

**TOWN OF LIBERTY GROVE**  
**DOOR COUNTY, WISCONSIN**  
**ANNUAL FINANCIAL STATEMENTS WITH**  
**INDEPENDENT ACCOUNTANTS' REVIEW REPORT**  
**DECEMBER 31, 2014**

**TOWN OF LIBERTY GROVE**  
**DOOR COUNTY, WISCONSIN**  
December 31, 2014

Table of Contents

	<u>Page No.</u>
INDEPENDENT ACCOUNTANTS' REVIEW REPORT	1
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	2
Statement of Activities	3 - 4
Fund Financial Statements	
Balance Sheet - General Fund	5
Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund	6 - 7
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	8
Statement of Net Position - Proprietary Fund - Water and Sewer Utility Enterprise Fund	9
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund - Water and Sewer Utility Enterprise Fund	10
Statement of Cash Flows - Proprietary Fund	11
Notes to Basic Financial Statements	12 - 22
SUPPLEMENTARY INFORMATION	
Detailed Schedule of General Fund Revenues	23
Detailed Schedule of General Fund Expenditures	24



## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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, 2014, 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 and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

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.

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

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the basic financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The budgetary comparison information on pages 23 and 24 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we did not become aware of any material modifications that should be made to such information.

*Schenck SC*

Certified Public Accountants  
Green Bay, Wisconsin  
March 16, 2015







Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Total	
		2014	2013
\$ (249,478)	\$ -	\$ (249,478)	\$ (283,347)
(565,872)	-	(565,872)	(281,662)
(381,361)	-	(381,361)	(487,579)
(116,182)	-	(116,182)	806,619
15,569	-	15,569	26,293
(22,180)	-	(22,180)	(34,867)
(102,471)	-	(102,471)	(89,372)
<u>(1,421,975)</u>	<u>-</u>	<u>(1,421,975)</u>	<u>(343,915)</u>
-	(10,129)	(10,129)	(19,594)
-	(34,845)	(34,845)	(38,504)
-	<u>(44,974)</u>	<u>(44,974)</u>	<u>(58,098)</u>
<u>(1,421,975)</u>	<u>(44,974)</u>	<u>(1,466,949)</u>	<u>(402,013)</u>
1,574,563	6,100	1,580,663	1,623,928
75,767	-	75,767	91,681
56,070	-	56,070	75,653
1,585	3,089	4,674	3,846
19,245	52	19,297	25,856
<u>1,727,230</u>	<u>9,241</u>	<u>1,736,471</u>	<u>1,820,964</u>
305,255	(35,733)	269,522	1,418,952
-	-	-	3,652,411
<u>5,379,163</u>	<u>2,225,051</u>	<u>7,604,214</u>	<u>2,532,851</u>
<u>\$ 5,684,418</u>	<u>\$ 2,189,318</u>	<u>\$ 7,873,736</u>	<u>\$ 7,604,214</u>



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

Statement of Revenues, Expenditures and Changes in Fund Balance -  
General Fund

For the Year Ended December 31, 2014

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

"See Independent Accountants' Review Report"

	2014	2013
Revenues		
Taxes	\$ 1,651,045	\$ 1,734,943
Intergovernmental	359,974	267,444
Licenses and permits	78,295	64,749
Fines, forfeits and penalties	100	-
Public charges for services	53,059	64,666
Intergovernmental charges for services	2,635	6,123
Miscellaneous	23,231	46,373
Total Revenues	<u>2,168,339</u>	<u>2,184,298</u>
Expenditures		
General government	331,891	354,121
Public safety	532,672	248,563
Public works	527,571	1,026,863
Culture, recreation and education	242,056	122,869
Health and human services	24,344	6,471
Conservation and development	22,180	34,902
Debt service		
Principal	1,893,231	557,735
Interest and fiscal charges	111,712	115,094
Total Expenditures	<u>3,685,657</u>	<u>2,466,618</u>
Excess of Revenues Under Expenditures	(1,517,318)	(282,320)
Other Financing Sources		
Long-term debt issued	<u>1,620,000</u>	<u>500,000</u>
Net Change in Fund Balance	102,682	217,680
Fund Balance - January 1	<u>477,008</u>	<u>259,328</u>
Fund Balance - December 31	<u>\$ 579,690</u>	<u>\$ 477,008</u>

(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, 2014

(With summarized financial information 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	\$ 102,682	\$ 217,680
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital assets reported as capital outlay in governmental fund statements	209,757	507,144
Depreciation expense reported in the statement of activities	(253,906)	(252,366)

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.

Loss on disposition reported on the statement of activities	(35,750)	-
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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
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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:

	(1,620,000)	(500,000)
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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:

	1,893,231	557,735
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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.

	9,241	25,721
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Change in Net Position of Governmental Activities as Reported in the Statement of Activities (see pages 3 and 4)

	\$ 305,255	\$ 1,467,424
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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, 2014  
"See Independent Accountants' Review Report"

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>			
Taxes	\$ 1,637,963	\$ 1,651,045	\$ 13,082
Intergovernmental	290,218	359,974	69,756
Licenses and permits	42,100	78,295	36,195
Fines, forfeits and penalties	-	100	100
Public charges for services	43,100	53,059	9,959
Intergovernmental charges for services	3,200	2,635	(565)
Miscellaneous	54,250	23,231	(31,019)
<b>Total Revenues</b>	<u>2,070,831</u>	<u>2,168,339</u>	<u>97,508</u>
<b>Expenditures</b>			
General government	659,504	331,891	327,613
Public safety	264,867	532,672	(267,805)
Public works	605,664	527,571	78,093
Culture, recreation and education	136,869	242,056	(105,187)
Health and human services	28,669	24,344	4,325
Conservation and development	26,349	22,180	4,169
Debt service			
Principal	544,848	1,893,231	(1,348,383)
Interest and fiscal charges	94,061	111,712	(17,651)
<b>Total Expenditures</b>	<u>2,360,831</u>	<u>3,685,657</u>	<u>(1,324,826)</u>
Excess of Revenues Under Expenditures	(290,000)	(1,517,318)	(1,227,318)
<b>Other Financing Sources</b>			
Long-term debt issued	200,000	1,620,000	1,420,000
<b>Net Change in Fund Balance</b>	(90,000)	102,682	192,682
<b>Fund Balance - January 1</b>	<u>477,008</u>	<u>477,008</u>	-
<b>Fund Balance - December 31</b>	<u>\$ 387,008</u>	<u>\$ 579,690</u>	<u>\$ 192,682</u>

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 - Water and Sewer Utility Enterprise Fund  
December 31, 2014  
(With summarized financial information as of December 31, 2013)  
"See Independent Accountants' Review Report"

	2014	2013
<b>ASSETS</b>		
Cash and investments	\$ 525,171	\$ 507,252
Receivables		
Accounts	24,600	24,139
Special assessments	9,574	18,236
Restricted assets		
Cash and investments	26,760	26,242
Capital assets, nondepreciable		
Land	8,000	8,000
Capital assets, depreciable		
Improvements other than buildings	157,883	157,883
Machinery and equipment	791	791
Infrastructure	2,638,577	2,638,057
Less: Accumulated depreciation	<u>(1,179,620)</u>	<u>(1,135,064)</u>
<b>TOTAL ASSETS</b>	<u>2,211,736</u>	<u>2,245,536</u>
<b>LIABILITIES</b>		
Accounts payable	<u>22,418</u>	<u>20,485</u>
<b>NET POSITION</b>		
Net investment in capital assets	1,625,631	1,669,667
Restricted for capital assets	26,760	26,242
Unrestricted	<u>536,927</u>	<u>529,142</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 2,189,318</u></u>	<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 - Water and Sewer Utility Enterprise Fund  
For the Year Ended December 31, 2014

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

"See Independent Accountants' Review Report"

	Enterprise Fund			
	Water Utility	Sewer Utility	Total	
			2014	2013
Operating Revenues				
Charges for services	\$ 42,208	\$ 59,638	\$ 101,846	\$ 101,583
Other	2,793	720	3,513	2,707
Total Operating Revenues	<u>45,001</u>	<u>60,358</u>	<u>105,359</u>	<u>104,290</u>
Operating Expenses				
Operation and maintenance	27,206	71,183	98,389	109,466
Administrative and general	6,131	658	6,789	7,345
Depreciation	21,754	23,362	45,116	45,514
Taxes	39	-	39	62
Total Operating Expenses	<u>55,130</u>	<u>95,203</u>	<u>150,333</u>	<u>162,387</u>
Operating Loss	<u>(10,129)</u>	<u>(34,845)</u>	<u>(44,974)</u>	<u>(58,097)</u>
Nonoperating Revenues				
Interest income			3,089	3,037
Town property tax levy			6,100	6,089
Miscellaneous			52	499
Total Nonoperating Revenues			<u>9,241</u>	<u>9,625</u>
Change in Net Position			(35,733)	(48,472)
Net Position - January 1			<u>2,225,051</u>	<u>2,273,523</u>
Net Position - December 31			<u>\$ 2,189,318</u>	<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 - Water and Sewer Utility Enterprise Fund  
For the Year Ended December 31, 2014  
(With summarized financial information for the year ended December 31, 2013)  
"See Independent Accountants' Review Report"

	2014	2013
Cash Flows from Operating Activities		
Cash received from user charges	\$ 104,898	\$ 103,502
Cash payments to suppliers and contractors	(103,284)	(118,312)
Net Cash Provided (Used) by Operating Activities	<u>1,614</u>	<u>(14,810)</u>
Cash Flows from Noncapital Financing Activities		
Cash received from miscellaneous revenues	52	499
Property tax levy	6,100	6,089
Net Cash Provided by Noncapital Financing Activities	<u>6,152</u>	<u>6,588</u>
Cash Flows from Capital and Related Financing Activities		
Acquisition of capital assets	(1,080)	(168)
Collection of special assessments	8,662	9,119
Net Cash Provided by Capital and Related Financing Activities	<u>7,582</u>	<u>8,951</u>
Cash Flows from Investing Activities		
Interest received	<u>3,089</u>	<u>3,037</u>
Change in Cash and Cash Equivalents	18,437	3,766
Cash and Cash Equivalents - Beginning of Year	<u>533,494</u>	<u>529,728</u>
Cash and Cash Equivalents - End of Year	<u>\$ 551,931</u>	<u>\$ 533,494</u>
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities:		
Operating loss	\$ (44,974)	\$ (58,097)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	45,116	45,514
Changes in assets and liabilities:		
Accounts receivable	(461)	(788)
Accounts payable	1,933	(1,439)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,614</u>	<u>\$ (14,810)</u>
Reconciliation of cash and cash equivalents to statement of net position:		
Cash and investments	\$ 525,171	\$ 507,252
Restricted assets	26,760	26,242
Total cash and cash equivalents	<u>\$ 551,931</u>	<u>\$ 533,494</u>

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