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ACCOUNTANTS' REVIEW REPORT ON BASIC FINANCIAL STATEMENTS

To the Town Board
Town of Liberty Grove
Door County, Wisconsin

We have reviewed the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the Town of Liberty Grove, Wisconsin 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of Town of Liberty Grove, Wisconsin. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The management of the Town of Liberty Grove, Wisconsin is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The budgetary comparison information on pages 24 and 25 is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

The Town has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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Certified Public Accountants
Green Bay, Wisconsin
April 8, 2014

TOWN OF LIBERTY GROVE
DOOR COUNTY, WISCONSIN
Statement of Net Position
December 31, 2013
"See Independent Accountants' Review Report"

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 2,068,614	\$ 507,252	\$ 2,575,866
Receivables			
Accounts	11,254	24,139	35,393
Taxes	8,050,441	-	8,050,441
Special assessments	-	18,236	18,236
Restricted assets			
Cash and investments	-	26,242	26,242
Capital assets, nondepreciable			
Land	1,813,111	8,000	1,821,111
Capital assets, depreciable			
Improvements other than buildings	103,848	157,883	261,731
Buildings	4,067,511	-	4,067,511
Machinery and equipment	1,519,501	791	1,520,292
Infrastructure	2,931,072	2,638,057	5,569,129
Less: Accumulated depreciation	(2,819,432)	(1,135,064)	(3,954,496)
TOTAL ASSETS	17,745,920	2,245,536	19,991,456
LIABILITIES			
Accounts payable	8,515	20,485	29,000
Accrued and other current liabilities	1,785	-	1,785
Accrued interest payable	32,279	-	32,279
Due to other governments	8,062,338	-	8,062,338
Long-term obligations			
Due within one year	515,535	-	515,535
Due in more than one year	2,165,642	-	2,165,642
TOTAL LIABILITIES	10,786,094	20,485	10,806,579
DEFERRED INFLOWS OF RESOURCES			
Property taxes	1,580,663	-	1,580,663
NET POSITION			
Net investment in capital assets	4,934,434	1,669,667	6,604,101
Restricted for capital assets	-	26,242	26,242
Unrestricted	444,729	529,142	973,871
TOTAL NET POSITION	\$ 5,379,163	\$ 2,225,051	\$ 7,604,214

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

TOWN OF LIBERTY GROVE
DOOR COUNTY, WISCONSIN
Statement of Activities
For the Year Ended December 31, 2013
"See Independent Accountants' Review Report"

Expenses	Program Revenues		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities			
General government	\$ 367,864	\$ 84,517	\$ -
Public safety	281,762	100	-
Public works	720,195	10,654	221,962
Culture, recreation and education	127,851	22,960	-
Health and human services	6,470	32,763	-
Conservation and development	34,867	-	-
Debt service	89,372	-	-
Total Governmental Activities	1,628,381	150,994	221,962
			\$ 911,510
Business-type Activities			
Water utility	64,685	45,091	-
Sewer utility	97,703	59,199	-
Total Business-type Activities	162,387	104,290	-
Total	\$ 1,790,768	\$ 255,284	221,962
			911,510

General revenues
Property taxes, levied for general purposes
Other taxes and fees
State and federal aids not restricted to specific functions
Interest and investment earnings
Miscellaneous
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	Business-type Activities	Total

\$ (283,347)	\$ -	\$ (283,347)
(281,662)	-	(281,662)
(487,579)	-	(487,579)
806,619	-	806,619
26,293	-	26,293
(34,867)	-	(34,867)
(89,372)	-	(89,372)
<u>(343,915)</u>	<u>-</u>	<u>(343,915)</u>
-	(19,594)	(19,594)
-	(38,504)	(38,504)
-	<u>(58,097)</u>	<u>(58,097)</u>
<u>(343,915)</u>	<u>(58,097)</u>	<u>(402,012)</u>
1,617,839	6,089	1,623,928
91,681	-	91,681
75,653	-	75,653
809	3,037	3,846
25,357	499	25,856
<u>1,811,339</u>	<u>9,625</u>	<u>1,820,964</u>
1,467,424	(48,472)	1,418,952
3,652,411	-	3,652,411
259,328	2,273,523	2,532,851
<u>\$ 5,379,163</u>	<u>\$ 2,225,051</u>	<u>\$ 7,604,214</u>

TOWN OF LIBERTY GROVE
DOOR COUNTY, WISCONSIN
Balance Sheet - General Fund
December 31, 2013
"See Independent Accountants' Review Report"

	2013
ASSETS	
Cash and investments	\$ 2,068,614
Receivables	
Taxes	8,050,441
Accounts	11,254
	\$ 10,130,309
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 8,515
Payroll liabilities	1,785
Due to other governments	8,062,338
Total Liabilities	8,072,638
Deferred Inflows of Resources	
Property taxes	1,580,663
Fund Balance	
Restricted for capital expenditures from debt proceeds	200,000
Assigned	
2015 budget	28,701
Subsequent years expenditures	130,401
Unassigned	117,906
Total Fund Balance	477,008
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 10,130,309
 <u>Reconciliation to the Statement of Net Position</u>	
Total Fund Balance as shown above	\$ 477,008
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.	7,615,611
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and notes payable	(2,681,177)
Accrued interest on long-term obligations	(32,279)
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 3)	\$ 5,379,163

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

TOWN OF LIBERTY GROVE
DOOR COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balance -
General Fund
For the Year Ended December 31, 2013
"See Independent Accountants' Review Report"

	2013
Revenues	
Taxes	\$ 1,734,943
Intergovernmental	267,444
Licenses and permits	64,749
Public charges for services	64,666
Intergovernmental charges for services	6,123
Miscellaneous	46,373
Total Revenues	2,184,298
Expenditures	
General government	354,121
Public safety	248,563
Public works	1,026,863
Culture, recreation and education	122,869
Health and human services	6,471
Conservation and development	34,902
Debt service	
Principal	557,735
Interest and fiscal charges	115,094
Total Expenditures	2,466,618
Excess of Revenues Over (Under) Expenditures	(282,320)
Other Financing Sources	
Long term debt issued	500,000
Net Change in Fund Balance	217,680
Fund Balance - January 1	259,328
Fund Balance - December 31	\$ 477,008

(Continued)

**TOWN OF LIBERTY GROVE
DOOR COUNTY, WISCONSIN**

Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balance -
General Fund (Continued)

For the Year Ended December 31, 2013
"See Independent Accountants' Review Report"

Reconciliation to the Statement of Activities

Net Change in Fund Balance as shown on previous page \$ 217,680

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	507,144
Depreciation expense reported in the statement of activities	(252,366)

Some capital assets acquired during the year were donated to the government. The value of the asset is recorded at estimated fair market value at the time of the donation. The amount is reported as a capital contribution in the statement of activities, but not in the governmental fund statements:

911,510

Some capital assets acquired during the year were financed with debt. The amount of the debt 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 fund statement is:

(500,000)

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:

557,735

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.

25,721

Change in Net Position of Governmental Activities as Reported in the
Statement of Activities (see pages 4 and 5)

\$ 1,467,424

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

TOWN OF LIBERTY GROVE
DOOR COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended December 31, 2013
"See Independent Accountants' Review Report"

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Taxes	\$ 1,714,280	\$ 1,734,943	\$ 20,663
Intergovernmental	284,949	267,444	(17,505)
Licenses and permits	40,500	64,749	24,249
Public charges for services	42,950	64,666	21,716
Intergovernmental charges for services	3,482	6,123	2,641
Miscellaneous	14,150	46,373	32,223
Total Revenues	2,100,311	2,184,298	83,987
Expenditures			
General government	374,943	354,121	20,822
Public safety	246,319	248,563	(2,244)
Public works	1,059,924	1,026,863	33,061
Culture, recreation and education	102,356	122,869	(20,513)
Health and human services	17,000	6,471	10,529
Conservation and development	35,480	34,902	578
Debt service			
Principal	557,735	557,735	-
Interest and fiscal charges	115,094	115,094	-
Total Expenditures	2,508,851	2,466,618	42,233
Excess of Revenues Over (Under) Expenditures	(408,540)	(282,320)	126,220
Other Financing Sources			
Long term debt issued	303,540	500,000	196,460
Net Change in Fund Balance	(105,000)	217,680	322,680
Fund Balance - January 1	259,328	259,328	-
Fund Balance - December 31	\$ 154,328	\$ 477,008	\$ 322,680

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

TOWN OF LIBERTY GROVE
DOOR COUNTY, WISCONSIN
Statement of Net Position
Proprietary Fund
December 31, 2013
"See Independent Accountants' Review Report"

	Enterprise Fund
	Water and Sewer Utility
ASSETS	
Cash and investments	\$ 507,252
Receivables	
Accounts	24,139
Special assessments	18,236
Restricted assets	
Cash and investments	26,242
Capital assets, nondepreciable	
Land	8,000
Capital assets, depreciable	
Improvements other than buildings	157,883
Machinery and equipment	791
Infrastructure	2,638,057
Less: Accumulated depreciation	<u>(1,135,064)</u>
TOTAL ASSETS	<u>2,245,536</u>
LIABILITIES	
Accounts payable	<u>20,485</u>
NET POSITION	
Net investment in capital assets	1,669,667
Restricted for capital assets	26,242
Unrestricted	<u>529,142</u>
TOTAL NET POSITION	<u><u>\$ 2,225,051</u></u>

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

TOWN OF LIBERTY GROVE
DOOR COUNTY, WISCONSIN
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended December 31, 2013
"See Independent Accountants' Review Report"

	Enterprise Fund		
	Water Utility	Sewer Utility	Total
Operating Revenues			
Charges for services	\$ 42,540	\$ 59,043	\$ 101,583
Other	2,551	156	2,707
Total Operating Revenues	<u>45,091</u>	<u>59,199</u>	<u>104,290</u>
Operating Expenses			
Operation and maintenance	35,798	73,668	109,466
Administrative and general	6,663	682	7,345
Depreciation	22,161	23,353	45,514
Taxes	62	-	62
Total Operating Expenses	<u>64,684</u>	<u>97,703</u>	<u>162,387</u>
Operating Income (Loss)	<u>(19,593)</u>	<u>(38,504)</u>	<u>(58,097)</u>
Nonoperating Revenues (Expenses)			
Interest income			3,037
Town property tax levy			6,089
Miscellaneous			499
Total Nonoperating Revenues (Expenses)			<u>9,625</u>
Change in Net Position			(48,472)
Net Position - January 1			<u>2,273,523</u>
Net Position - December 31			<u>\$ 2,225,051</u>

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

TOWN OF LIBERTY GROVE
DOOR COUNTY, WISCONSIN
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2013
"See Independent Accountants' Review Report"

	Enterprise Fund
	Water and Sewer Utility
Cash Flows from Operating Activities	
Cash received from user charges	\$ 103,502
Cash payments to suppliers and contractors	(118,312)
Net Cash Used by Operating Activities	(14,810)
Cash Flows from Noncapital Financing Activities	
Cash received from miscellaneous revenues	499
Property tax levy	6,089
Net Cash Provided by Noncapital Financing Activities	6,588
Cash Flows from Capital and Related Financing Activities	
Acquisition of capital assets	(168)
Collection of special assessments	9,119
Net Cash Provided by Capital and Related Financing Activities	8,951
Cash Flows from Investing Activities	
Interest received	3,037
Change in Cash and Cash Equivalents	3,766
Cash and Cash Equivalents - Beginning of Year	529,728
Cash and Cash Equivalents - End of Year	\$ 533,494
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities:	
Operating income (loss)	\$ (58,097)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	45,514
Changes in assets and liabilities	
Accounts receivable	(788)
Accounts payable	(1,439)
Net Cash Used by Operating Activities	\$ (14,810)
Reconciliation of cash and cash equivalents to statement of net position:	
Cash and investments	\$ 507,252
Restricted assets	26,242
Total cash and cash equivalents	\$ 533,494

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