

**TOWN OF LEDGEVIEW, WISCONSIN**  
**ANNUAL FINANCIAL REPORT**  
**DECEMBER 31, 2013**

**TOWN OF LEDGEVIEW, WISCONSIN**  
December 31, 2013

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## INDEPENDENT AUDITORS' REPORT

To the Town Board  
Town of Ledgeview, Wisconsin

### Report on the Financial Statements

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

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2013, and the respective changes in financial position thereof and the budgetary comparison for the general fund, fire department operations and park committee special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.



## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pages 3 through 8 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The financial information listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

## **Report on Summarized Financial Information**

We have previously audited the Town of Ledgeview, Wisconsin's 2012 financial statements, and our report dated March 8, 2013, expressed unmodified opinions on those respective financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2014, 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* in considering the Town's internal control over financial reporting and compliance.



Certified Public Accountants  
Green Bay, Wisconsin  
March 13, 2014

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



## Management's Discussion and Analysis December 31, 2013

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, 2013.

### Financial Highlights

- The assets of the Town exceeded its liabilities and deferred inflows of resources as of December 31, 2013 by \$7,787,249 (*net position*).
- The government's total net position decreased by \$886,982.
- As of December 31, 2013, the Town's governmental funds reported combined ending fund balances of \$5,443,468. Approximately 10% of this total amount, \$527,101 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 \$527,101, or 28% of total general fund expenditures and transfers out for the fiscal year.
- The Town of Ledgeview's general obligation debt decreased by \$600,000. The decrease was due to regular principal payments made on the existing debt. There were no new debt issuances in 2013.

### 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 supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all of the Town's assets, liabilities and deferred outflows/inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future 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 and recreation, and conservation and development.

The government-wide financial statements can be found on pages 9 - 11 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 nine 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, developer projects and debt service all of which are considered to be major funds. Data from the other two 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 12 - 20 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 21 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 22 - 40 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 41 - 44.

**Government-wide Financial Analysis**

**Net position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities and deferred inflows of resources by \$7,787,249 at the close of 2013.

<b>Town of Ledgeview's Net Position</b>		
	Governmental Activities	
	2013	2012
Current and other assets	\$ 8,984,339	\$ 9,320,950
Capital assets	13,865,219	14,219,860
<b>Total Assets</b>	<b>22,849,558</b>	<b>23,540,810</b>
Long-term liabilities outstanding	11,736,185	12,437,560
Other liabilities	1,029,569	422,241
<b>Total Liabilities</b>	<b>12,765,754</b>	<b>12,859,801</b>
Deferred inflows of resources	2,296,555	2,006,778
<b>Net position</b>		
Net investment in capital assets	8,940,873	9,145,849
Restricted	532,080	656,510
Unrestricted	(1,685,704)	(1,128,128)
<b>Total Net Position</b>	<b>\$ 7,787,249</b>	<b>\$ 8,674,231</b>

By far the largest portion of the Town's net position 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 position (6.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* may be used to meet the Town's ongoing obligations to citizens and creditors. The Town currently has a deficit balance of (\$1,685,704) in unrestricted net position. This deficit is due primarily to funding capital improvements contributions on a County highway with bond proceeds.

**Change in net position.** The Town's net position decreased by \$886,982. A key element of this decrease is that public works expenditures remained higher due to substantial road construction on county roads, which continued into 2013.

<b>Town of Ledgeview's Change in Net Position</b>		
	Governmental Activities	
	2013	2012
<b>Revenues</b>		
Program Revenues		
Charges for services	\$ 640,884	\$ 599,824
Operating grants and contributions	223,144	214,216
Capital grants and contributions	102,753	337,781
General Revenues		
Property taxes	1,628,656	1,527,728
Other taxes	14,002	7,706
Grants and contributions not restricted to specific programs	29,892	29,535
Other	69,810	55,101
<b>Total Revenues</b>	<b>2,709,141</b>	<b>2,771,891</b>
<b>Expenses</b>		
General government	428,019	483,280
Public safety	542,730	551,820
Public works	2,078,972	2,745,446
Health and human services	1,616	1,813
Culture and recreation	219,920	212,361
Conservation and development	56,857	27,024
Interest on long-term debt	268,009	301,950
<b>Total Expenses</b>	<b>3,596,123</b>	<b>4,323,694</b>
Change in net position	(886,982)	(1,551,803)
Cumulative effect of change in accounting principle	-	(94,443)
Net Position - January 1	8,674,231	10,320,477
<b>Net Position - December 31</b>	<b>\$ 7,787,249</b>	<b>\$ 8,674,231</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, *unassigned 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 \$527,101, while total fund balance reached \$655,803. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 28% of total general fund expenditures and transfers out, while total fund balance represents 35% of that same amount.

The fire department operations reported a fund balance of \$95,569, an increase of \$7,700. This fund is supported by property taxes and donations received for its operations.

The park committee reported a fund balance of \$73,824, a decrease of \$19,741 during the year. This fund is supported by property taxes and public charges.

The capital projects and capital improvements funds reported fund balances of \$3,066,380 and \$275,707, respectively, which represents decreases of \$1,601,943 and \$39,571. Financial resources of these funds consist primarily of debt proceeds received to finance capital improvements within the Town. The capital projects fund also transferred \$760,593 to the developer projects fund to finance a developer project, to be repaid by the developer as development occurs.

Developer projects fund reported a fund balance of \$764,106, an increase of \$759,869 due primarily to the transfer from the capital projects fund discussed previously. At December 31, 2013, the fund balance consisted of a nonspendable portion of \$227,032 which represents the amount spent at year end and due from the developer, \$533,561 restricted for capital improvements, which represents the unspent portion of the transfer and \$3,513 assigned for future improvements.

The debt service fund has a total fund balance of \$365,663. 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 \$61,110 primarily due to an increase in building permits. Actual expenditures were less than the final budgeted expenditures by \$734 primarily for the Town Constable.

The final budget was increased \$79,313 from the original budget, primarily in the areas of public safety and public works.

## Capital Asset and Debt Administration

**Capital assets.** The Town's investment in capital assets for its governmental activities as of year end amounts to \$13,865,219 (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 \$354,641 or 2.49% over last year. Below is a schedule of the Town's capital assets as of December 31, 2013.

<b>Town of Ledgeview</b>		
Capital Assets		
	Totals	
	2013	2012
Land	\$ 2,451,664	\$ 2,451,664
Land improvements	3,874,523	3,584,443
Buildings	795,891	795,891
Machinery and equipment	1,416,713	1,392,845
Infrastructure	23,167,328	22,879,852
Construction in progress	191,850	94,885
Less: Accumulated depreciation	(18,032,750)	(16,979,720)
<b>Total</b>	<b>\$ 13,865,219</b>	<b>\$ 14,219,860</b>

Major capital assets acquired or constructed during the year include:

- Various infrastructure additions for \$287,476
- Street light additions for \$290,080.

**Long-term debt.** At the end of the current fiscal year, the Town had total general obligation debt outstanding of \$11,375,000. Below is a detail of debt the Town has incurred as of December 31, 2013.

<b>Town of Ledgeview</b>		
Long-term Debt Outstanding		
	Totals	
	2013	2012
General Obligation Debt		
Bonds	\$ 3,875,000	\$ 4,375,000
Notes	7,500,000	7,600,000
<b>Total General Obligation Debt</b>	<b>11,375,000</b>	<b>11,975,000</b>
Capital Lease	83,483	147,700
Debt Premium	277,702	314,860
<b>Total</b>	<b>\$ 11,736,185</b>	<b>\$ 12,437,560</b>

State statutes limit the amount of general obligation debt the Town may issue to 5% of its total equalized valuation of \$710,390,900. The current debt limitation for the Town is \$35,519,545. The Town's outstanding general obligation debt of \$11,375,000 less amounts available for financing general obligation debt of \$365,663 is 31.3% 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 Position

December 31, 2013

(With summarized financial information as of December 31, 2012)

	Governmental Activities		Component Unit	
	Town		Sanitary District No. 2	
	2013	2012	2013	2012
<b>ASSETS</b>				
Cash and investments	\$ 5,399,789	\$ 6,723,237	\$ 4,043,052	\$ 3,881,978
Receivables				
Taxes	1,872,686	1,630,494	-	-
Specials charges placed on tax roll	428,352	424,424	-	-
Accounts	778,664	40,982	378,978	449,003
Special assessments	271,176	262,951	4,683,886	5,161,689
Due from other governments	4,474	3,203	688,318	863,360
Inventories and prepaid items	1,506	7,967	-	-
Interceptor capacity	-	-	281,816	293,936
Sewer service area acres	-	-	26,755	34,310
Restricted assets				
Cash and investments	227,692	227,692	2,986,597	3,298,957
Capital assets, nondepreciable				
Land	2,451,664	2,451,664	96,473	96,473
Construction in progress	191,850	94,885	183,374	15,787
Capital assets, depreciable				
Land improvements	3,874,523	3,584,443	304,714	304,714
Buildings	795,891	795,891	284,362	243,362
Machinery and equipment	1,416,713	1,392,845	1,127,624	1,120,153
Infrastructure	23,167,328	22,879,852	35,222,286	35,216,301
Less: Accumulated depreciation	(18,032,750)	(16,979,720)	(6,919,173)	(6,297,469)
<b>TOTAL ASSETS</b>	<b>22,849,558</b>	<b>23,540,810</b>	<b>43,389,062</b>	<b>44,682,554</b>
<b>LIABILITIES</b>				
Accounts payable	251,033	175,900	238,116	257,286
Special deposits	608,261	91,632	160,818	-
Accrued interest payable	56,429	40,863	90,121	98,586
Due to other governments	-	-	326,429	407,620
Unearned revenues	113,846	113,846	-	-
Long-term obligations				
Due within one year	816,494	664,217	1,346,548	1,317,865
Due in more than one year	10,919,691	11,773,343	10,881,050	12,252,524
<b>TOTAL LIABILITIES</b>	<b>12,765,754</b>	<b>12,859,801</b>	<b>13,043,082</b>	<b>14,333,881</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes and special charges	2,296,555	2,006,778	-	-
<b>NET POSITION</b>				
Net investment in capital assets	8,940,873	9,145,849	18,222,504	17,304,300
Restricted for				
Debt service	365,663	483,850	1,865,575	2,027,229
Park improvements	52,571	58,814	-	-
Bridge improvements	113,846	113,846	-	-
Equipment replacement	-	-	26,717	26,690
Unrestricted	(1,685,704)	(1,128,128)	10,231,184	10,990,454
<b>TOTAL NET POSITION</b>	<b>\$ 7,787,249</b>	<b>\$ 8,674,231</b>	<b>\$ 30,345,980</b>	<b>\$ 30,348,673</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, 2013  
(With summarized financial information for the year ended December 31, 2012)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 428,019	\$ 78,094	\$ -	\$ -
Public safety	542,730	109,099	50,302	-
Public works	2,078,972	397,516	172,842	102,753
Health and human services	1,616	-	-	-
Culture and recreation	219,920	42,375	-	-
Conservation and development	56,857	13,800	-	-
Interest on debt	268,009	-	-	-
<b>Total Governmental Activities</b>	<u>3,596,123</u>	<u>640,884</u>	<u>223,144</u>	<u>102,753</u>
<b>Component Unit</b>				
Sanitary District No. 2	2,803,217	2,299,569	-	41,000
<b>Total</b>	<u>\$ 6,399,340</u>	<u>\$ 2,940,453</u>	<u>\$ 223,144</u>	<u>\$ 143,753</u>

General revenues  
Taxes  
  Property taxes  
  Other taxes  
Federal and state grants and other contributions not restricted to specific functions  
Interest and investment earnings  
Miscellaneous  
Gain on sale of asset  
Total general revenues

Change in net position

Cumulative effect of change in accounting principle

Net Position - January 1

Net Position - December 31

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

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities		Component Unit	
2013	2012	2013	2012

\$ (349,925)	\$ (423,326)	\$ -	\$ -
(383,329)	(390,505)	-	-
(1,405,861)	(1,875,905)	-	-
(1,616)	(1,813)	-	-
(177,545)	(159,635)	-	-
(43,057)	(18,739)	-	-
(268,009)	(301,950)	-	-
<u>(2,629,342)</u>	<u>(3,171,873)</u>	-	-
-	-	(462,648)	(271,324)
<u>(2,629,342)</u>	<u>(3,171,873)</u>	<u>(462,648)</u>	<u>(271,324)</u>
1,628,656	1,527,728	347,919	345,958
14,002	7,706	-	-
29,892	29,535	-	-
20,170	16,632	69,736	128,901
32,140	38,469	42,300	29,077
17,500	-	-	-
<u>1,742,360</u>	<u>1,620,070</u>	<u>459,955</u>	<u>503,936</u>
(886,982)	(1,551,803)	(2,693)	232,612
-	(94,443)	-	(140,794)
<u>8,674,231</u>	<u>10,320,477</u>	<u>30,348,673</u>	<u>30,256,855</u>
<u>\$ 7,787,249</u>	<u>\$ 8,674,231</u>	<u>\$ 30,345,980</u>	<u>\$ 30,348,673</u>

**TOWN OF LEDGEVIEW, WISCONSIN**

Balance Sheet  
Governmental Funds  
December 31, 2013

(With summarized financial information as of December 31, 2012)

	General Fund	Fire Department Operations	Park Committee	Capital Projects
<b>ASSETS</b>				
Cash and investments	\$ 778,189	\$ 168,378	\$ 80,261	\$ 3,066,380
Receivables				
Taxes	1,204,861	393,875	269,950	-
Specials charges placed on tax roll	306,601	-	-	-
Accounts	3,800	547	-	-
Special assessments	-	-	-	-
Restricted assets				
Cash and investments	-	-	-	-
Advance to other funds	60,000	-	-	-
Due from other governments	1,243	-	-	-
Inventories and prepaid items	1,311	195	-	-
<b>TOTAL ASSETS</b>	<b>\$ 2,356,005</b>	<b>\$ 562,995</b>	<b>\$ 350,211</b>	<b>\$ 3,066,380</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 127,183	\$ 13,551	\$ 6,037	\$ -
Special deposits	66,040	-	400	-
Unearned revenues	-	-	-	-
Advance to other funds	-	60,000	-	-
<b>Total Liabilities</b>	<b>193,223</b>	<b>73,551</b>	<b>6,437</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
Property taxes and special charges	1,506,979	393,875	269,950	-
Special assessments	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>1,506,979</b>	<b>393,875</b>	<b>269,950</b>	<b>-</b>
<b>Fund Balances</b>				
<b>Non-spendable</b>				
Accounts receivable	-	-	-	-
Inventories and prepaid items	1,311	195	-	-
Advance to other funds	60,000	-	-	-
<b>Restricted</b>				
Debt service	-	-	-	-
Capital projects	-	-	-	3,066,380
Park improvements	-	-	52,571	-
Bridge improvements	-	-	-	-
<b>Committed</b>				
Fire department radios	-	-	-	-
Assigned	67,391	95,374	21,253	-
Unassigned	527,101	-	-	-
<b>Total Fund Balances</b>	<b>655,803</b>	<b>95,569</b>	<b>73,824</b>	<b>3,066,380</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 2,356,005</b>	<b>\$ 562,995</b>	<b>\$ 350,211</b>	<b>\$ 3,066,380</b>

(Continued)

Capital Improvements	Developer Projects	Debt Service	Other Governmental Funds	Total Governmental Funds	
				2013	2012
\$ 238,648	\$ 558,390	\$ 363,113	\$ 146,430	\$ 5,399,789	\$ 6,723,237
-	-	-	4,000	1,872,686	1,630,494
-	-	-	121,751	428,352	424,424
13,292	760,593	432	-	778,664	40,982
-	-	271,176	-	271,176	262,951
227,692	-	-	-	227,692	227,692
-	-	-	-	60,000	75,000
-	-	2,118	1,113	4,474	3,203
-	-	-	-	1,506	7,967
<u>\$ 479,632</u>	<u>\$ 1,318,983</u>	<u>\$ 636,839</u>	<u>\$ 273,294</u>	<u>\$ 9,044,339</u>	<u>\$ 9,395,950</u>
\$ 90,079	\$ 13,056	\$ -	\$ 1,127	\$ 251,033	\$ 175,900
-	541,821	-	-	608,261	91,632
113,846	-	-	-	113,846	113,846
-	-	-	-	60,000	75,000
<u>203,925</u>	<u>554,877</u>	<u>-</u>	<u>1,127</u>	<u>1,033,140</u>	<u>456,378</u>
-	-	-	125,751	2,296,555	2,006,778
-	-	271,176	-	271,176	304,492
-	-	<u>271,176</u>	<u>125,751</u>	<u>2,567,731</u>	<u>2,311,270</u>
-	227,032	-	-	227,032	-
-	-	-	-	1,506	7,967
-	-	-	-	60,000	75,000
-	-	365,663	-	365,663	483,850
-	533,561	-	-	3,599,941	4,668,323
-	-	-	-	52,571	58,814
113,846	-	-	-	113,846	113,846
-	-	-	-	-	5,440
161,861	3,513	-	146,416	495,808	533,076
-	-	-	-	527,101	681,986
<u>275,707</u>	<u>764,106</u>	<u>365,663</u>	<u>146,416</u>	<u>5,443,468</u>	<u>6,628,302</u>
<u>\$ 479,632</u>	<u>\$ 1,318,983</u>	<u>\$ 636,839</u>	<u>\$ 273,294</u>	<u>\$ 9,044,339</u>	<u>\$ 9,395,950</u>

**TOWN OF LEDGEVIEW, WISCONSIN**

Balance Sheet (Continued)

Governmental Funds

December 31, 2013

(With summarized financial information as of December 31, 2012)

<u>Reconciliation to the Statement of Net Position</u>	2013	2012
Total Fund Balances as shown on previous page	\$ 5,443,468	\$ 6,628,302
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	13,865,219	14,219,860
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.		
Special assessments	271,176	304,492
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	\$ (11,375,000)	
Capital leases	(83,483)	
Premium on debt issue	(277,702)	
Accrued interest on long-term obligations	(56,429)	
	(11,792,614)	(12,478,423)
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 9)	\$ 7,787,249	\$ 8,674,231

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, 2013  
(With summarized financial information for the year ended December 31, 2012)

	General Fund	Fire Department Operations	Park Committee	Capital Projects
<b>Revenues</b>				
Taxes	\$ 1,013,561	\$ 363,627	\$ 256,770	\$ -
Special assessments	-	-	-	-
Intergovernmental	202,734	24,814	-	-
Licenses and permits	180,745	-	-	-
Fines and forfeits	1,306	-	-	-
Public charges for services	262,940	1,000	41,680	-
Intergovernmental charges for services	-	8,582	-	-
Miscellaneous	30,730	25,829	918	9,953
<b>Total Revenues</b>	<b>1,692,016</b>	<b>423,852</b>	<b>299,368</b>	<b>9,953</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	421,218	-	-	-
Public safety	193,545	284,451	-	-
Public works	679,085	-	-	-
Health and human services	1,616	-	-	-
Culture and recreation	-	-	46,684	-
Conservation and development	51,225	-	-	-
<b>Debt service</b>				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Capital outlay</b>				
-	-	-	-	-
<b>Total Expenditures</b>	<b>1,346,689</b>	<b>284,451</b>	<b>46,684</b>	<b>-</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>345,327</b>	<b>139,401</b>	<b>252,684</b>	<b>9,953</b>
<b>Other Financing Sources (Uses)</b>				
Debt premium received	-	-	-	-
Long-term debt issued	-	-	-	-
Transfers in	-	-	4,700	-
Transfers out	(552,370)	(131,701)	(277,125)	(1,611,896)
<b>Total Other Financing Sources (Uses)</b>	<b>(552,370)</b>	<b>(131,701)</b>	<b>(272,425)</b>	<b>(1,611,896)</b>
<b>Net Change in Fund Balances</b>	<b>(207,043)</b>	<b>7,700</b>	<b>(19,741)</b>	<b>(1,601,943)</b>
<b>Fund Balances - January 1</b>	<b>862,846</b>	<b>87,869</b>	<b>93,565</b>	<b>4,668,323</b>
<b>Fund Balances - December 31</b>	<b>\$ 655,803</b>	<b>\$ 95,569</b>	<b>\$ 73,824</b>	<b>\$ 3,066,380</b>

(Continued)

Capital Improvements	Developer Projects	Debt Service	Other Governmental Funds	Total Governmental Funds	
				2013	2012
\$ -	\$ -	\$ -	\$ -	\$ 1,633,958	\$ 1,531,059
-	-	36,668	-	36,668	153,281
13,292	-	-	-	240,840	243,751
-	-	-	-	180,745	170,146
-	-	-	-	1,306	1,246
-	108,453	-	124,644	538,717	416,765
-	-	-	-	8,582	10,316
9,467	22	6,319	903	84,141	83,263
<u>22,759</u>	<u>108,475</u>	<u>42,987</u>	<u>125,547</u>	<u>2,724,957</u>	<u>2,609,827</u>
-	-	-	-	421,218	474,669
-	-	-	-	477,996	480,633
-	1,000	-	45,967	726,052	616,806
-	-	-	-	1,616	1,813
-	-	-	1,973	48,657	41,098
-	-	-	-	51,225	21,392
-	-	664,217	-	664,217	627,017
-	-	289,601	-	289,601	322,709
<u>1,121,897</u>	<u>103,499</u>	<u>-</u>	<u>3,813</u>	<u>1,229,209</u>	<u>1,491,295</u>
<u>1,121,897</u>	<u>104,499</u>	<u>953,818</u>	<u>51,753</u>	<u>3,909,791</u>	<u>4,077,432</u>
<u>(1,099,138)</u>	<u>3,976</u>	<u>(910,831)</u>	<u>73,794</u>	<u>(1,184,834)</u>	<u>(1,467,605)</u>
-	-	-	-	-	149,300
-	-	-	-	-	4,300,000
1,059,567	760,593	792,644	-	2,617,504	2,423,789
-	(4,700)	-	(39,712)	(2,617,504)	(2,423,789)
<u>1,059,567</u>	<u>755,893</u>	<u>792,644</u>	<u>(39,712)</u>	<u>-</u>	<u>4,449,300</u>
<u>(39,571)</u>	<u>759,869</u>	<u>(118,187)</u>	<u>34,082</u>	<u>(1,184,834)</u>	<u>2,981,695</u>
<u>315,278</u>	<u>4,237</u>	<u>483,850</u>	<u>112,334</u>	<u>6,628,302</u>	<u>3,646,607</u>
<u>\$ 275,707</u>	<u>\$ 764,106</u>	<u>\$ 365,663</u>	<u>\$ 146,416</u>	<u>\$ 5,443,468</u>	<u>\$ 6,628,302</u>

**TOWN OF LEDGEVIEW, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)  
Governmental Funds  
For the Year Ended December 31, 2013  
(With summarized financial information for the year ended December 31, 2012)

Reconciliation to the Statement of Activities

	2013	2012
Net Change in Fund Balances as shown on previous page	\$ (1,184,834)	\$ 2,981,695
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	\$ 723,479	
Depreciation expense reported in the statement of activities	<u>(1,078,120)</u>	
Amount by which capital outlays are greater (less) than depreciation in current period	(354,641)	(894,037)
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	\$ 17,500	
Gain on disposition reported on the statement of activities	<u>(17,500)</u>	
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:		
	(33,316)	162,064
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 position however, debt constitutes a long-term liability. The amount of debt reported in the governmental funds statement is:		
	-	(4,300,000)
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 position and does not affect the statement of activities. The amount of long-term debt principal payments in the current year is:		
	664,217	627,017
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.		
	(15,566)	(1,470)
Debt premiums are reported in the governmental funds as an other financing source. In the statement of activities, these costs are capitalized and amortized over the life of the debt.		
	<u>37,158</u>	<u>(127,072)</u>
Change in Net Position of Governmental Activities as Reported in the Statement of Activities (see page 10)	<u>\$ (886,982)</u>	<u>\$ (1,551,803)</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 - General Fund  
For the Year Ended December 31, 2013  
(With summarized financial information for the year ended December 31, 2012)

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)	Prior Year Actual Amounts
	Original	Final			
<b>Revenues</b>					
Taxes	\$ 1,007,051	\$ 1,007,051	\$ 1,013,561	\$ 6,510	\$ 890,731
Intergovernmental	201,008	201,008	202,734	1,726	219,836
Licenses and permits	123,235	123,235	180,745	57,510	170,146
Fines and forfeits	500	500	1,306	806	1,246
Public charges for services	259,712	259,712	262,940	3,228	238,058
Miscellaneous	39,400	39,400	30,730	(8,670)	39,855
<b>Total Revenues</b>	<b>1,630,906</b>	<b>1,630,906</b>	<b>1,692,016</b>	<b>61,110</b>	<b>1,559,872</b>
<b>Expenditures</b>					
Current					
General government	468,560	421,218	421,218	-	474,669
Public safety	147,765	193,545	193,545	-	206,909
Public works	561,435	679,085	679,085	-	571,061
Health and human services	2,350	2,350	1,616	734	1,813
Conservation and development	88,000	51,225	51,225	-	21,392
<b>Total Expenditures</b>	<b>1,268,110</b>	<b>1,347,423</b>	<b>1,346,689</b>	<b>734</b>	<b>1,275,844</b>
<b>Excess of Revenues Over Expenditures</b>	<b>362,796</b>	<b>283,483</b>	<b>345,327</b>	<b>61,844</b>	<b>284,028</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	15,000	15,000	-	(15,000)	-
Transfers out	(552,370)	(552,370)	(552,370)	-	(443,134)
<b>Total Other Financing Sources (Uses)</b>	<b>(537,370)</b>	<b>(537,370)</b>	<b>(552,370)</b>	<b>(15,000)</b>	<b>(443,134)</b>
<b>Net Change in Fund Balance</b>	<b>(174,574)</b>	<b>(253,887)</b>	<b>(207,043)</b>	<b>46,844</b>	<b>(159,106)</b>
<b>Fund Balance - January 1</b>	<b>862,846</b>	<b>862,846</b>	<b>862,846</b>	<b>-</b>	<b>1,021,952</b>
<b>Fund Balance - December 31</b>	<b>\$ 688,272</b>	<b>\$ 608,959</b>	<b>\$ 655,803</b>	<b>\$ 46,844</b>	<b>\$ 862,846</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, 2013  
(With summarized financial information for the year ended December 31, 2012)

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)	Prior Year Actual Amounts
	Original	Final			
<b>Revenues</b>					
Taxes	\$ 363,627	\$ 363,627	\$ 363,627	\$ -	\$ 406,243
Intergovernmental	21,000	21,000	24,814	3,814	23,915
Public charges for services	1,000	1,000	1,000	-	500
Intergovernmental charges for services	9,500	9,500	8,582	(918)	10,316
Miscellaneous	23,355	23,355	25,829	2,474	23,871
<b>Total Revenues</b>	<b>418,482</b>	<b>418,482</b>	<b>423,852</b>	<b>5,370</b>	<b>464,845</b>
<b>Expenditures</b>					
Current					
Public safety	323,600	323,600	284,451	39,149	273,724
<b>Excess of Revenues Over Expenditures</b>	<b>94,882</b>	<b>94,882</b>	<b>139,401</b>	<b>44,519</b>	<b>191,121</b>
<b>Other Financing Uses</b>					
Transfers out	(139,882)	(139,882)	(131,701)	8,181	(259,363)
<b>Net Change in Fund Balance</b>	<b>(45,000)</b>	<b>(45,000)</b>	<b>7,700</b>	<b>52,700</b>	<b>(68,242)</b>
<b>Fund Balance - January 1</b>	<b>87,869</b>	<b>87,869</b>	<b>87,869</b>	<b>-</b>	<b>156,111</b>
<b>Fund Balance - December 31</b>	<b>\$ 42,869</b>	<b>\$ 42,869</b>	<b>\$ 95,569</b>	<b>\$ 52,700</b>	<b>\$ 87,869</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 - Park Committee  
For the Year Ended December 31, 2013  
(With summarized financial information for the year ended December 31, 2012)

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)	Prior Year Actual Amounts
	Original	Final			
<b>Revenues</b>					
Taxes	\$ 256,770	\$ 256,770	\$ 256,770	\$ -	\$ 230,095
Public charges for services	34,440	34,440	41,680	7,240	52,000
Miscellaneous	450	450	918	468	795
<b>Total Revenues</b>	<b>291,660</b>	<b>291,660</b>	<b>299,368</b>	<b>7,708</b>	<b>282,890</b>
<b>Expenditures</b>					
Current					
Culture and recreation	77,535	77,535	46,684	30,851	39,229
<b>Excess of Revenues Over Expenditures</b>	<b>214,125</b>	<b>214,125</b>	<b>252,684</b>	<b>38,559</b>	<b>243,661</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	4,700	4,700	-
Transfers out	(277,125)	(277,125)	(277,125)	-	(260,400)
<b>Total Other Financing Sources (Uses)</b>	<b>(277,125)</b>	<b>(277,125)</b>	<b>(272,425)</b>	<b>4,700</b>	<b>(260,400)</b>
<b>Net Change in Fund Balance</b>	<b>(63,000)</b>	<b>(63,000)</b>	<b>(19,741)</b>	<b>43,259</b>	<b>(16,739)</b>
<b>Fund Balance - January 1</b>	<b>93,565</b>	<b>93,565</b>	<b>93,565</b>	<b>-</b>	<b>110,304</b>
<b>Fund Balance - December 31</b>	<b>\$ 30,565</b>	<b>\$ 30,565</b>	<b>\$ 73,824</b>	<b>\$ 43,259</b>	<b>\$ 93,565</b>

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

**TOWN OF LEDGEVIEW, WISCONSIN**

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2013

(With summarized financial information as of December 31, 2012)

	Tax Collection	
	2013	2012
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,421,368	\$ 6,522,086
Taxes receivable	6,647,561	6,038,860
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 13,068,929</b>	<b>\$ 12,560,946</b>
	<hr/>	<hr/>
<b>LIABILITIES</b>		
Due to other governments	\$ 13,068,929	\$ 12,560,946
	<hr/>	<hr/>

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, 2013

**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 No. 61.

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 position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. 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. Its significant revenues are general property taxes and donations.

**TOWN OF LEDGEVIEW, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

**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. Its significant revenues are general property taxes and charges for services.

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.

DEVELOPER PROJECTS FUND

This fund is used to account for financial resources to be used for the acquisition or construction of infrastructure related to development projects.

DEBT SERVICE FUND

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

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.

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.

**TOWN OF LEDGEVIEW, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

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

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, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance

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.

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.

**TOWN OF LEDGEVIEW, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2013

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

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 Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Town has one type of item that qualifies for reporting in this category, property taxes. This amount will be recognized as an inflow of resources in the subsequent year for which it was levied. The Town also has an additional type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, special assessments. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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 position. Bond premiums and discounts 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 expensed as incurred.

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, 2013

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

j. Fund Equity

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. 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 Board. These constraints can only be removed or changed by the Town Board 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 position and displayed in three components:

- Net investment in capital assets - 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 position - Amount of net position that is 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 position - Net position that is neither classified as restricted nor as net investment in capital assets.

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, 2013

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

6. Summarized Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Town's financial statements for the year ended December 31, 2012, from which the summarized information was derived.

**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, 2013.

**TOWN OF LEDGEVIEW, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

**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.

The carrying amount of the Town's cash and investments totaled \$12,048,849 on December 31, 2013 as summarized below:

Petty cash and cash on hand	\$ 200
Deposits with financial institutions	16,930,747
Less: Deposits held for Ledgeview Sanitary District No. 2	(5,109,800)
Investments	
Deposits held by Brown County, Wisconsin	227,692
Wisconsin local government investment pool	10
	\$ 12,048,849

Reconciliation to the basic financial statements:

Government-wide statement of net position	
Cash and investments	\$ 5,399,789
Restricted cash and investments	227,692
Fiduciary fund statement of net position	6,421,368
Total Cash and Investments	\$ 12,048,849

The carrying amount of the Sanitary District's cash and investments totaled \$7,029,649 on December 31, 2013 as summarized below:

Deposits with financial institutions	\$ 1,889,484
Deposits held by the Town of Ledgeview	5,109,800
Investments	30,365
	\$ 7,029,649

Reconciliation to the basic financial statements:

Government-wide statement of net position	
Cash and investments	\$ 4,043,052
Restricted cash and investments	2,986,597
	\$ 7,029,649

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.

**TOWN OF LEDGEVIEW, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

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

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.

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 the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-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 the combined amount of all deposit accounts per official custodian per depository institution. 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, 2013, \$203,870 of the District's deposits with financial institutions was in excess of federal and state depository insurance limits or uncollateralized. The uninsured deposits are a result of advance tax collections that will be remitted to other local governmental units in January of 2014.

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 \$30,365 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, 2013, 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.

**TOWN OF LEDGEVIEW, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

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

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 2013 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.

3. Restricted Assets

Town restricted assets on December 31, 2013 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, 2013 totaled \$2,986,597 and consisted of cash and investments held for the following purposes:

Sanitary District No. 2	
Water Utility	
Debt service	<u>\$ 510,679</u>
Sewer Utility	
Debt service	2,449,201
Equipment replacement fund	<u>26,717</u>
Total Sewer Utility	<u>2,475,918</u>
Total Restricted Assets	<u>\$ 2,986,597</u>

**TOWN OF LEDGEVIEW, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

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

4. Capital Assets

Capital asset activity for the Town of Ledgeview for the year ended December 31, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 2,451,664	\$ -	\$ -	\$ 2,451,664
Construction in progress	94,885	96,965	-	191,850
Total capital assets, not being depreciated	<u>2,546,549</u>	<u>96,965</u>	<u>-</u>	<u>2,643,514</u>
Capital assets, being depreciated:				
Land improvements	3,584,443	290,080	-	3,874,523
Buildings	795,891	-	-	795,891
Machinery and equipment	1,392,845	48,958	25,090	1,416,713
Infrastructure	22,879,852	287,476	-	23,167,328
Subtotals	<u>28,653,031</u>	<u>626,514</u>	<u>25,090</u>	<u>29,254,455</u>
Less accumulated depreciation for:				
Land improvements	898,372	156,946	-	1,055,318
Buildings	269,678	24,010	-	293,688
Machinery and equipment	568,367	101,684	25,090	644,961
Infrastructure	15,243,303	795,480	-	16,038,783
Subtotals	<u>16,979,720</u>	<u>1,078,120</u>	<u>25,090</u>	<u>18,032,750</u>
Total capital assets, being depreciated, net	<u>11,673,311</u>	<u>(451,606)</u>	<u>-</u>	<u>11,221,705</u>
Governmental activities capital assets, net	<u>\$ 14,219,860</u>	<u>\$ (354,641)</u>	<u>\$ -</u>	<u>13,865,219</u>
Less related long-term debt outstanding (net unspent bond proceeds of \$3,579,485)				<u>4,924,346</u>
Net investment in capital assets				<u>\$ 8,940,873</u>
Depreciation expense was charged to functions of the Town as follows:				
General government				\$ 6,801
Public safety				75,231
Public works				819,193
Culture and recreation				171,263
Conservation and development				5,632
Total depreciation expense - governmental activities				<u>\$ 1,078,120</u>

**TOWN OF LEDGEVIEW, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

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

Capital asset activity for the Ledgeview Sanitary District No. 2 (component unit) for the year ended December 31, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 96,473	\$ -	\$ -	\$ 96,473
Construction in progress	15,787	170,513	2,926	183,374
Total capital assets, not being depreciated	<u>112,260</u>	<u>170,513</u>	<u>2,926</u>	<u>279,847</u>
Capital assets, being depreciated:				
Land improvements	304,714	-	-	304,714
Buildings	243,362	41,000	-	284,362
Machinery and equipment	1,120,153	33,106	25,635	1,127,624
Infrastructure	35,216,301	10,235	4,250	35,222,286
Subtotals	<u>36,884,530</u>	<u>84,341</u>	<u>29,885</u>	<u>36,938,986</u>
Less accumulated depreciation	<u>6,297,469</u>	<u>651,589</u>	<u>29,885</u>	<u>6,919,173</u>
Total capital assets, being depreciated, net	<u>30,587,061</u>	<u>(567,248)</u>	<u>-</u>	<u>30,019,813</u>
Total capital assets, net	<u>\$ 30,699,321</u>	<u>\$ (396,735)</u>	<u>\$ 2,926</u>	<u>30,299,660</u>
Less related long-term debt outstanding				<u>12,077,156</u>
Net investment in capital assets				<u>\$ 18,222,504</u>
Depreciation Expense				
Water Utility				\$ 313,797
Sewer Utility				337,792
Total				<u>\$ 651,589</u>

**TOWN OF LEDGEVIEW, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

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

5. Interfund Receivable, Payables, and Transfers

Interfund receivables and payables balances at December 31, 2013 were as follows:

The general fund made an advance to the fire department operations fund in 2012 of \$75,000. The fire department operations fund will make annual payments of \$15,000 through 2017. As of December, 31, 2013, \$60,000 of this advance was still outstanding.

Interfund transfers for the year ended December 31, 2013 were as follows:

Purpose	Transfer In	Transfer Out	Amount
Fund Financial Statement Transfers			
Debt payments	Debt Service	General Fund	\$ 389,390
Future capital improvements	Capital Improvements	General Fund	162,980
Debt payments	Debt Service	Fire Department Operations	94,882
Future vehicle acquisitions	Capital Improvements	Fire Department Operations	36,819
Debt payments	Debt Service	Park Committee	272,625
Future vehicle acquisitions	Capital Improvements	Park Committee	4,500
Proceeds from sale of land	Park Committee	Developer Projects	4,700
Debt payments	Debt Service	Capital Projects	535
Park improvements and GV			
Construction	Capital Improvements	Capital Projects	850,768
Improvements - Radue	Developer Projects	Capital Projects	760,593
Debt payments	Debt Service	Stormwater Utility	35,212
Future vehicle acquisitions	Capital Improvements	Stormwater Utility	4,500
			<u>\$ 2,617,504</u>

**TOWN OF LEDGEVIEW, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

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

6. Long-term Obligations

The following is a summary of changes in long-term obligations of the Town for the year ended December 31, 2013:

	Outstanding 1/1/13	Issued	Retired	Outstanding 12/31/13	Due Within One Year
<b>Governmental activities:</b>					
General Obligation Debt					
Bonds	\$ 4,375,000	\$ -	\$ 500,000	\$ 3,875,000	\$ 550,000
Notes	7,600,000	-	100,000	7,500,000	200,000
Total General Obligation Debt	11,975,000	-	600,000	11,375,000	750,000
Debt premium	314,860	-	37,158	277,702	-
Capital leases	147,700	-	64,217	83,483	66,494
Governmental activities					
Long-term obligations	<u>\$ 12,437,560</u>	<u>\$ -</u>	<u>\$ 701,375</u>	<u>\$ 11,736,185</u>	<u>\$ 816,494</u>

Total interest paid during the year on long-term debt totaled \$289,601.

The following is a summary of changes in long-term obligations of the Sanitary District for the year ended December 31, 2013:

	Outstanding 1/1/13	Issued	Retired	Outstanding 12/31/13	Due Within One Year
General Obligation Debt					
Bonds	\$ 8,400,000	\$ -	\$ 1,000,000	\$ 7,400,000	\$ 1,025,000
Notes	4,300,000	-	225,000	4,075,000	225,000
Total General Obligation Debt	12,700,000	-	1,225,000	11,475,000	1,250,000
Debt premium	175,368	-	24,926	150,442	-
Notes Payable	695,021	-	92,865	602,156	96,548
Total Long-term obligations	<u>\$ 13,570,389</u>	<u>\$ -</u>	<u>\$ 1,342,791</u>	<u>\$ 12,227,598</u>	<u>\$ 1,346,548</u>

Total interest paid during the year on long-term debt totaled \$419,137.

**TOWN OF LEDGEVIEW, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

**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; \$500,000 to \$725,000 due annually to 2019; interest 4.125% to 4.30%	<u>\$ 3,875,000</u>
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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%	3,200,000
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\$4,300,000 issued 12/18/2012; \$100,000 to \$1,500,000 due annual to 2022; interest 1.0% to 2.0%	<u>4,300,000</u>
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Total Notes	<u><u>7,500,000</u></u>
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Total Outstanding General Obligation Debt	<u><u>\$ 11,375,000</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%	\$ 3,300,000
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\$5,725,000 G.O. Refunding Bonds issued 10/06/10; \$625,000 to \$700,000 due annually to 2018; interest 2.00% to 3.00%	4,100,000
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Notes

\$4,525,000 G.O. Refunding Promissory Notes issued 7/7/11; \$225,000 to \$2,000,000 due annually to 2021; interest 2.00% to 3.50%	<u>4,075,000</u>
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Total Outstanding General Obligation Debt	<u><u>\$ 11,475,000</u></u>
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Long-term notes payable debt outstanding at December 31, 2013 for the Sanitary District consists of the following:

Notes Payable to GBMSD

1987 Interceptor Note \$387 due annually to 2016	\$ 1,160
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1991 Interceptor Note \$485 to \$555 due annually to 2020; interest at 2.14%	3,635
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1991 Interceptor Note \$445 to \$508 due annually to 2020; interest at 2.14%	3,332
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1992 Interceptor Note \$501 to \$583 due annually to 2021; interest at 2.14%	4,334
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1995 Interceptor Note \$27,154 to \$28,906 due annually to 2015; interest at 3.17%	56,922
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2000 Interceptor Note \$66,713 to \$86,200 due annually to 2020; interest at 4.36%	<u>532,773</u>
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Total Outstanding Notes Payable to GBMSD	<u><u>\$ 602,156</u></u>
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**TOWN OF LEDGEVIEW, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2013

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

Annual principal and interest maturities of the outstanding long-term obligations on December 31, 2013 are detailed below:

Year Ended December 31	Governmental Activities		Total
	Principal	Interest	
2014	\$ 750,000	\$ 294,469	\$ 1,044,469
2015	775,000	280,469	1,055,469
2016	825,000	260,219	1,085,219
2017	900,000	237,844	1,137,844
2018	1,000,000	212,156	1,212,156
2019-2023	7,125,000	400,997	7,525,997
	<u>\$ 11,375,000</u>	<u>\$ 1,686,154</u>	<u>\$ 13,061,154</u>

Year Ended December 31	Sanitary District No. 2		Total
	Principal	Interest	
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	2,077,363	240,595	2,317,958
2018	2,080,706	169,626	2,250,332
2019-2021	3,597,614	232,742	3,830,356
	<u>\$ 12,077,156</u>	<u>\$ 1,680,918</u>	<u>\$ 13,758,074</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, 2013, the legal margin for creation of additional general obligation debt for each entity is as follows:

	Town	Sanitary District No. 2
Equalized Value	\$ 710,390,900	\$ 710,390,900
Statutory limitation percentage	5%	5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	\$ 35,519,545	\$ 35,519,545
Outstanding general obligation debt applicable to debt limitation	11,375,000	11,475,000
Less: Amounts available for financing general obligation debt	(365,663)	-
Legal Margin for New Debt	<u>\$ 24,510,208</u>	<u>\$ 24,044,545</u>

**TOWN OF LEDGEVIEW, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

**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, 2013:

Year Ending	Amount
2014	\$ 68,351
2015	17,088
Total Minimum Lease Payments	85,439
Less: Amount representing interest	1,956
Present Value of Future Minimum Lease Payments	<u>\$ 83,483</u>

7. 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, 2013, fund balance assigned was as follows.

Funds	Reason for Assignment	Amount
General Fund	Emergency management	\$ 12,500
	Economic development	20,139
	Community development director	34,752
	Total General Fund Assigned Fund Balance	<u>\$ 67,391</u>
Fire Department Operations	Subsequent year expenditures	<u>\$ 95,374</u>
Park Committee	Subsequent year expenditures	<u>\$ 21,253</u>
Capital Improvements	Vehicles	\$ 16,478
	Road maintenance	63,753
	Fire department vehicle	40,000
	Fire utility truck	40,000
	Capital improvements	1,630
	Total Capital Improvements Assigned Fund Balance	<u>\$ 161,861</u>
Developer Projects	Projects to develop the Town.	<u>\$ 3,513</u>
Beautification Committee	Visually enhance Town.	<u>\$ 3,810</u>
Stormwater Utility	Operate Town's stormwater utility	<u>\$ 142,606</u>

**TOWN OF LEDGEVIEW, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

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

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 2013 General Fund Expenditures and transfers out	\$ 1,899,059
Minimum Fund Balance %	(x) 25%
Minimum Fund Balance Amount	\$ 474,765

The Town's unassigned general fund balance of \$527,101 is above the minimum fund balance amount.

**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 employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year (440 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. Employees hired to work nine or ten months per year, (e.g. teachers contracts), but expected to return year after year are considered to have met the one-year requirement.

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees, including Teachers, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates are as follows:

	2013	
	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	6.65%	6.65%
Executives & Elected Officials	7.0%	7.0%
Protective with Social Security	6.65%	9.75%
Protective without Social Security	6.65%	12.35%

The payroll for Town employees covered by the WRS for the year ended December 31, 2013 was \$339,481; the employer's total payroll was \$416,106. The total required contribution for the year ended December 31, 2013 was \$45,152, which consisted of \$22,576 or 6.65% of covered payroll from the employer, and \$22,576, or 6.65% of covered payroll from employees. Total contributions for the years ended December 31, 2012 and 2011 were \$28,334 and \$28,067, respectively, equal to the required contributions for each year.

**TOWN OF LEDGEVIEW, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2013

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

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 and on or after April 24, 1998 and prior to July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes.

The WRS issues an annual financial report that may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

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, 2013 were \$11,020.

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.

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 2013 and 2014 budget years, Wisconsin statutes limit the increase in the maximum allowable tax levy to the percentage change in the Town's January 1 equalized value as a result of net new construction. The actual limit for the Town for the 2013 budget was 2.92%. The actual limit for the Town for the 2014 budget was 3.14%. 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.

**TOWN OF LEDGEVIEW, WISCONSIN**

Notes to Basic Financial Statements

December 31, 2013

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

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.

## **SUPPLEMENTARY INFORMATION**

**TOWN OF LEDGEVIEW, WISCONSIN**

General Fund

Detailed Comparison of Budgeted and Actual Revenues

For the Year Ended December 31, 2013

(With summarized financial information for the year ended December 31, 2012)

	Budget		Actual	Variance Final Budget- Positive (Negative)	Prior Year Actual Amounts
	Original	Final			
<b>Taxes</b>					
General property	\$ 1,004,430	\$ 1,004,430	\$ 1,010,479	\$ 6,049	\$ 887,805
Private forest crop/managed forest land	21	21	21	-	20
Payment in lieu of taxes	2,100	2,100	1,314	(786)	2,100
Interest on taxes	500	500	1,747	1,247	806
<b>Total Taxes</b>	<b>1,007,051</b>	<b>1,007,051</b>	<b>1,013,561</b>	<b>6,510</b>	<b>890,731</b>
<b>Intergovernmental</b>					
State					
State shared taxes	25,000	25,000	25,710	710	25,721
Transportation	157,000	157,000	157,255	255	174,728
Exempt computer aid	3,000	3,000	3,706	706	2,958
Recycling	15,500	15,500	15,587	87	15,573
Other grants	508	508	476	(32)	856
<b>Total Intergovernmental</b>	<b>201,008</b>	<b>201,008</b>	<b>202,734</b>	<b>1,726</b>	<b>219,836</b>
<b>Licenses and Permits</b>					
Licenses					
Liquor and malt beverages	7,000	7,000	7,089	89	6,923
Operators	900	900	2,060	1,160	970
Cigarette	600	600	600	-	600
Dog	2,300	2,300	2,425	125	2,123
Cable television	46,000	46,000	45,994	(6)	43,366
Other licenses/permits	10,055	10,055	23,060	13,005	13,060
Building permits	56,380	56,380	99,517	43,137	103,104
<b>Total Licenses and Permits</b>	<b>123,235</b>	<b>123,235</b>	<b>180,745</b>	<b>57,510</b>	<b>170,146</b>
<b>Fines and Forfeits</b>					
Court fines and penalties	500	500	986	486	1,116
Parking violations	-	-	320	320	130
<b>Total Fines and Forfeits</b>	<b>500</b>	<b>500</b>	<b>1,306</b>	<b>806</b>	<b>1,246</b>
<b>Public Charges for Services</b>					
General government	3,200	3,200	4,828	1,628	4,525
Solid waste disposal	256,512	256,512	258,112	1,600	233,533
<b>Total Public Charges for Services</b>	<b>259,712</b>	<b>259,712</b>	<b>262,940</b>	<b>3,228</b>	<b>238,058</b>
<b>Miscellaneous</b>					
Interest on investments	2,000	2,000	1,942	(58)	2,430
Rent of town property	17,400	17,400	17,404	4	17,404
Sale of recyclables	20,000	20,000	9,890	(10,110)	18,780
Insurance dividends	-	-	1,494	1,494	1,231
Other	-	-	-	-	10
<b>Total Miscellaneous</b>	<b>39,400</b>	<b>39,400</b>	<b>30,730</b>	<b>(8,670)</b>	<b>39,855</b>
<b>Total Revenues</b>	<b>\$ 1,630,906</b>	<b>\$ 1,630,906</b>	<b>\$ 1,692,016</b>	<b>\$ 61,110</b>	<b>\$ 1,559,872</b>

**TOWN OF LEDGEVIEW, WISCONSIN**  
 General Fund  
 Detailed Comparison of Budgeted and Actual Expenditures  
 For the Year Ended December 31, 2013  
 (With summarized financial information for the year ended December 31, 2012)

	Budget		Actual	Variance Final Budget - Positive (Negative)	Prior Year Actual Amounts
	Original	Final			
<b>General Government</b>					
Town board	\$ 56,950	\$ 46,879	\$ 46,879	\$ -	\$ 39,984
Municipal court	16,000	3,180	3,180	-	17,656
Legal	20,000	21,038	21,038	-	31,979
Administration	84,350	83,441	83,441	-	87,605
Town clerk	62,755	54,993	54,993	-	58,624
Town treasurer	68,300	68,008	68,008	-	63,966
General office supplies	53,250	47,195	47,195	-	48,916
Elections	13,000	6,543	6,543	-	33,637
Accounting and auditing	12,000	10,775	10,775	-	10,500
Assessment of property	23,950	24,590	24,590	-	24,538
Town hall	28,180	24,830	24,830	-	26,359
Uncollectible taxes	6,000	2,980	2,980	-	2,757
Insurance	23,825	26,023	26,023	-	28,148
Other	-	743	743	-	-
<b>Total General Government</b>	<b>468,560</b>	<b>421,218</b>	<b>421,218</b>	<b>-</b>	<b>474,669</b>
<b>Public Safety</b>					
Crossing guards	15,500	10,062	10,062	-	5,232
Ambulance	95,000	92,091	92,091	-	86,954
Building inspection	37,265	83,698	83,698	-	103,973
Emergency government	-	7,694	7,694	-	10,750
<b>Total Public Safety</b>	<b>147,765</b>	<b>193,545</b>	<b>193,545</b>	<b>-</b>	<b>206,909</b>
<b>Public Works</b>					
Transportation					
Street maintenance	134,825	141,100	141,100	-	134,669
Snow and ice control	110,000	206,612	206,612	-	127,737
Street lighting	39,000	39,689	39,689	-	38,077
Garbage and recycling	277,610	291,684	291,684	-	270,578
<b>Total Public Works</b>	<b>561,435</b>	<b>679,085</b>	<b>679,085</b>	<b>-</b>	<b>571,061</b>
<b>Health and Human Services</b>					
Town constable	2,350	2,350	1,616	734	1,813
<b>Conservation and Development</b>					
Zoning	65,100	36,069	36,069	-	2,950
Economic development	5,000	1,974	1,974	-	3,729
Code enforcement	17,900	13,182	13,182	-	14,713
<b>Total Conservation and Development</b>	<b>88,000</b>	<b>51,225</b>	<b>51,225</b>	<b>-</b>	<b>21,392</b>
<b>Total Expenditures</b>	<b>\$ 1,268,110</b>	<b>\$ 1,347,423</b>	<b>\$ 1,346,689</b>	<b>\$ 734</b>	<b>\$ 1,275,844</b>

**TOWN OF LEDGEVIEW, WISCONSIN**

Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2013

	Special Revenue Fund	Capital Project Fund	Total Nonmajor Governmental Funds
	Beautification Committee	Stormwater Utility	
<b>ASSETS</b>			
Cash and investments	\$ 3,816	\$ 142,614	\$ 146,430
Receivables			
Taxes	4,000	-	4,000
Special charges placed on tax roll	-	121,751	121,751
Due from other governments	-	1,113	1,113
<b>TOTAL ASSETS</b>	<b>\$ 7,816</b>	<b>\$ 265,478</b>	<b>\$ 273,294</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 6	\$ 1,121	\$ 1,127
Contractor deposits	-	-	-
Total Liabilities	<u>6</u>	<u>1,121</u>	<u>1,127</u>
Deferred Inflows of Resources			
Property taxes and special charges	<u>4,000</u>	<u>121,751</u>	<u>125,751</u>
Fund Balances			
Assigned	<u>3,810</u>	<u>142,606</u>	<u>146,416</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 7,816</b>	<b>\$ 265,478</b>	<b>\$ 273,294</b>

**TOWN OF LEDGEVIEW, WISCONSIN**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2013

	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Beautification Committee	Stormwater Utility	
<b>Revenues</b>			
Public charges for services	\$ -	\$ 124,644	\$ 124,644
Miscellaneous	8	895	903
<b>Total Revenues</b>	<u>8</u>	<u>125,539</u>	<u>125,547</u>
<b>Expenditures</b>			
Current			
Public works	-	45,967	45,967
Culture and recreation	1,973	-	1,973
Capital outlay	-	3,813	3,813
<b>Total Expenditures</b>	<u>1,973</u>	<u>49,780</u>	<u>51,753</u>
<b>Excess of Revenues Over (Under)</b>			
Expenditures	<u>(1,965)</u>	<u>75,759</u>	<u>73,794</u>
<b>Other Financing Uses</b>			
Transfers out	<u>-</u>	<u>(39,712)</u>	<u>(39,712)</u>
<b>Net Change in Fund Balances</b>	<u>(1,965)</u>	<u>36,047</u>	<u>34,082</u>
<b>Fund Balances - January 1</b>	<u>5,775</u>	<u>106,559</u>	<u>112,334</u>
<b>Fund Balances - December 31</b>	<u>\$ 3,810</u>	<u>\$ 142,606</u>	<u>\$ 146,416</u>

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



**INDEPENDENT AUDITORS' 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, in accordance with the 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, 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, 2013, and the related notes to the financial statements, which collectively comprise the Town of Ledgeview's basic financial statements, and have issued our report thereon dated March 13, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Ledgeview, Wisconsin's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Town of Ledgeview, Wisconsin's internal control.

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 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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2013-001, that we consider to be a significant deficiency.



## **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*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Town of Ledgeview, Wisconsin's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Ledgeview, Wisconsin's internal control and on compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants  
Green Bay, Wisconsin  
March 13, 2014

**TOWN OF LEDGEVIEW, WISCONSIN**  
 Schedule of Findings and Responses  
 For the Year Ended December 31, 2013

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

Finding No.	Control Deficiencies
<b>2013-001</b>	<b>Preparation of Annual Financial Report</b>
Condition:	Current Town staff maintains accounting records which reflect the Town's financial transactions; however, preparing the Town's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The Town contracts with us and our knowledge of applicable accounting principles, financial statement formats, and note disclosures to assist in the preparation of the annual financial report in an efficient manner.
Criteria:	The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes.
Cause:	Town management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.
Effect:	Without our involvement, the Town may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.
Recommendation:	We recommend the Town continue reviewing the annual financial. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the Town is necessary to obtain a complete and adequate understanding of the Town's annual financial report.
Management Response:	Management believes that the cost of hiring additional staff to prepare financial reports outweigh the benefits to be received. Management will continue to review the financial statements.

**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, 2013.