office				
Tax Collector's Salary	\$ 44,006	\$ 44,006	\$ 44,005	\$ 1
Tax Clerk's Wages	7,706	9,134	9,134	-
Contracted Service	2,950	2,950	2,907	43
Computer Management/Support	5,570	5,570	5,070	500
On-line Bill Pay	1,325	1,325	1,325	-
Tax Refunds	4,000	6,572	4,120	2,452
Supplies and Expense	4,250	4,250	5,401	(1,151)
Delinquent Motor Vehicle tax Fee	-	-	-	-
Total Tax Collector's Office	<u>69,807</u>	<u>73,807</u>	<u>71,962</u>	<u>1,845</u>
Assessor's Office				
Assessor's Salary	51,980	51,980	51,979	1
Assessor's Clerk Salary	20,343	13,343	11,609	1,734
Tax Mapping	7,000	7,000	6,999	1
Computer Maintenance/Support	16,250	15,250	14,785	465
Supplies and Expenses	4,375	12,375	12,168	207
Personal Property Audit	6,000	6,000	6,000	-
Total Assessor's Office	<u>105,948</u>	<u>105,948</u>	<u>103,540</u>	<u>2,408</u>
Treasurer's Office				
Treasurer's Salary	20,800	20,800	20,799	1
Deputy Treasurer's Salary	1,000	1,000	1,000	-
Supplies and Expenses	100	100	-	100
Bank Charges	100	100	-	100
Total Treasurer's Office	<u>22,000</u>	<u>22,000</u>	<u>21,799</u>	<u>201</u>
Board of Finance				
Auditor	17,800	17,800	17,800	-
Supplies and Expenses	1,310	1,310	1,234	76
Total Board of Finance	<u>19,110</u>	<u>19,110</u>	<u>19,034</u>	<u>76</u>
Planning and Zoning				
Purchased Services	59,000	59,000	52,743	6,257
Supplies and Expenses	3,800	4,800	3,833	967
Total Planning and Zoning	<u>62,800</u>	<u>63,800</u>	<u>56,576</u>	<u>7,224</u>
Zoning Board of Appeals				
Supplies and Expenses	<u>2,500</u>	<u>3,500</u>	<u>3,123</u>	<u>377</u>
Board of Tax Review				
Salaries	825	825	825	-
Supplies and Expenses	225	225	147	78
Total Board of Tax Review	<u>1,050</u>	<u>1,050</u>	<u>972</u>	<u>78</u>

See accountant's report.

TOWN OF LISBON, CONNECTICUT

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Conservation Committee				
Enforcement Officer	\$ 7,500	\$ 7,500	\$ 4,283	\$ 3,217
Supplies and Expenses	1,800	1,800	1,695	105
Total Conservation Committee	9,300	9,300	5,978	3,322
Historic District Study Committee				
Supplies and Expenses	1	1	-	1
Other Expenses	1	1	-	1
Total Historic District Study Committee	2	2	-	2
Recycling Committee				
Purchased Services	55,730	55,730	55,730	-
Supplies	100	100	-	100
Total Recycling Committee	55,830	55,830	55,730	100
Registrars of Voters				
Democratic Registrar's Salary	9,123	9,123	9,122	1
Republican Registrar's Salary	9,123	9,123	9,122	1
Purchased Services	2,100	2,100	-	2,100
Supplies and Expense	34,000	34,000	29,611	4,389
Democratic Deputy Registrar	300	300	300	-
Republican Deputy Registrar	300	300	300	-
Total Registrars of Voters	54,946	54,946	48,455	6,491
Clerk to the Boards				
Clerk to the Boards	10,000	11,500	10,214	1,286
Supplies and Expenses	600	600	468	132
Total Clerk to the Boards	10,600	12,100	10,682	1,418
Non-Allocated Expenditures				
Employee Insurance	286,342	285,516	245,786	39,730
Social Security and Medicare	63,550	63,550	61,541	2,009
Municipal Education	4,000	4,000	2,071	1,929
Unemployment Compensation	4,000	-	-	-
Union Related Contingency	5,600	5,600	5,150	450
Pension	500	500	-	500
Town Share Retirement Compensation	81,450	82,276	82,276	-
Employee Retirement Accrued Liability	2,500	2,500	2,340	160
Town Counsel	50,000	50,000	47,196	2,804
Town Engineer	65,000	65,000	64,732	268
Insurance and Bonding	230,000	230,000	206,888	23,112
Payroll Service	6,000	6,000	5,158	842
Consulting Fees/Contracted Services	55,000	53,000	46,163	6,837
Town Hall Utilities	27,000	27,000	24,019	2,981

See accountant's report.

TOWN OF LISBON, CONNECTICUT

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Non-Allocated Expenditures (Continued)				
Town Hall Maintenance	\$ 12,000	\$ 16,400	\$ 16,307	\$ 93
Town Hall Equipment Maintenance	1,500	1,500	926	574
Town Hall Computer	9,500	9,500	3,989	5,511
Town Hall Copier Maintenance	2,000	2,000	1,915	85
Town Hall Postage	10,000	10,000	8,837	1,163
Town Hall Supplies and Expense	3,250	3,250	1,938	1,312
Advertising and Communications	4,000	3,000	2,867	133
Walking Weekend	150	150	150	-
Donations	1,650	1,650	1,400	250
Auditors Contracted Services	1,000	1,000	-	1,000
Total Non-Allocated Expenditures	925,992	923,392	831,649	91,743
Town Memberships				
Town Memberships	104,904	104,904	103,547	1,357
Other Protection and Prevention				
Building Inspector Wages	27,500	27,500	16,024	11,476
Animal Control Officer's Salary	13,293	13,293	13,293	-
Zoning Enforcement Wages	10,000	10,000	8,506	1,494
Building Inspector Supplies and Expenses	2,500	2,500	2,500	-
Dog Damages	1	1	-	1
ZEO Supplies and Expenses	500	500	498	2
Total Other Protection and Prevention	53,794	53,794	40,821	12,973
Health and Welfare				
Public Health Nursing	500	500	-	500
Health Department	29,456	29,456	29,456	-
Sewer Line Fees	1,000	1,000	-	1,000
Total Health and Welfare	30,956	30,956	29,456	1,500
Total General Government	1,777,603	1,782,503	1,652,537	129,966
Fire Protection				
Lisbon Volunteer Fire Department	125,358	125,358	125,358	-
Lisbon Emergency Response, LLC	188,000	273,152	273,152	-
LVFD SCBA's	3,500	3,500	2,330	1,170
Hydrant Rental	33,750	46,240	46,239	1
Recruitment/Retention	16,635	16,635	16,635	-
Fire Marshal's Salary	9,033	9,033	2,142	6,891
Fire Marshal Supplies and Expense	3,000	3,000	1,234	1,766
Dept. of Emergency Mgmt. Director's Stipend	1,750	1,750	1,750	-
Tree Warden Stipend	600	600	600	-
Burning Official	200	200	200	-
Dept. of Emergency Mgmt. Expense	3,000	3,000	2,947	53
Total Fire Protection	384,826	482,468	472,587	9,881

See accountant's report.

TOWN OF LISBON, CONNECTICUT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Police Protection				
Resident State Trooper Contract	\$ 153,863	\$ 153,863	\$ 153,863	\$ -
Trooper's Supplies and Expenses	3,000	3,000	1,777	1,223
Resident State Trooper Overtime	10,000	10,000	6,931	3,069
Total Police Protection	<u>166,863</u>	<u>166,863</u>	<u>162,571</u>	<u>4,292</u>
Highways and Streets				
Highway Department Salaries	268,882	269,918	269,918	-
Street Lighting	33,000	28,600	23,784	4,816
Contracted Services	50,000	45,579	39,081	6,498
Town Garage Utilities	40,000	53,410	53,410	-
Town Equipment and Trucks	88,000	88,000	79,528	8,472
Highway Department Supplies	8,000	8,000	6,245	1,755
Road Repair and Maintenance	49,500	49,500	48,962	538
General Road Repair	20,000	20,000	20,000	-
Town Garage Maintenance	18,500	6,975	4,100	2,875
Sanitation	30,000	30,000	18,291	11,709
Total Highways and Streets	<u>605,882</u>	<u>599,982</u>	<u>563,319</u>	<u>36,663</u>
Seniors and Senior Center				
Senior Coordinator's Salary	48,735	48,735	48,734	1
Van Driver's Salary	23,465	23,565	23,537	28
Senior Meal Site Wages	16,317	16,317	14,080	2,237
Senior Center Coverage Wages	4,800	4,700	2,199	2,501
Senior Citizen's Services	3,500	2,750	2,424	326
Senior Center Utilities	15,000	16,500	16,495	5
Senior Center Maintenance	12,000	22,750	20,567	2,183
Senior Van Maintenance	1,500	1,000	452	548
Senior Coordinator Supplies	1,000	1,000	870	130
Senior Center Supplies	1,200	1,200	1,172	28
Senior Center Copier Expense	1,500	1,500	1,490	10
Total Seniors and Senior Center	<u>129,017</u>	<u>140,017</u>	<u>132,020</u>	<u>7,997</u>
Recreation				
Special Events	60,000	60,000	10,404	49,596
Recreation Purchased Services	12,000	12,000	8,700	3,300
Recreation Supplies	1,015	1,015	88	927
Recreation Maintenance of Municipal Rec Fields	4,000	4,000	713	3,287
Lisbon Meadows Park	5,500	5,500	-	5,500
Total Recreation	<u>82,515</u>	<u>82,515</u>	<u>19,905</u>	<u>62,610</u>
Education				
Board of Education	10,050,814	10,050,814	9,834,315	216,499

See accountant's report.

TOWN OF LISBON, CONNECTICUT

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	
	Original	Amended	Budgetary Basis	Variance
Capital Outlay				
Capital Improvements	\$ 20,000	\$ 270,000	\$ 250,734	\$ 19,266
Equipment, Furniture, Fixtures	3,000	3,000	464	2,536
Total Capital Outlay	23,000	273,000	251,198	21,802
Debt Service				
Principal, General Obligation Bond	215,000	215,000	215,000	-
Principal, Hoydilla Property	45,000	45,000	45,000	-
Interest, General Obligation Bond	9,525	9,525	9,525	-
Interest, Hoydilla Property	7,818	7,818	7,817	1
Total Debt Service	277,343	277,343	277,342	1
Total Expenditures	13,497,863	13,855,505	13,365,794	489,711
Excess (Deficiency) of Revenues				
Over Expenditures	(307,529)	(665,171)	172,247	837,418
Other Financing Sources and (Uses)				
Appropriation from Fund Balance	-	357,642	-	(357,642)
Transfers In	-	-	85,152	85,152
Transfers Out	-	-	(110,000)	(110,000)
Total Other Financing Sources and (Uses)	-	357,642	(24,848)	(382,490)
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing (Uses) - Budgetary Basis	\$ (307,529)	\$ (307,529)	147,399	\$ 454,928
Adjustments to Generally Accepted Accounting Principles (GAAP):				
Payments on Behalf of the Town not Recorded on a Budgetary Basis:				
Revenues from Teachers' Retirement and OPEB			971,885	
Expenditures from Teachers' Retirement and OPEB			(971,885)	
Payments on Behalf of the Town not Recorded on a Budgetary Basis:				
Revenues from Excess Cost Grant			246,068	
Expenditures from Excess Cost Grant			(246,068)	
Encumbrances Recorded on a Budget Basis, but not on the Modified Accrual Basis:				
Prior Year Encumbrances			(157,784)	
Current Year Encumbrances			62,503	
Change in Accrued Payroll:				
Board of Education			25,253	
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing (Uses) - GAAP Basis			\$ 77,371	

See accountant's report.

TOWN OF LISBON, CONNECTICUT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2021

Notes to Required Supplementary Information:

A formal, legally approved, annual budget is adopted for the General Fund. This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exceptions: 1) The Town does not recognize revenue or expenditure amounts for the State Teachers' Pension and OPEB on-behalf amounts from the State of Connecticut. 2) The excess cost grant is net against the expenditures in accordance with state statutes. 3) Encumbrances are treated as expenditures against the budget in the year committed. 4) Payroll is budgeted on a cash basis. 5) Revenues and expenditures from refunding or renewing long-term debt or lease proceeds are included in the budget as the net revenue or expenditure.

See accountant's report.

FORM OF APPROVING OPINION OF BOND COUNSEL

Upon the delivery of the Bonds, Hawkins Delafield & Wood LLP, Bond Counsel, proposes to issue its approving opinion in substantially the following form. The opinion will be dated the date of delivery of the Bonds.

Town of Lisbon
Lisbon, Connecticut

Ladies and Gentlemen:

We have acted as Bond Counsel to the Town of Lisbon, Connecticut (the “Town”) in connection with the issuance by the Town of \$_____ aggregate principal amount of General Obligation Bonds, Issue of 2023, dated their date of delivery (the “Bonds”).

The Bonds are issued pursuant to the provisions of Title 7 of the General Statutes of Connecticut, as amended, the Constitution and laws of the State of Connecticut (the “State”), and proceedings of the Town authorizing the Bonds.

In our capacity as Bond Counsel to the Town, we have examined the law, certified records of proceedings of the Town relating to the issuance of the Bonds, and other certifications and documents as we deem necessary to render this opinion.

Based on the foregoing, we are of the opinion that:

1. The above-referenced proceedings show lawful authority for the issuance and sale of the Bonds under authority of the constitution and statutes of the State and that said Bonds are valid and legally binding general obligations of the Town payable as to both principal and interest, unless paid from other sources, from ad valorem taxes which may be levied on all property subject to taxation by the Town without limitation as to rate or amount, except as to certain classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income taxable at limited amounts.

The enforceability of rights and remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions, and assuming continuing compliance with certain tax covenants described below, (i) interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, for tax years beginning after December 31, 2022, interest on the Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering the opinion in this paragraph 2, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Town in connection with the Bonds, and we have assumed compliance by the Town with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that, for federal income tax purposes, interest on the Bonds not be included in gross income pursuant to Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Bonds, restrictions on the investment of proceeds of the Bonds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause interest on the Bonds to become subject to federal income

taxation retroactive to their date of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of delivery of the Bonds, the Town will execute a Tax Certificate (the “Tax Certificate”) containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the Town covenants that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest paid on the Bonds will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in paragraph 2 above, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of interest paid on the Bonds, and (ii) compliance by the Town with the procedures and covenants set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and interest on the Bonds is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds.

We note that the Town has designated the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3)(B) of the Code.

Other than the record of proceedings, we have not been requested to examine or review and have not examined or reviewed the accuracy, completeness or sufficiency of the official statement with respect to the Bonds or any additional proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the Town, which have been or may hereafter be furnished or disclosed to purchasers of said Bonds, and we express no opinion with respect to the official statement or any such financial or other information or the accuracy or sufficiency thereof.

We have examined an executed Bond and, in our opinion, the form of such Bond and its execution are regular and proper.

Very truly yours,

FORM OF CONTINUING DISCLOSURE AGREEMENT

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree, pursuant to a Continuing Disclosure Agreement to be executed by the Town in connection with the issuance of the Bonds substantially in the following form, to provide annual financial information and timely notice of the occurrence of certain events with respect to the Bonds.

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Agreement”) is made as of _____, 2023 by the Town of Lisbon, Connecticut (the “Issuer”) acting by its undersigned officers, duly authorized, in connection with the issuance of \$_____ aggregate principal amount of General Obligation Bonds, Issue of 2023, dated their date of delivery (the “Bonds”), for the benefit of the beneficial owners from time to time of the Bonds.

Section 1. Definitions. For purposes of this Agreement, unless otherwise defined herein, the following capitalized terms shall have the following meanings:

“*Annual Information*” shall mean the information specified in Section 3 hereof.

“*EMMA*” shall mean the Electronic Municipal Market Access System implemented by the MSRB, the current web address of which is www.emma.msrb.org.

“*Financial Obligation*” shall mean, for purposes of the events identified in clauses (15) and (16) of the Listed Events set forth in Exhibit A hereto: (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“*GAAP*” shall mean generally accepted accounting principles as in effect from time to time in the United States.

“*Listed Event*” means the occurrence of any of the events with respect to the Bonds set forth in Exhibit A.

“*MSRB*” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

“*Purchaser*” shall mean the purchaser of the Bonds upon original issuance as specified in the Issuer’s Certificate of Determination executed and delivered on the date hereof.

“*Rule*” means rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as amended, as in effect on the date of this Agreement, including any official interpretations thereof issued either before or after the date of this Agreement which are applicable to this Agreement.

“*SEC*” means the Securities and Exchange Commission of the United States.

Section 2. Continuing Disclosure Obligation.

(a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided to the MSRB, through EMMA, the following:

- (i) *Annual Financial Information Disclosure.* No later than eight (8) months after the end of each fiscal year, commencing with the fiscal year ending June 30, 2023, (A) the Annual Information relating to such fiscal year, and (B) the audited financial statements of the Issuer for each fiscal year, if audited financial statements are prepared by the Issuer and then available; ***provided, however,*** that if audited financial statements are not prepared or are not then available, unaudited financial statements shall be provided and audited financial statements, if any, shall be delivered to the MSRB through the EMMA System as soon as practicable after they become available; ***provided further, however,*** that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;
- (ii) *Notice of Listed Events.* In a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the Listed Events with respect to the Bonds; and
- (iii) *Notice of Failure.* In a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of a failure to provide any Annual Information required by Section 3 below by the date set forth in Section 2(a) hereof.

(b) Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Information, in addition to that which is required by this Agreement. If the Issuer chooses to do so, the Issuer shall have no obligation under this Agreement to update such additional information or include it in any future Annual Information hereunder.

(c) Nothing in this Agreement shall be deemed to prevent the Issuer from providing notice of the occurrence of certain events other than the Listed Events if the Issuer determines that any such other event is material with respect to the Bonds, but the Issuer does not undertake to commit to provide any such notice of the occurrence of any events other than the Listed Events.

Section 3. Annual Information.

(a) The required Annual Information shall consist of the following financial information and operating data, to the extent not included in the financial statements of the Issuer described in Section 2(a) above:

- (i) the amounts of the gross and the net taxable grand list applicable to the fiscal year,
- (ii) a list of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,
- (iii) the percentage of the annual property tax levy collected and uncollected as of the close of the preceding fiscal year,
- (iv) a schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
- (v) a calculation of net direct debt, total direct debt and total overall net debt (reflecting overlapping and underlying debt) as of the close of the fiscal year,
- (vi) the total direct debt, total net direct debt and total overall net debt of the Issuer per capita,

- (vii) the ratios of the total direct debt and total net direct debt of the Issuer to the Issuer's net taxable grand list,
- (viii) a statement of statutory debt limitation as of the close of the fiscal year, and
- (ix) the funding status of the Issuer's pension benefit obligations.

(b) All or any portion of the Annual Information may be incorporated by cross-reference to any other documents, including official statements, which are (i) available to the public on EMMA, or (ii) filed with the SEC. All or a portion of the Annual Information may be provided in the form of a comprehensive annual financial report.

(c) Subject to the requirements of Section 7 hereof, the Issuer reserves the right to modify from time to time the specific types of information or data provided or the format of the presentation of such information or data, to the extent necessary or appropriate, provided any such modification is done in a manner consistent with the Rule.

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year, if prepared, shall be in accordance with GAAP or mandated State statutory principles as in effect from time to time. As of the date of this Agreement, the Issuer prepares its financial statements in accordance with GAAP.

Subject to Section 7 hereof, the Issuer reserves the right to provide financial statements which are not audited if no longer required by law, and to modify the preparation and presentation of the financial statements as may be required to conform with changes in State law applicable to municipalities or changes in GAAP, as promulgated by the Governmental Accounting Standards Board from time to time.

Section 5. Transmission of Information and Notices. Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided in electronic format through EMMA and shall be accompanied by identifying information, all as prescribed by the MSRB.

Section 6. Use of Agent. The Issuer may appoint or engage an agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent without appointing a successor agent.

Section 7. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, or any provision of this Agreement may be waived, without the consent of the holders of the Bonds, if such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules and regulations), or a change in the identity, nature or status of the Issuer, and such amendment or waiver is supported by (i) an opinion of counsel expert in federal securities laws, addressed to the Issuer, to the effect that such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds, and (ii) the Agreement as so amended or waived would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy any such amendment shall be timely filed with the MSRB.

The Annual Information for any fiscal year containing any modified operating data or financial information for such fiscal year shall explain, in narrative form, the reasons for such modification and the impact of the change in the type of operating data or financial information being provided. If a change in accounting principles to be followed by the Issuer is included in any such modification, the Annual Information for the fiscal year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 8. Termination of Obligations. The obligations of the Issuer under this Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. In addition, this

Agreement, or any provision hereof, shall be null and void in the event that the portions of the Rule requiring this Agreement or such provision, as the case may be, no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise.

Section 9. Enforcement; Remedies. The Issuer acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time after receipt by the Issuer's Treasurer, or a successor, of written notice from any beneficial owner of the Bonds of such failure. The present address of the Treasurer is Town of Lisbon, 1 Newent Road, Lisbon, Connecticut 06351.

In the event the Issuer does not cure such failure within a reasonable time, the beneficial owner of any Bonds shall be entitled only to the remedy of specific performance. The Issuer expressly acknowledges and the beneficial owners are deemed to hereby expressly agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Bonds.

Section 10. Beneficiaries. This Agreement is executed to assist the Purchaser in complying with paragraph (b)(5) of the Rule and is delivered for the benefit of the holders of the Bonds. No other person shall have any right to enforce the provisions hereof or be entitled to any rights hereunder.

Section 11. Governing Law. This Agreement shall be governed by the laws of the State of Connecticut.

[Signature Page Follows]

IN WITNESS WHEREOF, the Issuer has caused this Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first written.

TOWN OF LISBON

Thomas W. Sparkman, First Selectman

Chris Maynard, Treasurer

LISTED EVENTS WITH RESPECT TO THE BONDS FOR WHICH DISCLOSURE IS REQUIRED

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, *if material*;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other events affecting the tax status of the Securities;
- (7) modifications to rights of the holders of the Bonds, *if material*;
- (8) Bond calls, *if material*, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Bond, *if material*;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;*
- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, *if material*;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, *if material*;
- (15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, *if material*; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

NOTICE OF SALE

\$4,400,000*
TOWN OF LISBON, CONNECTICUT
GENERAL OBLIGATIONS BONDS, ISSUE OF 2023

NOTICE IS HEREBY GIVEN that ELECTRONIC PROPOSALS via **PARITY®** will be received by the **TOWN OF LISBON, CONNECTICUT** (the “Town”) for the purchase of all, but not less than all, of the Town’s \$4,400,000* General Obligation Bonds, Issue of 2023 (the “Bonds”) until **11:30 A.M. (Eastern Time)**, on.

WEDNESDAY, NOVEMBER 29, 2023

Proposals submitted after 11:30 A.M. on Wednesday, November 29, 2023 (the “Sale Date”) or proposals submitted in person or via facsimile will not be considered by the Town. **No other form of proposal or provider of electronic bidding services will be accepted.** For purposes of the bidding process, the time as maintained by **PARITY®** shall constitute the official time with respect to all proposals submitted.

The Town reserves the right to amend the provisions of this Notice of Sale, including the date and time of the sale. Any such changes will be communicated by means of a supplement to this Notice of Sale to be posted through PARITY® no later than 10:00 A.M. on the Sale Date.

The following information includes only a brief summary of certain provisions of the Bonds, the security therefor and other terms relating thereto. Prior to submitting a proposal, bidders should read the Preliminary Official Statement dated November 21, 2023 relating to the Bonds (the “Preliminary Official Statement”), available from i-Deal Prospectus at www.i-dealprospectus.com or www.munistat.com. For assistance in obtaining the Preliminary Official Statement from these websites, contact i-Deal Prospectus' customer service (212) 849-5021 or Munistat Services, Inc., the Town’s municipal advisor (the “Municipal Advisor”), at (860) 372-1887.

If any summary of the terms of the sale of the Bonds posted by PARITY, as the approved provider of electronic bidding services for the Bonds, conflicts with this Notice of Sale in any respect, the terms of this Notice of Sale shall control.

DESCRIPTION OF THE BONDS

General. The Bonds will be dated and will bear interest from their date of delivery on or about December 14, 2023. Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve (12) 30-day months and will be payable semi-annually, beginning August 15, 2024, and on each February 15 and August 15 thereafter until maturity or earlier redemption.

Principal Amortization.* The Bonds will mature and become payable on August 15 in each of the years and in the principal amounts (subject to adjustment as noted below) as follows:

\$220,000 in 2024 through 2043, inclusive*

Principal amounts may be adjusted after the sale as described below in this Notice of Sale under the heading “ADJUSTMENT OF PRINCIPAL AMOUNTS.”

* Preliminary, subject to change.

Optional Redemption. The Bonds maturing on or before August 15, 2031 are not subject to redemption prior to maturity. The Bonds maturing on August 15, 2032 and thereafter are subject to redemption prior to maturity, at the option of the Town, at any time on or after August 15, 2031, in whole or in part, and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the following redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed), plus accrued and unpaid interest to the redemption date:

<u>Period During Which Redeemed</u>	<u>Redemption Price</u>
August 15, 2031 and thereafter	100%

ADJUSTMENTS OF THE AGGREGATE AND ANNUAL PRINCIPAL AMOUNTS

The aggregate par amount of the Bonds may be decreased in an amount not in excess of the premium offered by the successful bidder and the amount of each annual maturity, as set forth above, may be adjusted (in increments of \$5,000) to the extent necessary in order that the total proceeds, which include the total par amount of the Bonds plus the original issue premium, if any, received by the Town does not exceed the maximum amount permitted under applicable provisions of the Internal Revenue Code of 1986, as amended (while maintaining annual principal amounts that are substantially level or otherwise comply with Section 7-371 of the General Statutes of Connecticut, as amended). Such adjustments will be made by 1:30 P.M. (Eastern Time) on the day of the bid opening provided the Town has received the reoffering prices and yields for the Bonds from the successful bidder by 12:30 P.M. (Eastern Time). THE SUCCESSFUL BIDDER MAY NOT WITHDRAW OR MODIFY ITS BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY SUCH POST-BID ADJUSTMENT. ANY SUCH ADJUSTMENT SHALL BE CONCLUSIVE, AND SHALL BE BINDING UPON THE SUCCESSFUL BIDDER.

The Bonds of each maturity, as adjusted, will bear interest at the same rate and must have the same initial reoffering yields as specified for that maturity by the successful bidder for the Bonds. It is the intent of this provision to hold constant, on a per bond basis, the successful bidder’s underwriting spread. However, the award will be made to the bidder whose bid produces the lowest true interest cost, calculated as specified herein, solely on the basis of the Bonds offered, without taking into account any adjustment in the amount of Bonds pursuant to this section.

PURPOSE AND SECURITY

The Bonds are being issued for the purpose of providing funds to finance a new fire station in the Town.

The Bonds will be general obligations of the Town and the full faith and credit of the Town shall be pledged to the payment of the principal or redemption price of and interest on the Bonds when due. Unless paid from other sources, the Bonds are payable from general property tax revenues. The Town is authorized by statute to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, subject to certain exceptions, to the extent other revenue sources are not lawfully available or appropriated for such purpose.

BANK QUALIFICATION

The Bonds **will** be designated by the Town as “qualified tax-exempt obligations” under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

REGISTRATION

The Bonds will be by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for Bonds bearing the same interest rate will be issued to The Depository Trust Company (“DTC”), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures adopted by DTC and its Participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC or its agent via Fast Automated Securities Transfer (“FAST”), registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds. Principal and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal, and interest payments to Beneficial Owners by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for payments by DTC to its Participants or by DTC Participants or Indirect Participants to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

ELECTRONIC BIDDING

Electronic bids for the purchase of the Bonds must be submitted through the facilities of PARITY® on the date and at the time indicated above. Any prospective bidder must be a subscriber of I-Deal LLC’s BiDCOMP competitive bidding system. Further information about Bidcomp/PARITY®, including any fee charged, may be obtained from i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Service Department (telephone: (212) 849-5021, email notice: parity@i-deal.com). The Town neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

The use of PARITY® electronic bidding shall be at the Bidder’s risk and expense, and the Town shall have no liability with respect thereto. An electronic bid for the Bonds shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Town. By submitting a bid for the Bonds via PARITY®, the bidder represents and warrants to the Town that such bidder’s bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Town will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice of Sale. ***The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY®, the use of such facilities being the sole risk of the prospective bidder.***

Disclaimer. Each PARITY® prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY® for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Town nor PARITY® shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Town nor PARITY® shall be responsible for a bidder's failure to make a bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY®. The Town is using PARITY® as a communication mechanism, and not as the Town's agent, to conduct the electronic bidding for the Bonds. The Town is not bound by any advice and determination of PARITY® to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via PARITY® are the sole responsibility of the bidders; and the Town is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone PARITY® at (212) 849-5021. If any

provision of this Notice of Sale shall conflict with information provided by PARITY®, this Notice of Sale shall control.

BID SPECIFICATIONS AND BASIS OF AWARD

Each bid must be unconditional. Only electronic bids submitted via PARITY® will be accepted.

Each bid must be for all of the Bonds and specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify the rate or rates of interest per annum which the Bonds shall bear in a multiple of one-twentieth (1/20th) or one-eighth (1/8th) of one percent. Bids shall **not** specify (a) more than one interest rate for any Bonds having a like maturity, or (b) any interest rate for any Bond which exceeds the interest rate specified in such bid for any other Bonds by more than three (3) percentage points. Interest shall be computed on the basis of a 30-day month and a 360-day year. No bid for less than par on all of the Bonds will be considered.

As between bids that comply with this Notice, the Bonds will be awarded to the responsible bidder offering to purchase such Bonds at the lowest true interest cost to the Town. For the purpose of determining the successful bidder, the true interest cost to the Town will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on such Bonds to the dated date (which is expected to be December 14, 2023), results in an amount equal to the purchase price for such Bonds. If there is more than one responsible bidder making said offer at the same lowest true interest cost on the Bonds, such Bonds will be sold to the responsible bidder whose proposal is selected by the Town by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost computed and rounded to six decimal places. Such statement shall not be considered as part of the proposal. The purchase price must be paid in Federal funds.

RIGHT OF REJECTION; WAIVER

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

DELIVERY OF DOCUMENTS

At or prior to the delivery of the Bonds the successful bidder shall be furnished, without cost, with (a) the approving opinion of Hawkins Delafield & Wood LLP, Hartford, Connecticut Bond Counsel to the Town (“Bond Counsel”), substantially in the form set out in Appendix B to the Official Statement. The successful bidder will also be furnished with a signature and no litigation certificate, dated as of the date of delivery of the Bonds; a receipt of payment for the Bonds, a signed copy of the final Official Statement prepared in connection with the Bonds, a certificate of Town officials relating to the accuracy and completeness of the Official Statement; and an executed Continuing Disclosure Agreement substantially in the form set forth in Appendix C to the Official Statement. U.S. Bank National Association, Hartford, Connecticut, will keep a signed opinion and a transcript of proceedings, which may be examined at its office in Hartford, Connecticut, upon reasonable notice.

OPINION OF BOND COUNSEL – TAX STATUS

In addition to the validity of the Bonds, the approving opinion of Bond Counsel will state that under existing statutes and court decisions, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, for tax years beginning after December 31, 2022, interest on the Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The opinion of Bond Counsel will also provide that under existing statutes;

interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and interest on the Bonds is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay federal alternative minimum tax.

ESTABLISHMENT OF ISSUE PRICE; OBLIGATIONS OF WINNING BIDDER

By submitting a proposal for the Bonds, each bidder is certifying that its bid is a firm offer to purchase the Bonds, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the “issue price” of the Bonds pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the “Competitive Sale Requirements”). The Municipal Advisor will advise the winning bidder if the Competitive Sale Requirements were met at the same time it notifies the winning bidder of the award of the Bonds. **Bids will not be subject to cancellation in the event that the Competitive Sale Requirements are not satisfied.**

The winning bidder shall, within one (1) hour after being notified of the award of the Bonds, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial public offering price or yield of each maturity of the Bonds (the “Initial Reoffering Prices”) as of the date of the award.

If Competitive Sale Requirements Not Met. By submitting a bid, the winning bidder agrees (unless the winning bidder is purchasing the Bonds for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Requirements are not met, it will elect and satisfy either option (1) or option (2) described below with respect to each maturity of the Bonds. Such election shall be set forth on an Issue Price Rule Selection Certificate (the “Selection Certificate”), which will be sent to the winning bidder promptly after the award of the Bonds and any adjustments in principal amounts as provided herein. The winning bidder shall complete and execute the Selection Certificate and email it to Bond Counsel and the Municipal Advisor by 5:00 P.M. Eastern Time on the day following the Sale Date. **In the event that the Selection Certificate is not returned by this deadline or if no selection is made with respect to one or more maturities, the winning bidder will be deemed to have selected Option 1 (the Hold the Price Rule).**

(1) Hold the Price Rule. The winning bidder:

(a) will make a bona fide offering to the public of all of the Bonds at the Initial Reoffering Prices and provide Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel,

(b) will neither offer nor sell to any person any Bonds within a maturity at a price that is higher, or a yield that is lower, than the Initial Reoffering Price of such maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least 10 percent of the Bonds of such maturity at a price that is no higher, or a yield that is no lower, than the Initial Reoffering Price of such maturity or (ii) the close of business on the 5th business day after the date of the award of the Bonds, and

(c) has or will include within any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Bonds as set forth above.

(2) 10% Sale (Follow the Price) Rule. The winning bidder:

(a) will make a bona fide offering to the public of all of the Bonds at the Initial Reoffering Prices and provide the Town with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel,

(b) will report to the Town information regarding the first price that at least 10 percent of the Bonds within each maturity of the Bonds have been sold to the public,

(c) will provide the Town with reasonable supporting documentation or certifications of such sale prices the form of which is acceptable to Bond Counsel. This reporting requirement, which may extend beyond the closing date of the Bonds, will continue until such date that the requirement set forth in paragraph (b) above for each maturity of the Bonds is satisfied, and

(d) has or will include within any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

For purposes of the “hold the price” or “follow the price” requirement, a “maturity” refers to Bonds that have the same interest rate, credit and payment terms.

Obligation to Deliver Issue Price Certificate. Regardless of whether or not the Competitive Sale Requirements were met, the winning bidder shall submit to the Town a certificate (the “Issue Price Certificate”), satisfactory to Bond Counsel, prior to the delivery of the Bonds stating the applicable facts as described above. The form of Issue Price Certificate is available by contacting Ms. Susan Caron, Vice president, Munistat Services, Inc., the Town’s Municipal Advisor, Email: susan.caron@munistat.com; Telephone (860) 372-1887.

If the winning bidder has purchased the Bonds for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Requirements were met, the Issue Price Certificate will recite such facts and identify the price or prices at which the purchase of the Bonds was made.

For purposes of this Notice, the “public” does not include the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the Bonds to the public (such as a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Bonds to the public). In making the representations described above, the winning bidder must reflect the effect on the offering prices of any “derivative products” (e.g., a tender option) used by the bidder in connection with the initial sale of any of the Bonds.

CERTIFYING AND PAYING AGENT

The Bonds will be authenticated by U.S. Bank National Association, Hartford, Connecticut, which will also act as Paying Agent.

OFFICIAL STATEMENT

The Town has prepared a Preliminary Official Statement in connection with the issuance of the Bonds which is dated November 21, 2023. The Town deems such Preliminary Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision and to completion or amendment in a final Official Statement. The Town will make available to the winning purchaser or purchasers of the Bonds a reasonable number of copies of the final Official Statement as prepared by the Town at the Town’s expense. The copies of the final Official Statement will be made available to the winning purchaser or purchasers at the

office of the Town's Municipal Advisor, within seven (7) business days of the award of the Bonds (but not later than the date of the delivery of the Bonds). Additional copies of the final Official Statement may be obtained by purchaser at its own expense by arrangement with the printer.

CONTINUING DISCLOSURE

The Town will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as Appendix C to the Official Statement (the "Continuing Disclosure Agreement"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, (i) annual financial information and operating data, (ii) notice of the occurrence of certain events with respect to the Bonds, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement.

CUSIP NUMBERS

The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. The Municipal Advisor will obtain CUSIP numbers for the Bonds prior to delivery, and the Town will not be responsible for any delay occasioned by the inability to deposit such Bonds with DTC due to the failure to obtain such numbers and to supply them to the Town in a timely manner. Neither the failure to print such CUSIP number on any Bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for such Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Town; *provided, however*, that the Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the winning bidder.

DELIVERY AND PAYMENT

It is expected that the closing on the Bonds will occur on or about December 14, 2023 in New York, New York, against payment in immediately available Federal funds.

THOMAS SPARKMAN,
First Selectman

CHRIS MAYNARD,
Treasurer

November 21, 2023

**FORM OF ISSUE PRICE RULE SELECTION CERTIFICATE
(if Competitive Sale Requirements Not Met)**

Town of Lisbon, Connecticut
\$4,400,000* General Obligation Bonds, Issue of 2023

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE], [on behalf of itself and [OTHER UNDERWRITERS], hereby certifies that it will use the rule selected below for the respective maturity of the above-captioned bonds (the “Bonds”), as described in the Notice of Sale for the Bonds, dated November 21, 2023 (the “Notice of Sale”). For a description of the requirements of each rule, please refer to the section “ESTABLISHMENT OF ISSUE PRICE; OBLIGATIONS OF WINNING BIDDER - *If Competitive Sale Requirements Not Met*” in the Notice of Sale. Capitalized terms used but not defined herein are defined in the Notice of Sale.

<u>Date of Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	10% Sale Rule (Underwriter has or will comply with 10% Sale Rule for this Maturity)		Hold the Offering Price Rule (Underwriter will comply with Hold the Offering Price Rule for this Maturity)	
			<u>Check Box</u>	<u>Sales Price</u>	<u>Check Box</u>	<u>Initial Offering Price</u>
08/15/2024	\$220,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/15/2025	220,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/15/2026	220,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/15/2027	220,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/15/2028	220,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/15/2029	220,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/15/2030	220,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/15/2031	220,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/15/2032	220,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/15/2033	220,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/15/2034	220,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/15/2035	220,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/15/2036	220,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/15/2037	220,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/15/2038	220,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/15/2039	220,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/15/2040	220,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/15/2041	220,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/15/2042	220,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/15/2043	220,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____

(All Sales Prices or Initial Offering Prices must be filled in prior to the delivery date of the Bonds)

[NAME OF UNDERWRITER / REPRESENTATIVE]

By: _____
Name:
Title:

Email this completed and executed certificate by 5:00 P.M. (Eastern Time) on November 30, 2023, to the following:

Bond Counsel: lhall@hawkins.com

Municipal Advisor: susan.caron@munistat.com

*Preliminary, subject to change.