

Appendix N

2021 Promissory Note Official Statement

FINAL OFFICIAL STATEMENT DATED FEBRUARY 23, 2021

In the opinion of Quarles & Brady LLP, Bond Counsel, under existing law interest on the Notes is included in gross income for federal income tax purposes. See "TAXABILITY OF INTEREST" herein. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

The Town will NOT designate the Notes as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Notes to the extent permitted under prior law.

New Issue

Rating: Moody's Investors Service, Inc. "Aa3"

TOWN OF LISBON, WISCONSIN (Waukesha County)

\$3,360,000 TAXABLE GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2021A

PURPOSE/AUTHORITY/SECURITY: The \$3,360,000 Taxable General Obligation Promissory Notes, Series 2021A (the "Notes") of the Town of Lisbon, Wisconsin (the "Town") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, for public purposes, including paying the cost of water, sewer and street improvements in Tax Incremental District No. 1. The Notes are general obligations of the Town, and all the taxable property in the Town is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF NOTES: March 17, 2021

DATE OF DELIVERY: March 17, 2021

SERIAL MATURITIES: March 1 as follows:

CUSIP					CUSIP				
Base					Base				
Year	Amount	Interest Rate	Yield	536531	Year	Amount	Interest Rate	Yield	536531
2023	\$50,000	0.300%	0.300%	DE3	2028	\$100,000	1.150%	1.150%	DK9
2024	\$100,000	0.400%	0.400%	DF0	2029	\$100,000	1.350%	1.350%	DL7
2025	\$100,000	0.650%	0.650%	DG8	2030	\$100,000	1.450%	1.450%	DM5
2026	\$100,000	0.800%	0.800%	DH6	2031	\$2,610,000	1.550%	1.550%	DN3
2027	\$100,000	1.000%	1.000%	DJ2					

OPTIONAL REDEMPTION: Notes maturing on March 1, 2030 and thereafter are subject to call for prior optional redemption on March 1, 2029 or any date thereafter, at a price of par plus accrued interest.

INTEREST: March 1, 2022 and semiannually thereafter.

PAYING AGENT: The Town Treasurer.

BOND COUNSEL: Quarles & Brady LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein.

The Notes are offered, subject to prior sale, when, as and if accepted by the Underwriter named below and subject to an opinion as to the validity by Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, and certain other conditions. It is expected that delivery of the Notes will be made on or about March 17, 2021 against payment therefor. Subject to applicable securities laws and prevailing market conditions, the Underwriter intends, but is not obligated, to effect secondary market trading in the Notes. For information with respect to the Underwriter, see "Underwriting" herein.

PIPER SANDLER & CO.

Minneapolis, Minnesota

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the Town to give any information or to make any representation other than those contained in the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Town. ***This Final Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Final Official Statement is not to be construed as a contract with the Underwriter. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact.

Ehlers and Associates, Inc. ("Ehlers") prepared this Final Official Statement relying on information of the Town and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Final Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the Town, is contingent upon the delivery of the Notes.

The Underwriter has reviewed the information in this Final Official Statement in accordance with, and as a part of, the Underwriter's responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Final Official Statement: Copies of the Final Official Statement will be delivered to the Underwriter within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Final Official Statement describes the conditions under which the Town is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Notes, the Underwriter will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Notes and all times subsequent thereto up to and including the time of the delivery of the Notes, this Final Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Notes; (3) a certificate evidencing the due execution of the Notes, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Notes, (b) neither the corporate existence or boundaries of the Town nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Notes have been repealed, revoked or rescinded.

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TOWN OF LISBON TOWN BOARD

		<u>Term Expires</u>
Joseph Osterman	Town Chairman	April 2021
Linda Beal	Town Supervisor	April 2022
Douglas Brahm	Town Supervisor	April 2022
Marc Moonen	Town Supervisor	April 2021
Rebecca Plotecher	Town Supervisor	April 2021

ADMINISTRATION

Kathleen Nickolaus, Town Administrator

Elisa Cappozzo, Town Clerk

Joan Siefert, Town Treasurer

PROFESSIONAL SERVICES

James Hammes, Town Attorney, Waukesha, Wisconsin

Quarles & Brady LLP, Bond Counsel, Milwaukee, Wisconsin

Ehlers and Associates, Inc., Municipal Advisors, Waukesha, Wisconsin
(Other offices located in Roseville, Minnesota and Denver, Colorado)

INTRODUCTORY STATEMENT

This Final Official Statement contains certain information regarding the Town of Lisbon, Wisconsin (the "Town") and the issuance of its \$3,360,000 Taxable General Obligation Promissory Notes, Series 2021A (the "Notes"). Any descriptions or summaries of the Notes, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Notes included in the resolution awarding the sale of the Notes (the "Award Resolution") adopted by the Board of Supervisors on February 22, 2021.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Waukesha, Wisconsin, (262) 785-1520, the Town's Municipal Advisor. A copy of this Final Official Statement is available at emma.msrb.org.

THE NOTES

GENERAL

The Notes will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of March 17, 2021. The Notes will mature on March 1 in the years and amounts set forth on the cover of this Final Official Statement. Interest will be payable on March 1 and September 1 of each year, commencing March 1, 2022, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB").

Unless otherwise specified by the purchaser, the Notes will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Notes are held under the book-entry system, beneficial ownership interests in the Notes may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Notes shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Notes shall be payable as provided in the Award Resolution.

The Town Treasurer will serve as paying agent (the "Paying Agent"). The Town reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the Town, the Notes maturing on or after March 1, 2030 shall be subject to optional redemption prior to maturity on March 1, 2029 or any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Notes subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Notes to be redeemed shall be at the discretion of the Town. If only part of the Notes having a common maturity date are called for redemption, then the Town or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, for public purposes, including paying the cost of water, sewer and street improvements in Tax Incremental District No. 1.

SOURCES AND USES

Sources			
Par Amount of Notes	\$3,360,000		
Estimated Interest Earnings	<u>2,060</u>		
Total Sources			\$3,362,060
Uses			
Total Underwriter's Discount	\$12,089		
Costs of Issuance	51,200		
Deposit to Project Construction Fund	3,295,475		
Rounding Amount	<u>3,296</u>		
Total Uses			\$3,362,060

SECURITY

For the prompt payment of the Notes with interest thereon and for the levy of taxes sufficient for this purpose, the full faith, credit and resources of the Town will be irrevocably pledged. The Town will levy a direct, annual, irrevocable tax on all taxable property in the Town sufficient to pay the interest on the Notes when it becomes due and also to pay and discharge the principal on the Notes at maturity, in compliance with Article XI, Section 3 of the Wisconsin Constitution. Such tax may, under current law, be levied without limitation as to rate or amount.

RATING

The Town received a rating of "Aa3" on the Notes from Moody's Investors Service, Inc. ("Moody's"), and bidders were notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Notes.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Notes, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the Town nor the underwriter undertake responsibility to bring to the attention of the owner of the Notes any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Notes, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the Town shall agree to provide certain information to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events.

On the date of issue and delivery, the Town shall execute and deliver a Continuing Disclosure Certificate, under which the Town will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the Town are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the Town to comply with any Disclosure Undertaking will not constitute an event of default on the Notes. However, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

In the previous five years, the Town believes it has not failed to comply in all material respects with its prior undertakings under the Rule. The Town has reviewed its continuing disclosure responsibilities along with any changes to the Rule, to ensure compliance. Ehlers is currently engaged as dissemination agent for the Town.

LEGAL OPINION

An opinion as to the validity of the Notes will be furnished by Quarles & Brady LLP, of Milwaukee, Wisconsin, bond counsel to the Town. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the Town; provided that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

STATEMENT REGARDING BOND COUNSEL PARTICIPATION

Bond Counsel has not assumed responsibility for this Official Statement or participated in its preparation (except with respect to the section entitled "Taxability of Interest" in the Official Statement and the "Form of Legal Opinion" found in the Appendix B) and has not performed any investigation as to its accuracy, completeness or sufficiency.

TAXABILITY OF INTEREST

Interest on the Notes is included in gross income for present Federal income tax purposes. Interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The Town will NOT designate the Notes as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Notes to the extent permitted under prior law.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the Town in connection with the issuance of the Notes. The Municipal Advisor cannot participate in the underwriting of the Notes. The financial information included in this Final Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor. Ehlers makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Final Official Statement, and its assistance in preparing this Final Official Statement should not be construed as a representation that it has independently verified such information.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

Bond Trust Services Corporation ("BTSC") and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the Town, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the Town under an agreement separate from Ehlers.

UNDERWRITING

The Underwriter named on the cover page hereof (the "Underwriter") has agreed to purchase the Notes from the Town for a purchase price of \$3,347,911.14 plus accrued interest to the date of closing. The Underwriter will be obligated to purchase all such Notes if any such Notes are purchased. The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investment trusts) at prices lower than the offering prices derived from the coupons and yields for each maturity set forth on the cover page.

INDEPENDENT AUDITORS

The basic financial statements of the Town for the fiscal year ended December 31, 2019, have been audited by Baker Tilly Virchow Krause, LLP, Milwaukee, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Final Official Statement.

RISK FACTORS

Following is a description of possible risks to holders of the Notes without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

Taxes: The Notes are general obligations of the Town, the ultimate payment of which rests in the Town's ability to levy and collect sufficient taxes to pay debt service. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the Town in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the state may affect the overall financial condition of the Town, the taxable value of property within the Town, and the ability of the Town to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the Town and to the Notes. The Town can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the Town or the taxing authority of the Town.

Ratings; Interest Rates: In the future, the Town's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Notes for resale prior to maturity.

Continuing Disclosure: A failure by the Town to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Notes. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Notes in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Notes to the accounts of the Beneficial Owners of the Notes may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the Town to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Notes.

Depository Risk: Wisconsin Statutes direct the local treasurer to immediately deposit upon receipt thereof, the funds of the municipality in a public depository designated by the governing body. A public depository means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank or national bank in Wisconsin or the local government pooled investment fund operated by the State Investment Board. It is not uncommon for a municipality to have deposits exceeding limits of federal and state insurance programs. Failure of a depository could result in loss of public funds or a delay in obtaining them. Such a loss or delay could interrupt a timely payment of municipal debt.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the Town, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the Town may have an adverse effect on the value of the Notes in the secondary market.

Secondary Market for the Notes: No assurance can be given that a secondary market will develop for the purchase and sale of the Notes or, if a secondary market exists, that such Notes can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Notes at the request of the owners thereof. Prices of the Notes as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Notes. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Notes will be similarly qualified. See "MUNICIPAL BANKRUPTCY" herein.

Cybersecurity: The Town is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the Town will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

Impact of the Spread of COVID-19: In late 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and President Trump declaring a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19. The effects of the spread of COVID-19 and the government and private responses to the spread continue to rapidly evolve. COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which the coronavirus impacts the Town and its financial condition will depend on future developments, which are highly uncertain and cannot be predicted by the Town, including the duration of the outbreak and measures taken to address the outbreak.

On March 12, 2020, Wisconsin Governor Tony Evers declared a public health emergency in the State in response to the growing threat of COVID-19. That declaration included direction to the state Department of Health Services to use any and all required resources to respond to and contain the outbreak. Governor Evers followed that up with a "safer at home" order (the "Order") on March 24, 2020, closing nonessential businesses, banning gatherings of any size and imposing strict travel restrictions through April 24, 2020. On April 16, 2020, the Order was extended from April 24, 2020 through May 26, 2020. Schools remained closed for the duration of the 2019-2020 school year, but certain non-essential businesses were allowed to open operations on a limited basis during this time, including curbside pickup, delivery, mailings and minimum basic operations.

Also on April 16, 2020, President Trump outlined "Guidelines for Opening Up America Again," a three-phased approach to restarting the economy based on public health experts' advice. The guidelines start with a set of criteria that should be met before starting phases one to three. The criteria include a downward trajectory of people with flu-like and COVID-19-like symptoms for 14 days; a downward trajectory of documented cases for 14 days or a downward trajectory of positive tests as a percentage of total tests over a 14-day period; and hospitals with the ability to treat all patients without crisis care and a robust testing program for at-risk healthcare workers.

On April 20, 2020, Governor Evers announced Wisconsin's three-phased approach to reopening the State's economy, based on President Trump's guidelines, including similar criteria to be met before phase one can begin. On April 21, 2020, Republican legislators in the State filed a lawsuit challenging the legality of the Order. On May 13, 2020, the Wisconsin Supreme Court ruled that the State's Order is unlawful, invalid and unenforceable because the emergency rulemaking procedures under Section 227.24 of the Wisconsin Statutes and procedures established by the Wisconsin Legislature for rulemaking if criminal penalties were to follow were not followed in connection with the Order. The Supreme Court's decision does not invalidate any local health officials' orders or prevent future local health officials' orders related to the COVID-19 pandemic.

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provides for federal payments from the Coronavirus Relief Fund to the State for the discrete purpose of covering expenses directly incurred as a result of COVID-19 between March 1 and December 30, 2020. On May 27, 2020, Governor Tony Evers announced a program titled, "Routes to Recovery: Local Government Aid Grants," which will distribute \$190 million of the State's Coronavirus Relief Fund monies to all counties, cities, villages and towns across Wisconsin for unbudgeted eligible expenditures incurred due to COVID-19 between March 1 and November 17, 2020. The State allocated funds based on population with a guaranteed minimum allocation of \$5,000. The Town's allocation is \$171,078. These funds will be disbursed up to the amount of the allocation after eligible expenditures are reported through the State's cost tracker application.

On July 30, 2020, Governor Evers issued Executive Order #82, declaring a public health emergency in Wisconsin to combat the spread of COVID-19. In conjunction with Executive Order #82, Governor Evers issued Emergency Order #1, requiring most people to wear face coverings when indoors, with certain exemptions in accordance with CDC guidelines. The public health emergency and mask orders have been extended multiple times, with the most recent extension on January 19, 2021 through March 20, 2021. On February 4, 2021, the Wisconsin Assembly voted to repeal the Governor's order requiring face coverings. Later that same day, Governor Evers issued a new Emergency Order #1 requiring the use of face coverings through March 20, 2021.

On October 6, 2020, Emergency Order #3 was issued, which limited public gatherings to no more than 25% of the total occupancy limits for the room or building (or no more than 10 people for indoor spaces without occupancy limits), with certain exceptions. Emergency Order #3 expired November 6, 2020.

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Notes. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement and the Appendices hereto.

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

Section 70.57, Wisconsin Statutes, requires the Department of Revenue to annually determine the equalized value (also referred to as full equalized value or aggregate full value) of all taxable property in each county and taxation district. The equalized value is an independent estimate of value used to equate individual local assessment policies so that property taxes are uniform throughout the various subdivisions in the State. Equalized value is calculated based on the history of comparable sales and information about value changes or taxing status provided by the local assessor. A comparison of the State-determined equalized value and the local assessed value, expressed as a percentage, is known as the assessment ratio or level of assessment. The Department of Revenue notifies each county and taxing jurisdiction of its equalized value on August 15; school districts are notified on October 1. The equalized value of each county is the sum of the valuations of all cities, villages, and towns within its boundaries. Taxing jurisdictions lying in more than one municipality, such as counties, school districts, or special taxing districts, use the equalized value of the underlying units in calculating and levying their respective levies. Equalized values are also used to apportion state aids and calculate municipal general obligation debt limits.

Assessed Value

The "assessed value" of taxable property in a municipality is determined by the local assessor, except for manufacturing properties which are valued by the State. Each city, village or town retains its own local assessor, who must be certified by the State Department of Revenue. Assessed value is used by these municipalities to determine tax levy mill rates and to apportion levies among individual property owners. Each taxing district must assess property at full value at least once in every five-year period. The State requires that the assessed values must be within 10% of State equalized values at least once every four years. The local assessor values property as of January 1 each year and submits those values to each municipality by the second Monday in June. The assessor also reports any value changes taking place since the previous year, to the Department of Revenue, by the second Monday in June.

The economic impact of COVID-19 may impact assessed and equalized valuations of property in the State, including in the Town. The Town cannot predict the extent of any such changes, but a material decrease in the equalized valuations of property in the Town may materially adversely affect the financial condition of the Town (see "RISK FACTORS - Impact of the Spread of COVID-19" herein).

CURRENT PROPERTY VALUATIONS

2020 Equalized Value	\$1,402,089,000
2020 Equalized Value Reduced by Tax Increment Valuation	\$1,400,979,300
2020 Assessed Value	\$1,132,029,166

2020 EQUALIZED VALUE BY CLASSIFICATION

	2020 Equalized Value¹	Percent of Total Equalized Value
Residential	\$ 1,299,576,900	92.689%
Commercial	67,200,200	4.793%
Manufacturing	18,076,500	1.289%
Agricultural	1,132,700	0.081%
Undeveloped	2,601,700	0.186%
Ag Forest	3,229,200	0.230%
Forest	1,468,800	0.105%
Other	4,833,500	0.345%
Personal Property	3,969,500	0.283%
Total	<u>\$ 1,402,089,000</u>	<u>100.000%</u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value¹	Percent Increase/Decrease in Equalized Value
2016	\$1,062,244,111	\$1,164,817,900	7.68%
2017	1,076,970,435	1,192,883,600	2.41%
2018	1,090,571,753	1,241,417,799	4.07%
2019	1,109,803,669	1,322,314,000	6.52%
2020	1,132,029,166	1,402,089,000	6.03%

Source: Wisconsin Department of Revenue, Bureau of Equalization and Local Government Services Bureau.

¹ Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2020 Equalized Value¹	Percent of Town's Total Equalized Value
Alex Rentals	Rentals	\$ 6,495,272	0.46%
Individual	Residential Real Estate	4,236,628	0.30%
American Mobile Home Communities	Mobile Home Park	4,230,312	0.30%
Barnwood Conservancy	Commercial Real Estate	4,183,742	0.30%
Storage Works	Storage	3,606,695	0.26%
John & Marilyn Spitz Joint Trust	Golf Course	3,379,419	0.24%
Jeff Fillinger	Storage Units	3,220,883	0.23%
Individual	Residential Real Estate	2,945,179	0.21%
Kroeger Properties	Commercial Real Estate	2,589,711	0.18%
West Shore Holdings	Commercial Real Estate	2,559,119	0.18%
Total		\$ 37,446,960	2.21%

Town's Total 2020 Equalized Value² \$1,402,089,000

Source: The Town.

¹ Calculated by dividing the 2020 Assessed Values by the 2020 Aggregate Ratio of assessment for the Town.

² Includes tax increment valuation.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes)	<u>\$ 10,128,623</u>
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Revenue Debt (see schedules following)

Total revenue debt secured by sewer revenues	<u>\$ 812,722</u>
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¹ Outstanding debt is as of the dated date of the Notes.

Town of Lisbon, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 03/17/2021)

Calendar Year Ending	Promissory Bank Notes		Promissory Bank Notes		Promissory Bank Notes		Promissory Notes (Radio Note)		Promissory Bank Notes	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	65,000	1,024			56,700	1,701	0	0	0	2,398
2022			59,425	1,189	56,700	2,268	2,913	0	53,925	3,957
2023			59,425	1,189	56,700	1,134			53,925	2,372
2024					56,700				53,925	791
2025										
2026										
2027										
2028										
2029										
2030										
2031										
2032										
2033										
2034										
2035										
2036										
Dated Amount	08/01/2011 \$650,000	08/15/2012 \$594,250	08/01/2013 \$567,000	02/15/2014 \$23,304	03/01/2014 \$539,250					
Maturity	08/01	08/15	08/01	02/15	03/01					

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Town of Lisbon, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 03/17/2021)

Dated Amount	Promissory Notes Series 2016A		State Trust Fund Loan		Promissory Bank Note Series 2020		Taxable Promissory Notes Series 2021A		Total P & I	Total Interest	Total Principal	Principal Outstanding	% Paid	Calendar Year Ending
	07/07/2016 \$8,060,000	03/01	07/26/2016 \$1,700,000	03/15	02/28/2020 \$250,000	01/15	03/17/2021 \$3,360,000	03/01						
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total P & I	Total Interest	Total Principal	Principal Outstanding	% Paid	Calendar Year Ending
2021	0	46,750	0	0	0	2,143	0	0	236,329	55,204	181,125	9,947,498	1.79%	2021
2022	900,000	84,500	70,537	47,624	35,714	3,929	0	69,001	1,391,682	212,468	1,179,214	8,768,284	13.43%	2022
2023	915,000	66,350	73,006	45,156	35,714	3,214	50,000	47,330	1,349,901	165,556	1,184,345	7,583,939	25.12%	2023
2024	935,000	47,850	75,444	42,717	35,714	2,500	100,000	47,055	1,340,996	140,913	1,200,084	6,383,855	36.97%	2024
2025	955,000	28,950	78,202	39,960	35,714	1,786	100,000	46,530	1,286,141	117,226	1,168,916	5,214,939	48.51%	2025
2026	970,000	9,700	80,939	37,223	35,714	1,071	100,000	45,805	1,280,452	93,799	1,186,653	4,028,286	60.23%	2026
2027			83,771	34,390	35,714	357	100,000	44,905	299,138	79,652	219,486	3,808,801	62.40%	2027
2028			86,617	31,544			100,000	43,830	261,991	75,374	186,617	3,622,184	64.24%	2028
2029			89,735	28,426			100,000	42,580	260,741	71,006	189,735	3,432,449	66.11%	2029
2030			92,876	25,286			100,000	41,180	259,341	66,466	192,876	3,239,573	68.02%	2030
2031			96,126	22,035			2,610,000	20,228	2,748,389	42,263	2,706,126	533,446	94.73%	2031
2032			99,440	18,722					118,161	18,722	99,440	434,007	95.72%	2032
2033			102,971	15,190					118,161	15,190	102,971	331,036	96.73%	2033
2034			106,575	11,586					118,161	11,586	106,575	224,460	97.78%	2034
2035			110,305	7,856					118,161	7,856	110,305	114,155	98.87%	2035
2036			114,155	4,006					118,161	4,006	114,155	0	100.00%	2036
	4,675,000	284,100	1,360,699	411,722	214,286	15,000	3,360,000	448,443	11,305,910	1,177,287	10,128,623			

**Sewer System Revenue Bonds
(CWFL-Sussex)
Series 2007**

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DEBT LIMIT

The constitutional and statutory general obligation debt limit for Wisconsin municipalities, including towns, cities, villages, and counties (Article XI, Section 3 of the Wisconsin Constitution and Section 67.03, Wisconsin Statutes) is 5% of the current equalized value.

Equalized Value	\$ 1,402,089,000
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$ 70,104,450
Less: General Obligation Debt (includes the Notes)	<u>(10,128,623)</u>
Unused Debt Limit	<u><u>\$ 59,975,827</u></u>

OVERLAPPING DEBT¹

Taxing District	2020 Equalized Value ²	% In Town	Total G.O. Debt ³	Town's Proportionate Share
Waukesha County	\$ 62,620,157,900	2.24%	\$ 84,665,000	\$ 1,896,496
Hamilton School District	3,975,428,783	18.44%	53,505,000	9,866,322
Arrowhead UHS	6,752,140,019	9.91%	432,628	42,873
Merton School District	1,055,290,360	33.16%	331,818	110,031
Waukesha County Technical College District	64,072,165,069	2.19%	23,080,000	<u>505,452</u>
Town's Share of Total Overlapping Debt				<u><u>\$ 12,421,174</u></u>

¹ Overlapping debt is as of the dated date of the Notes. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

² Includes tax increment valuation.

³ Outstanding debt based on information obtained on EMMA and the Municipal Advisor's records.

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$1,402,089,000	Debt/ Per Capita 10,564¹
Total General Obligation Debt (includes the Notes)	\$ 10,128,623	0.72%	\$ 958.79
Town's Share of Total Overlapping Debt	<u>12,421,174</u>	<u>0.89%</u>	<u>1,175.80</u>
Total	\$ 22,549,797	1.61%	\$ 2,134.59

DEBT PAYMENT HISTORY

The Town has no record of default in the payment of principal and interest on its debt.

FUTURE FINANCING

Aside from the Notes, the Town plans to refinance the 2016 State Trust Fund Loan for approximately \$1.4 million within the next 12 months.

¹ Estimated 2020 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for Town Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2016/17	\$3,853,077	100%	\$3.31
2017/18	4,049,921	100%	3.40
2018/19	4,168,181	100%	3.36
2019/20	4,253,507	100%	3.22
2020/21	4,410,606	In Process	3.15

Property tax statements are distributed to taxpayers by the town, village, and city treasurers in December of the levy year. Current state law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing entities on or about August 20 of the collection year.

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Uncollected personal property taxes owed by an entity that has ceased operations or filed a petition for bankruptcy, or are due on personal property that has been removed from the next assessment roll are collected from each taxing entity in the year following the levy year.

The spread of COVID-19 and responses taken by the United States government, state governments, local governments and private industries have caused significant disruptions to the national and State economy. See "RISK FACTORS - Impact of the Spread of COVID-19" herein. On April 15, 2020, Governor Tony Evers signed into law 2019 Wisconsin Act 185, which provided that for property taxes payable in 2020, a taxation district could, after making a general or case-by-case finding of hardship, choose to waive interest or penalties on property tax installment payments paid after April 1, 2020 but on or before October 1, 2020. In order to take such action, the county board of supervisors was required to first adopt a resolution authorizing such waiver and determining criteria for determining hardship and then the taxation district was required to subsequently adopt a similar resolution. In the case of a county adopting such a resolution, the county proportionally settled with the taxation districts any taxes, interest and penalties collected on or before July 31, 2020 on August 20, 2020, and settled the remaining unpaid

taxes, interest, and penalties on September 20, 2020. The County and the Town did not adopt such resolutions. The Town cannot predict whether any similar legislation may be adopted in the future or whether and how much payment of property taxes will be impacted by COVID-19 in future years. Any delays or reduction in the receipt of property taxes may materially adversely impact the Town's finances and payment of debt obligations, including the Notes.

PROPERTY TAX RATES

Full value rates for property taxes expressed in dollars per \$1,000 of equalized value (excluding tax increment valuation) that have been collected in recent years have been as follows:

Year Levied/ Year Collected	Schools¹	County	Local	Other²	Total
2016/17	\$9.84	\$2.28	\$3.31	\$0.21	\$15.64
2017/18	9.38	2.22	3.40	0.04	15.04
2018/19	9.12	2.15	3.36	0.04	14.67
2019/20	9.03	2.06	3.22	0.07	14.38
2020/21	8.26	2.00	3.15	0.04	13.45

Source: Property Tax Rates were extracted from Statement of Taxes prepared by the Wisconsin Department of Revenue, Division of State and Local Finance.

LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and

¹ The Schools tax rate reflects the composite rate of all local school districts and technical college district.

² Includes the state reforestation tax which is apportioned to each county on the basis of its full value. Counties, in turn, apportion the tax to the tax districts within their borders on the basis of full value. It also includes taxes levied for special purpose districts such as metropolitan sewerage districts, sanitary districts, and public inland lake protection districts. Tax increment values are not included. State property taxes were eliminated in the State's 2017 - 2019 budget act.

by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

Beginning with levies imposed in 2015, if a political subdivision does not make an adjustment in its levy as described in the above paragraph in the current year, the political subdivision may increase its levy by the aggregate amount of the differences between the political subdivision's valuation factor in the previous year and the actual percent increase in a political subdivision's levy attributable to the political subdivision's valuation factor in the previous year, for the five years before the current year, less any amount of such aggregate amount already claimed as an adjustment in any of the previous five years. The calculation of the aggregate amount available for such adjustment may not include any year before 2014, and the maximum adjustment allowed may not exceed 5%. The use of the adjustment described in this paragraph requires approval by a two-thirds vote of the political subdivision's governing body, and the adjustment may only be used if the political subdivision's level of outstanding general obligation debt in the current year is less than or equal to the political subdivision's level of outstanding general obligation debt in the previous year.

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other adjustments to and exclusions from the tax levy limit. Among the exclusions, Section 66.0602(3)(e)5. of the Wisconsin Statutes provides that the levy limit does not apply to "the amount that a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under Section 66.0621 by that political subdivision." Recent positions taken by Wisconsin Department of Revenue ("DOR") staff call into question the availability of this exception, including by limiting its availability depending on the circumstances surrounding the pertinent revenue shortfall. To date, such DOR positions have not been expressed formally in a declaratory ruling under Section 227.41(5)(a) of the Wisconsin Statutes, nor have they been the subject of any court challenge or resulting court ruling.

With respect to general obligation debt service, the following provisions are made:

- (a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.
- (b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.
- (c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

The Notes were authorized after July 1, 2005 and therefore the levy limits do not apply to taxes levied to pay debt service on the Notes.

THE ISSUER

TOWN GOVERNMENT

The Town was incorporated in 1839 and is governed by a five-member Board, including Chairperson. All Board Members are elected to two-year terms. The appointed Town Administrator, Town Clerk and Town Treasurer are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The Town employs a staff of 17 full-time, 53 part-time, and 13 seasonal employees. All eligible employees in the Town are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

Town employees are generally required to contribute half of the actuarially determined contributions, and the Town generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2017 ("Fiscal Year 2017"), the fiscal year ended December 31, 2018 ("Fiscal Year 2018") and the fiscal year ended December 31, 2019 ("Fiscal Year 2019"), the Town's portion of contributions to WRS (not including any employee contributions) totaled \$77,446, \$75,349 and \$86,628 respectively.

The Town implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") for Fiscal Year 2016.

GASB 68 requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2018, the total pension liability of the WRS was calculated as \$100.3 billion and the fiduciary net position of the WRS was calculated as \$96.7 billion, resulting in a net pension liability of \$3.6 billion. The spread of COVID-19 has significantly impacted investment markets, which may impact the funded status of the WRS and future contribution requirements as a result (see "RISK FACTORS - Impact of the Spread of COVID-19" herein).

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2019, the Town reported a liability of \$257,018 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2018 based on the Town's share of contributions to the pension plan relative to the contributions of all participating employers. The Town's proportion was 0.00722431% of the aggregate WRS net pension liability as of December 31, 2018.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

All eligible Town personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32, which altered the collective bargaining rights of public employees in Wisconsin.

As a result of the 2011 amendments to MERA, the Town is prohibited from bargaining collectively with municipal employees, other than public safety and transit employees, with respect to any factor or condition of employment except total base wages. Even then, the Town is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless Town were to seek approval for a higher increase through a referendum). Ultimately, the Town can unilaterally implement the wages for a collective bargaining unit.

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the Town, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. As a practical matter, it is anticipated that strikes will be rare. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is the base wage rates, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement. Impasse resolution for public safety employees and transit employees is subject to final and binding arbitration procedures, which do not include a right to strike. Interest arbitration is available for transit employees if certain conditions are met.

The Town does not work with any bargaining units that may represent employees of the Town.

OTHER POST EMPLOYMENT BENEFITS

The Town provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) to employees who have terminated their employment with the Town and have satisfied specified eligibility standards through a single-employer defined benefit plan. Membership of the plan consisted of 1 retiree receiving benefits and 11 active plan members as of December 31, 2019, the date of the latest actuarial valuation.

OPEB calculations are required to be updated every three years. Prior to fiscal years beginning after June 15, 2017, OPEB calculations were required to be prepared in accordance with Statement No. 45 of the Governmental Accounting Standards Board ("GASB 45") regarding retiree health and life insurance benefits, and related standards. For fiscal years beginning after June 15, 2017, OPEB calculations are required to be prepared in accordance with Statements No. 74 and No. 75 of the Governmental Accounting Standards Board ("GASB 74/75"). An actuarial study for the plan prepared in accordance with GASB 74/75 was most recently completed by Key Benefits Concepts, LLC in March, 2019 with an actuarial valuation date of December 31, 2017 (the "Actuarial Report").

For Fiscal Year 2019, the Town's contributions for the plan totaled \$10,255. The Town's current funding practice is to pay the amount of benefits due in a given year on a "pay-as-you-go" basis.

Under GASB 75, a net OPEB liability (or asset) is calculated as the difference between the plan's total OPEB liability and the plan's fiduciary net position, which terms have similar meanings as under GASB 68 for pension plans.

As of December 31, 2019, the plan's total OPEB liability was \$250,689 and the plan fiduciary net position was \$0, resulting in a net OPEB liability of \$250,689.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. For more detailed information, see "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the Town or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Notes or otherwise questioning the validity of the Notes.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Notes are outstanding, in a way that would allow the Town to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the Town to file for relief under Chapter 9. If, in the future, the Town were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the Town could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the Town is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the Town could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Notes could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Notes, and there could ultimately be no assurance that holders of the Notes would be paid in full or in part on the Notes. Further, under such circumstances, there could be no assurance that the Notes would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Notes could be viewed as having no priority (a) over claims of other creditors of the Town; (b) to any particular assets of the Town, or (c) to revenues otherwise designated for payment to holders of the Notes.

Moreover, if the Town were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Notes would not occur.

FUNDS ON HAND (as of February 5, 2021)

Fund	Total Cash and Investments
LGIP - General	\$ 374,952
LGIP - Police	58,015
LGIP - Fire	233,847
Tri City Money Market	112,993
Waukesha State Bank Money Market	525,860
Waukesha State Bank Payroll Checking	15,042
Waukesha State Bank AP	284,938
Waukesha State Bank Tax Savings	8,927,390
Waukesha State Bank Sewer Study CD	117,887
Waukesha State Bank CD	209,988
Town Bank CD	568,654
Waukesha State Bank Brokerage Account	425,623
Total Funds on Hand	<u><u>\$ 11,855,189</u></u>

ENTERPRISE FUNDS

Revenues available for debt service for the Town's enterprise funds have been as follows as of December 31 each year:

	2017 Audited	2018 Audited	2019 Audited
Storm Water			
Total Operating Revenues	\$ 234,870	\$ 227,541	\$ 232,187
Less: Operating Expenses	<u>(152,944)</u>	<u>(201,399)</u>	<u>(165,428)</u>
Operating Income	\$ 81,926	\$ 26,142	\$ 66,759
Plus: Depreciation	<u>8,402</u>	<u>8,950</u>	<u>9,264</u>
Revenues Available for Debt Service	<u><u>\$ 90,328</u></u>	<u><u>\$ 35,092</u></u>	<u><u>\$ 76,023</u></u>

SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the Town's General Fund. These summaries are not purported to be the complete audited financial statements of the Town, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the Town. Copies of the complete audited financial statements are available upon request. See Appendix A for the Town's 2019 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2017 Audited	2018 Audited	2019 Audited	2020 Projected ¹	2021 Adopted Budget ²
Revenues					
Taxes	\$ 2,588,110	\$ 2,721,276	\$ 2,790,557	\$ 2,861,504	\$ 2,855,063
Intergovernmental	426,755	481,502	554,554	470,531	630,867
Regulation and compliance	522,093	538,280	448,399	650,294	605,750
Public charges for services	1,302,459	1,536,717	1,913,590	1,932,988	1,334,688
Intergovernmental charges for services	79,743	33,321	43,778	55,000	55,000
Investment income	23,728	58,800	97,483	52,264	63,000
Miscellaneous	75,720	233,667	22,578	92,463	22,866
Total Revenues	<u>\$ 5,018,608</u>	<u>\$ 5,603,563</u>	<u>\$ 5,870,939</u>	<u>\$ 6,115,044</u>	<u>\$ 5,567,234</u>
Expenditures					
Current:					
General government	\$ 932,912	\$ 968,747	\$ 898,625	\$ 997,866	\$ 886,859
Public safety	1,662,603	1,845,219	2,309,050	2,119,580	2,171,986
Public works	912,981	934,287	931,312	846,300	1,446,560
Sanitation	749,733	768,759	794,038	830,928	876,600
Culture and recreation	158,244	173,186	148,208	146,828	185,229
Debt service	0	3,159	0	0	340,917
Total Expenditures	<u>\$ 4,416,473</u>	<u>\$ 4,693,357</u>	<u>\$ 5,081,233</u>	<u>\$ 4,941,502</u>	<u>\$ 5,908,151</u>
Excess of revenues over (under) expenditures	\$ 602,135	\$ 910,206	\$ 789,706	\$ 1,173,542	\$ (340,917)
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	0	53,875	119,200	0	0
Transfers in	22,682	0	0	0	0
Transfers out	(569,469)	(572,019)	(826,427)	(890,260)	0
Total Other Financing Sources (Uses)	<u>\$ (546,787)</u>	<u>\$ (518,144)</u>	<u>\$ 365,573</u>	<u>\$ (890,260)</u>	<u>\$ 0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ 55,348	\$ 392,062	\$ 1,155,279	\$ 283,282	\$ (340,917)
General Fund Balance January 1	2,490,598	2,545,946	2,938,008	4,093,287	4,376,569
Fund balance applied	0	0	0	0	340,917
General Fund Balance December 31	<u>\$ 2,545,946</u>	<u>\$ 2,938,008</u>	<u>\$ 4,093,287</u>	<u>\$ 4,376,569</u>	<u>\$ 4,376,569</u>
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$ 94,343	\$ 88,800	\$ 89,643	\$ 56,872	
Restricted	13,500	0	0	0	
Committed	0	0	0	0	
Assigned	132,138	760,000	275,000	183,000	
Unassigned	2,305,965	2,089,208	3,728,644	4,136,697	
Total	<u>\$ 2,545,946</u>	<u>\$ 2,938,008</u>	<u>\$ 4,093,287</u>	<u>\$ 4,376,569</u>	

¹ Projected data is as of December 31, 2021.

² The 2021 budget was adopted on November 23, 2020.

GENERAL INFORMATION

LOCATION

The Town, with a 2010 U.S. Census population of 10,157 and a current estimated population of 10,564 comprises an area of approximately 29 square miles and is located in north central Waukesha County. The Town is 20 miles north of Waukesha and 25 miles northwest of Milwaukee.

LARGER EMPLOYERS¹

Larger employers in Waukesha County include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Kohl's Corporation	Retail stores	5,500
ProHealth Care	Medical care	4,338
Froedtert	Medical care	4,000
Quad Graphics	Printers	3,000
Aurora Health Care	Medical care	2,800
Roundy's (Kroger)	Food wholesale/retail	2,579
General Electric Medical Systems	Medical products	2,397
Target Corporation	Retail	1,830
Eaton Cooper Power Systems	Manufacturing	1,675
Wal-Mart Corporation	Retail	1,517
School District of Waukesha	Education	1,500
Milwaukee Tool/Empire Level	Manufacturing	1,500
Waukesha County	Government	1,389

Source: Data Axle, written and telephone survey (January 2021), 2021 Waukesha County CAFR.

¹ This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above. Some employers do not respond to inquiries for employment data. Estimates provided are accurate as of the date noted and may not reflect changes in the number of employees resulting from the current COVID-19 pandemic. (See "RISK FACTORS - Impact of the Spread of COVID-19").

BUILDING PERMITS

	2017	2018	2019	2020	2021 ¹
<u>New Single Family Homes</u>					
No. of building permits	33	31	32	52	8
Valuation	\$12,275,000	\$11,988,999	\$13,674,000	\$19,964,186	\$2,876,191
<u>New Multiple Family Buildings</u>					
No. of building permits	0	0	0	0	0
Valuation	\$0	\$0	\$0	\$0	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	4	3	4	1	0
Valuation	\$6,120,000	\$36,111,000	\$2,950,000	\$150,000	\$0
<u>All Building Permits</u>					
<i>(including additions and remodelings)</i>					
No. of building permits	129	95	117	246	20
Valuation	\$22,041,200	\$50,334,399	\$19,629,000	\$23,834,301	\$3,511,418

Source: The Town.

¹ As of February 5, 2021.

U.S. CENSUS DATA

Population Trend: The Town

2000 U.S. Census	9,359
2010 U.S. Census	10,157
2020 Estimated Population	10,564
Percent of Change 2000 - 2010	8.53%

Income and Age Statistics

	The Town	Waukesha County	State of Wisconsin	United States
2019 per capita income	\$47,035	\$46,073	\$33,375	\$34,103
2019 median household income	\$100,665	\$87,277	\$61,747	\$62,843
2019 median family income	\$115,525	\$108,123	\$78,679	\$77,263
2019 median gross rent	\$1,218	\$1,046	\$856	\$1,062
2019 median value owner occupied units	\$298,900	\$282,300	\$180,600	\$217,500
2019 median age	49.0 yrs.	43.2 yrs.	39.5 yrs.	38.1 yrs.

	State of Wisconsin	United States
Town % of 2019 per capita income	140.93%	137.92%
Town % of 2019 median family income	146.83%	149.52%

Housing Statistics

	<u>The Town</u>		
	2010	2019	Percent of Change
All Housing Units	3,661	4,169	13.88%

Source: 2000 and 2010 Census of Population and Housing, and 2019 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities with populations under 25,000.

Year	<u>Average Employment</u>	<u>Average Unemployment</u>	
	Waukesha County	Waukesha County	State of Wisconsin
2016	217,425	3.4%	4.0%
2017	219,636	2.9%	3.3%
2018	219,707	2.6%	3.0%
2019	218,151	2.9%	3.3%
2020, November ¹	215,941	4.0%	4.5%

Source: Wisconsin Department of Workforce Development.

¹ Preliminary.

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the Town's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The Town has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Final Official Statement, nor has the Town requested that the Auditor consent to the use of such financial statements in this Final Official Statement. Although the inclusion of the financial statements in this Final Official Statement is not intended to demonstrate the fiscal condition of the Town since the date of the financial statements, in connection with the issuance of the Notes, the Town represents that there have been no material adverse change in the financial position or results of operations of the Town, nor has the Town incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

TOWN OF LISBON

Lisbon, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2019

TOWN OF LISBON

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TOWN OF LISBON

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INDEPENDENT AUDITORS' REPORT

To the Town Board
Town of Lisbon
Lisbon, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lisbon, Wisconsin, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town of Lisbon's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

To the Town Board
Town of Lisbon

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lisbon, Wisconsin, as of December 31, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, Town of Lisbon adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, effective January 1, 2019. Our opinions are not modified with respect to this matter.

As discussed in Note I, Town of Lisbon adopted the provisions of GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, effective January 1, 2019. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

To the Town Board
Town of Lisbon

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lisbon's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Baker Tilly Virchow Krause, LLP

Milwaukee, Wisconsin
April 23, 2020

TOWN OF LISBON

STATEMENT OF NET POSITION As of December 31, 2019

	Primary Government		
	Governmental	Business -	
	Activities	type	Totals
	Activities	Activities	
ASSETS			
Cash and investments	\$ 5,511,131	\$ 283,324	\$ 5,794,455
Taxes receivable	5,119,766	231,584	5,351,350
Delinquent personal property taxes receivable	4,838	-	4,838
Accounts receivable, net	529,199	-	529,199
Internal balances	4,055	(4,055)	-
Prepaid items	84,805	-	84,805
Land held for resale	1,709,545	-	1,709,545
Capacity entitlements, net	1,201,017	-	1,201,017
Capital assets			
Land	558,240	-	558,240
Other capital assets	37,383,836	818,496	38,202,332
Less: Accumulated depreciation/amortization	(19,086,158)	(51,121)	(19,137,279)
Total Assets	<u>33,020,274</u>	<u>1,278,228</u>	<u>34,298,502</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	23,038	-	23,038
Pension related amounts	708,305	-	708,305
Total Deferred Outflows of Resources	<u>731,343</u>	<u>-</u>	<u>731,343</u>
LIABILITIES			
Accounts payable and accrued liabilities	367,440	2,931	370,371
Deposits	111,479	200	111,679
Accrued interest payable	96,143	-	96,143
Noncurrent liabilities			
Due within one year	1,718,479	-	1,718,479
Due in more than one year	9,464,614	-	9,464,614
Total Liabilities	<u>11,758,155</u>	<u>3,131</u>	<u>11,761,286</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related amounts	356,863	-	356,863
OPEB related amounts	4,397	-	4,397
Unearned revenues	5,139,904	231,584	5,371,488
Total Deferred Inflows of Resources	<u>5,501,164</u>	<u>231,584</u>	<u>5,732,748</u>
NET POSITION			
Net investment in capital assets	10,393,972	767,375	11,161,347
Restricted:			
Library	10,710	-	10,710
Park	52,839	-	52,839
Building	169,966	-	169,966
Fire operations	31,819	-	31,819
Sewer study	104,937	-	104,937
Unrestricted	<u>5,728,055</u>	<u>276,138</u>	<u>6,004,193</u>
TOTAL NET POSITION	<u>\$ 16,492,298</u>	<u>\$ 1,043,513</u>	<u>\$ 17,535,811</u>

See accompanying notes to financial statements.

TOWN OF LISBON

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2019

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Totals	
Governmental activities								
General government	\$ 964,660	\$ 130,207	\$ -	\$ -	\$ (834,453)	\$ -	\$ (834,453)	
Public safety	2,517,976	1,249,516	57,544	-	(1,210,916)	-	(1,210,916)	
Public works	1,808,522	151,624	333,466	62,436	(1,260,996)	-	(1,260,996)	
Sanitation	794,038	842,506	-	-	48,468	-	48,468	
Culture and recreation	174,781	26,889	-	-	(147,892)	-	(147,892)	
Conservation and development	458,157	106,118	-	-	(352,039)	-	(352,039)	
Interest and fiscal charges	226,455	-	-	-	(226,455)	-	(226,455)	
Total governmental activities	6,944,589	2,506,860	391,010	62,436	(3,984,283)	-	(3,984,283)	
Business-type activities								
Utility District No. 1 - Stormwater and Refuse	165,428	232,187	-	-	-	66,759	66,759	
Total business-type activities	165,428	232,187	-	-	-	66,759	66,759	
Total primary government	\$ 7,110,017	\$ 2,739,047	\$ 391,010	\$ 62,436	(3,984,283)	66,759	(3,917,524)	
General revenues								
Taxes								
Property taxes, levied for general purposes					2,680,002	-	2,680,002	
Property taxes, levied for debt service					1,488,180	-	1,488,180	
Other taxes					110,555	-	110,555	
Intergovernmental revenues not restricted to specific programs					177,744	-	177,744	
Investment income					102,477	-	102,477	
Gain on sale of capital assets					1,192,000	-	1,192,000	
Miscellaneous					35,708	-	35,708	
Total general revenues					5,786,666	-	5,786,666	
Change in net position					1,802,383	66,759	1,869,142	
NET POSITION - Beginning of Year					14,689,915	976,754	15,666,669	
NET POSITION - END OF YEAR					\$ 16,492,298	\$ 1,043,513	\$ 17,535,811	

See accompanying notes to financial statements.

TOWN OF LISBON

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2019

	General	Debt Service Fund	Capital Projects - Equipment Acquisition Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 3,400,462	\$ 21,279	\$ 1,662,731	\$ 426,659	\$ 5,511,131
Taxes receivable	3,631,586	1,488,180	-	-	5,119,766
Delinquent personal property taxes receivable	4,838	-	-	-	4,838
Accounts receivable (net)	498,047	-	30,242	910	529,199
Due from other funds	501,704	-	-	-	501,704
Prepaid items	84,805	-	-	-	84,805
TOTAL ASSETS	\$ 8,121,442	\$ 1,509,459	\$ 1,692,973	\$ 427,569	\$ 11,751,443
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)					
Liabilities					
Accounts payable	\$ 177,960	\$ -	\$ 49,716	\$ 52,613	\$ 280,289
Accrued liabilities	86,992	-	-	157	87,149
Deposits	111,479	-	-	-	111,479
Due to other funds	-	-	-	497,649	497,649
Total Liabilities	376,431	-	49,716	550,419	976,566
Deferred inflows of resources					
Unearned revenue	3,651,724	1,488,180	-	-	5,139,904
Fund Balances (Deficits)					
Nonspendable	89,643	-	-	-	89,643
Restricted	-	21,279	-	370,271	391,550
Committed	-	-	1,643,257	38,204	1,681,461
Assigned	275,000	-	-	-	275,000
Unassigned (deficits)	3,728,644	-	-	(531,325)	3,197,319
Total Fund Balances (deficits)	4,093,287	21,279	1,643,257	(122,850)	5,634,973
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ 8,121,442	\$ 1,509,459	\$ 1,692,973	\$ 427,569	
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. See Note II. A.					18,855,918
The net pension liability does not relate to current financial resources and is not reported in the governmental funds.					(257,018)
Land held for resale does not relate to current financial resources and is not reported in the governmental funds.					1,709,545
Capacity entitlements do not relate to current financial resources and are not reported in the governmental funds.					1,201,017
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.					708,305
Deferred outflows of resources related to deferred charges for refundings do not relate to current financial resources and are not reported in the governmental funds.					23,038
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.					(356,863)
The total other postemployment benefit liability does not relate to current financial resources and is not reported in the governmental funds.					(250,689)
Deferred inflows of resources related to other postemployment benefits do not relate to current financial resources and are not reported in the governmental funds.					(4,397)
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note II. A.					(10,771,531)
NET POSITION OF GOVERNMENTAL FUNDS					\$ 16,492,298

See accompanying notes to the financial statements.

TOWN OF LISBON

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For the Year Ended December 31, 2019

	General	Debt Service Fund	Capital Projects - Equipment Acquisition Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 2,790,557	\$ 1,488,180	\$ -	\$ -	\$ 4,278,737
Intergovernmental revenues	554,554	-	-	-	554,554
Regulation and compliance	448,399	-	-	-	448,399
Public charges for services	1,913,590	-	-	53,973	1,967,563
Intergovernmental charges for services	43,778	-	62,436	38,353	144,567
Investment income	97,483	-	4,241	753	102,477
Miscellaneous	22,578	-	32,132	3,966	58,676
Total Revenues	<u>5,870,939</u>	<u>1,488,180</u>	<u>98,809</u>	<u>97,045</u>	<u>7,554,973</u>
EXPENDITURES					
Current					
General government	898,625	-	-	-	898,625
Public safety	2,309,050	-	-	-	2,309,050
Public works	931,312	-	-	31,197	962,509
Sanitation	794,038	-	-	-	794,038
Culture and recreation	148,208	-	-	3,604	151,812
Conservation and development	-	-	-	458,157	458,157
Capital Outlay	-	-	152,761	-	152,761
Debt Service					
Principal	-	1,590,842	-	-	1,590,842
Interest	-	257,338	-	-	257,338
Total Expenditures	<u>5,081,233</u>	<u>1,848,180</u>	<u>152,761</u>	<u>492,958</u>	<u>7,575,132</u>
Excess (deficiency) of revenues over expenditures	<u>789,706</u>	<u>(360,000)</u>	<u>(53,952)</u>	<u>(395,913)</u>	<u>(20,159)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	1,192,000	-	-	-	1,192,000
Transfers in	-	360,000	466,427	92,644	919,071
Transfers out	(826,427)	-	-	(92,644)	(919,071)
Total Other Financing Sources (Uses)	<u>365,573</u>	<u>360,000</u>	<u>466,427</u>	<u>-</u>	<u>1,192,000</u>
Net Change in Fund Balances	1,155,279	-	412,475	(395,913)	1,171,841
FUND BALANCE - BEGINNING OF YEAR	<u>2,938,008</u>	<u>21,279</u>	<u>1,230,782</u>	<u>273,063</u>	<u>4,463,132</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 4,093,287</u>	<u>\$ 21,279</u>	<u>\$ 1,643,257</u>	<u>\$ (122,850)</u>	<u>\$ 5,634,973</u>

See accompanying notes to financial statements.

TOWN OF LISBON

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds	\$ 1,171,841
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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 net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	152,761
Some items reported as current expenditures were capitalized	30,299
Depreciation is recorded in the government-wide statements	(1,117,397)
Net book value of assets disposed of	(4,000)

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

Principal repaid	1,590,842
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Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Accrued sick and vacation pay	(55,312)
Net pension liability	(465,388)
Deferred outflows of resources related to pension and OPEB	314,395
Deferred inflows of resources related to pension and OPEB	53,071
Total other postemployment benefit liability	269
Amortization of deferred charge on refunding	(11,520)
Amortization of premium on long-term debt	30,723
Accrued interest on debt	11,680
Amortization of capacity entitlements	100,119

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 1,802,383
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See accompanying notes to financial statements.

TOWN OF LISBON

STATEMENT OF NET POSITION PROPRIETARY FUND As of December 31, 2019

	Business-type Activities - Enterprise Fund
	<u>Storm Water Fund</u>
ASSETS	
CURRENT ASSETS	
Cash and investments	\$ 283,324
Taxes receivable	<u>231,584</u>
Total Current Assets	<u>514,908</u>
NON-CURRENT ASSETS	
Capital assets	
Property and equipment	818,496
Less: Accumulated depreciation/amortization	<u>(51,121)</u>
Total Non-Current Assets	<u>767,375</u>
Total Assets	<u>1,282,283</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	1,549
Accrued liabilities	1,382
Deposits	200
Due to other funds	<u>4,055</u>
Total Current Liabilities	<u>7,186</u>
DEFERRED INFLOWS OF RESOURCES	
Subsequent year's tax levy	<u>231,584</u>
NET POSITION	
Investment in capital assets	767,375
Unrestricted	<u>276,138</u>
TOTAL NET POSITION	<u>\$ 1,043,513</u>

See accompanying notes to financial statements.

TOWN OF LISBON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUND For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Fund
	<u>Storm Water Fund</u>
OPERATING REVENUES	
Charges for services	\$ 232,187
OPERATING EXPENSES	
Operation and maintenance	156,164
Depreciation	9,264
Total Operating Expenses	<u>165,428</u>
Operating Income before Capital Contributions	66,759
CAPITAL CONTRIBUTIONS	<u>-</u>
Change in Net Position	66,759
NET POSITION - Beginning of Year	<u>976,754</u>
NET POSITION - END OF YEAR	<u>\$ 1,043,513</u>

See accompanying notes to financial statements.

TOWN OF LISBON

STATEMENT OF CASH FLOWS PROPRIETARY FUND For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Fund
	Storm Water Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from customers	\$ 232,187
Paid to vendors for goods and services	(111,369)
Paid to employees for services	(48,190)
Net Cash Flows from Operating Activities	<u>72,628</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	-
Grant received	-
Net Cash Flows from Capital and Related Financing Activities	<u>-</u>
Net Change in Cash and Cash Equivalents	72,628
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>210,696</u>
CASH AND CASH EQUIVALENTS - End of Year	<u><u>\$ 283,324</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES:	
Operating income	\$ 66,759
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation expense	9,264
Changes in assets and liabilities	
Taxes receivable	(2,659)
Accounts payable	(4,202)
Accrued liabilities	807
Deferred inflow of resources - subsequent year's tax levy	<u>2,659</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u><u>\$ 72,628</u></u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	
None	

See accompanying notes to financial statements.

TOWN OF LISBON

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUND As of December 31, 2019

	Custodial Fund
	<u>Tax Roll Fund</u>
ASSETS	
Cash and cash equivalents	\$ 10,706,909
Taxes receivable	<u>4,070,162</u>
Total Assets	<u>14,777,071</u>
LIABILITIES	
Liabilities	
Accounts payable	7,210
Due to other taxing units	<u>14,769,861</u>
Total Liabilities	<u>14,777,071</u>
NET POSITION	<u>\$ -</u>

See accompanying notes to financial statements.

TOWN OF LISBON

STATEMENT OF CHANGE IN FIDUCIARY NET POSITION FIDUCIARY FUND

For the Year Ended December 31, 2019

	Custodial Fund
	<u>Tax Roll Fund</u>
ADDITIONS	
Tax collections	<u>\$ 11,298,117</u>
DEDUCTIONS	
Payments to overlying districts	<u>11,298,117</u>
Net Change in Net Position	-
NET POSITION - BEGINNING OF YEAR	<u>-</u>
NET POSITION - END OF YEAR	<u>\$ -</u>

See accompanying notes to financial statements.

TOWN OF LISBON

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TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In January 2017, the GASB issued statement No. 84 - *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. This standard was implemented January 1, 2019.

In March 2018, the GASB issued statement No. 88 - *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. This standard was implemented January 1, 2019.

Government-Wide Financial Statements

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

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

TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

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

Fund Financial Statements

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

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

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

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

The town reports the following major governmental funds:

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

The town reports the following major enterprise fund:

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

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TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

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

Fund Financial Statements (cont.)

The town reports the following nonmajor governmental funds:

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

Library Fund
Building Fund
Compost Fund

Park Fund
Fire Operations Fund

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

TID #1 Fund
Sewer Study Fund

In addition, the town reports the following fund type:

Custodial Funds - used to account for and report assets controlled by the town and the assets are for the benefit of individuals, private organizations, and/or other governmental units.

Tax Roll Fund

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

Government-Wide Financial Statements

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

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

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TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

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

Fund Financial Statements

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

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

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

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

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

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

All Financial Statements

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

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TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

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

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

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

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

No policy exists for the following risks:

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

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

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TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2019, the fair value of the town's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note IV. A. for further information.

2. Receivables

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

Property tax calendar - 2019 tax roll:

Lien date and levy date	December 2019
Tax bills mailed	December 2019
Payment in full, or	January 31, 2020
First installment due	January 31, 2020
Second installment due	July 31, 2020
Personal property taxes in full	January 31, 2020
Tax sale - 2019 delinquent real estate taxes	October 2022

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

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

TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

3. Prepaid Items

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

4. Capital Assets

Government-Wide Statements

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

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

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

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

Fund Financial Statements

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

TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

5. Deferred Outflows of Resources

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

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

6. Compensated Absences

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2019, are determined on the basis of current salary rates and include salary related payments.

7. Long-Term Obligations/Conduit Debt

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

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

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

8. Deferred Inflows of Resources

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

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TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

9. Equity Classifications

Government-Wide Statements

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

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

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

Fund Statements

Governmental fund balances are displayed as follows:

- Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Town Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Town Board that originally created the commitment.

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TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

9. Equity Classifications (cont.)

Fund Statements (cont.)

- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Town Board has, by resolution, adopted a financial policy authorizing the Administrator to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

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

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

The town has a formal minimum fund balance policy. That policy is to maintain a working capital fund of 20% of the ensuring year's budgeted general fund expenditures with a target of 30%. The balance at year end was \$1,101,241, and is included in unassigned general fund fund balance.

See Note IV. F. for further information.

10. Pension

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

11. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the Town OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

12. Basis for Existing Rates

Storm Water Fund

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

13. Land Held for Resale

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

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

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

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

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

Land	\$	558,240
Buildings and improvements		3,043,581
Equipment and furnishings		5,556,272
Infrastructure		28,737,973
Intangible - software		46,010
Less: Accumulated depreciation		(19,086,158)
Combined Adjustment for Capital Assets	\$	18,855,918

TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

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

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

Bonds and notes payable	\$	9,347,943
Accumulated sick and vacation pay		194,799
Accrued interest		96,145
Village of Sussex contract payable		917,581
Unamortized debt premium		215,063
Combined Adjustment for Long-Term Liabilities	\$	<u>10,771,531</u>

NOTE III - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
Capital Project Fund - Equipment acquisition fund	\$ 143,000	\$ 152,761	\$ 9,761

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

TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

C. DEFICIT BALANCES

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

As of December 31, 2019, the following individual funds held a deficit balance:

Fund	Amount	Reason
Capital Project Fund - TID #1 Fund	\$ 531,325	Expenditures exceeding revenue sources

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

D. LIMITATIONS ON THE TOWN'S TAX LEVY

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

TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

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

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 13,873,444	\$ 13,968,308	Custodial credit
LGIP	2,627,720	2,627,720	Credit
Petty cash	200	-	N/A
Total Deposits and Investments	<u>\$ 16,501,364</u>	<u>\$ 16,596,028</u>	

Reconciliation to financial statements

Per statement of net position	
Unrestricted cash and investments	\$ 5,794,455
Per statement of fiduciary net position	
Tax Roll Fund	<u>10,706,909</u>
Total Deposits and Investments	<u>\$ 16,501,364</u>

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

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

The town maintains collateral agreements with its banks. At December 31, 2019, the banks had pledged various government securities in the amount of \$13,884,935 to secure the town's deposits.

Custodial Credit Risk

Deposits

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

TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk (cont.)

Deposits (cont.)

The town does not have any deposits exposed to custodial credit risk.

Credit Risk

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

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

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

B. RECEIVABLES

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

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

Property taxes receivable for subsequent year	<u>Unearned</u> <u>\$ 5,371,488</u>
Total Unearned/Unavailable Revenue for Governmental and Proprietary Funds	<u>\$ 5,371,488</u>

TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 558,240	\$ -	-	\$ 558,240
Total Capital Assets Not Being Depreciated	558,240	-	-	558,240
Capital assets being depreciated/amortized				
Buildings and improvements	3,043,581	-	-	3,043,581
Equipment and furnishings	5,538,031	43,229	24,988	5,556,272
Infrastructure	28,598,142	139,831	-	28,737,973
Intangibles - software	46,010	-	-	46,010
Total Capital Assets Being Depreciated/Amortized	37,225,764	183,060	24,988	37,383,836
Total Capital Assets	37,784,004	183,060	24,988	37,942,076
Less: Accumulated depreciation/amortization for				
Buildings and improvements	(1,028,271)	(48,876)	-	(1,077,147)
Equipment and furnishings	(2,501,800)	(298,566)	20,988	(2,779,378)
Infrastructure	(14,458,528)	(767,654)	-	(15,226,182)
Intangibles - software	(1,150)	(2,301)	-	(3,451)
Total Accumulated Depreciation/Amortization	(17,989,749)	(1,117,397)	20,988	(19,086,158)
Net Capital Assets Being Depreciated/Amortized	19,236,015	(934,337)	4,000	18,297,678
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation/Amortization	\$ 19,794,255	\$ (934,337)	\$ 4,000	\$ 18,855,918

Depreciation/amortization expense was charged to functions as follows:

Governmental Activities	
General government	\$ 54,418
Public safety	160,857
Public works	879,778
Culture and recreation	22,344
Total Governmental Activities Depreciation/Amortization Expense	\$ 1,117,397

TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

C. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciation				
Land	\$ 530,141	\$ -	-	\$ 530,141
Total Capital Assets Not Being Depreciated	530,141	-	-	530,141
Capital assets being depreciated/amortized				
Storm water infrastructure	280,686	-	-	280,686
Intangible - software	7,669	-	-	7,669
Total Capital Assets Being Depreciated/Amortized	288,355	-	-	288,355
Total Capital Assets	818,496	-	-	818,496
Less: Accumulated depreciation for				
Storm water infrastructure	(41,665)	(8,881)	-	(50,546)
Intangible - software	(192)	(383)	-	(575)
Total Accumulated Depreciation	(41,857)	(9,264)	-	(51,121)
Net Capital Assets Being Depreciated/Amortized	246,498	(9,264)	-	237,234
Business-type Capital Assets, Net of Accumulated Depreciation	\$ 776,639	\$ (9,264)	\$ -	\$ 767,375

TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund Receivables/Payables

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

Receivable Fund	Payable Fund	Amount
General Fund	Storm Water Fund	\$ 4,055
General Fund	Special revenue fund - compost fund	1,838
General Fund	Capital projects fund - TID #1 fund	495,811
Total - Fund Financial Statements		501,704
Less: Government-wide eliminations		(497,649)
Total Internal Balances - Government-Wide Statement of Net Position		\$ 4,055

All amounts are due within one year.

The principal purpose of these interfunds is to fund cash deficits. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
Debt Service Fund	General Fund	\$ 360,000	To cover debt service costs.
Capital Projects Fund - Equipment Acquisition fund	General Fund	466,427	Sinking fund budget for capital costs.
Special Revenue - Building Fund	Special Revenue - Fire Operations Fund	92,644	To include in proper fund.
Total - Fund Financial Statements		919,071	
Less: Fund eliminations		(919,071)	
Total Transfers - Government-Wide Statement of Activities		\$ -	

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

TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 10,836,531	\$ -	\$ 1,488,588	\$ 9,347,943	\$ 1,493,672
Village of Sussex Contracts Payable	1,019,835	-	102,254	917,581	104,858
(Discounts)/Premiums	245,786	-	30,723	215,063	-
Sub-totals	12,102,152	-	1,621,565	10,480,587	1,598,530
Other Liabilities					
Accumulated sick and vacation pay	139,487	175,261	119,949	194,799	119,949
Other postemployment benefits liability	250,958	-	269	250,689	-
Net pension liability	-	257,018	-	257,018	-
Total Other Liabilities	390,445	432,279	120,218	702,506	119,949
Total Governmental Activities Long-Term Liabilities	\$ 12,492,597	\$ 432,279	\$ 1,741,783	\$ 11,183,083	\$ 1,718,479

In accordance with Wisconsin Statutes, total general obligation indebtedness of the town may not exceed 5% of the equalized value of taxable property within the town's jurisdiction. The debt limit as of December 31, 2019, was \$66,115,700. Total general obligation debt outstanding at year end was \$9,347,943.

General Obligation Debt

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

Governmental Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
General Obligation Debt					
General obligation debt	07/01/10	07/01/20	3.05%	\$ 550,000	\$ 55,000
General obligation debt	08/01/11	08/01/21	3.15	650,000	130,000
General obligation debt	08/15/12	08/15/22	2.00	594,250	178,275
General obligation debt	08/01/13	08/01/23	2.00	567,000	226,800
General obligation debt	03/01/14	03/01/24	2.90	539,250	269,625
General obligation debt	12/11/14	03/15/21	.5 - 1.9	2,115,000	550,000
General obligation debt	01/01/15	02/15/22	0.00	23,304	8,684
General obligation debt	07/07/16	03/01/26	2.00	8,060,000	6,435,000
General obligation debt	07/26/16	03/15/36	3.50	1,700,000	1,494,559
Total Governmental Activities - General Obligation Debt				\$ 9,347,943	\$ 9,347,943

TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

E. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Principal	Interest
2020	\$ 1,493,672	\$ 201,147
2021	1,481,115	168,484
2022	1,143,500	139,538
2023	1,098,631	115,011
2024	1,064,369	102,154
2025-2029	2,344,264	214,931
2030-2034	497,988	92,819
2035-2036	224,404	11,864
Totals	\$ 9,347,943	\$ 1,045,948

Village of Sussex contracts payable

Village of Sussex contracts payable at December 31, 2019 consist of the following:

Governmental Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
Village of Sussex contracts payable	2007	05/01/27	2.55%	\$ 1,912,595	\$ 917,581
Clean Water fund loan					
Total Governmental Activities Village of Sussex contracts payable				\$ 1,912,595	\$ 917,581

TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

E. LONG-TERM OBLIGATIONS (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities Village of Sussex contracts payable	
	Principal	Interest
2020	\$ 104,858	\$ 22,035
2021	107,529	19,331
2022	110,267	16,557
2023	113,076	13,713
2024	115,957	6,136
2025-2027	365,894	9,397
Totals	\$ 917,581	\$ 87,169

Other Debt Information

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

F. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2019, includes the following:

Governmental Activities	
Net Investment in Capital Assets	
Land	\$ 558,240
Other capital assets, net of accumulated depreciation/amortization	18,297,678
Less: Long-term debt outstanding	(9,347,943)
Plus: Unspent capital related debt proceeds	1,078,021
Plus: Unamortized charge on refunding	23,039
Less: Unamortized debt premium	(215,063)
Total Net Investment in Capital Assets	\$ 10,393,972

TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

F. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2019, include the following:

	General Fund	Debt Service Fund	Capital Projects - Equipment Acquisition Fund	Nonmajor Governmental Funds	Totals
Fund Balances					
Nonspendable:					
Prepaid items	\$ 84,805	\$ -	\$ -	\$ -	\$ 84,805
Delinquent personal property taxes	4,838	-	-	-	4,838
Sub-total	89,643	-	-	-	89,643
Restricted for:					
Debt service	-	21,279	-	-	21,279
Library	-	-	-	10,710	10,710
Park	-	-	-	52,839	52,839
Building	-	-	-	169,966	169,966
Fire operations	-	-	-	31,819	31,819
Sewer study	-	-	-	104,937	104,937
Sub-total	-	21,279	-	370,271	391,550
Committed to:					
Equipment acquisition	-	-	1,643,257	-	1,643,257
Compost	-	-	-	38,204	38,204
Sub-total	-	-	1,643,257	38,204	1,681,461
Assigned to:					
Other postemployment benefits	251,000	-	-	-	251,000
Impact fee study	8,000	-	-	-	8,000
Litigation	16,000	-	-	-	16,000
Sub-total	275,000	-	-	-	275,000
Unassigned (deficit):					
	3,728,644	-	-	(531,325)	3,197,319
Total Fund Balances (Deficit)	\$ 4,093,287	\$ 21,279	\$ 1,643,257	\$ (122,850)	\$ 5,634,973

TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE V - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings period.

Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

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NOTE V - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2009	(2.1)%	(42.0)%
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0

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TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE V - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

During the reporting period, the WRS recognized \$79,704 in contributions from the town.

Contribution rates for the plan year reported as of December 31, 2019 are:

Employee Category	Employee	Employer
General (Executives & Elected Officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, the town reported a liability of \$257,018 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The town's proportion of the net pension liability was based on the town's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the town's proportion was 0.00722431%, which was an increase of 0.00020631% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the town recognized pension expense of \$160,716.

TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE V - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

At December 31, 2019, the town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 200,178	\$ 353,843
Changes in assumptions	43,323	-
Net differences between projected and actual earnings on pension plan investments	375,357	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,819	3,020
Employer contributions subsequent to the measurement date	86,628	-
Totals	\$ 708,305	\$ 356,863

\$86,628 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2020	\$ 96,131
2021	23,652
2022	41,742
2023	103,289

TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE V - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset):	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	3.0%
Inflation	0.1% - 5.6%
Seniority/Merit	Wisconsin 2018 Mortality Table
Mortality:	1.9%
Post-retirement Adjustments*:	

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The Total Pension Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE V - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49%	8.1%	5.5%
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.7
Variable Fund Asset Class			
U.S. Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

Single discount rate. A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a long term bond rate of 3.71%. Because of the unique structure of WPS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE V - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sensitivity of the town's proportionate share of the net pension liability/(asset) to changes in the discount rate. The following presents the town's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.00 percent, as well as what the town's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
Town's proportionate share of the net pension liability/(asset)	\$1,021,417	\$257,018	\$(311,371)

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

At December 31, 2019, the town reported a payable to the pension plan of \$10,976, which represents contractually required contributions outstanding as of the end of the year.

B. RISK MANAGEMENT

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

C. COMMITMENTS AND CONTINGENCIES

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

From time to time, the town is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the town attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the town's financial position or results of operations.

D. OTHER POSTEMPLOYMENT BENEFITS

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

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TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE V - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

GENERAL INFORMATION ABOUT THE OPEB PLAN

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

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

Employees covered by benefit terms. At December 31, 2019, the following employees were covered by the benefit terms:

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

TOTAL OPEB LIABILITY

The town's total OPEB liability of \$250,689 was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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

The discount rate was based on the municipal bond rate..

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

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TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE V - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study conducted in 2015 using Wisconsin Retirement System experience from 2012-2014.

CHANGES IN THE TOTAL OPEB LIABILITY

	Total OPEB Liability
Balances at December 31, 2018	\$ 250,958
Changes for the year:	
Service cost	7,120
Interest	8,729
Changes in assumptions or other inputs	(5,863)
Benefit payments	(10,255)
Net changes	(269)
Balances at December 31, 2019	\$ 250,689

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 (3.0 percent) or 1-percentage-point higher (5.0 percent) than the current discount rate:

	1% Decrease (3.0%)	Discount Rate (4.0%)	1% Increase (5.0%)
Total OPEB liability	\$ 262,503	\$ 250,689	\$ 239,255

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

	1% Decrease (2.3%) Decreasing to 4.0%	Healthcare Cost Trend Rates (1.3%) Decreasing to 5.0%	1% Increase (0.3%) Decreasing to 6.0%
Total OPEB liability	\$ 233,736	\$ 250,689	\$ 269,203

TOWN OF LISBON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE V - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

OPEB EXPENSE AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended December 31, 2019, the town recognized OPEB expense of \$14,383. At December 31, 2019, the town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 4,397
Total	\$ 4,397

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

Year Ended December 31:	
2020	\$ (1,466)
2021	(1,466)
2022	(1,465)

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

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

- > Statement No. 87, Leases
- > Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- > Statement No. 91, Conduit Debt Obligations

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

TOWN OF LISBON
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE V - OTHER INFORMATION (cont.)

F. CAPACITY ENTITLEMENTS

In 1994, the Town entered into an intermunicipal agreement with the Village of Sussex to provide sewage treatment services to property owners and citizens of the town. The town is sharing in the capital costs based on a cost allocation summary. In 1994, the costs allocated to the town were \$764,716. In 2009 and 2019, upgrades and expansion to the wastewater facility were completed. The costs allocated to the town for this project were \$1,912,595 and \$220,160, respectively. The capacity entitlements asset represents the capacity rights the town as purchased in the wastewater treatment plant. The asset will be amortized over the term of the contracts of 28 and 23 years, respectively. At December 31, 2019, accumulated amortization was \$1,696,454.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF LISBON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GENERAL FUND
For the Year Ended December 31, 2019

	Budgeted Amounts	Actual	Variance with
	Original and Final		Final Budget
REVENUES			
Taxes	\$ 2,770,316	\$ 2,790,557	\$ 20,241
Intergovernmental revenues	531,735	554,554	22,819
Regulation and compliance	392,640	448,399	55,759
Public charges for services	1,417,562	1,913,590	496,028
Intergovernmental charges for services	35,000	43,778	8,778
Investment income	30,000	97,483	67,483
Miscellaneous	50,766	22,578	(28,188)
Total Revenues	5,228,019	5,870,939	642,920
EXPENDITURES			
Current			
General government	826,224	898,625	(72,401)
Public safety	1,911,372	2,309,050	(397,678)
Public works	998,859	931,312	67,547
Sanitation	838,950	794,038	44,912
Culture and recreation	186,187	148,208	37,979
Total Expenditures	4,761,592	5,081,233	(319,641)
Excess of revenues over (under) expenditures	466,427	789,706	323,279
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	-	1,192,000	1,192,000
Transfer out	(466,427)	(826,427)	(360,000)
Total other financing sources (uses)	(466,427)	365,573	832,000
Net Change in Fund Balance	-	1,155,279	1,155,279
FUND BALANCE - Beginning of Year		2,938,008	
FUND BALANCE - END OF YEAR		<u>\$ 4,093,287</u>	

See independent auditors' report and accompanying notes to required supplementary information.
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TOWN OF LISBON
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) -
WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2019

WRS Fiscal Year End Date	Proportion of the Net Pension Asset	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.006753080%	\$ (165,829)	\$ 804,079	-20.62%	102.74%
12/31/15	0.006773830%	110,073	917,335	12.00%	98.20%
12/31/16	0.006852040%	56,477	902,432	6.26%	99.12%
12/31/17	0.007018000%	(208,370)	900,604	23.14%	102.93%
12/31/18	0.007224310%	257,018	975,271	26.35%	96.45%

TOWN OF LISBON
SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2019

Town's Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 69,036	\$ (69,036)	\$ -	\$ 917,335	7.53%
12/31/16	66,397	(66,397)	-	902,432	7.36%
12/31/17	70,893	(70,893)	-	907,525	7.81%
12/31/18	75,349	(75,349)	-	900,683	8.37%
12/31/19	86,628	(86,628)	-	1,041,535	8.32%

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

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS - OTHER POSTEMPLOYMENT BENEFITS OBLIGATION - TOWN RETIREE BENEFITS PLAN For the Year Ended December 31, 2019

	2019	2018
Total OPEB Liability		
Service cost	\$ 7,120	\$ 7,120
Interest	8,729	8,396
Prior year activity	-	135,283
Changes of assumptions	(5,863)	-
Benefit payments	(10,255)	(1,796)
Net Change in Total OPEB Liability	(269)	149,003
Total OPEB Liability - Beginning	250,958	101,955
Total OPEB Liability - Ending	\$ 250,689	\$ 250,958
Covered-employee payroll	\$ 287,430	\$ 287,430
Total OPEB liability as a percentage of covered-employee payroll	87.22%	87.31%

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

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

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TOWN OF LISBON

SCHEDULE OF EMPLOYER CONTRIBUTIONS - OTHER POSTEMPLOYMENT BENEFITS OBLIGATION - TOWN RETIREE BENEFITS PLAN For the Year Ended December 31, 2019

	2019	2018
Actuarially determined contribution	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	-	-
Contribution deficiency (excess)	\$ -	\$ -
Covered-employee payroll	\$ 287,430	\$ 287,430
Contributions as a percentage of covered-employee payroll	0.00%	0.00%

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

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

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TOWN OF LISBON

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2019

BUDGETARY INFORMATION

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

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

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

WISCONSIN RETIREMENT SYSTEM

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

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

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

Changes in Assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

TOWN OTHER POST EMPLOYMENT BENEFITS

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

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

Changes in Assumptions. There were no changes in assumptions.

SUPPLEMENTARY INFORMATION

See independent auditors' report.

TOWN OF LISBON

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2019

	Special Revenue Funds					Capital Projects Funds			
	Library Fund	Park Fund	Building Fund	Fire Operations Fund	Compost Fund	TID #1 Fund	Sewer Study Fund	Total Nonmajor Funds	
ASSETS									
Cash and investments	\$ 10,710	\$ 54,439	\$ 185,566	\$ 31,819	\$ 39,188	\$ -	\$ 104,937	\$ 426,659	
Accounts receivable	-	-	-	-	910	-	-	910	
TOTAL ASSETS	\$ 10,710	\$ 54,439	\$ 185,566	\$ 31,819	\$ 40,098	\$ -	\$ 104,937	\$ 427,569	
LIABILITIES AND FUND BALANCES (DEFICITS)									
Liabilities									
Accounts payable	\$ -	\$ 1,600	\$ 15,600	\$ -	\$ -	\$ 35,413	\$ -	\$ 52,613	
Accrued liabilities	-	-	-	-	56	101	-	157	
Due to other funds	-	-	-	-	1,838	495,811	-	497,649	
Total Liabilities	-	1,600	15,600	-	1,894	531,325	-	550,419	
Fund Balances (Deficits)									
Restricted	10,710	52,839	169,966	31,819	-	-	104,937	370,271	
Committed	-	-	-	-	38,204	-	-	38,204	
Unassigned (deficits)	-	-	-	-	-	(531,325)	-	(531,325)	
Total Fund Balances (Deficits)	10,710	52,839	169,966	31,819	38,204	(531,325)	104,937	(122,850)	
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 10,710	\$ 54,439	\$ 185,566	\$ 31,819	\$ 40,098	\$ -	\$ 104,937	\$ 427,569	

TOWN OF LISBON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2019

	Special Revenue Funds					Capital Projects Funds			
	Library Fund	Park Fund	Building Fund	Fire Operations Fund	Compost Fund	TID #1 Fund	Sewer Study Fund	Total Nonmajor Funds	
REVENUES									
Public charges for services	\$ -	\$ 18,305	\$ 35,668	\$ -	\$ -	\$ -	\$ -	\$ 53,973	
Intergovernmental charges for services	-	-	-	-	38,353	-	-	38,353	
Investment income	-	-	-	753	-	-	-	753	
Miscellaneous	-	3,966	-	-	-	-	-	3,966	
Total Revenues	-	22,271	35,668	753	38,353	-	-	97,045	
EXPENDITURES									
Current									
Public works	-	-	-	-	31,197	-	-	31,197	
Culture and recreation	-	3,604	-	-	-	-	-	3,604	
Conservation and development	-	-	-	-	-	458,157	-	458,157	
Total Expenditures	-	3,604	-	-	31,197	458,157	-	492,958	
Excess (deficiency) of revenues over expenditures	-	18,667	35,668	753	7,156	(458,157)	-	(395,913)	
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	92,644	-	-	-	-	92,644	
Transfers out	-	-	-	(92,644)	-	-	-	(92,644)	
Total Other Financing Sources (Uses)	-	-	92,644	(92,644)	-	-	-	-	
Net Changes in Fund Balance	-	18,667	128,312	(91,891)	7,156	(458,157)	-	(395,913)	
FUND BALANCE (DEFICIT) - Beginning of Year	10,710	34,172	41,654	123,710	31,048	(73,168)	104,937	273,063	
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 10,710	\$ 52,839	\$ 169,966	\$ 31,819	\$ 38,204	\$ (531,325)	\$ 104,937	\$ (122,850)	

FORM OF LEGAL OPINION

(See following pages.)

Quarles & Brady LLP
411 East Wisconsin Avenue
Milwaukee, WI 53202

March 17, 2021

Re: Town of Lisbon, Wisconsin ("Issuer")
\$3,360,000 Taxable General Obligation Promissory Notes, Series 2021A,
dated March 17, 2021 ("Notes")

We have acted as bond counsel to the Issuer in connection with the issuance of the Notes. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Notes are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on March 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2023	\$ 50,000	0.30%
2024	100,000	0.40
2025	100,000	0.65
2026	100,000	0.80
2027	100,000	1.00
2028	100,000	1.15
2029	100,000	1.35
2030	100,000	1.45
2031	2,610,000	1.55

Interest is payable semi-annually on March 1 and September 1 of each year commencing on March 1, 2022.

The Notes maturing on March 1, 2030 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on March 1, 2029 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

We further certify that we have examined a sample of the Notes and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Notes have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.

2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Notes, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Notes except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Notes.

3. The interest on the Notes is included for federal income tax purposes in the gross income of the owners of the Notes.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Notes. Further, we express no opinion regarding tax consequences arising with respect to the Notes other than as expressly set forth herein.

The rights of the owners of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities 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 Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. 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.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("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 Securities 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 Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities 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 Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities 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.

5. 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 Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities 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.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities 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 Agent, 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 securities 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, Agent, 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 Agent, 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.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Town or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. 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, Security certificates will be printed and delivered to DTC.
12. 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.

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages.)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Town of Lisbon, Waukesha County, Wisconsin (the "Issuer") in connection with the issuance of \$3,360,000 Taxable General Obligation Promissory Notes, Series 2021A, dated March 17, 2021 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on February 22, 2021 (the "Resolution") and delivered to Piper Sandler & Co. (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data annually and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). The Issuer is an obligated person with respect to not more than \$10,000,000 in aggregate amount of outstanding municipal securities (including the Securities but excluding obligations exempt from the Rule). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Final Official Statement dated February 23, 2021 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). 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.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the Town Board of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the Town of Lisbon, Waukesha County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Town Administrator of the Issuer who can be contacted at W234 N8676 Woodside Road, Lisbon, Wisconsin 53089, phone (262) 246-6100, fax (262) 820-2023.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ended December 31, 2020, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference financial information and operating data that is customarily prepared and publicly available, to wit:

1. Audited Financial Statements; and
2. The Issuer's adopted annual budget.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

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 or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, 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 holders of the Securities, 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.

For the purposes of the event identified in subsection (a)12. above, the 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 governmental 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.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a)(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, then the Issuer agrees that it will give an event notice and that the next Annual Report it submits after such amendment will include a comparison between 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 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A

default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 17th day of March, 2021.

(SEAL)

Joseph Osterman
Chairperson

Elisa Cappozzo
Town Clerk