

**TOWN OF LEDGEVIEW, WISCONSIN**  
**ANNUAL FINANCIAL REPORT**  
**DECEMBER 31, 2011**

**TOWN OF LEDGEVIEW, WISCONSIN**

December 31, 2011

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## INDEPENDENT AUDITORS' REPORT ON BASIC FINANCIAL STATEMENTS

To the Town Board  
Town of Ledgeview, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Ledgeview, Wisconsin ("the Town") as of and for the year ended December 31, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Ledgeview's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2011, and the respective changes in financial position, thereof and the respective budgetary comparison for the general fund, fire department operations fund and the park committee fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note A.2, the Town has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for the fiscal year ended December 31, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2012, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not part of the 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 response 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.

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



Certified Public Accountants  
Green Bay, Wisconsin  
March 13, 2012

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## Management's Discussion and Analysis December 31, 2011

As management of the Town of Ledgeview, we offer readers of the Town's basic financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2011.

### Financial Highlights

- The assets of the Town exceeded its liabilities as of December 31, 2011 by \$10,320,477 (*net assets*).
- The government's total net assets decreased by \$1,448,215.
- As of December 31, 2011, the Town's governmental funds reported combined ending fund balances of \$3,646,607. Approximately 24% of this total amount, \$861,449 is *available for spending* at the Town's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$861,449, or 55% of total general fund expenditures and transfers out for the fiscal year.
- The Town of Ledgeview's general obligation debt increased by \$2,950,000. The increase is primarily due to the issuance of general obligation debt in the amount of \$3,400,000. The debt was then used to finance park improvements, equipment purchases and road construction during 2011. \$1,718,249 of the borrowing was unspent in 2011.

### Overview of the Basic Financial Statements

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

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

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

The *statement of activities* presents information showing how the Town's net assets changed during the most recent year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the Town include general government, public safety, public works, health and human services, culture, recreation and education, and conservation and development.

The government-wide financial statements can be found on pages 9 - 10 of this report.

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

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

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

The Town maintains 10 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, fire department operations, park committee, capital projects, capital improvements, and debt service all of which are considered to be major funds. Data from the other 4 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds in the form of *combining statements* appear elsewhere in this report.

The Town adopts an annual appropriated budget for all its governmental funds. As part of the basic governmental fund financial statements, budgetary comparison statements have been provided for the general fund and for each individual, major special revenue fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 11 - 19 of this report.

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

The basic fiduciary fund financial statements can be found on page 20 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 21 - 37 of this report.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the basic financial statements. Combining statements and individual fund schedules can be found on pages 38 - 41.

## Government-wide Financial Analysis

**Net assets.** As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by \$1,320,477 at the close of 2011.

<b>Town of Ledgeview's Net Assets</b> (in thousands of dollars)		
	Governmental Activities	
	2011	2010
Current and other assets	\$ 6,156,708	\$ 4,070,919
Capital assets	15,113,897	15,300,711
Total Assets	<u>21,270,605</u>	<u>19,371,630</u>
Long-term liabilities outstanding	8,449,717	5,559,611
Other liabilities	2,500,411	2,278,066
Total Liabilities	<u>10,950,128</u>	<u>7,837,677</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	9,552,744	9,679,615
Restricted	317,554	411,794
Unrestricted	450,179	1,442,544
Total Net Assets	<u>\$ 10,320,477</u>	<u>\$ 11,533,953</u>

By far the largest portion of the Town's net assets (92.5%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure, etc.); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although, the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net assets (0.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$450,179) may be used to meet the Town's ongoing obligations to citizens and creditors.

**Change in net assets.** Governmental activities decreased the Town's net assets by \$1,448,215, thereby accounting for all of the total decrease in net assets of the Town. A key element of this decrease is as follows:

- An increase of \$1,121,419 in public works expenditures relating to substantial road construction on county roads completed during 2011.

<b>Town of Ledgeview's Change in Net Assets</b>		
<b>(In thousands of dollars)</b>		
	Governmental Activities	
	2011	2010
Revenues		
Program Revenues		
Charges for services	\$ 614,546	\$ 404,686
Operating grants and contributions	232,110	269,938
Capital grants and contributions	66,846	14,719
General Revenues		
Property taxes	1,458,726	1,297,312
Other taxes	7,963	77,116
Grants and contributions not restricted to specific programs	36,761	80,041
Other	74,834	54,101
<b>Total Revenues</b>	<b>2,491,786</b>	<b>2,197,913</b>
Expenses		
General government	426,921	405,114
Public safety	539,482	447,461
Public works	2,568,220	1,446,801
Health and human services	1,530	1,302
Culture and recreation	182,105	225,430
Conservation and development	27,880	124,972
Interest on long-term debt	193,863	517,727
<b>Total Expenses</b>	<b>3,940,001</b>	<b>3,168,807</b>
Change in net assets	(1,448,215)	(970,894)
Net Assets - January 1	11,533,953	12,504,847
Prior Period Adjustment	234,739	-
Fund Balance - January 1, restated	11,768,692	12,504,847
<b>Net Assets - December 31</b>	<b>\$ 10,320,477</b>	<b>\$ 11,533,953</b>

## Financial Analysis of the Town's Funds

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

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

The general fund is the main operating fund of the Town. At the end of the current year, unassigned fund balance of the general fund was \$861,449, while total fund balance reached \$1,021,952. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 55% of total general fund expenditures and transfers out, while total fund balance represents 65% of that same amount.

The debt service fund has a total fund balance of \$317,554. All of the fund balance is restricted for retirement of long-term debt.

## General Fund Budgetary Highlights

During the year, actual revenues were in excess of budgeted revenues by \$84,059 primarily due to an increase in building permits and an increase in sales of recyclables. Actual expenditures were less than budgeted expenditures by \$76,824 primarily in economic development expenses and general government wages.

## Capital Asset and Debt Administration

**Capital assets.** The Town's investment in capital assets for its governmental activities as of year end amounts to \$15,113,897 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, infrastructure (highways and bridges), and construction in progress. The total decrease in the Town's investment in capital assets for the current year was \$186,814 or 1.22% over last year. Below is a schedule of the Town's capital assets as of December 31, 2011.

Town of Ledgerview		
Capital Assets		
	Totals	
	2011	2010
Land	\$ 2,451,664	\$ 2,408,164
Land improvements	3,584,443	3,135,898
Buildings	795,891	795,891
Machinery and equipment	1,229,340	1,191,484
Infrastructure	22,879,852	22,770,326
Construction in progress	94,885	3,285
Less: Accumulated depreciation	(15,922,178)	(15,004,337)
<b>Total</b>	<b>\$ 15,113,897</b>	<b>\$ 15,300,711</b>

Major capital assets acquired or constructed during the year include:

- Land improvements at local parks in the amount of \$448,545, equipment purchases totaling \$137,156 and \$109,526 of infrastructure.

**Long-term debt.** At the end of the current fiscal year, the Town had total general obligation debt outstanding of \$8,240,000. Below is a detail of debt the Town has incurred as of December 31, 2011.

<b>Town of Ledgeview</b>		
Long-term Debt Outstanding		
	Totals	
	2011	2010
General Obligation Debt		
Bonds	\$ 4,840,000	\$ 5,290,000
Notes	3,400,000	-
Total General Obligation Debt	8,240,000	5,290,000
Capital Lease	209,717	269,611
Total	\$ 8,449,717	\$ 5,559,611

State statutes limit the amount of general obligation debt the Town may issue to 5% of its total equalized valuation of \$663,267,900. The current debt limitation for the Town is \$33,163,395. The Town's outstanding general obligation debt of \$8,240,000 less amounts available for financing general obligation debt of \$317,554 is 23.9% of its current debt limitation.

**Contacting the Town's Financial Management**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Clerk or Treasurer, Town of Ledgeview, 3700 Dickinson Road, De Pere, Wisconsin 54115.

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF LEDGEVIEW, WISCONSIN**

Statement of Net Assets

December 31, 2011

	Governmental Activities	Component Unit
	Town	Sanitary District No. 2
<b>ASSETS</b>		
Cash and investments	\$ 3,738,266	\$ 3,709,955
Receivables		
Taxes	1,531,644	-
Specials placed on tax roll	432,911	-
Accounts	52,615	302,791
Special assessments	69,463	5,672,575
Due from other governments	2,998	951,480
Inventories and prepaid items	6,676	-
Interceptor capacity	-	306,056
Sewer service area acres	-	43,715
Deferred charges	94,443	140,794
Restricted assets		
Cash and investments	227,692	3,513,989
Capital assets, nondepreciable		
Land	2,451,664	96,473
Construction in progress	94,885	33,985
Capital assets, depreciable		
Land improvements	3,584,443	304,714
Buildings	795,891	243,362
Machinery and equipment	1,229,340	1,074,160
Infrastructure	22,879,852	35,199,416
Less: Accumulated depreciation	(15,922,178)	(5,665,643)
<b>TOTAL ASSETS</b>	<b>21,270,605</b>	<b>45,927,822</b>
<b>LIABILITIES</b>		
Accounts payable	190,207	263,417
Special deposits	81,432	-
Accrued interest payable	39,393	106,810
Due to other governments	-	441,098
Unearned revenues	2,001,591	200,294
Premium on debt issue	187,788	-
Long-term obligations		
Due within one year	627,018	1,264,327
Due in more than one year	7,822,699	13,395,021
<b>TOTAL LIABILITIES</b>	<b>10,950,128</b>	<b>15,670,967</b>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	9,552,744	16,627,119
Restricted for		
Debt service	317,554	2,205,531
Park improvements	38,265	-
Bridge improvements	113,846	-
Equipment replacement	-	26,648
Unrestricted	298,068	11,397,557
<b>TOTAL NET ASSETS</b>	<b>\$ 10,320,477</b>	<b>\$ 30,256,855</b>

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

**TOWN OF LEDGEVIEW, WISCONSIN**  
Statement of Activities  
For the Year Ended December 31, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Component Unit
<b>Governmental Activities</b>						
General government	\$ 426,921	\$ 56,119	\$ -	\$ 43,500	\$ (327,302)	\$ -
Public safety	539,482	108,058	21,112	23,346	(386,966)	-
Public works	2,568,220	373,044	210,998	-	(1,984,178)	-
Health and human services	1,530	-	-	-	(1,530)	-
Culture and recreation	182,105	73,420	-	-	(108,685)	-
Conservation and development	27,880	3,905	-	-	(23,975)	-
Interest on debt	193,863	-	-	-	(193,863)	-
<b>Total Governmental Activities</b>	<b>3,940,001</b>	<b>614,546</b>	<b>232,110</b>	<b>66,846</b>	<b>(3,026,499)</b>	<b>-</b>
<b>Component Unit</b>						
Sanitary District No. 2	2,617,623	2,149,972	-	1,600	-	(466,051)
<b>Total</b>	<b>\$ 6,557,624</b>	<b>\$ 2,764,518</b>	<b>\$ 232,110</b>	<b>\$ 68,446</b>	<b>\$ (3,026,499)</b>	<b>\$ (466,051)</b>

**General revenues**

<b>Taxes</b>	
Property taxes	1,458,726
Other taxes	7,963
<b>Federal and state grants and other contributions not restricted to specific functions</b>	
	36,761
<b>Interest and investment earnings</b>	16,188
<b>Miscellaneous</b>	57,420
Gain on sale of asset	1,226
<b>Total general revenues</b>	<u>1,578,284</u>
<b>Change in net assets</b>	(1,448,215)
<b>Net Assets - January 1</b>	11,533,953
<b>Prior Period Adjustment</b>	<u>234,739</u>
<b>Fund Balance - January 1, restated</b>	<u>11,768,692</u>
<b>Net Assets - December 31</b>	<u>\$ 10,320,477</u>

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

**TOWN OF LEDGEVIEW, WISCONSIN**

Balance Sheet  
Governmental Funds  
December 31, 2011

	General Fund	Fire Department Operations	Park Committee	Capital Projects
<b>ASSETS</b>				
Cash and investments	\$ 1,134,929	\$ 179,918	\$ 110,651	\$ 1,720,832
Receivables				
Taxes	891,316	406,243	230,095	-
Specials placed on tax roll	233,657	-	-	-
Accounts	4,430	1,361	-	-
Special assessments	-	-	-	-
Restricted assets				
Cash and investments	-	-	-	-
Due from other governments	1,818	-	-	-
Inventories and prepaid items	6,676	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 2,272,826</b>	<b>\$ 587,522</b>	<b>\$ 340,746</b>	<b>\$ 1,720,832</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 69,706	\$ 25,168	\$ 47	\$ -
Contractor deposits	60,040	-	300	-
Deferred revenues	1,121,128	406,243	230,095	-
Total Liabilities	1,250,874	431,411	230,442	-
Fund Balances				
Non-spendable	6,676	-	-	-
Restricted				
Debt service	-	-	-	-
Capital projects	-	-	-	1,720,832
Park improvements	-	-	38,265	-
Bridge improvements	-	-	-	-
Committed				
Fire department radios	75,000	75,000	-	-
Assigned	78,827	81,111	72,039	-
Unassigned	861,449	-	-	-
Total Fund Balances	1,021,952	156,111	110,304	1,720,832
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,272,826</b>	<b>\$ 587,522</b>	<b>\$ 340,746</b>	<b>\$ 1,720,832</b>

(Continued)

Capital Improvements	Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 201,772	\$ 317,554	\$ 72,610	\$ 3,738,266
-	-	3,990	1,531,644
-	72,965	126,289	432,911
5,410	-	41,414	52,615
-	69,463	-	69,463
227,692	-	-	227,692
-	-	1,180	2,998
-	-	-	6,676
<u>\$ 434,874</u>	<u>\$ 459,982</u>	<u>\$ 245,483</u>	<u>\$ 6,062,265</u>

\$ 85,724	\$ -	\$ 9,562	\$ 190,207
-	-	21,092	81,432
113,846	142,428	130,279	2,144,019
199,570	142,428	160,933	2,415,658

-	-	-	6,676
-	317,554	-	317,554
-	-	-	1,720,832
-	-	-	38,265
113,846	-	-	113,846
-	-	-	150,000
121,458	-	84,550	437,985
-	-	-	861,449
<u>235,304</u>	<u>317,554</u>	<u>84,550</u>	<u>3,646,607</u>
<u>\$ 434,874</u>	<u>\$ 459,982</u>	<u>\$ 245,483</u>	<u>\$ 6,062,265</u>

**TOWN OF LEDGEVIEW, WISCONSIN**

Balance Sheet (Continued)

Governmental Funds

December 31, 2011

Reconciliation to the Statement of Net Assets

Total Fund Balances as shown on previous page \$ 3,646,607

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. 15,113,897

Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.  
Special assessments 142,428

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds and notes payable	\$ (8,240,000)	
Capital leases	(209,717)	
Premium on debt issue	(187,788)	
Deferred charges - bond issues	94,443	
Accrued interest on long-term obligations	(39,393)	(8,582,455)

Net Assets of Governmental Activities as Reported on the Statement of Net Assets (see page 9) \$ 10,320,477

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

**TOWN OF LEDGEVIEW, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2011

	General Fund	Fire Department Operations	Park Committee	Capital Projects
<b>Revenues</b>				
Taxes	\$ 823,086	\$ 399,726	\$ 230,220	\$ -
Special assessments	-	-	-	-
Intergovernmental	247,759	21,112	-	-
Licenses and permits	152,362	-	-	-
Fines and forfeits	795	-	-	-
Public charges for services	236,947	825	73,140	-
Intergovernmental charges for services	-	12,339	-	-
Miscellaneous	58,110	23,959	606	2,572
<b>Total Revenues</b>	<b>1,519,059</b>	<b>457,961</b>	<b>303,966</b>	<b>2,572</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	407,002	-	-	-
Public safety	183,341	314,700	-	-
Public works	541,919	-	-	-
Health and human services	1,530	-	-	-
Culture and recreation	-	-	34,849	-
Conservation and development	22,248	-	-	-
<b>Debt service</b>				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Capital outlay</b>				
-	-	-	-	-
<b>Total Expenditures</b>	<b>1,156,040</b>	<b>314,700</b>	<b>34,849</b>	<b>-</b>
<b>Excess of Revenues Over (Under)</b>				
<b>Expenditures</b>	<b>363,019</b>	<b>143,261</b>	<b>269,117</b>	<b>2,572</b>
<b>Other Financing Sources (Uses)</b>				
Debt premium received	-	-	-	54,798
Long-term debt issued	-	-	-	3,400,000
Sale of capital assets	-	1,226	-	-
Transfers in	5,000	-	-	-
Transfers out	(406,785)	(113,331)	(218,270)	(1,736,548)
<b>Total Other Financing Sources (Uses)</b>	<b>(401,785)</b>	<b>(112,105)</b>	<b>(218,270)</b>	<b>1,718,250</b>
<b>Net Change in Fund Balances</b>	<b>(38,766)</b>	<b>31,156</b>	<b>50,847</b>	<b>1,720,822</b>
<b>Fund Balances - January 1</b>	<b>1,060,718</b>	<b>124,955</b>	<b>59,457</b>	<b>10</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - January 1, restated</b>	<b>1,060,718</b>	<b>124,955</b>	<b>59,457</b>	<b>10</b>
<b>Fund Balances - December 31</b>	<b>\$ 1,021,952</b>	<b>\$ 156,111</b>	<b>\$ 110,304</b>	<b>\$ 1,720,832</b>

(Continued)

Capital Improvements	Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 8,294	\$ -	\$ 2,988	\$ 1,464,314
-	72,766	-	72,766
-	-	-	268,871
-	-	-	152,362
-	-	-	795
-	-	135,163	446,075
-	-	-	12,339
5,164	16,959	603	107,973
13,458	89,725	138,754	2,525,495

-	-	525	407,527
-	-	-	498,041
-	-	35,173	577,092
-	-	-	1,530
-	-	5,351	40,200
-	-	-	22,248
-	509,894	-	509,894
-	177,408	-	177,408
1,917,713	-	11,873	1,929,586
1,917,713	687,302	52,922	4,163,526

(1,904,255) (597,577) 85,832 (1,638,031)

-	-	-	54,798
-	-	-	3,400,000
-	-	-	1,226
1,927,258	644,524	-	2,576,782
(8,494)	-	(93,354)	(2,576,782)
1,918,764	644,524	(93,354)	3,456,024

14,509	46,947	(7,522)	1,817,993
105,332	270,607	92,072	1,713,151
115,463	-	-	115,463
220,795	270,607	92,072	1,828,614
\$ 235,304	\$ 317,554	\$ 84,550	\$ 3,646,607

**TOWN OF LEDGEVIEW, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)  
Governmental Funds  
For the Year Ended December 31, 2011

Reconciliation to the Statement of Activities

Net Change in Fund Balances as shown on previous page \$ 1,817,993

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital assets reported as capital outlay in governmental fund statements	\$ 790,727	
Depreciation expense reported in the statement of activities	(1,017,141)	
Amount by which capital outlays are greater (less) than depreciation in current period		(226,414)

In governmental funds the entire proceeds, if any, from the disposal of capital assets is reported as an other financing source. In the statement of activities only the gain (or loss) on the disposal is reported.

Proceeds from the disposition of capital assets as reported on the governmental funds operating statement	\$ (1,226)	
Gain on disposition reported on the statement of activities	1,226	
Cost of assets disposed of		-

Governmental funds report special assessments as revenue in the year paid. However, while special assessments are recognized as revenue in the year assessed on the statement of activities. Change in special assessments in the current year is: (78,435)

Some capital assets acquired during the year were financed with debt. The amount of the debt is reported in the governmental funds as a source of financing. In the statement of net assets, however, debt constitutes a long-term liability. The amount of debt reported in the governmental funds statement is: (3,400,000)

Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net assets and does not affect the statement of activities. The amount of long-term debt principal payments in the current year is: 509,894

Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid, in the statement of activities interest is reported as it accrues. (26,877)

Bond issue costs are reported in the governmental funds as an expenditure. In the statement of activities, these costs are capitalized and amortized over the life of the bonds. (44,376)

Change in Net Assets of Governmental Activities as Reported in the Statement of Activities (see page 10) \$ (1,448,215)

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

**TOWN OF LEDGEVIEW, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - General Fund  
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 821,589	\$ 821,589	\$ 823,086	\$ 1,497
Intergovernmental	255,556	255,556	247,759	(7,797)
Licenses and permits	87,455	87,455	152,362	64,907
Fines and forfeits	2,000	2,000	795	(1,205)
Public charges for services	234,000	234,000	236,947	2,947
Miscellaneous	34,400	34,400	58,110	23,710
<b>Total Revenues</b>	<b>1,435,000</b>	<b>1,435,000</b>	<b>1,519,059</b>	<b>84,059</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	456,650	456,650	407,002	49,648
Public safety	178,815	185,842	183,341	2,501
Public works	508,925	542,085	541,919	166
Health and human services	2,350	2,000	1,530	470
Conservation and development	86,475	46,287	22,248	24,039
<b>Total Expenditures</b>	<b>1,233,215</b>	<b>1,232,864</b>	<b>1,156,040</b>	<b>76,824</b>
<b>Excess of Revenues Over Expenditures</b>	<b>201,785</b>	<b>202,136</b>	<b>363,019</b>	<b>160,883</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	5,000	5,000	5,000	-
Transfers out	(406,785)	(406,785)	(406,785)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(401,785)</b>	<b>(401,785)</b>	<b>(401,785)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(200,000)</b>	<b>(199,649)</b>	<b>(38,766)</b>	<b>160,883</b>
<b>Fund Balance - January 1</b>	<b>1,060,718</b>	<b>1,060,718</b>	<b>1,060,718</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 860,718</b>	<b>\$ 861,069</b>	<b>\$ 1,021,952</b>	<b>\$ 160,883</b>

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

**TOWN OF LEDGEVIEW, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Fire Department Operations  
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 399,726	\$ 399,726	\$ 399,726	\$ -
Intergovernmental	18,000	18,000	21,112	3,112
Public charges for services	2,000	2,000	825	(1,175)
Intergovernmental charges for services	8,900	8,900	12,339	3,439
Miscellaneous	22,460	22,460	23,959	1,499
<b>Total Revenues</b>	<u>451,086</u>	<u>451,086</u>	<u>457,961</u>	<u>6,875</u>
<b>Expenditures</b>				
Current				
Public safety	<u>337,755</u>	<u>337,755</u>	<u>314,700</u>	<u>23,055</u>
<b>Excess of Revenues Over Expenditures</b>	<u>113,331</u>	<u>113,331</u>	<u>143,261</u>	<u>29,930</u>
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	-	-	1,226	1,226
Transfers out	(113,331)	(113,331)	(113,331)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(113,331)</u>	<u>(113,331)</u>	<u>(112,105)</u>	<u>1,226</u>
<b>Net Change in Fund Balance</b>	-	-	31,156	31,156
<b>Fund Balance - January 1</b>	<u>124,955</u>	<u>124,955</u>	<u>124,955</u>	-
<b>Fund Balance - December 31</b>	<u>\$ 124,955</u>	<u>\$ 124,955</u>	<u>\$ 156,111</u>	<u>\$ 31,156</u>

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

**TOWN OF LEDGEVIEW, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Park Committee  
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 230,220	\$ 230,220	\$ 230,220	\$ -
Public charges for services	28,700	28,700	73,140	44,440
Miscellaneous	300	300	606	306
Total Revenues	<u>259,220</u>	<u>259,220</u>	<u>303,966</u>	<u>44,746</u>
<b>Expenditures</b>				
Current				
Culture and recreation	<u>60,950</u>	<u>60,950</u>	<u>34,849</u>	<u>26,101</u>
Excess of Revenues Over Expenditures	198,270	198,270	269,117	70,847
Other Financing Sources (Uses)				
Transfers out	<u>(218,270)</u>	<u>(218,270)</u>	<u>(218,270)</u>	<u>-</u>
Net Change in Fund Balance	(20,000)	(20,000)	50,847	70,847
Fund Balance - January 1	<u>20,000</u>	<u>20,000</u>	<u>59,457</u>	<u>(39,457)</u>
Fund Balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110,304</u>	<u>\$ 31,390</u>

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

**TOWN OF LEDGEVIEW, WISCONSIN**  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
December 31, 2011

	Tax Collection
<b>ASSETS</b>	
Cash and cash equivalents	\$ 6,729,612
Taxes receivable	<u>5,959,111</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 12,688,723</u></u>
<b>LIABILITIES</b>	
Due to other governments	<u><u>\$ 12,688,723</u></u>

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

## TOWN OF LEDGEVIEW, WISCONSIN

### Notes to Basic Financial Statements

December 31, 2011

#### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Town of Ledgeview, Wisconsin ("the Town"), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the Town are described below:

1. Reporting Entity

The Town of Ledgeview is a municipal corporation governed by an elected five member board. In accordance with GAAP, the basic financial statements are required to include the Town (the primary government) and any separate component units that have a significant operational or financial relationship with the Town. The Town has identified the Ledgeview Sanitary District No. 2 as a component unit that is required to be included in the basic financial statements in accordance with standards established by GASB Statement Nos. 14 and 39.

#### DISCRETELY PRESENTED COMPONENT UNIT

The component unit column in the government-wide financial statements represent the financial data of the Ledgeview Sanitary District No. 2 (the "District"). It is reported in a separate column to emphasize that the District is legally separate from the Town. The District is located within the Town of Ledgeview in Brown County, Wisconsin. The District operates a water distribution system and sewage collection system. Ledgeview Sanitary District No. 2 is governed by a three-member commission appointed to six-year terms by the Town Board.

2. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. The Town has no business-type activities. The Town's *governmental activities* are primarily supported by taxes, intergovernmental revenues and charges for services.

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

Separate financial statements are provided for governmental funds and fiduciary funds. Governmental funds include general, special revenue, debt service fund and capital projects funds. 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

This is the Town's main operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

#### FIRE DEPARTMENT OPERATIONS FUND

This fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for fire department purposes.

**TOWN OF LEDGEVIEW, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

PARK COMMITTEE FUND

This fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for park purposes.

CAPITAL PROJECTS FUND

This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment.

CAPITAL IMPROVEMENTS FUND

This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment.

DEBT SERVICE FUND

Accounts for the accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs.

The Town implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" for the year ended December 31, 2011. The Town reports the following special revenue funds, including the purpose and significant revenue source:

Fund	Purpose	Significant Revenues
Fire Department Operations	Operations of the Town's fire department.	General property taxes and donations.
Park Committee	Park operations and capital improvements to Town parks.	General property taxes and charges for services.
Beautification Committee	Visually enhance town.	General property taxes and donations
Park Campaign	Park capital improvements.	Donations.

3. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. 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 generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**TOWN OF LEDGEVIEW, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, Town ordinance forfeitures, public charges for services and interest. Other revenues such as licenses and permits, other fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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.

4. Assets, Liabilities and Net Assets or Equity

a. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

b. Accounts Receivable

Accounts receivable are recorded at gross amount with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

c. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" on the fund financial statements.

d. Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are offset by nonspendable fund balance to indicate that they do not represent spendable available financial resources.

e. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items.

Prepaid items of governmental funds in the fund financial statements are offset by nonspendable fund balance to indicate that they do not represent spendable available financial resources.

**TOWN OF LEDGEVIEW, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

f. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	Governmental Activities Years
Land improvements	10 - 75
Buildings	15 - 50
Machinery and equipment	4 - 15
Infrastructure	15 - 20

g. Compensated Absences

The Town's policy does not permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation and sick pay are expensed when incurred.

h. Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or for resources that have been received, but not yet recognizable.

i. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

**TOWN OF LEDGEVIEW, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

j. Fund Equity

GOVERNMENTAL FUND FINANCIAL STATEMENTS

For the year ended December 31, 2011, the Town implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which fund balance amounts can be spent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- Restricted fund balance - Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- Committed fund balance - Amounts that are constrained for specific purposes by action of the Town Council. These constraints can only be removed or changed by the Town Council using the same action that was used to create them.
- Assigned fund balance - Amounts that are constrained for specific purposes by action of Town management. The Town Board has authorized the Town's Clerk/Administrator to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- Unassigned fund balance - Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The Town has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

GOVERNMENT-WIDE STATEMENTS

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

- Invested in capital assets, net of related debt - Amount of capital assets, net of accumulated depreciation, less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net assets - Amount of net assets that are subject to restrictions that are imposed 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 assets - Net assets that are neither classified as restricted nor as invested in capital assets, net of related debt.

5. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**TOWN OF LEDGEVIEW, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2011

**NOTE B - STEWARDSHIP AND COMPLIANCE**

1. Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- a. During October, Town management submits to the Town Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by Town Board action.
- b. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general and capital projects funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
- c. During the year, formal budgetary integration is employed as a management control device for the general, special revenue, debt service and capital projects funds.
- d. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the Town. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Town Board.
- e. Encumbrance accounting is not used by the Town to record commitments related to unperformed contracts for goods or services.

The Town did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2011.

**NOTE C - DETAILED NOTES ON ALL FUNDS**

1. Cash and Investments

The Town maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed in the financial statements as "Cash and investments."

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

**TOWN OF LEDGEVIEW, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

The carrying amount of the Town's cash and investments totaled \$10,695,570 on December 31, 2011 as summarized below:

Petty cash and cash on hand	\$	200
Deposits with financial institutions		15,793,128
Less: Deposits held for Ledgeview Sanitary District No. 2		(5,325,460)
Investments		
Deposits held by Brown County, Wisconsin		227,692
Wisconsin local government investment pool		10
		\$ 10,695,570

Reconciliation to the basic financial statements:

Basic financial statements		
Cash and investments	\$	3,738,266
Restricted cash and investments		227,692
Fiduciary fund		6,729,612
Total Cash and Investments		\$ 10,695,570

The carrying amount of the Sanitary District's cash and investments totaled \$7,223,944 on December 31, 2011 as summarized below:

Deposits with financial institutions	\$	1,868,197
Deposits held by the Town of Ledgeview		5,325,460
Investments		30,287
		\$ 7,223,944

Reconciliation to the basic financial statements:

Basic financial statements		
Cash and investments	\$	3,709,955
Restricted cash and investments		3,513,989
		\$ 7,223,944

Additional information on the above deposits and investments follows:

Deposits and investments of the Town and District are subject to various risks. Presented below is a discussion of the Town's and District's deposits and investments and the related risks.

Deposits with Financial Institutions

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The Town does not have an additional custodial credit risk policy.

## TOWN OF LEDGEVIEW, WISCONSIN

### Notes to Basic Financial Statements

December 31, 2011

#### NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for time and savings deposits and \$250,000 for interest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for all time accounts, savings accounts and interest-bearing demand deposit accounts per official custodian per depository institution. In addition, the non-interest bearing transaction accounts are fully insured through December 31, 2012. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available.

As of December 31, 2011, none of the District's deposits with financial institutions were in excess of federal and state depository insurance limits or uncollateralized.

#### Investments

The Town has investments in the Wisconsin local government investment pool (LGIP) of \$10 at year-end. The Sanitary District has investments in the LGIP of \$30,287 at year-end. The 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, 2011, the fair value of the Town's and the District's share of the LGIP's assets was substantially equal to the carrying value.

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The Town and the District do not have an additional credit risk policy. The Town's and the District's investment in the Wisconsin local government investment pool is not rated.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town and the District do not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The investments held by the Wisconsin local government investment pool mature in 12 months or less.

#### 2. Property Taxes

Property taxes consist of taxes on real estate and personal property. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in two equal installments on or before January 31 and July 31. The Treasurer of Brown County, Wisconsin bills and collects property taxes and remits collections weekly to the Town. Collection of the taxes and remittance of them to the appropriate entities are accounted for in the Tax Collection Agency Fund. Town property tax revenue is recognized in the year they are levied for and available for use. The 2011 tax roll has been set up as a receivable and is offset by the amounts due to other governmental units. Advance tax collections are offset against the receivable.

**TOWN OF LEDGEVIEW, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2011

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

3. Restricted Assets

Town restricted assets on December 31, 2011 totaled \$227,692 and consisted of cash and investments held for the following purposes:

Capital Improvements	
Bridge funds held by Brown County, Wisconsin	<u>\$ 227,692</u>

Sanitary District restricted assets on December 31, 2011 totaled \$3,513,989 and consisted of cash and investments held for the following purposes:

Sanitary District No. 2	
Water Utility	
Debt Service	<u>\$ 779,442</u>
Sewer Utility	
Equipment replacement fund	26,648
Debt Service	<u>2,707,899</u>
Total Sewer Utility	<u>2,734,547</u>
Total Restricted Assets	<u>\$ 3,513,989</u>

4. Capital Assets

Capital asset activity for the Town of Ledgeview for the year ended December 31, 2011 was as follows:

	Beginning Balance (1)	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 2,408,164	\$ 43,500	\$ -	\$ 2,451,664
Construction in progress	42,885	52,000	-	94,885
Total capital assets, not being depreciated	2,451,049	95,500	-	2,546,549
Capital assets, being depreciated:				
Land improvements	3,135,898	448,545	-	3,584,443
Buildings	795,891	-	-	795,891
Machinery and equipment	1,191,484	137,156	99,300	1,229,340
Infrastructure	22,770,326	109,526	-	22,879,852
Subtotals	27,893,599	695,227	99,300	28,489,526
Less accumulated depreciation for:				
Land improvements	608,667	133,638	-	742,305
Buildings	221,658	24,010	-	245,668
Machinery and equipment	516,284	66,719	99,300	483,703
Infrastructure	13,657,728	792,774	-	14,450,502
Subtotals	15,004,337	1,017,141	99,300	15,922,178
Total capital assets, being depreciated, net	12,889,262	(321,914)	-	12,567,348
Governmental activities capital assets, net	\$ 15,340,311	\$ (226,414)	\$ -	15,113,897
Less related long-term debt outstanding (net unspent bond proceeds of \$1,718,249)				5,561,153
Invested in capital assets, net of related debt				\$ 9,552,744

(1) Beginning construction in progress was increased \$39,600 for prior year costs (see Note D6)

**TOWN OF LEDGEVIEW, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2011

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Depreciation expense was charged to functions of the Town as follows:

Governmental activities	
General government	\$ 7,892
Public Safety	55,913
Public Works	803,095
Culture and recreation	144,609
Conservation and development	5,632
Total depreciation expense - governmental activities	<u>\$ 1,017,141</u>

Capital asset activity for the Ledgeview Sanitary District No. 2 (component unit) for the year ended December 31, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 96,473	\$ -	\$ -	\$ 96,473
Construction in progress	11,997	22,756	768	33,985
Total capital assets, not being depreciated	<u>108,470</u>	<u>22,756</u>	<u>768</u>	<u>130,458</u>
Capital assets, being depreciated:				
Land Improvements	304,714	-	-	304,714
Buildings	243,362	-	-	243,362
Machinery and equipment	1,021,156	53,004	-	1,074,160
Infrastructure	35,199,356	1,600	1,540	35,199,416
Subtotals	<u>36,768,588</u>	<u>54,604</u>	<u>1,540</u>	<u>36,821,652</u>
Less accumulated depreciation	5,021,899	645,284	1,540	5,665,643
Total capital assets, being depreciated, net	<u>31,746,689</u>	<u>(590,680)</u>	<u>-</u>	<u>31,156,009</u>
Total capital assets, net	<u>\$ 31,855,159</u>	<u>\$ (567,924)</u>	<u>\$ 768</u>	31,286,467
Less related long-term debt outstanding				<u>14,659,348</u>
Invested in capital assets, net of related debt				<u>\$ 16,627,119</u>
Depreciation Expense				
Water Utility				\$ 309,941
Sewer Utility				335,343
Total				<u>\$ 645,284</u>

**TOWN OF LEDGEVIEW, WISCONSIN**

Notes to Basic Financial Statements  
December 31, 2011

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

5. Interfund Receivable, Payables, and Transfers

There are no individual fund interfund receivables or payable balances at December 31, 2011.

Interfund transfers for the year ended December 31, 2011 were as follows:

Purpose	Transfer In	Transfer Out	Amount
<b>Fund Financial Statement Transfers</b>			
Transfer to offset interfund wages	General Fund	Developer Projects	\$ 5,000
Debt payments	Debt Service	General Fund	247,885
Future capital improvements	Capital Improvements	General Fund	158,900
Debt payments	Debt Service	Fire Department Operations	93,331
Future vehicle acquisitions	Capital Improvements	Fire Department Operations	20,000
Debt payments	Debt Service	Park Committee	217,370
Premium on debt proceeds	Debt Service	Capital Projects	54,798
Construction	Capital Improvements	Capital Projects	1,681,750
Debt payments	Debt Service	Capital Improvements	8,494
Debt payments	Debt Service	Stormwater Utility	22,646
Future vehicle acquisitions	Capital Improvements	Stormwater Utility	900
Future vehicle acquisitions	Capital Improvements	Park Committee	900
Park improvements	Capital Improvements	Park Campaign	64,808
			<u>\$ 2,576,782</u>

6. Deferred Revenues

Governmental activities and governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. Governmental funds also report deferred revenue in connection with receivables for resources that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue were as follows:

	Unavailable	Unearned	Total
<b>Subsequent year tax levy receivable</b>			
General fund	\$ -	\$ 887,471	\$ 887,471
Fire department operations	-	406,243	406,243
Park committee fund	-	230,095	230,095
Beautification committee fund	-	3,990	3,990
Stormwater utility	-	126,289	126,289
<b>Special charges placed on tax roll</b>			
General fund	-	233,657	233,657
Debt service	72,965	-	72,965
<b>Postponed special assessments</b>			
Debt service	69,463	-	69,463
<b>County bridge fund</b>			
Capital improvements fund	-	113,846	113,846
<b>Totals</b>	<u>\$ 142,428</u>	<u>\$ 2,001,591</u>	<u>\$ 2,144,019</u>

Postponed special assessments are collectible in annual installments over three to five years while certain others have been deferred until the property is sold or placed in service.

**TOWN OF LEDGEVIEW, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

7. Long-term Obligations

The following is a summary of changes in long-term obligations of the Town for the year ended December 31, 2011:

	Outstanding 1/1/11	Issued	Retired	Outstanding 12/31/11	Due Within One Year
<b>Governmental activities:</b>					
General Obligation Debt					
Bonds	\$ 5,290,000	\$ -	\$ 450,000	\$ 4,840,000	\$ 465,000
Notes	-	3,400,000	-	3,400,000	100,000
Total General Obligation Debt	5,290,000	3,400,000	450,000	8,240,000	565,000
Capital Leases	269,611	-	59,894	209,717	62,018
Governmental activities Long-term obligations	<u>\$ 5,559,611</u>	<u>\$ 3,400,000</u>	<u>\$ 509,894</u>	<u>\$ 8,449,717</u>	<u>\$ 627,018</u>

Total interest paid during the year on long-term debt totaled \$177,408.

The following is a summary of changes in long-term obligations of the Sanitary District for the year ended December 31, 2011:

	Outstanding 1/1/11	Issued	Retired	Outstanding 12/31/11	Due Within One Year
General Obligation Debt					
Bonds	\$ 10,125,000	\$ -	\$ 775,000	\$ 9,350,000	\$ 950,000
Notes	4,475,000	4,525,000	4,475,000	4,525,000	225,000
Total General Obligation Debt	14,600,000	4,525,000	5,250,000	13,875,000	1,175,000
Notes Payable	870,274	-	85,926	784,348	89,327
Total Long-term obligations	<u>\$ 15,470,274</u>	<u>\$ 4,525,000</u>	<u>\$ 5,335,926</u>	<u>\$ 14,659,348</u>	<u>\$ 1,264,327</u>

Total interest paid during the year on long-term debt totaled \$555,168.

**TOWN OF LEDGEVIEW, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

**Town**

**Bonds**

\$5,290,000 issued 10/6/2010; \$465,000 to \$725,000 due annually to 2019; interest 4.125% to 4.30%	\$ 4,840,000
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**Notes**

\$3,400,000 issued 7/7/2011; \$100,000 to \$750,000 due annually to 2021; interest 2.0% to 3.5%	<u>3,400,000</u>
--	------------------

Total Outstanding General Obligation Debt	<u><u>\$ 8,240,000</u></u>
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**Sanitary District No. 2**

**Bonds**

\$5,000,000 G.O. Refunding Bonds issued 12/20/07; \$400,000 to \$1,000,000 due annually to 2018; interest 3.90% to 4.25%	\$ 4,100,000
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\$5,725,000 G.O. Refunding Bonds issued 10/06/10; \$550,000 to \$700,000 due annually to 2018; interest 1.25% to 3.00%	5,250,000
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**Notes**

\$4,525,000 GO Refunding Promissory Notes issued 7/7/11; \$225,000 to \$2,000,000 due annually to 2021; interest 2.00% to 3.50%	<u>4,525,000</u>
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Total Outstanding General Obligation Debt	<u><u>\$ 13,875,000</u></u>
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Long-term notes payable debt outstanding at December 31, 2011 for the Sanitary District consists of the following:

**Notes Payable to GBMSD**

1987 Interceptor Note \$387 due annually to 2016	\$ 1,934
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1991 Interceptor Note \$465 to \$555 due annually to 2020; interest at 2.14%	4,576
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1991 Interceptor Note \$426 to \$508 due annually to 2020; interest at 2.14%	4,194
--	-------

1992 Interceptor Note \$480 to \$583 due annually to 2021; interest at 2.14%	5,304
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1995 Interceptor Note \$26,319 to \$28,906 due annually to 2015; interest at 3.17%	110,394
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2000 Interceptor Note \$61,251 to \$86,200 due annually to 2020; interest at 4.36%	<u>657,946</u>
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Total Outstanding Notes Payable to GBMSD	<u><u>\$ 784,348</u></u>
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**TOWN OF LEDGEVIEW, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2011

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Annual principal and interest maturities of the outstanding long-term obligations on December 31, 2011 are detailed below:

Year Ended December 31	Governmental Activities		Total
	Principal	Interest	
2012	\$ 565,000	\$ 229,875	\$ 794,875
2013	600,000	222,062	822,062
2014	650,000	213,813	863,813
2015	675,000	200,813	875,813
2016	725,000	181,563	906,563
2017-2021	5,025,000	517,281	5,542,281
	<u>\$ 8,240,000</u>	<u>\$ 1,565,407</u>	<u>\$ 9,805,407</u>

Year Ended December 31	Sanitary District No. 2		Total
	Principal	Interest	
2012	\$ 1,264,327	\$ 450,590	\$ 1,714,917
2013	1,317,865	419,137	1,737,002
2014	1,346,548	386,994	1,733,542
2015	1,400,380	349,662	1,750,042
2016	1,574,545	301,299	1,875,844
2017-2021	7,755,683	642,963	8,398,646
	<u>\$ 14,659,348</u>	<u>\$ 2,550,645</u>	<u>\$ 17,209,993</u>

Legal Margin for New Debt

As separate legal entities under the Wisconsin Statutes, the Town and its Sanitary District each have separate legal margins for creating additional general obligation debt. As of December 31, 2011, the legal margin for creation of additional general obligation debt for each entity is as follows:

	Town	Sanitary District No. 2
Equalized Value	\$ 663,267,900	\$ 663,267,900
Statutory limitation percentage	5%	5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	33,163,395	33,163,395
Outstanding general obligation debt applicable to debt limitation	8,240,000	13,875,000
Less: Amounts available for financing general obligation debt	(317,554)	(3,487,341)
Legal Margin for New Debt	<u>\$ 25,240,949</u>	<u>\$ 22,775,736</u>

**TOWN OF LEDGEVIEW, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Capital Lease

The Town is obligated under a lease accounted for as a capital lease that was used to finance the acquisition of capital assets. Presented below is a schedule of future minimum lease payments required under the capital leases, and the present value of the net minimum lease payments at December 31, 2011:

Year Ending	Amount
2012	\$ 68,351
2013	68,351
2014	68,351
2015	17,088
Total Minimum Lease Payments	222,141
Less: Amount representing interest	12,424
Present Value of Future Minimum Lease Payments	<u>\$ 209,717</u>

9. Fund Equity

In the fund financial statements, portions of governmental fund balance have been assigned to represent tentative management plans that are subject to change. At December 31, 2011, fund balance assigned was as follows.

Fund	Reason for Assignment	Amount
General Fund	Emergency management	\$ 12,500
	Economic development	19,902
	Community development director	46,425
	Total General Fund Assigned Fund Balance	<u>\$ 78,827</u>
Fire Department Operations	Subsequent year expenditures	\$ 81,111
Park Committee	Subsequent year expenditures	\$ 72,039
Capital Improvements	Vehicles	\$ 21,788
	Road maintenance	68,877
	Fire department vehicle	10,000
	Fire utility truck	20,000
	Capital improvements	793
Total Capital Improvements Assigned Fund Balance	<u>\$ 121,458</u>	
Beautification Committee	Subsequent year expenditures	\$ 3,389
Developer Projects	Subsequent year expenditures	\$ 17,910
Stormwater Utility	Subsequent year expenditures	\$ 63,251

Minimum Fund Balance Policy

The Town Board has adopted a policy that fund balance in the amount of 25% of the current year's actual general fund expenditures and transfers out be maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

Actual 2011 General Fund Expenditures and transfers out	\$1,562,825
Minimum Fund Balance %	(x) 25%
Minimum Fund Balance Amount	<u>\$ 390,706</u>

The Town's unassigned general fund balance of \$861,449 is above the minimum fund balance amount.

**TOWN OF LEDGEVIEW, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2011

**NOTE D - OTHER INFORMATION**

1. Retirement Commitments

All eligible Town employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All permanent employees hired before July 1, 2011 and expected to work over 600 hours a year (440 hours for teachers and educational support employees) or hired on or after July 1, 2011 and expected to work over 1200 hours a year (880 hours for teachers and educational support employees) are eligible to participate in the WRS. Covered employees in the General/Teacher/ Educational Support Personnel category are required by statute to contribute 5.8% of their salary (6.65% for Executives and Elected Officials, 5.8% for Protective Occupations with Social Security, and 5.8% for Protective Occupations without Social Security) to the plan. Employers may make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The Town and the Sanitary Districts use common employees to operate. The District is responsible for retirement expense based on their share of the employee's payroll costs. The payroll for Town and Sanitary District's employees covered by the WRS for the year ended December 31, 2011 was \$376,881; the employer's total payroll was \$477,573. The total required contribution for the year ended December 31, 2011 was \$43,718, which consisted of \$27,015, or 7.2% of payroll from the employer and \$16,703, or 4.4% of payroll from employees. Total contributions for the years ending December 31, 2010 and 2009 were \$39,461 and \$37,402, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest year's earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. 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 or after April 24, 1998 are immediately vested.

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

2. Firefighter Retirement Plan

The Town of Ledgeview contributes funds to a "Length of Service Award" (LOSA) Program that was created by the state on behalf of firefighters that meet various requirements throughout the year. The firefighters cannot make withdrawals from the fund until they reach age 60. Total expenses for the year ended December 31, 2011 were \$12,706.

3. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The Town completes an annual review of its insurance coverage to ensure adequate coverage.

**TOWN OF LEDGEVIEW, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2011

**NOTE D - OTHER INFORMATION (Continued)**

4. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, Towns, towns and counties. For the 2011 budget year, the increase in the maximum allowable tax levy is limited to the greater of the percentage change in the Town's January 1 equalized value as a result of net new construction or 3.0% per year. The actual limit for the Town for the 2011 budget was 3.0%. For the 2012 budget year, Wisconsin statutes limit the increase in the maximum allowable tax levy to the change in the Town's January 1 equalized value as a result of net new construction. The actual limit for the Town for the 2012 budget was 3.93%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

5. Contingencies

From time to time, the Town is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and legal counsel 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.

6. Prior Period Adjustment

The following prior period adjustments were made for the following purposes:

- a. An adjustment of \$115,463 was made to reflect funds held with Brown County relating to future bridge construction. Although the balance at the beginning of the year was \$230,927, only the portion contributed by the Town was reported while the County's portion was reported as deferred revenue to be recognized when the Town incurs qualifying expenditures.
- b. An adjustment on the government-wide statements of \$39,600 to reflect capital outlay that was expensed in the prior year that should have been capitalized.
- c. An adjustment on the government-wide statements of \$79,676 to reflect special assessment that were placed on the 2010 tax roll.

## **SUPPLEMENTAL INFORMATION**

**TOWN OF LEDGEVIEW, WISCONSIN**  
**General Fund**  
**Detailed Comparison of Budgeted and Actual Revenues**  
**For the Year Ended December 31, 2011**

	Budget		Actual	Variance Final Budget- Positive (Negative)
	Original	Final		
<b>Taxes</b>				
General property	\$ 818,469	\$ 818,469	\$ 819,763	\$ 1,294
Private forest crop/managed forest land	20	20	21	1
Regulated municipally-owned utilities	2,100	2,100	2,099	(1)
Interest on taxes	1,000	1,000	1,203	203
<b>Total Taxes</b>	<b>821,589</b>	<b>821,589</b>	<b>823,086</b>	<b>1,497</b>
<b>Intergovernmental</b>				
<b>State</b>				
State shared taxes	34,000	34,000	34,018	18
Transportation	195,000	195,000	195,451	451
Exempt computer aid	2,000	2,000	2,238	238
Recycling	24,000	24,000	15,547	(8,453)
Other grants	556	556	505	(51)
<b>Total Intergovernmental</b>	<b>255,556</b>	<b>255,556</b>	<b>247,759</b>	<b>(7,797)</b>
<b>Licenses and Permits</b>				
<b>Licenses</b>				
Liquor and malt beverages	7,000	7,000	7,393	393
Operators	800	800	1,085	285
Cigarette	900	900	800	(100)
Dog	2,500	2,500	2,391	(109)
Cable television	34,000	34,000	39,439	5,439
Other licenses/permits	9,455	9,455	6,430	(3,025)
Building permits	32,800	32,800	94,824	62,024
<b>Total Licenses and Permits</b>	<b>87,455</b>	<b>87,455</b>	<b>152,362</b>	<b>64,907</b>
<b>Fines and Forfeits</b>				
Court fines and penalties	2,000	2,000	615	(1,385)
Parking violations	-	-	180	180
<b>Total Fines and Forfeits</b>	<b>2,000</b>	<b>2,000</b>	<b>795</b>	<b>(1,205)</b>
<b>Public Charges for Services</b>				
General government	3,200	3,200	6,836	3,636
Solid waste disposal	230,800	230,800	230,111	(689)
<b>Total Public Charges for Services</b>	<b>234,000</b>	<b>234,000</b>	<b>236,947</b>	<b>2,947</b>
<b>Miscellaneous</b>				
Interest on investments	5,000	5,000	4,518	(482)
Rent of town property	17,400	17,400	17,404	4
Sale of recyclables	12,000	12,000	32,695	20,695
Insurance dividends	-	-	2,406	2,406
Other	-	-	1,087	1,087
<b>Total Miscellaneous</b>	<b>34,400</b>	<b>34,400</b>	<b>58,110</b>	<b>23,710</b>
<b>Total Revenues</b>	<b>\$ 1,435,000</b>	<b>\$ 1,435,000</b>	<b>\$ 1,519,059</b>	<b>\$ 84,059</b>

**TOWN OF LEDGEVIEW, WISCONSIN**  
**General Fund**  
**Detailed Comparison of Budgeted and Actual Expenditures**  
**For the Year Ended December 31, 2011**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>General Government</b>				
Town board	\$ 58,550	\$ 61,561	\$ 59,916	\$ 1,645
Municipal court	11,000	19,552	18,737	815
Legal	20,000	23,346	23,346	-
Administration	86,450	87,181	86,196	985
Town clerk	85,750	65,922	56,520	9,402
Town treasurer	64,200	56,479	33,162	23,317
General office supplies	41,200	45,388	40,533	4,855
Elections	8,250	8,250	5,540	2,710
Accounting and auditing	10,500	10,500	9,000	1,500
Assessment of property	21,450	24,189	23,943	246
Town hall	25,050	26,300	23,145	3,155
Uncollectible taxes	800	800	686	114
Insurance	23,450	27,182	26,278	904
<b>Total General Government</b>	<b>456,650</b>	<b>456,650</b>	<b>407,002</b>	<b>49,648</b>
<b>Public Safety</b>				
Crossing guards	11,000	9,175	9,175	-
Ambulance	71,800	69,454	69,454	-
Building inspection	93,515	104,713	104,712	1
Emergency government	2,500	2,500	-	2,500
<b>Total Public Safety</b>	<b>178,815</b>	<b>185,842</b>	<b>183,341</b>	<b>2,501</b>
<b>Public Works</b>				
Transportation				
Street maintenance	127,125	117,474	117,308	166
Snow and ice control	90,000	125,304	125,304	-
Street lighting	39,000	37,079	37,079	-
Garbage and recycling	252,800	262,228	262,228	-
<b>Total Public Works</b>	<b>508,925</b>	<b>542,085</b>	<b>541,919</b>	<b>166</b>
<b>Health and Human Services</b>				
Town constable	2,350	2,000	1,530	470
<b>Conservation and Development</b>				
Zoning	56,425	16,237	3,720	12,517
Economic development	11,000	11,000	874	10,126
Code enforcement	19,050	19,050	17,654	1,396
<b>Total Conservation and Development</b>	<b>86,475</b>	<b>46,287</b>	<b>22,248</b>	<b>24,039</b>
<b>Total Expenditures</b>	<b>\$ 1,233,215</b>	<b>\$ 1,232,864</b>	<b>\$ 1,156,040</b>	<b>\$ 76,824</b>

**TOWN OF LEDGEVIEW, WISCONSIN**

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2011

	Special Revenue Fund	Capital Project Funds		Total Nonmajor Governmental Funds
	Beautification Committee	Developer Projects	Stormwater Utility	
<b>ASSETS</b>				
Cash and investments	\$ 3,389	\$ 28,268	\$ 40,953	\$ 72,610
Receivables				
Taxes	3,990	-	-	3,990
Special charges placed on tax roll	-	-	126,289	126,289
Accounts	-	11,469	29,945	41,414
Due from other governments	-	-	1,180	1,180
<b>TOTAL ASSETS</b>	<b>\$ 7,379</b>	<b>\$ 39,737</b>	<b>\$ 198,367</b>	<b>\$ 245,483</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ -	\$ 735	\$ 8,827	\$ 9,562
Contractor deposits	-	21,092	-	21,092
Deferred revenues	3,990	-	126,289	130,279
<b>Total Liabilities</b>	<b>3,990</b>	<b>21,827</b>	<b>135,116</b>	<b>160,933</b>
Fund Balances				
Assigned for				
Subsequent years' expenditures	3,389	17,910	63,251	84,550
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,379</b>	<b>\$ 39,737</b>	<b>\$ 198,367</b>	<b>\$ 245,483</b>

**TOWN OF LEDGEVIEW, WISCONSIN**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2011

	Special Revenue Funds		Capital Projects Funds		Total Nonmajor Governmental Funds
	Beautification Committee	Park Campaign	Developer Projects	Stormwater Utility	
<b>Revenues</b>					
Taxes	\$ 2,988	\$ -	\$ -	\$ -	\$ 2,988
Public charges for services	-	-	2,661	132,502	135,163
Miscellaneous	16	76	31	480	603
<b>Total Revenues</b>	<b>3,004</b>	<b>76</b>	<b>2,692</b>	<b>132,982</b>	<b>138,754</b>
<b>Expenditures</b>					
Current					
General government	-	-	-	525	525
Public works	-	-	-	35,173	35,173
Culture and recreation	5,351	-	-	-	5,351
Capital outlay	-	-	2,661	9,212	11,873
<b>Total Expenditures</b>	<b>5,351</b>	<b>-</b>	<b>2,661</b>	<b>44,910</b>	<b>52,922</b>
<b>Excess of Revenues Over (Under)</b>					
Expenditures	(2,347)	76	31	88,072	85,832
<b>Other Financing Uses</b>					
Transfers out	-	(64,808)	(5,000)	(23,546)	(93,354)
<b>Net Change in Fund Balances</b>	<b>(2,347)</b>	<b>(64,732)</b>	<b>(4,969)</b>	<b>64,526</b>	<b>(7,522)</b>
<b>Fund Balances - January 1</b>	<b>5,736</b>	<b>64,732</b>	<b>22,879</b>	<b>(1,275)</b>	<b>92,072</b>
<b>Fund Balances - December 31</b>	<b>\$ 3,389</b>	<b>\$ -</b>	<b>\$ 17,910</b>	<b>\$ 63,251</b>	<b>\$ 84,550</b>

**ADDITIONAL INDEPENDENT AUDITORS' REPORT  
FOR BASIC FINANCIAL STATEMENTS**

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Town Board  
Town of Ledgeview, Wisconsin

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Ledgeview, Wisconsin, as of and for the year ended December 31, 2011, which collectively comprise the Town of Ledgeview's basic financial statements and have issued our report thereon dated March 13, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Town of Ledgeview, Wisconsin is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Town of Ledgeview, Wisconsin's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Ledgeview, Wisconsin's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Ledgeview, Wisconsin's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and responses as item 2011-01 that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Ledgeview, Wisconsin's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Town of Ledgeview, Wisconsin in a separate letter dated March 13, 2012.

Town of Ledgeview, Wisconsin's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Town of Ledgeview, Wisconsin's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Town Board, and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants  
Green Bay, Wisconsin  
March 13, 2012

**TOWN OF LEDGEVIEW, WISCONSIN**  
 Schedule of Findings and Responses  
 For the Year Ended December 31, 2011

**Section I - Internal Control Over Financial Reporting**

Finding No.	Control Deficiencies
<b>2011-01</b>	<p><b>Year End Closing and Financial Reporting</b></p> <p><b>Condition:</b> While the current staff of the Town maintain financial records which accurately report revenues and expenditures throughout the year, preparing year end adjusting, closing and GASB 34 conversion entries necessary to prepare financial statements, including related notes, state financial reports and public service commission reports require additional expertise that would entail additional training and staff time to develop. The Town contracts with Schenck and their knowledge of current accounting principles and regulatory requirements of the Wisconsin Department of Revenue and the Public Service Commission of Wisconsin to prepare required journal entries and financial reports for the Town in an efficient manner.</p> <p><b>Criteria:</b> The review of financial statements by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential misstatement in the financial statements or notes.</p> <p><b>Cause:</b> The additional costs associated with hiring staff experienced in preparing year end adjusting, closing, and GASB 34 conversion entries and financial reports, including additional training time outweigh the derived benefits.</p> <p><b>Effect:</b> The financial statements of the Town could be misstated and not detected and corrected in a timely manner without our review and posting of adjusting and closing entries.</p> <p><b>Recommendation:</b> We recommend the Town continue reviewing the adjusting, closing and GASB 34 conversion entries along with the financial reports prepared by Schenck. While it may not be cost beneficial to hire additional staff to prepare these items, a thorough review of this information by appropriate staff of the Town is necessary to obtain an adequate understanding of the Town's financial report.</p> <p><b>Management Response:</b> Management believes that the cost of hiring additional staff to prepare year end adjusting and closing entries and to prepare financial reports outweigh the benefits to be received. Management will continue to review financial statements and other information prepared by Schenck.</p>

**Section II - Compliance and Other Matters**

There are no findings related to compliance and other matters that are required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2011.