

**TOWN OF LIBERTY GROVE  
DOOR COUNTY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2015

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)****4. Capital Assets**

Capital asset activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,813,111	\$ -	\$ -	\$ 1,813,111
Capital assets, being depreciated:				
Improvements other buildings	103,848	-	-	103,848
Buildings	4,067,511	-	-	4,067,511
Machinery and equipment	1,509,858	254,731	105,186	1,659,403
Infrastructure	3,085,972	396,490	-	3,482,462
Subtotals	8,767,189	651,221	105,186	9,313,224
Less accumulated depreciation	3,044,588	276,108	101,607	3,219,089
Total capital assets, being depreciated, net	5,722,601	375,113	3,579	6,094,135
Governmental activities capital assets, net	\$ 7,535,712	\$ 375,113	\$ 3,579	7,907,246
Less related long-term debt outstanding				1,821,744
Net investment in capital assets				\$ 6,085,502
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 8,000	\$ -	\$ -	\$ 8,000
Capital assets, being depreciated:				
Improvements other buildings	157,883	-	-	157,883
Machinery and equipment	791	-	-	791
Infrastructure	2,638,577	-	-	2,638,577
Subtotals	2,797,251	-	-	2,797,251
Less accumulated depreciation	(1,179,620)	(45,116)	-	(1,224,736)
Total capital assets, being depreciated, net	1,617,631	(45,116)	-	1,572,515
Business-type activities capital assets, net	\$ 1,625,631	\$ (45,116)	\$ -	1,580,515
Less related long-term debt outstanding				-
Net investment in capital assets				\$ 1,580,515

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

Depreciation expense was charged to functions of the Town as follows:

<b>Governmental activities</b>	
General government	\$ 18,287
Public safety	33,199
Public works	214,148
Culture, recreation and education	8,599
Health and human services	1,875
Total depreciation expense - governmental activities	<u>\$ 276,108</u>
<b>Business-type activities</b>	
Water	\$ 21,747
Sewer	23,369
Total depreciation expense - business-type activities	<u>\$ 45,116</u>

**5. Long-term Obligations**

The following is a summary of changes in long-term obligations of the Town for the year ended December 31, 2015:

	Outstanding 1/1/15	Issued	Retired	Outstanding 12/31/15	Due Within One Year
<b>Governmental activities:</b>					
<b>General Obligation Debt</b>					
Notes	\$ 885,000	\$ -	\$ 205,000	\$ 680,000	\$ 215,000
Bank loans	1,522,946	-	381,202	1,141,744	381,202
Compensated absences	-	17,190	-	17,190	-
Total Long-term Obligations	<u>\$ 2,407,946</u>	<u>\$ 17,190</u>	<u>\$ 586,202</u>	<u>\$ 1,838,934</u>	<u>\$ 596,202</u>

Total interest paid during the year on long-term obligations totaled \$76,050.

**General Obligation Debt**

General obligation debt currently outstanding is detailed as follows:

**Notes**

\$2,570,000 of promissory notes issued in 2008; \$215,000 to \$240,000 due annually through 2018; interest at 5.00% \$ 680,000

**Bank Loans**

\$870,000 loan issued in 2014; \$217,500 due annually through 2018; interest at 1.96% 652,500

\$750,000 loan issued in 2014; \$161,841 to \$163,702 due annually through 2018; interest at 2.25% 489,244

Total Outstanding General Obligation Debt \$ 1,821,744

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December 31, 2015

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

Annual principal and interest maturities of the outstanding general obligation debt of \$1,821,744 on December 31, 2015 are detailed below:

Year Ended December 31	Principal	Interest	Total
2016	\$ 596,202	\$ 58,194	\$ 654,396
2017	606,202	39,321	645,523
2018	619,340	20,014	639,354
	<u>\$ 1,821,744</u>	<u>\$ 117,529</u>	<u>\$ 1,939,273</u>

Legal Margin for New Debt

The Town and Sanitary District have separate legal debt margins. The Town's legal margin for creation of additional general obligation debt on December 31, 2015 was \$44,391,161 as follows:

Equalized valuation of the Town	\$ 924,258,100
Statutory limitation percentage	(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	46,212,905
Outstanding general obligation debt applicable to debt limitation	1,821,744
Legal Margin for New Debt	<u>\$ 44,391,161</u>

The Sanitary District's legal margin for the creation of additional general obligation debt on December 31, 2015 was \$46,212,905 as follows:

Equalized valuation of the Sanitary District	\$ 924,258,100
Statutory limitation percentage	(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	46,212,905
Outstanding general obligation debt applicable to debt limitation	-
Legal Margin for New Debt	<u>\$ 46,212,905</u>

**NOTE D - OTHER INFORMATION**1. Retirement Commitments

The Town has a deferred compensation plan for its employees established by Section 457(B) of the IRS code. The Town contributes 5% of salary for each full-time employee. Employees are eligible to increase the total contributions up to the IRS limits. In 2015, the maximum contributions for each employee were \$18,000 or \$24,000 for those employees age 50 or older.

2. 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.

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Notes to Basic Financial Statements  
December 31, 2015

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

3. 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 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.

In December 2015, the Town billed the Village of Sister Bay for the Town's portion of the sale of property and Wisconsin Department of Natural Resources grant money retained by the Village. The amount totaled \$138,088. However, due to the uncertainty of collection, the revenue and corresponding receivable have not been recorded on the Town's general ledger, and the balance is not reflected in the Town's 2015 annual financial report. Any amount the Town collects from the Village will be reflected at the time of collection.

4. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2015 and 2016 budget years, the increase in the maximum allowable tax levy is limited 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 2015 budget was 0.35%. The actual limit for the Town for the 2016 budget was 0.33%. 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.

5. Upcoming Accounting Pronouncements

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, *Fair Value Measurement and Application*. Statement No. 72 requires measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and acceptable valuation techniques. This Statement also requires disclosures about the impact of fair value measurements on a government's financial position. GASB Statement No. 72 is required to be adopted for years beginning after June 15, 2015. The Town is currently evaluating the impact this standard will have on the financial statements when adopted.

6. Prior Period Adjustment

In 2015 the Town recorded their portion of the Sister Bay/Liberty Grove Joint Fire Department on the government-wide statement of net position. The Fire Districted reported a total net position of \$1,611,869 as of December 31, 2014. The Town's share of the Joint Fire District is approximately 2/3, which resulted in a \$1,120,868 prior period adjustment. The Joint Fire District's 2015 financial statements are not available as of the date of the Town's audit report. The Joint Fire District's 2015 activity will be reflected in the Town's 2016 annual report.

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## **SUPPLEMENTARY INFORMATION**

**TOWN OF LIBERTY GROVE**  
**DOOR COUNTY, WISCONSIN**  
Detailed Schedule of General Fund Revenues  
For the Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance Final Budget - Positive (Negative)
<b>Taxes</b>			
Property taxes	\$ 2,132,554	\$ 2,132,214	\$ (340)
Managed forest lands	4,500	1,402	(3,098)
Room	58,000	85,653	27,653
Delinquent personal property collections	3,000	-	(3,000)
Interest and penalties on taxes	-	133	133
<b>Total Taxes</b>	<b>2,198,054</b>	<b>2,219,402</b>	<b>21,348</b>
<b>Intergovernmental</b>			
State aid			
Shared taxes	20,442	7,281	(13,161)
Fire insurance	26,000	24,790	(1,210)
Exempt computer aid	-	342	342
Transportation aid	223,503	223,503	-
Other highway aid	19,406	19,406	-
Recycling grant	5,500	5,263	(237)
Aids in lieu of taxes	18,000	7,576	(10,424)
Forest croplands	400	273	(127)
Municipal services	300	278	(22)
County			
Reimbursement for park improvements	-	39,381	39,381
<b>Total Intergovernmental</b>	<b>313,551</b>	<b>328,093</b>	<b>14,542</b>
<b>Licenses and Permits</b>			
Liquor and other licenses	8,955	10,295	1,340
Dog licenses	200	55	(145)
Building permits	50,000	39,195	(10,805)
Franchise fee - cable TV	9,500	14,601	5,101
Other permits and fees	200	450	250
<b>Total Licenses and Permits</b>	<b>68,855</b>	<b>64,596</b>	<b>(4,259)</b>
<b>Public Charges for Services</b>			
General government	3,795	3,950	155
Highway	10,000	3,472	(6,528)
Docks	23,000	20,739	(2,261)
Cemetery	17,000	35,075	18,075
<b>Total Charges for Services</b>	<b>53,795</b>	<b>63,236</b>	<b>9,441</b>
<b>Intergovernmental Charges for Services</b>			
Public works	3,300	2,958	(342)
<b>Miscellaneous</b>			
Interest	1,000	1,521	521
Rent	11,400	13,562	2,162
Proceeds from fire district	-	34,626	34,626
Insurance recoveries	-	103,475	103,475
Refunds	500	205	(295)
Miscellaneous	4,400	4,251	(149)
<b>Total Miscellaneous</b>	<b>17,300</b>	<b>157,640</b>	<b>140,340</b>
<b>Total Revenues</b>	<b>\$ 2,654,855</b>	<b>\$ 2,835,925</b>	<b>\$ 181,070</b>

**TOWN OF LIBERTY GROVE**  
**DOOR COUNTY, WISCONSIN**  
Detailed Schedule of General Fund Expenditures  
For the Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance Final Budget - Positive (Negative)
<b>General Government</b>			
Board	\$ 48,000	\$ 46,414	\$ 1,586
Legal	20,000	7,827	12,173
Clerk	65,584	65,658	(74)
Treasurer	42,427	39,299	3,128
Office wages and expenses	94,475	98,125	(3,650)
Elections	7,100	1,610	5,490
Assessment of property	40,800	40,193	607
Hall	26,225	18,854	7,371
Insurance	31,300	31,856	(556)
Information technology	17,000	-	17,000
Other general government	5,750	4,460	1,290
Capital outlay	100,000	24,332	75,668
<b>Total General Government</b>	<b>498,661</b>	<b>378,628</b>	<b>120,033</b>
<b>Public Safety</b>			
Fire protection	251,336	248,088	3,248
Fire protection outlay	95,000	-	95,000
Building inspection	37,803	32,730	5,073
<b>Total Public Safety</b>	<b>384,139</b>	<b>280,818</b>	<b>103,321</b>
<b>Public Works</b>			
Highway maintenance	375,589	316,366	59,223
Streets and highway outlay - roads	434,800	468,895	(34,095)
Highway equipment outlay	277,531	258,523	19,008
Street lightning	15,300	15,070	230
Recycling	27,000	24,205	2,795
<b>Total Public Works</b>	<b>1,130,220</b>	<b>1,083,059</b>	<b>47,161</b>
<b>Culture, Recreation and Education</b>			
Library	30,442	30,422	20
Parks	110,835	73,176	37,659
Community center	8,200	6,301	1,899
<b>Total Culture, Recreation and Education</b>	<b>149,477</b>	<b>109,899</b>	<b>39,578</b>
<b>Health and Human Services</b>			
Animal control	400	-	400
Cemeteries	17,098	6,535	10,563
<b>Total Health and Human Services</b>	<b>17,498</b>	<b>6,535</b>	<b>10,963</b>
<b>Conservation and Development</b>			
Land use planning	4,400	-	4,400
Economic development	36,374	30,870	5,504
<b>Total Conservation and Development</b>	<b>40,774</b>	<b>30,870</b>	<b>9,904</b>
<b>Debt Service</b>			
Principal	586,202	586,202	-
Interest and fiscal charges	76,585	76,641	(56)
<b>Total Debt service</b>	<b>662,787</b>	<b>662,843</b>	<b>(56)</b>
<b>Total Expenditures</b>	<b>\$ 2,883,556</b>	<b>\$ 2,552,652</b>	<b>\$ 330,904</b>