

VILLAGE OF FORESTVILLE, WISCONSIN

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2012

VILLAGE OF FORESTVILLE, WISCONSIN

December 31, 2012

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INDEPENDENT AUDITORS' REPORT

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, 2012, which collectively comprise the Village's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

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 Village'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 Village'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 business-type activity and each major fund of the Village as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows 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.

Report Issued in Accordance with Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2013, 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. This 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.

Report Issued in Accordance with OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations

In accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, issued by the Office of Management and Budget, we have also issued our report dated January 29, 2013, on our consideration of the Village's internal control over compliance and an opinion on its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters that could have a direct and material effect on a major federal program. This report is an integral part of an audit performed in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and should be considered in assessing the results of our audit.

Emphasis of Matter

As described in Note A.4.d, the Village has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for the year ended December 31, 2012.

Other Matters

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 supplementary 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 supplementary 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.

Schmidt SC

Certified Public Accountants
Green Bay, Wisconsin
January 29, 2013

BASIC FINANCIAL STATEMENTS

VILLAGE OF FORESTVILLE, WISCONSIN

Statement of Net Position

December 31, 2012

	Governmental Activities	Business-type Activity	Total
ASSETS			
Cash and investments	\$ 285,843	\$ 110,707	\$ 396,550
Receivables			
Taxes	262,341	-	262,341
Accounts	269	17,879	18,148
Due from other governments	-	37,741	37,741
Restricted assets			
Cash and short-term investments	-	159,910	159,910
Capital assets			
Land	63,400	-	63,400
Construction in progress	7,894	-	7,894
Buildings and improvements	51,250	1,219,717	1,270,967
Machinery and equipment	12,000	979,422	991,422
Infrastructure	47,372	1,087,955	1,135,327
Less: Accumulated depreciation	(44,232)	(817,550)	(861,782)
TOTAL ASSETS	686,137	2,795,781	3,481,918
LIABILITIES			
Accounts payable	988	39,696	40,684
Accrued interest payable	-	15,258	15,258
Due to other governments	274,859	-	274,859
Unearned revenues	-	12,245	12,245
Long-term obligations			
Due within one year	-	43,018	43,018
Due in more than one year	-	1,135,263	1,135,263
TOTAL LIABILITIES	275,847	1,245,480	1,521,327
DEFERRED INFLOWS OF RESOURCES			
Property taxes	35,112	-	35,112
NET POSITION			
Net investment in capital assets	137,684	1,291,263	1,428,947
Restricted for			
Equipment replacement	-	52,344	52,344
Debt service	-	107,566	107,566
Unrestricted	237,494	99,128	336,622
TOTAL NET POSITION	\$ 375,178	\$ 1,550,301	\$ 1,925,479

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

VILLAGE OF FORESTVILLE, WISCONSIN

Statement of Activities

For the Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 44,188	\$ 2,934	\$ -	\$ -
Public safety	12,486	-	873	-
Public works	17,588	539	6,669	-
Culture and recreation	4,257	300	-	-
Conservation and development	810	-	-	-
Total Governmental Activities	79,329	3,773	7,542	-
Business-type Activity				
Sewage service	140,473	141,350	-	470,234
Total	\$ 219,802	\$ 145,123	\$ 7,542	\$ 470,234

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 position

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 Activity	Total
\$ (41,254)	\$ -	\$ (41,254)
(11,613)	-	(11,613)
(10,380)	-	(10,380)
(3,957)	-	(3,957)
(810)	-	(810)
<u>(68,014)</u>	<u>-</u>	<u>(68,014)</u>
-	471,111	471,111
<u>(68,014)</u>	<u>471,111</u>	<u>403,097</u>
35,180	-	35,180
10	-	10
61,442	-	61,442
748	791	1,539
140	-	140
<u>(20,214)</u>	<u>20,214</u>	<u>-</u>
<u>77,306</u>	<u>21,005</u>	<u>98,311</u>
9,292	492,116	501,408
<u>365,886</u>	<u>1,058,185</u>	<u>1,424,071</u>
<u>\$ 375,178</u>	<u>\$ 1,550,301</u>	<u>\$ 1,925,479</u>

VILLAGE OF FORESTVILLE, WISCONSIN

Balance Sheet - General Fund

December 31, 2012

ASSETS

Cash and investments	\$ 285,843
Receivables	
Taxes	262,341
Accounts	<u>269</u>
TOTAL ASSETS	<u>\$ 548,453</u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

Liabilities	
Accounts payable	\$ 988
Due to other governments	<u>274,859</u>
Total Liabilities	<u>275,847</u>
Deferred Inflows of Resources	
Property taxes	<u>35,112</u>
Fund Balance	
Unassigned	<u>237,494</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 548,453</u>

Reconciliation to the Statement of Net Position

Total Fund Balance as shown above	\$ 237,494
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>137,684</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 3)	<u>\$ 375,178</u>

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
For the Year Ended December 31, 2012

Revenues	
Taxes	\$ 35,190
Intergovernmental	68,984
Licenses and permits	2,574
Public charges for services	899
Miscellaneous	1,188
Total Revenues	108,835
Expenditures	
Current	
General government	42,906
Public safety	12,486
Public works	15,015
Culture and recreation	4,257
Conservation and development	810
Capital outlay	8,099
Total Expenditures	83,573
Excess of Revenues Over Expenditures	25,262
Other Financing Uses	
Transfers out	(20,214)
Net Change in Fund Balance	5,048
Fund Balance - January 1	232,446
Fund Balance - December 31	\$ 237,494
<u>Reconciliation to the Statement of Activities</u>	
Net Change in Fund Balance from above	\$ 5,048
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	\$ 7,894
Depreciation expense reported in the statement of activities	(3,650)
Amount by which capital outlays are greater than depreciation in current period	4,244
Change in Net Position of Governmental Activities as reported in the Statement of Activities (see pages 4 - 5)	\$ 9,292

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
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 34,654	\$ 34,654	\$ 35,190	\$ 536
Intergovernmental	69,061	69,061	68,984	(77)
Licenses and permits	3,200	3,200	2,574	(626)
Public charges for services	895	895	899	4
Miscellaneous	1,240	1,240	1,188	(52)
Total Revenues	109,050	109,050	108,835	(215)
Expenditures				
Current				
General government	38,136	38,136	42,906	(4,770)
Public safety	11,500	11,500	12,486	(986)
Public works	23,000	23,000	15,015	7,985
Culture and recreation	5,600	5,600	4,257	1,343
Conservation and development	600	600	810	(210)
Capital outlay	10,000	10,000	8,099	1,901
Total Expenditures	88,836	88,836	83,573	5,263
Excess of Revenues Over Expenditures	20,214	20,214	25,262	5,048
Other Financing Uses				
Transfers out	(20,214)	(20,214)	(20,214)	-
Net Change in Fund Balance	-	-	5,048	5,048
Fund Balance - January 1	232,446	232,446	232,446	-
Fund Balance - December 31	\$ 232,446	\$ 232,446	\$ 237,494	\$ 5,048

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

