

VILLAGE OF FORESTVILLE, WISCONSIN

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2011

VILLAGE OF FORESTVILLE, WISCONSIN

December 31, 2011

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**INDEPENDENT AUDITORS' REPORT ON BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS**

To the Village Board
Village of Forestville, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activity, and each major fund, of the Village of Forestville, Wisconsin ("the Village") as of and for the year ended December 31, 2011, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Forestville's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, and each major fund of the Village as of December 31, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2012, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's financial statements as a whole. The financial information listed in the table of contents as supplemental information and the accompanying schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the financial statements. The supplemental information and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Certified Public Accountants
Green Bay, Wisconsin
January 31, 2012

BASIC FINANCIAL STATEMENTS

VILLAGE OF FORESTVILLE, WISCONSIN

Statement of Net Assets

December 31, 2011

	Governmental Activities	Business-type Activity	Total
ASSETS			
Cash and investments	\$ 288,695	\$ 67,006	\$ 355,701
Receivables			
Taxes	269,735	-	269,735
Accounts	241	17,634	17,875
Due from other governments	-	222,611	222,611
Restricted assets			
Cash and short-term investments	-	82,314	82,314
Capital assets			
Land	63,400	-	63,400
Buildings and improvements	51,250	425,000	476,250
Machinery and equipment	12,000	425,000	437,000
Infrastructure	47,372	1,087,955	1,135,327
Construction in progress	-	968,450	968,450
Less: Accumulated depreciation	(40,582)	(864,351)	(904,933)
TOTAL ASSETS	692,111	2,431,619	3,123,730
LIABILITIES			
Accounts payable	3,493	145,478	148,971
Accrued interest payable	-	1,450	1,450
Other accrued expenses	-	538	538
Due to other governments	287,778	-	287,778
Unearned revenues	34,954	10,098	45,052
Long-term obligations			
Due within one year	-	984,984	984,984
Due in more than one year	-	230,886	230,886
TOTAL LIABILITIES	326,225	1,373,434	1,699,659
NET ASSETS			
Invested in capital assets, net of related debt	133,440	826,184	959,624
Restricted for			
Equipment replacement	-	82,314	82,314
Unrestricted	232,446	149,687	382,133
TOTAL NET ASSETS	\$ 365,886	\$ 1,058,185	\$ 1,424,071

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

VILLAGE OF FORESTVILLE, WISCONSIN

Statement of Activities

Year Ended December 31, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 35,835	\$ 2,638	\$ -	\$ -
Public safety	11,228	-	768	-
Public works	27,332	430	6,669	-
Culture and recreation	4,764	81	-	-
Conservation and development	990	-	-	-
Total Governmental Activities	80,149	3,149	7,437	-
Business-type Activity				
Sewage service	87,746	127,695	-	96,565
Total	\$ 167,895	\$ 130,844	\$ 7,437	\$ 96,565

General revenues

 Property taxes, levied for general purposes

 Other taxes

 State and federal aids not restricted to specific functions

 Interest and investment earnings

 Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net assets - January 1

Net assets - December 31

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

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-type Activity	Total

\$	(33,197)	\$	-	\$	(33,197)
	(10,460)		-		(10,460)
	(20,233)		-		(20,233)
	(4,683)		-		(4,683)
	(990)		-		(990)
	<u>(69,563)</u>		-		<u>(69,563)</u>

	-		136,514		136,514
	<u>(69,563)</u>		<u>136,514</u>		<u>66,951</u>

	34,821		-		34,821
	5		-		5
	62,459		-		62,459
	1,477		725		2,202
	240		-		240
	<u>(19,874)</u>		<u>19,874</u>		<u>-</u>

	<u>79,128</u>		<u>20,599</u>		<u>99,727</u>
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	9,565		157,113		166,678
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	<u>356,321</u>		<u>901,072</u>		<u>1,257,393</u>
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\$	<u>365,886</u>	\$	<u>1,058,185</u>	\$	<u>1,424,071</u>
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VILLAGE OF FORESTVILLE, WISCONSIN

Balance Sheet - General Fund

December 31, 2011

ASSETS

Cash and investments	\$ 288,695
Receivables	
Taxes	269,735
Accounts	241

TOTAL ASSETS \$ 558,671

LIABILITIES AND FUND BALANCE

Liabilities	
Accounts payable	\$ 3,493
Due to other governments	287,778
Deferred revenues	34,954
Total Liabilities	<u>326,225</u>

Fund Balance	
Unassigned	<u>232,446</u>

TOTAL LIABILITIES AND FUND BALANCE \$ 558,671

Reconciliation to the Statement of Net Assets

Total Fund Balance as shown above \$ 232,446

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 133,440

Net Assets of Governmental Activities as Reported on the Statement of Net Assets (see page 3) \$ 365,886

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

VILLAGE OF FORESTVILLE, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
Year Ended December 31, 2011

Revenues	
Taxes	\$ 34,826
Intergovernmental	69,896
Licenses and permits	2,218
Public charges for services	931
Miscellaneous	1,717
Total Revenues	<u>109,588</u>
Expenditures	
Current	
General government	34,554
Public safety	11,228
Public works	26,937
Culture and recreation	4,764
Conservation and development	990
Capital outlay	47,372
Total Expenditures	<u>125,845</u>
Excess of Revenues Over (Under) Expenditures	<u>(16,257)</u>
Other Financing Uses	
Transfers out	<u>(19,874)</u>
Net Change in Fund Balance	(36,131)
Fund Balance - January 1	<u>268,577</u>
Fund Balance - December 31	<u>\$ 232,446</u>
<u>Reconciliation to the Statement of Activities</u>	
Net Change in Fund Balance from above	\$ (36,131)

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	\$ 47,372
Depreciation expense reported in the statement of activities	<u>(1,676)</u>
Amount by which capital outlays are less than depreciation in current period	<u>45,696</u>

Change in Net Assets of Governmental Activities as reported in the Statement of Activities (see pages 4 - 5)	<u>\$ 9,565</u>
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The notes to the basic financial statements are an integral part of this statement.

VILLAGE OF FORESTVILLE, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 34,791	\$ 34,791	\$ 34,826	\$ 35
Intergovernmental	70,000	70,000	69,896	(104)
Licenses and permits	2,500	2,500	2,218	(282)
Public charges for services	-	-	931	931
Miscellaneous	3,209	3,209	1,717	(1,492)
Total Revenues	110,500	110,500	109,588	(912)
Expenditures				
Current				
General government	37,500	37,500	34,554	2,946
Public safety	14,000	14,000	11,228	2,772
Public works	32,000	32,000	26,937	5,063
Culture and recreation	5,500	5,500	4,764	736
Conservation and development	1,500	1,500	990	510
Capital outlay	-	-	47,372	(47,372)
Total Expenditures	90,500	90,500	125,845	(35,345)
Excess of Revenues Over (Under) Expenditures	20,000	20,000	(16,257)	(36,257)
Other Financing Uses				
Transfers out	(20,000)	(20,000)	(19,874)	126
Net Change in Fund Balance	-	-	(36,131)	(36,131)
Fund Balance - January 1	268,577	268,577	268,577	-
Fund Balance - December 31	\$ 268,577	\$ 268,577	\$ 232,446	\$ (36,131)

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

VILLAGE OF FORESTVILLE, WISCONSIN
Statement of Net Assets
Sanitary Sewer Proprietary Fund
December 31, 2011

ASSETS	
Cash and investments	\$ 67,006
Receivables	
Customer accounts	17,634
Due from other governments	222,611
Restricted assets	
Cash and investments	82,314
Capital Assets	
Buildings and improvements	425,000
Machinery and equipment	425,000
Infrastructure	1,087,955
Construction in progress	968,450
Less: Accumulated depreciation	<u>(864,351)</u>
TOTAL ASSETS	<u>2,431,619</u>
LIABILITIES	
Accounts payable	145,478
Accrued interest payable	1,450
Other accrued expenses	538
Unearned revenues	10,098
Noncurrent liabilities	
Due within one year	984,984
Due in more than one year	<u>230,886</u>
TOTAL LIABILITIES	<u>1,373,434</u>
NET ASSETS	
Invested in capital assets, net of related debt	826,184
Restricted for	
Equipment replacement	82,314
Unrestricted	<u>149,687</u>
TOTAL NET ASSETS	<u>\$ 1,058,185</u>

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

