

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Basic Financial Statements  
And Additional Information**

Year Ended December 31, 2014

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

Year Ended December 31, 2014

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## **Independent Auditors' Report**

To the Village Board  
Village of Summit  
Summit, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Summit, Wisconsin ("Village"), as of and for the year ended December 31, 2014, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### **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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 activities, each major fund and the aggregate remaining fund information of the Village of Summit, Wisconsin, as of December 31, 2014, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 3 through 11 and 46 through 47 be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Summit's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic 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.

March 11, 2015  
Milwaukee, Wisconsin

Village of Summit, Waukesha County, Wisconsin  
Management's Discussion and Analysis  
December 31, 2014

(UNAUDITED)

As management of the Village of Summit, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Village's year ended December 31, 2014. The Village of Summit was incorporated by the State of Wisconsin from the remaining Town of Summit on July 29, 2010. The Town implemented the provisions of Governmental Accounting Standards Board Statement 34 effective for the Town on January 1, 2005. The Village of Summit has continued these standards and continued to implement additional GASB recommendations as identified by the Village's Audit firm.

**A. Financial Highlights**

The assets of the Village of Summit exceeded its liabilities at the close of the most recent fiscal year by \$10,179,669, an increase of nearly \$350,000 from 2013. This increase came in part by reducing the Summit Utility District #2 debt, a full year's collection of the Amended Final Special Assessment Resolution in Summit Utility District #2, and payout of the accrued uncompensated absences for sick leave to unrepresented employees of the Village.

The Village of Summit includes GASB 54 fund balance reporting descriptions as part of the Financial Statements. This information provides a clearer fund balance classification that can be more consistently applied. This reporting policy uses fund balance classifications in a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in government funds. The categories include Non-spendable, Restricted, Committed, Assigned and Unassigned. Page 31 of the Notes to Financial Statements further describes these classifications.

As of the close of the current fiscal year, Summit's Governmental Funds reported ending fund balances of \$2,419,953, a decrease of \$12,281. Of this ending fund balance, approximately 82% of this total amount (or \$1,979,705) represents monies available for spending at the government's discretion (Unassigned, Assigned or Committed Funds). At year-end, management had committed \$1,333,858 from these monies for specific purposes.

At the end of the current fiscal year the Unassigned fund balance for the general fund was \$646,187, or 19.3% of total general fund expenditures. The Village's total debt responsibility decreased by \$640,321 thanks to refinancing of Utility District #2 debt. Borrowing by the Village of Summit for capital projects in 2014 caused the general obligation debt for governmental activities to rise by \$209,679 while business-type activities decreased by \$850,000.

**B. Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Village of Summit's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves. The Village also contracts with the auditor to complete more detailed annual audits of two Enterprise Funds – Summit Utility District #2 and Silver Lake Utility District. These audits are filed annually with the Utility Commission and Village Board.

**B.1. Government-wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the Village of Summit's finances, in a manner similar to a private-sector business.

# Village of Summit, Waukesha County, Wisconsin Management's Discussion and Analysis December 31, 2014

## Overview of the Financial Statements (continued)

The *statement of net position* presents information on all of the Village of Summit's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of an improving or deteriorating financial position for the Village. Since 2007, the total assets for the community have increased by \$84,895, to \$24,556,087. This value exists in spite of ongoing depreciation of the Village's utility system infrastructure. The net position of the Village has increased from \$6,177,047 in 2007 to \$10,179,669 at the end of 2014.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave or sick leave).

Both of the government-wide financial statements distinguish functions of the Village of Summit that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Village of Summit include general government, public safety, public works, leisure activities, health and human services. Beginning in 2012 the Village also provided stormwater and flood hazard mitigation activities in the Genesee Lakes Utility District. The business-type activities of the Village include Silver Lake Utility District and Summit Utility District #2, wherein the Village provides District administrative, billing, and limited property maintenance services.

## B.2. Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Summit, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and enterprise funds. Within each of these classes there are also identified major and non-major funds. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- Total assets, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- In addition, any other governmental or proprietary fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

### *Governmental Funds*

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Village of Summit, Waukesha County, Wisconsin  
Management's Discussion and Analysis  
December 31, 2014

**Overview of the Financial Statements (continued)**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Village of Summit maintains one major governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund which is considered to be a major fund. Data from the six other governmental funds are combined into a single, aggregated presentation and listed as non-major governmental funds. These six funds include the Debt Service, Land Acquisition and Capital Improvements, Impact Fees, Genesee Lakes Utility District, Summit Utility District #3 and Cemetery Funds. Individual fund data for each of these non-major government funds is provided in the form of *combining statements* on page 48 of this report.

The Village of Summit adopts an annual appropriated budget for the entire general fund and various other funds as required by state statute. A budgetary comparison statement has been provided as required supplementary information for the general fund to demonstrate compliance with the adopted budget.

*Proprietary Funds*

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Village of Summit maintains two proprietary funds. The proprietary fund financial statements provide separate information for the Silver Lake Utility District and Summit Utility District #2, which are considered to be major *enterprise funds* of the Village of Summit.

*Fiduciary Funds*

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Village of Summit's own programs. The Village maintains a Tax Roll Fund for this purpose. The accounting used for fiduciary funds is much like that used for governmental funds.

**B.3. Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-45 of this report.

**B.4. Supplementary information**

The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information. Combining statements and schedules can be found on pages 48 and 49 of this report.

Village of Summit, Waukesha County, Wisconsin  
Management's Discussion and Analysis  
December 31, 2014

**C. Government-Wide Financial Analysis**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Summit, assets exceeded liabilities by \$10,179,669 at the close of the most current fiscal year, as presented in the following table. This is an increase of \$4,006,051 since December 31, 2007 and reflects a commitment on the part of the Village to reduce the long-term liabilities.

This reduction in long-term liabilities occurred during a time of tremendous change in the community. In 2007 the Town of Summit had just completed the installation of the Silver Lake sanitary sewer system. In 2009 the Town of Summit completed boundary agreements with seven of the nine adjacent communities. In 2010 the Town was approved by the State of Wisconsin for incorporation into the Village of Summit – losing over two square miles of developed territory and valuation. In 2012 the Village Board adopted and began to implement a rolling five-year Capital Improvement Plan. In 2013 the Summit Utility District #2 completed a major refinancing for their long-term debt structure, partially financed by the Village of Summit.

**Village of Summit Net Position**  
December 31, 2014 and December 31, 2013

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$4,692,525	\$4,666,830	\$ 3,225,145	\$ 3,494,455	\$ 7,917,670	\$ 8,161,285
Capital assets	4,495,573	4,289,010	12,142,844	12,436,441	16,638,417	16,725,451
<b>Total assets</b>	<b>\$9,188,098</b>	<b>\$8,955,840</b>	<b>\$15,367,989</b>	<b>\$15,930,896</b>	<b>\$24,556,087</b>	<b>\$24,886,736</b>
Current and other liabilities	\$496,011	\$347,322	\$ 1,305,454	\$ 1,127,643	\$ 1,801,465	\$ 1,474,965
Long-term liabilities	602,421	601,561	8,700,000	9,570,000	9,302,421	10,171,561
<b>Total liabilities</b>	<b>\$1,098,432</b>	<b>\$948,883</b>	<b>\$10,005,454</b>	<b>\$10,697,643</b>	<b>\$11,103,886</b>	<b>\$11,646,526</b>
<b>Deferred inflows</b>	<b>\$1,951,268</b>	<b>\$1,966,339</b>	<b>\$1,321,264</b>	<b>\$1,442,642</b>	<b>\$3,272,532</b>	<b>\$3,408,981</b>
Net position:						
Net investment in capital assets	\$3,925,517	\$3,946,513	\$ 2,431,924	\$ 1,863,777	\$ 6,357,441	\$ 5,810,290
Restricted	405,248	429,184	779,026	919,032	1,184,274	1,348,216
Unrestricted	1,807,633	1,664,921	830,321	1,007,802	2,637,954	2,672,723
<b>Total net position</b>	<b>\$6,138,398</b>	<b>\$6,040,618</b>	<b>\$ 4,041,271</b>	<b>\$ 3,790,611</b>	<b>\$ 10,179,669</b>	<b>\$ 9,831,229</b>

The Village of Summit uses capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Village of Summit, Waukesha County, Wisconsin  
Management's Discussion and Analysis  
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**Government-Wide Financial Analysis (continued)**

**C.1. Governmental activities**

Governmental activities increased the Village of Summit's net position by \$97,780. Major reasons for this change are noted below:

**Village of Summit's Changes in Net Position**  
For the Years ending December 31, 2014 and December 31, 2013

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 1,140,325	\$ 1,088,524	\$ 725,570	\$ 700,605	\$ 1,865,895	\$ 1,789,129
Operating grants and contributions	205,136	207,773	---	---	205,136	207,773
Capital grants and contributions	---	---	65,426	902,985	65,426	902,985
<b>General Revenues:</b>						
Property taxes	1,416,802	1,379,421	362,763	362,762	1,779,565	1,742,183
Taxes levied for debt service	79,329	92,378	---	---	79,329	92,378
Other taxes	170,658	170,989	---	---	170,658	170,989
Intergovernmental	142,988	139,097	---	---	142,988	139,097
Investment income	8,548	8,204	3,431	9,199	11,979	17,403
Gain/Loss on retirement of capital assets	16,674	(8,667)	---	---	16,674	(8,667)
Miscellaneous	(20,553)	196,379	903	---	(19,650)	196,379
<b>Total revenues</b>	<u>3,159,907</u>	<u>3,274,098</u>	<u>1,158,093</u>	<u>1,975,551</u>	<u>4,318,000</u>	<u>5,249,649</u>
<b>Expenses:</b>						
General government	608,088	650,491	---	---	608,088	650,491
Public safety	1,428,738	1,353,102	---	---	1,428,738	1,353,102
Public works	927,249	847,953	---	---	927,249	847,953
Culture, education and recreation	36,708	59,095	---	---	36,708	59,095
Health and human services	48,446	48,677	---	---	48,446	48,677
Interest and fiscal charges	12,898	9,786	---	---	12,898	9,786
Utility Districts	---	---	907,433	1,714,927	907,433	1,714,927
<b>Total expenses</b>	<u>3,062,127</u>	<u>2,969,104</u>	<u>907,433</u>	<u>1,714,927</u>	<u>3,969,560</u>	<u>4,684,031</u>
Change in net position	97,780	304,994	250,660	260,624	348,440	565,618
<b>Net Position – Jan. 1</b>	6,040,618	5,735,624	3,790,611	3,609,288	9,831,229	9,344,912
<b>Prior Period Adjustment</b>	---	---	---	(79,301)	---	(79,301)
<b>Net Position – Dec. 31</b>	<u>\$ 6,138,398</u>	<u>\$ 6,040,618</u>	<u>\$ 4,041,271</u>	<u>\$ 3,790,611</u>	<u>\$ 10,179,669</u>	<u>\$ 9,831,229</u>

Village of Summit, Waukesha County, Wisconsin  
Management's Discussion and Analysis  
December 31, 2014

**Government-Wide Financial Analysis (continued)**

**C.2. Business-type activities**

Business-type activities reversed an ongoing decline of the Village of Summit's net position during 2014 with an increase of \$250,660 in the change in net assets. The Summit Utility District #2 functions to collect and transport sewage to the Del-Hart Treatment Plant in the City of Delafield. The operating revenue for Summit Utility District #2 during the current fiscal year was \$588,282, generated by monthly charges for service. This is an increase of \$52,350 from 2012 and \$127,441 more than collected during 2007. Operating expenses for the current fiscal year increased by \$18,727 to \$556,765. The depreciation of the utility assets continued to affect the District. Including these depreciation costs results in operating income of \$31,517 compared to a loss of \$15,335 in 2012.

The District continues to recover from net non-operating revenue losses from the various interest expenses. The 2014 amount is due to the refinancing of long-term notes, a gain of \$189,912; however, the refinancing, amended special assessment resolution and modified quarterly charges expanded the positive change in net position for the Summit Utility District #2 to \$229,941. This change brings a more stable long-term Net Position not seen since before 2009.

The Silver Lake Utility District contracted with the City of Oconomowoc in 2005 for the installation of sanitary sewer through the entire District. This work was completed on January 6, 2006 and continues to be operated by the City of Oconomowoc. As such, all operating revenue goes directly for treatment charges. Expenses for the District included administrative costs totaling \$28,798 during the current fiscal year. In November, 2011 the Silver Lake Utility Commission adopted a 10-year Financial Management Plan. This Plan included an increase in the annual tax levy to off-set ongoing deterioration in the non-operating revenues. The Net Position in the Silver Lake Utility District at the end of 2014 totals a healthy \$1,580,107.

**D. Financial Analysis of the Government's Funds**

Summit uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**D.1. Government funds**

The focus of the Summit's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the community's financing requirements. In particular, assigned and unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Village of Summit's governmental funds reported combined ending fund balances of \$2,419,953, a reduction of only \$12,281 in comparison with the prior year and still \$383,869 more than when the Village incorporated in 2010.

Of the \$2,419,953 ending fund balance, approximately 26.7% of this total amount (\$645,847) constitutes *Unassigned monies* available for spending at the government's discretion. The Village Board has \$15,789 in a fund committed for retiree health insurance premiums, \$80,000 for park development, and another \$1,238,069 for Facility Improvements. \$35,000 remains in long-term advance receivables representing the non-spendable fund balance. The Village Board has restricted the remainder of the fund balance for work the following items: 1) continuing care in the Summit Cemetery (\$272,453), 2) a variety of other parkland acquisition and development uses (\$3,040), 3) Genesee Lakes Utility District (\$25,525), or 4) payments as allowed by Wisconsin Statutes in the Summit Police Department or Summit Park and Recreation Department ("Impact Fees" \$104,230).

Village of Summit, Waukesha County, Wisconsin  
Management's Discussion and Analysis  
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**Financial Analysis of the Government's Funds (continued)**

**D.2. Proprietary funds**

The Village of Summit's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

User charge rates for Summit Utility District #2 have been charged since completion of the system in 2002. All of the developed properties in the district were connected and served as of December 31, 2007. The 2004 and 2008 District audits identified on-going concerns over the long-term financing of the District. After incorporation, the Summit Village Board and District Commissioners completed a Financial Management Plan in November, 2011 that extends through 2027. The Commission cited this plan as the basis for increased quarterly charges and tax levy in 2014. The Commission completed a refinancing of the District's long-term debt in May of 2012. The Commission also adopted an amended Final Special Assessment Resolution on January 3, 2013. The Commission continues to use the 2011 Plan and updates this information on an annual basis. Copies of this Plan are available on the Village's website or from the Village Administrator.

The Silver Lake Utility District completed installation of the sanitary sewer on January 6, 2006. All of the developed properties in the district were connected and served as of December 31, 2011. The District Commissioners completed a financial analysis in the spring of 2006 and refinanced the project into a 10-year general obligation note in September, 2006. Overall, the District finances are secure. This District was also part of the 2011 Financial Management Plan for the Village. Based on this Plan the commission adopted a single increase in the annual tax assessment in November, 2012 to stabilize the long-term funding of this District. Copies of this financial management plan are available on the Village's website or from the Village Administrator.

**E. Capital Asset and Debt Administration**

**E.1. Capital Assets**

The Village of Summit inherited all of the assets and liabilities of the Town of Summit when the State of Wisconsin approved incorporation on July 29, 2010. This inheritance included all of the Town's prior investment in capital assets for its governmental and business-type activities. As of December 31, 2014, these investments amount to \$16,638,417, a 2014 decrease of \$87,034 (net of accumulated depreciation). The governmental-type investment in capital assets includes land, land improvements, buildings, machinery and equipment and street infrastructure. Major capital asset changes during the current fiscal year include the purchase of one police squad and a highway department plow truck. The Village's governmental activities capital assets, net of depreciation, total \$4,495,573; this is \$206,563 more than December 31, 2013.

The business-type investment in capital assets includes land, land improvements, buildings, machinery and equipment, and sanitary sewer infrastructure. The Village's business activities capital assets, net of depreciation, totals \$12,142,844 - this is \$293,597 less than December 31, 2013. The entire change results from depreciation of capital assets.

Village of Summit, Waukesha County, Wisconsin  
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**Capital Asset and Debt Administration (continued)**

**Village of Summit - Capital Assets (net of accumulated depreciation)**

December 31, 2014 and December 31, 2013

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land (not being depreciated)	\$ 1,076,620	\$ 1,076,620	\$ 92,861	\$ 92,861	\$ 1,169,481	\$ 1,169,481
Construction in Progress	23,893	---	---	---	23,893	---
Buildings	51,327	53,629	1,490,978	1,530,738	1,542,305	1,584,367
Vehicles and Equipment	593,640	549,171	526,429	567,832	1,120,069	1,117,003
Infrastructure	2,750,093	2,609,590	---	---	2,750,093	2,609,590
Sewer system and services	---	---	8,288,556	8,446,489	8,288,556	8,446,489
Investment in City of Oconomowoc treatment plant	---	---	1,744,020	1,798,521	1,744,020	1,798,521
<b>Total</b>	<b>\$ 4,495,573</b>	<b>\$ 4,289,010</b>	<b>\$ 12,142,844</b>	<b>\$ 12,436,441</b>	<b>\$ 16,638,417</b>	<b>\$ 16,725,451</b>

Additional information on the Village's capital assets can be found in Note 3(E).

Additional information on the Village's capital assets for Business-Type Activities can be found in the separate Financial Statements for the Summit Utility District #2 and Silver Lake Utility District, Note 5 of each report.

**E.2. Long-term debt**

At the end of the current fiscal year, the Village of Summit had total debt outstanding of \$10,334,135. Of this amount, \$10,177,849 comprises debt backed by the full faith and credit of the government. The remainder of the Village's governmental activities debt (\$156,286) represents accumulated sick pay benefits for current, full-time police officers. The Village Board voted in November, 2013, to convert to a Paid-Time-Off policy for non-represented employees. This policy change also froze the growth in vested compensated absences for these employees and changed the future hourly benefit into an annual obligation. Beyond this, the Summit Utility District #2 Commission completely paid the Clean Water Fund borrowing in May, 2013 and removed revenue bonding from their obligations.

The Village's total debt increased by another \$281,377 during the current fiscal year. The increase in debt results from the borrowing necessary to fulfill the Village's 2014 Capital Improvement Plan.

State statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total equalized valuation of taxable property within the Village's jurisdiction. The current debt limitation for the Village of Summit is \$46,070,410 which is significantly in excess of the Village's outstanding general obligation debt. The Village's current debt includes approximately 22.09% of the overall statutory amount available.

Additional information on the Village of Summit's long-term debt can be found in note 3(F).

Village of Summit, Waukesha County, Wisconsin  
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**F. Economic Factors and Other Budget Notes**

The final budget of the Village's general fund contained revenues of \$3,010,280 and expenditures of \$3,880,098. Actual results for the year show expenditures exceeding revenues by \$313,450, which is \$556,368 better than budgeted. While the overall expenditures for the year exceeded revenues, the Village also had other financing sources of \$325,105 which balanced the budget in 2014.

The Village Assessor reported the current assessed value of the Village at \$901,367,733, a market decline of about \$10 million compared to 2013 values. From 2011 to 2014 this change reduced the Village's valuation by over \$85 million. The Village has contracted with Grota Appraisals to complete a third annual re-assessment in 2015.

The Village of Summit tax rate for 2014 was \$1.6621 per \$1,000 of assessed value (mil rate). The Village will continue to maintain a low property tax without cutting essential services by keeping administrative costs down and controlling unnecessary expenditures. The 2014 budgeted tax levy increased by only \$6,004 from 2013; only \$54,736 since incorporation.

The Village has a full time Village Clerk, Village Treasurer/Deputy Clerk and Village Administrator. While the Administrator is the Chief Financial Officer of the Village and is required to monitor revenues and control expenses to prevent exceeding the various departments' expenditures established by the budget, the Clerk insures proper capital funding for the future and that the Village's capital investments are protected and future maintenance and replacement cost are minimized.

As part of the 2011 financial planning the Village Board and staff developed a 5-year Capital Improvement Plan. During 2014 the Board and staff updated this Plan for 2015 - 2019, including possible expenditures for utility district sewer repairs, park improvements, road repairs and upgrades, vehicle and equipment replacement, office furnishings and planning for Village Hall replacement. The Village Board used this tool as part of the 2015 budgeting process to determine both funding sources and expenditures. The Village's 2015 adopted budget was approved November 6, 2014 following a public hearing that same evening.

During 2014 the Village Police Department hired a full-time Lieutenant, promoted a full-time officer to Sergeant and hired a new full-time officer to replace a retiring officer. The Village continued participation in the State of Wisconsin Health Insurance program in an effort to diminish the increases in premium expenses.

**G. Requests for Information**

This financial report is designed to provide a general overview of the Village of Summit's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to:

Henry Elling  
Village Administrator  
2911 North Dousman Road  
Oconomowoc, Wisconsin 53066

(262) 567-2757  
ellingh@summittown.org

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Statement of Net Position**  
December 31, 2014

	Primary Government		Totals
	Governmental Activities	Business-Type Activities	
<b>Assets:</b>			
Cash and investments	\$ 3,663,620	\$ 576,277	\$ 4,239,897
Taxes receivable	969,564	579,105	1,548,669
Accounts receivable	18,514	161,173	179,687
Internal balances	40,827	(40,827)	---
<b>Restricted Assets:</b>			
Special assessments receivable	---	1,887,695	1,887,695
Connection charges receivable	---	61,722	61,722
<b>Capital Assets:</b>			
Land and construction in progress	1,100,513	92,861	1,193,374
Other capital assets, net of accumulated depreciation	3,395,060	12,049,983	15,445,043
<b>Total assets</b>	<b>9,188,098</b>	<b>15,367,989</b>	<b>24,556,087</b>
<b>Liabilities:</b>			
Accounts payable	281,795	196,606	478,401
Accrued wages and benefits	39,509	---	39,509
Accrued interest	12,993	36,206	49,199
<b>Liabilities payable from restricted assets:</b>			
Connection charges payable	---	61,722	61,722
Accrued compensated absences - sick	156,286	---	156,286
Bonds and notes - due within one year	158,167	870,000	1,028,167
Waukesha County note - due within one year	3,547	---	3,547
Bonds and notes - due in more than one year	421,305	8,700,000	9,121,305
Waukesha County note - due in more than one year	24,830	---	24,830
Unamortized debt premium	---	140,920	140,920
<b>Total liabilities</b>	<b>1,098,432</b>	<b>10,005,454</b>	<b>11,103,886</b>
<b>Deferred Inflows of Resources:</b>			
Special assessment revenue	---	956,804	956,804
Tax roll revenue	1,951,268	364,460	2,315,728
	<u>1,951,268</u>	<u>1,321,264</u>	<u>3,272,532</u>
<b>Net Position:</b>			
Net investment in capital assets	3,925,517	2,431,924	6,357,441
<b>Restricted for:</b>			
Other	405,248	779,026	1,184,274
Unrestricted	1,807,633	830,321	2,637,954
<b>Total net position</b>	<b>\$ <u>6,138,398</u></b>	<b>\$ <u>4,041,271</u></b>	<b>\$ <u>10,179,669</u></b>

The accompanying notes to financial statements  
are an integral part of these statements.

VILLAGE OF SUMMIT

Summit, Wisconsin

Statement of Activities

For the Year Ended December 31, 2014

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental:</b>							
General government	\$ 608,088	\$ 108,150	\$ 22,110	\$ ---	\$ (477,828)	\$ ---	\$ (477,828)
Public safety	1,428,738	503,119	39,195	---	(886,424)	---	(886,424)
Public works	927,249	449,125	143,831	---	(334,293)	---	(334,293)
Health and human services	48,446	25,775	---	---	(22,671)	---	(22,671)
Culture, education and recreation	36,708	54,156	---	---	17,448	---	17,448
Interest and fiscal charges	12,898	---	---	---	(12,898)	---	(12,898)
<b>Total governmental activities</b>	<u>3,062,127</u>	<u>1,140,325</u>	<u>205,136</u>	<u>---</u>	<u>(1,716,666)</u>	<u>---</u>	<u>(1,716,666)</u>
<b>Business-type:</b>							
Silver Lake Utility District	176,948	137,288	---	9,498	---	(30,162)	(30,162)
Summit Utility District No. 2	730,485	588,282	---	55,928	---	(86,275)	(86,275)
<b>Total business-type activities</b>	<u>907,433</u>	<u>725,570</u>	<u>---</u>	<u>65,426</u>	<u>---</u>	<u>(116,437)</u>	<u>(116,437)</u>
<b>Total Primary Government</b>	<u>\$ 3,969,560</u>	<u>\$ 1,865,895</u>	<u>\$ 205,136</u>	<u>\$ 65,426</u>	<u>(1,716,666)</u>	<u>(116,437)</u>	<u>(1,833,103)</u>
<b>General Revenues:</b>							
Taxes:							
Property taxes, levied for general purposes					1,416,802	362,763	1,779,565
Property taxes, levied for debt service					79,329	---	79,329
Other taxes					170,658	---	170,658
Intergovernmental revenues not restricted to specific programs					142,988	---	142,988
Investment income					8,548	3,431	11,979
Gain on retirement of capital assets					16,674	---	16,674
Miscellaneous					10,910	903	11,813
Impact fees refunded					(31,463)	---	(31,463)
<b>Total General Revenues</b>					<u>1,814,446</u>	<u>367,097</u>	<u>2,181,543</u>
<b>Change in net position</b>					97,780	250,660	348,440
<b>Net position - beginning</b>					<u>6,040,618</u>	<u>3,790,611</u>	<u>9,831,229</u>
<b>Net position - ending</b>					<u>\$ 6,138,398</u>	<u>\$ 4,041,271</u>	<u>\$ 10,179,669</u>

The accompanying notes to financial statements are an integral part of these statements.

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Balance Sheet**  
**Governmental Funds**  
December 31, 2014

	<b>General Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>			
Cash and investments	\$ 3,069,604	\$ 594,016	\$ 3,663,620
Receivables			
Taxes	859,292	110,272	969,564
Accounts	18,514	---	18,514
Due from other funds	131,378	25,525	156,903
Advance to Summit Utility District #2	35,000	---	35,000
<b>Total assets</b>	<b>4,113,788</b>	<b>729,813</b>	<b>4,843,601</b>
<b>Liabilities:</b>			
Accounts payable	281,795	---	281,795
Accrued wages and benefits	39,509	---	39,509
Due to other funds	25,525	125,551	151,076
<b>Total liabilities</b>	<b>346,829</b>	<b>125,551</b>	<b>472,380</b>
<b>Deferred Inflows of Resources:</b>			
Tax roll revenue	1,751,914	199,354	1,951,268
<b>Fund Balances (Deficit):</b>			
Nonspendable	35,000	---	35,000
Restricted	---	405,248	405,248
Committed	1,333,858	---	1,333,858
Unassigned	646,187	(340)	645,847
<b>Total fund balance</b>	<b>\$ 2,015,045</b>	<b>\$ 404,908</b>	<b>\$ 2,419,953</b>

The accompanying notes to financial statements  
are an integral part of these statements.

VILLAGE OF SUMMIT  
Summit, Wisconsin

Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Position

December 31, 2014

Total fund balance of governmental funds		\$	2,419,953
Amounts reported for governmental activities in the government-wide statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements.			
Land and construction in progress	\$	1,100,513	
Other capital assets net of accumulated depreciation		<u>3,395,060</u>	
			4,495,573
The following long-term liabilities which are not due and payable in the current period are not reported in the fund financial statements.			
Bonds and notes payable		(607,849)	
Compensated absences payable - sick pay		(156,286)	
Accrued interest payable on long-term bonds and notes		<u>(12,993)</u>	
			<u>(777,128)</u>
Total net position of governmental activities		\$	<u><u>6,138,398</u></u>

The accompanying notes to financial statements  
are an integral part of these statements.

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**

For the Year Ended December 31, 2014

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Taxes	\$ 1,562,886	\$ 103,904	\$ 1,666,790
Operating grants and contributions:			
Intergovernmental	327,113	---	327,113
Other	21,010	---	21,010
Licenses and permits	168,503	---	168,503
Fines, forfeitures and penalties	43,592	---	43,592
Public charges for services	481,245	31,456	512,701
Intergovernmental charges for services	415,530	---	415,530
Investment income	4,639	3,910	8,549
Other revenues	10,912	---	10,912
<b>Total revenues</b>	<b>3,035,430</b>	<b>139,270</b>	<b>3,174,700</b>
<b>Expenditures:</b>			
Current:			
General government	669,059	---	669,059
Public safety	1,400,840	---	1,400,840
Public works	844,736	20,605	865,341
Health and human services	28,821	19,625	48,446
Culture, recreation and education	27,944	---	27,944
Capital outlay	377,480	---	377,480
Debt service:			
Principal	---	71,698	71,698
Interest and fiscal charges	---	7,632	7,632
<b>Total expenditures</b>	<b>3,348,880</b>	<b>119,560</b>	<b>3,468,440</b>
<b>Excess (deficit) of revenues over (under) expenditures</b>	<b>(313,450)</b>	<b>19,710</b>	<b>(293,740)</b>
<b>Other Financing Sources (Uses):</b>			
Bonds and notes issued	281,377	---	281,377
Proceeds from sale of capital assets	31,545	---	31,545
Transfers in	12,183	---	12,183
Impact fees refunded	---	(31,463)	(31,463)
Transfers out	---	(12,183)	(12,183)
<b>Total other financing sources (uses)</b>	<b>325,105</b>	<b>(43,646)</b>	<b>281,459</b>
<b>Net change in fund balance</b>	<b>11,655</b>	<b>(23,936)</b>	<b>(12,281)</b>
<b>Fund Balance, beginning of year</b>	<b>2,003,390</b>	<b>428,844</b>	<b>2,432,234</b>
<b>Fund Balance, end of year</b>	<b>\$ 2,015,045</b>	<b>\$ 404,908</b>	<b>\$ 2,419,953</b>

The accompanying notes to financial statements  
are an integral part of these statements.

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities**  
Year Ended December 31, 2014

Net change in fund balances - total governmental funds	\$	(12,281)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. In the government-wide statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation.</p>		
Governmental capital outlay in the fund financial statements	\$	377,480
Depreciation expense in government-wide financial statements		<u>(156,046)</u>
		221,434
<p>In the statement of activities, the net gain or loss on the sale or retirement of capital assets is reported. However, in the governmental funds, only the proceeds from the sale of capital assets provides a current financial resource to be reported. Therefore, the change in fund balance differs from the change in net assets by the cost of the assets sold or retired net of the accumulated depreciation on those assets.</p>		
		(14,871)
<p>Governmental funds report proceeds from the issuance of long-term debt as other financing sources, but issuing debt increases long-term liabilities in the statement of net assets. Repayments of long-term debt principal are expenditures in the governmental funds but the repayments reduce long-term liabilities in the statement of net assets.</p>		
Proceeds from the issuance of debt in governmental fund financial statements		(281,377)
Principal payments on debt in governmental fund financial statements		71,698
<p>Interest on long-term debt in the governmental funds is reported as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest costs are reported as they accrue, regardless of when they are due.</p>		
This is the amount by which the current accrual exceeds the prior year accrual.		(5,267)
<p>Certain expenses do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds. These expenses are accrued in the government-wide statement of net assets and reported as expenses in the statement of activities.</p>		
Decrease in accrued compenstated absences - sick pay		<u>118,444</u>
Net change in net position	\$	<u><u>97,780</u></u>

The accompanying notes to financial statements  
are an integral part of these statements.

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Statement of Net Position**  
**Proprietary Funds**  
December 31, 2014

	<b>Business-Type Activities -</b>		<b>Total</b>
	<b>Enterprise Funds</b>		
	<u>Summit Utility</u>	<u>Silver Lake</u>	
	<u>District No. 2</u>	<u>Utility District</u>	
<b>Assets:</b>			
<b>Current Assets:</b>			
Cash and investments	\$ 397,699	\$ 178,578	\$ 576,277
<b>Receivables:</b>			
Customer	138,358	22,815	161,173
Taxes	348,680	50,000	398,680
Special charges on the tax roll	88,327	92,098	180,425
<b>Total current assets</b>	<u>973,064</u>	<u>343,491</u>	<u>1,316,555</u>
<b>Non-Current Assets:</b>			
<b>Restricted assets:</b>			
Special assessments receivable	1,529,392	358,303	1,887,695
Connection charges receivable	---	61,722	61,722
<b>Capital assets:</b>			
Land	92,861	---	92,861
Capital assets being depreciated	13,290,953	2,180,025	15,470,978
Accumulated depreciation	(2,984,990)	(436,005)	(3,420,995)
<b>Total non-current assets</b>	<u>11,928,216</u>	<u>2,164,045</u>	<u>14,092,261</u>
<b>Total assets</b>	12,901,280	2,507,536	15,408,816
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
Accounts payable	37,235	7,506	44,741
Accrued interest	31,056	5,150	36,206
Due to other funds	3,670	2,157	5,827
<b>Liabilities payable from restricted assets:</b>			
Connection charges payable	---	61,722	61,722
Current portion of general obligation debt	615,000	255,000	870,000
<b>Total current liabilities</b>	<u>686,961</u>	<u>331,535</u>	<u>1,018,496</u>
<b>Non-Current Liabilities:</b>			
General obligation debt	8,440,000	260,000	8,700,000
Unamortized debt premium	140,920	---	140,920
Advance from municipality	35,000	---	35,000
Due to other utilities	151,865	---	151,865
<b>Total non-current liabilities</b>	<u>8,767,785</u>	<u>260,000</u>	<u>9,027,785</u>
<b>Total liabilities</b>	9,454,746	591,535	10,046,281
<b>Deferred inflows of resources:</b>			
Special assessment revenue	670,910	285,894	956,804
Tax roll revenue	314,460	50,000	364,460
<b>Total deferred inflows of resources</b>	<u>985,370</u>	<u>335,894</u>	<u>1,321,264</u>
<b>Net Position:</b>			
Net investment in capital assets	1,202,904	1,229,020	2,431,924
<b>Restricted for:</b>			
Other	706,617	72,409	779,026
Unrestricted	551,643	278,678	830,321
<b>Total net position</b>	<u>\$ 2,461,164</u>	<u>\$ 1,580,107</u>	<u>\$ 4,041,271</u>

The accompanying notes to financial statements  
are an integral part of these statements.

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds**  
Year Ended December 31, 2014

	<b>Business-Type Activities - Enterprise Funds</b>		<b>Total</b>
	<b>Summit Utility District No. 2</b>	<b>Silver Lake Utility District</b>	
<b>Operating Revenues</b>	\$ 588,282	\$ 137,288	\$ 725,570
<b>Operating Expenses</b>			
Operation and maintenance	210,704	68,127	278,831
Administrative and general	106,965	31,194	138,159
Depreciation	239,096	---	239,096
Amortization	---	54,501	54,501
<b>Total operating expenses</b>	<u>556,765</u>	<u>153,822</u>	<u>710,587</u>
<b>Operating Income (Loss)</b>	31,517	(16,534)	14,983
<b>Non-Operating Revenues (Expenses)</b>			
Taxes	312,763	50,000	362,763
Investment income	2,550	881	3,431
Interest on special assessments	15,899	9,498	25,397
Miscellaneous revenues	903	---	903
Interest expense	(173,720)	(23,126)	(196,846)
<b>Total non-operating revenues (expenses)</b>	<u>158,395</u>	<u>37,253</u>	<u>195,648</u>
<b>Income before Contributions</b>	189,912	20,719	210,631
<b>Capital Contributions</b>	<u>40,029</u>	<u>---</u>	<u>40,029</u>
<b>Change in Net Position</b>	229,941	20,719	250,660
<b>Net Position - Beginning of year</b>	<u>2,231,223</u>	<u>1,559,388</u>	<u>3,790,611</u>
<b>Net Position - End of year</b>	<u>\$ 2,461,164</u>	<u>\$ 1,580,107</u>	<u>\$ 4,041,271</u>

The accompanying notes to financial statements  
are an integral part of these statements.

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Statement of Cash Flows - Proprietary Funds**  
For the Year Ended December 31, 2014

	<b>Business-Type Activities - Enterprise Funds</b>		
	<u>Summit Utility District No. 2</u>	<u>Silver Lake Utility District</u>	<u>Total</u>
<b>Cash Flows From Operating Activities:</b>			
Receipts from customers	\$ 615,524	\$ 144,994	\$ 760,518
Payments to suppliers	(296,671)	(99,197)	(395,868)
<b>Net cash provided by operating activities</b>	<u>318,853</u>	<u>45,797</u>	<u>364,650</u>
<b>Cash Flows From Noncapital Financing Activities</b>			
Taxes received	278,544	50,000	328,544
Advance from municipality	35,000	---	35,000
<b>Net cash provided by noncapital financing activities</b>	<u>313,544</u>	<u>50,000</u>	<u>363,544</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Special assessments received	99,227	72,702	171,929
Debt retired	(616,744)	(245,000)	(861,744)
Interest paid	(175,392)	(25,653)	(201,045)
<b>Net cash used by capital and related financing activities</b>	<u>(692,909)</u>	<u>(197,951)</u>	<u>(890,860)</u>
<b>Cash Flows From Investing Activities:</b>			
Investment earnings	18,449	24,624	43,073
<b>Net change in cash and equivalents</b>	<u>(42,063)</u>	<u>(77,530)</u>	<u>(119,593)</u>
<b>Cash and equivalents, beginning of year</b>	<u>439,762</u>	<u>256,108</u>	<u>695,870</u>
<b>Cash and equivalents, end of year</b>	<u>\$ 397,699</u>	<u>\$ 178,578</u>	<u>\$ 576,277</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>			
Operating Income (Loss)	\$ 31,517	\$ (16,534)	\$ 14,983
Miscellaneous revenues	903	---	903
<b>Noncash items in operating income (loss):</b>			
Depreciation	239,096	---	239,096
Amortization	---	54,501	54,501
<b>Changes in assets and liabilities:</b>			
Customer accounts receivable	(427)	7,706	7,279
Other receivables	26,767	---	26,767
Accounts payable	20,997	92	21,089
Due from (to) other funds	---	32	32
<b>Net cash flows provided by operating activities</b>	<u>\$ 318,853</u>	<u>\$ 45,797</u>	<u>\$ 364,650</u>
<b>Reconciliation of Cash and Equivalents to the Statement of Net Position Accounts</b>			
Unrestricted - current	<u>\$ 397,699</u>	<u>\$ 178,578</u>	<u>\$ 576,277</u>
<b>Noncash Capital Activities:</b>			
Special assessments assessed	<u>\$ 40,029</u>	<u>\$ ---</u>	<u>\$ 40,029</u>

The accompanying notes to financial statements  
are an integral part of these statements.

**VILLAGE OF SUMMIT**

Summit, Wisconsin

**Statement of Net Position - Fiduciary (Agency) Fund**

December 31, 2014

		<u><b>Tax Roll Fund</b></u>
<b>Assets:</b>		
Cash and investments	\$	6,632,726
Taxes receivable		<u>6,380,720</u>
<b>Total assets</b>	<b>\$</b>	<b><u><u>13,013,446</u></u></b>
<b>Liabilities:</b>		
Due to other governmental units	\$	<u><u>13,013,446</u></u>

The accompanying notes to financial statements  
are an integral part of these statements.

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Index to Notes to Financial Statements**  
December 31, 2014

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**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**1. Summary of Significant Accounting Policies**

The accounting policies of the Village of Summit, Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board ("GASB").

**A. Financial Reporting Entity**

This report includes all of the funds of the Village of Summit ("Village"). The reporting entity for the Village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. This report does not contain any component units.

The Village has included in its financial statements the following entities, which are not considered separate entities with corporate powers:

Community Development Authority

**B. Government-Wide and Fund Financial Statements**

**Government-Wide Financial Statements**

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**1. Summary of Significant Accounting Policies (continued)**

**B. Government-Wide and Fund Financial Statements (continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or a segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Village does not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

**Fund Financial Statements**

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses.

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- Total assets, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- In addition, any other governmental or enterprise fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds and proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major funds:

**Major Governmental Fund**

- General Fund – The General Fund is the primary operating fund of the Village and is always classified as a major fund. It is used to account for all financial transactions except those legally or administratively required to be accounted for in another fund.

**Major Enterprise Funds**

- Silver Lake Utility District Fund – This Fund accounts for operations of the sanitary sewer system.
- Summit Utility District No. 2 Fund – This Fund accounts for operations of the sanitary sewer system.

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**1. Summary of Significant Accounting Policies (continued)**

**B. Government-Wide and Fund Financial Statements (continued)**

**Fund Financial Statements (continued)**

The Village reports the following non-major funds:

- Debt Service Fund – accounts for the accumulation of resources for, and the payment of, general long-term obligations principal, interest and related costs (other than debt accounted for in the Proprietary Funds).
- Special Revenue Funds – are used to account for revenues requiring separate accounting because of legal or regulatory provisions, and consist of the following individual funds:

Land Acquisition and Public Improvements Fund  
Impact Fees Funds  
Genesee Lakes Utility District Fund  
Summit Utility District #3 Fund

- Permanent Funds – are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

Cemetery Fund

In addition, the Village reports the following fund types:

Agency funds are used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Tax Roll Fund

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

**Government-Wide Financial Statements**

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Village's sewer and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**1. Summary of Significant Accounting Policies (continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

**Fund Financial Statements**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with the expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the Village is entitled to the resources and the amounts are available. Amounts owed to the Village which are not available are recorded as receivables and deferred inflows of resources. Amounts received prior to meeting eligibility requirements are recorded as unearned revenue.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows. Delinquent special assessments being held by the county are reported as receivable and deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

The Village reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows arise from taxes levied in the current year which are for subsequent years' operations. For governmental fund financial statements, deferred inflows of resources arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred inflows of resources is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds allow the accrual basis of accounting, and do not have a measurement focus.

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**1. Summary of Significant Accounting Policies (continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

**Fund Financial Statements (continued)**

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**All Financial Statements**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

**D. Assets, Liabilities, and Net Position or Fund Balance**

**Cash and Investments**

For the purpose of the statement of net position and for the statement of cash flows, the Village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment in Village funds is restricted by Wisconsin state statutes. Available investments are limited to:

- Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority
- Bonds or securities issued or guaranteed by the federal government
- The Local Government Investment Pool
- Any security maturing in seven years or less and having the highest or second highest rating category of nationally recognized rating agency
- Securities of an open-end management investment company or investment trust, subject to various conditions and investment options
- Repurchase agreements with public depositories, with certain conditions

The Village has adopted an investment policy. That policy follows the state statute for allowable investments.

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**1. Summary of Significant Accounting Policies (continued)**

**D. Assets, Liabilities, and Position or Fund Balance (continued)**

**Cash and Investments (continued)**

The Village may deposit funds in authorized banks, the Wisconsin Local Government Investment Pool and Wisconsin Investment Trust without restriction of amounts. The Village may deposit funds in savings and loan associations and credit unions up to \$500,000. Deposits in authorized banks may be limited to \$500,000 upon the determination of the Investment Officer of the Village that circumstances exist regarding the viability of the bank.

The Village's investment policy does not address other types of risks.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated to the general fund. The difference between the bank statement and carrying value is due to outstanding checks and/or deposits in transit.

**Receivables**

Property taxes are recorded in the year levied as receivables and deferred revenues. They are recognized as revenues in the succeeding year when services financed by the levy are provided. In addition to property taxes for the municipality, taxes are collected for and remitted to the state and county governments as well as the local and vocational school districts. Taxes for all state and other local governmental units billed in the current year for the succeeding year are reflected as receivables and as due to other taxing units on the statement of net position – fiduciary (agency) fund. Taxes are levied in December on the assessed value as of the prior January 1.

**Property Tax Calendar – 2014 Tax Roll:**

Lien and levy date	December 2014
Tax bills mailed	December 2014
Payment in full, or	January 31, 2015
First installment due	January 31, 2015
Second installment due	July 31, 2015
Personal property taxes due in full	January 31, 2015
Tax sale by County - 2014 delinquent real estate taxes	October 2017

Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the enterprise funds because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**1. Summary of Significant Accounting Policies (continued)**

**D. Assets, Liabilities, and Net Position or Fund Balance (continued)**

**Restricted Assets**

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

**Capital Assets**

**Government-Wide Statements**

Capital assets, which include property, plant and equipment and intangible assets, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$5,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical costs if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Prior to January 2004, infrastructure assets of governmental funds were not capitalized. Upon implementing GASB No. 34, governmental units are required to account for all capital assets, including infrastructure, in the government-wide statements prospectively from the date of implementation. Retroactive reporting of all major general infrastructure assets is encouraged but GASB No. 34 does not require the Village to retroactively report all major general infrastructure assets. As of December 31, 2014, the Village has not retroactively reported all infrastructure acquired by its governmental fund types.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed funds proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	50 years
Machinery and Equipment	5 - 25 years
Infrastructure	50 - 65 years
Utility System	33 - 80 years
Investment in City of Oconomowoc treatment plant	40 years

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**1. Summary of Significant Accounting Policies (continued)**

**D. Assets, Liabilities, and Net Position or Fund Balance (continued)**

**Capital Assets (continued)**

**Fund Financial Statements**

In the fund financial statements, capital assets acquired in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund. Fixed assets used in proprietary fund operations are accounted for in the same manner as in the government-wide statements.

**Compensated Absences**

The Village does not accrue vacation, paid time off, or sick leave, but rather expenses these costs as paid. Paid time off is not cumulative from year to year for highway and office employees, but at the end of each calendar year, the Village will contribute up to 40 hours of unused paid time off to employees' 401(a) account. Accumulated sick leave benefits up to a maximum of 120 days are payable upon retirement for police employees. There are no provisions for payment of accumulated sick leave benefits if employment is terminated prior to retirement. Accumulated benefits are recorded as expenditures in the funds statements in the year used. Due to the long-term nature of the accumulated sick leave benefits, the governmental funds do not report this liability in the fund financial statements. The accumulated paid time off is recorded as long-term debt in the government-wide financial statements.

**Long-term Obligations and Conduit Debt**

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of the debt and premiums on issuance are reported as other financing sources. Discounts on issuance are reported as other financing uses. Payments of principal and interest, losses on debt refundings, as well as costs of issuance are reported as expenditures.

For the government-wide statements, bond premiums and discounts are deferred and amortized over the life of the issue using the effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premiums/discounts and gains/losses, as applicable is shown as an increase or decrease in the deferred outflows of resources or deferred inflows of resources section of the statement of net position. The accounting for proprietary fund obligations is the same in the fund financial statements as it is in the government-wide financial statements.

The Village, under the authority of the Community Development Authority, has permitted the issuance of Redevelopment Revenue Bonds ("RRB") for a privately-owned company within the Village limits. The Village has no obligation for the RRBs in the event of default by the borrowers. Accordingly, no liability for the bonds is included in the Village's financial statements. The aggregate amount of these conduit obligations outstanding as of December 31, 2014 was \$13,610,000.

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**1. Summary of Significant Accounting Policies (continued)**

**D. Assets, Liabilities, and Net Position or Fund Balance (continued)**

**Claims and Judgments**

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

**Net Position Classifications**

**Government-Wide Statements**

Equity is classified as net position and displayed in three components:

- a. **Net investment in capital assets** – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. **Restricted net position** – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted net position** – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Village’s policy to use restricted resources first, then unrestricted resources as they are needed.

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**1. Summary of Significant Accounting Policies (continued)**

**D. Assets, Liabilities, and Net Position or Fund Balance (continued)**

**Fund Balance Classifications**

**Fund Statements**

Governmental fund equity is classified as fund balance. GASB establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The initial distinction that is made is identifying amounts that are considered nonspendable. Fund balance is further classified as restricted, committed, assigned and unassigned. The Village's fund balance classification policies and procedures are as follows:

- a. Nonspendable – Amounts that cannot be spent because they are either not in spendable form (i.e. convertible into cash) or legally required to be maintained intact.
- b. Restricted – Either externally imposed or imposed by law through constitutional provisions or enabling legislation.
- c. Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's Board of Trustees.
- d. Assigned – Amounts that are constrained by the Village's intent to be used for specific purposes, but are neither restricted nor committed.
- e. Unassigned – The residual classification for the General Fund (fund balance that has not been restricted, committed, or assigned to specific purposes within the General Fund), and deficit fund balances within other funds.

Currently, the Village does not have an official policy regarding the fund balance classifications. Amounts noted as committed relate to constraints previously approved by the Board of Trustees as designated funds in prior years. Amounts noted as assigned relate to constraints currently and previously approved by either the Village Administrator or designated department heads.

The Village's current fund balance policy is to maintain a minimum unassigned fund balance of 15% of total General Fund budgeted revenues.

Proprietary fund equity is classified in the same manner as in the Government-wide statements.

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**1. Summary of Significant Accounting Policies (continued)**

**E. Deferred Outflows and Inflows of Resources**

The Government Accounting Standards Board (GASB) has issued Statement No. 65, Items Previously Reported as Assets and Liabilities (GASB 65). Under GASB 65, in addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows and inflows of resources.

The separate financial statement element, deferred inflows of resources, represents a decrease in net position or fund balance that applies to a future period(s) and thus, will not be recognized as an inflow of resources (revenue) until then. The Village had two items that qualified for reporting in this category. The deferred special assessment revenue and tax roll revenue are deferred until the special assessments or taxes are collected in future years.

**F. Subsequent Events**

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed (March 11, 2015). There were no subsequent events that required recognition or disclosure.

**2. Deficit Balances**

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end. At December 31, 2014, the following fund had a deficit fund balance:

<u>Fund</u>	<u>Amount</u>
Summit Utility District #3	\$ 340

The deficit will be financed through tax levies in future periods.

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**3. Detail Notes on Transaction Classes and Accounts**

**A. Cash and Investments**

As of December 31, 2014, the Village held the following cash and investments:

	<b>Custodial Balance</b>	<b>Carrying Amount</b>
<b>Cash and Investments:</b>		
Demand deposits	\$ 9,200,696	\$ 9,663,913
Certificates of deposit	1,208,710	1,208,710
Total	10,409,406	10,872,623
 <b>Reconciliation to Financial Statements:</b>		
<b>Cash and equivalents:</b>		
<b>Per Statement of Net Position:</b>		
Cash and investments		\$ 4,239,897
<b>Per Statement of Net Position – Fiduciary (Agency) Fund:</b>		
Cash and investments		6,632,726
<b>Total cash and investments</b>		<b>\$ 10,872,623</b>

Deposits in local and area banks are insured by the FDIC in the amount of \$250,000 per financial institution. Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total coverage and other legal implications, recovery of material principal losses may be significant to individual municipalities.

Fluctuating cash flows during the year due to tax collections, receipt of state aids and/or proceeds from borrowing may have resulted in uninsured balances during the year significantly exceeding uninsured amounts at year end.

**Custodial Credit Risk - Cash and Investments**

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it.

As of December 31, 2014, the custodial balance of the Village's cash and investments was \$10,409,406, which was fully insured or collateralized by pledged securities. The amount of \$8,785,491 was collateralized with securities held by the pledging financial institution, but not in the Village's name.

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Village does not have any investments exposed to custodial credit risk.

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**3. Detail Notes on Transaction Classes and Accounts (continued)**

**B. Receivables**

All of the receivables on the balance sheet are expected to be collected within one year.

Government funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows reported in the government funds were as follows:

	<u>Unearned</u>
Property taxes receivable for subsequent year	\$ 1,951,268
<b>Total deferred inflows for governmental funds</b>	<b>\$ 1,951,268</b>

At the end of the current fiscal year, the various components of deferred inflows in the proprietary funds relating to unavailable funds were as follows:

	<u>Unearned</u>
Property taxes receivable for subsequent year	\$ 364,460
Deferred special assessments	956,804
<b>Total deferred inflows for proprietary funds</b>	<b>\$ 1,321,264</b>

**C. Restricted Assets**

The following is a list of restricted assets at December 31, 2014:

	<u>Restricted Assets</u>
Special assessments receivable	\$ 1,887,695
Connection charges receivable	61,722
<b>Total restricted assets</b>	<b>\$ 1,949,417</b>

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**3. Detail Notes on Transaction Classes and Accounts (continued)**

**D. Interfund Balances and Transfers**

**Internal Balances (Due to (from) other funds)**

Balances due to and from other funds include interfund accounts receivable or payable for goods or services received or provided. Interfund balances are the result of timing differences and are settled on a monthly basis.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Cemetery Fund	\$ 125,211
General Fund	Summit Utility District No. 2	3,670
General Fund	Summit Utility District No. 3	340
General Fund	Silver Lake Utility District	2,157
Genesee Lakes Utility District	General Fund	25,525

All amounts are due within one year. The principal purpose of these interfund balances is the allocation of commingled cash and investment balances. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Advances to other funds consist of the following at December 31, 2014:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Summit Utility District No. 2	\$ 35,000

The advance was made to Summit Utility District No. 2 in order to maintain a positive cash flow. The advance is interest-free and is to be repaid no later than December 31, 2029.

For the statement of net position, interfund balances that are owed within the governmental activities or business-type activities are netted and eliminated.

**Transfers**

Transfers between governmental funds are summarized as follows:

<u>Transfers in</u>	<u>Transfers out</u>	<u>Amount</u>
General Fund	Cemetery Fund	\$ 3,858
General Fund	Fire Department Impact Fees Fund	8,325

Transfers from other governmental funds to the General Fund were made to transfer investment income from the Cemetery Fund and residual balances from the Fire Department Impact Fees Fund.

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**3. Detail Notes on Transaction Classes and Accounts (continued)**

**E. Capital Assets**

Capital asset activity for the year ended December 31, 2014 is summarized as follows:

**Governmental Activities**

	<u>Balance January 1, 2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance Decembe 31, 2014</u>
<b>Nondepreciable capital assets:</b>				
Land	\$ 1,076,62	\$ ---	\$ ---	\$ 1,076,620
Construction in progress	---	23,893	---	23,893
<b>Total nondepreciable capital assets</b>	1,076,62	23,893	---	1,100,513
<b>Depreciable capital assets:</b>				
Vehicles and Equipment	1,046,20	155,922	(70,943)	1,131,186
Buildings and Improvement	415,372	---	---	415,372
Infrastructure	2,846,30	197,665	---	3,043,968
<b>Total depreciable capital assets</b>	4,307,88	353,587	(70,943)	4,590,526
<b>Less accumulated depreciation:</b>				
Vehicles and Equipment	497,036	96,582	(56,072)	537,546
Buildings and Improvement	361,743	2,302	---	364,045
Infrastructure	236,713	57,162	---	293,875
<b>Total accumulated depreciation</b>	1,095,49	156,046	(56,072)	1,195,466
<b>Net depreciable capital assets</b>	3,212,39	197,541	(14,871)	3,395,060
<b>Net total capital assets</b>	<u>\$ 4,289,01</u>	<u>\$ 221,434</u>	<u>\$ (14,871)</u>	<u>\$ 4,495,573</u>

Depreciation was charged to governmental functions as follow:

General government	\$ 6,173
Public safety	41,640
Public works	99,469
Culture and recreation	8,764
<b>Total depreciation</b>	<u>\$ 156,046</u>

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**3. Detail Notes on Transaction Classes and Accounts (continued)**

**E. Capital Assets (continued)**

**Business-type Activities**

	Balance January 1, 2014	Addition	Disposals	Balance December 31, 2014
<b>Nondepreciable capital</b>				
Land	\$ 92,861	\$ ---	\$ ---	\$ 92,861
<b>Total nondepreciable capital assets</b>	92,861	---	---	92,861
<b>Depreciable capital assets:</b>				
Buildings	1,987,978	---	---	1,987,978
Sewer system and services	10,260,674	---	---	10,260,674
Equipment	1,042,301	---	---	1,042,301
Investment in City of Oconomowoc treatment plant	2,180,025	---	---	2,180,025
<b>Total depreciable capital assets</b>	15,470,978	---	---	15,470,978
Accumulated depreciation	(3,127,398)	(293,597)	---	(3,420,995)
<b>Net depreciable capital assets</b>	12,343,580	(293,597)	---	12,049,983
<b>Net total capital assets</b>	\$ 12,436,441	\$ (293,597)	\$ ---	\$ 12,142,844

Depreciation was charged to business-type activities as follows:

<b>Business-type Activities</b>	
Summit Utility District No. 2	\$ 239,096
Silver Lake Utility District	54,501
<b>Total depreciation</b>	<u>\$ 293,597</u>

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**3. Detail Notes on Transaction Classes and Accounts (continued)**

**F. Long-Term Obligations**

Long-term obligations activity for the year ended December 31, 2014 was as follows:

	<u>Beginning Balance</u>		<u>Additions</u>		<u>Reductions</u>		<u>Ending Balance</u>		<u>Amounts Due Within One Year</u>
<b>Governmental Activities:</b>									
General obligation debt	\$ 398,170	\$	281,377	\$	(71,698)	\$	607,849	\$	161,714
<b>Other liabilities:</b>									
Vested compensated absences	274,730		88,617		(207,061)		156,286		---
<b>Total long-term obligations</b>	<b>\$ 672,900</b>	<b>\$</b>	<b>369,994</b>	<b>\$</b>	<b>(278,759)</b>	<b>\$</b>	<b>764,135</b>	<b>\$</b>	<b>161,714</b>
<b>Business-type Activities:</b>									
<b>Long-term debt:</b>									
General obligation debt	\$ 10,420,000	\$	---	\$	(850,000)	\$	9,570,000	\$	870,000

**General Obligation Debt**

All general obligation notes and bonds payable are backed by the full faith and credit of the Village, and will be retired by resources derived from various sources, including property tax levies, special assessments and impact fees. Details of general obligation debt are presented below:

	<b>Date of Issue</b>	<b>Maturity Date</b>	<b>Interest Rate</b>		<b>Original Indebtedness</b>		<b>Balance 12/31/14</b>
Notes:	11/17/11	03/15/16	3.25%	\$	65,000	\$	33,882
	12/20/11	03/15/16	3.75%		72,290		37,793
	08/24/12	03/15/17	2.75%		194,138		104,797
	09/12/13	03/15/18	3.00%		150,000		150,000
	08/31/14	03/15/19	3.00%		253,000		253,000
	11/06/14	02/15/22	0%		28,377		28,377
Bonds:	02/07/13	05/01/27	1.0-2.2%		9,495,000		8,940,000
	09/01/06	09/01/16	4.50%		5,200,000		115,000
	04/15/06	04/01/16	4.0-4.13%		2,015,000		515,000
<b>Total general obligation debt</b>							<b>\$ 10,177,849</b>
Government activity debt							\$ 607,849
Business-type activity debt							9,570,000
<b>Total general obligation debt</b>							<b>\$ 10,177,849</b>

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**3. Detail Notes on Transaction Classes and Accounts (continued)**

**F. Long-Term Obligations (continued)**

**General Obligation Debt (continued)**

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed five percent of the equalized value of taxable property within the Village's jurisdiction. As of December 31, 2014, the Village has used 22.09% of the debt limit.

The following summarizes the debt limit calculation as of December 31, 2014:

Equalized Value January 1, 2014	\$	<u>921,408,200</u>
Debt limit (5% of equalized value)	\$	46,070,410
General Obligation Debt outstanding		<u>(10,177,849)</u>
<b>Remaining Margin of Indebtedness Available</b>	<b>\$</b>	<b><u>35,892,561</u></b>
Ratio of applicable general obligation debt to debt limit		<u>22.09</u> %

**Debt Maturities**

Debt service requirements to maturity for long-term debt are as follows:

**Governmental Activities:**

Year	<u>General Obligation Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 161,714	\$ 16,613	\$ 178,327
2016	165,263	13,065	178,328
2017	119,092	8,089	127,181
2018	94,677	4,321	98,998
2019	56,461	1,587	58,048
2020-2024	10,642	---	10,642
<b>Totals</b>	<b>\$ <u>607,849</u></b>	<b>\$ <u>43,675</u></b>	<b>\$ <u>651,524</u></b>

**Business-type Activities:**

Year	<u>General Obligation Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 870,000	\$ 194,110	\$ 1,064,110
2016	885,000	172,185	1,057,185
2017	640,000	152,235	792,235
2018	655,000	139,285	794,285
2019	665,000	126,085	791,085
2020-2024	3,550,000	422,675	3,972,675
2025-2029	2,305,000	74,823	2,379,823
<b>Totals</b>	<b>\$ <u>9,570,000</u></b>	<b>\$ <u>1,281,398</u></b>	<b>\$ <u>10,851,398</u></b>

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**3. Detail Notes on Transaction Classes and Accounts (continued)**

**F. Long-Term Obligations (continued)**

**Total Primary Government**

Year	General Obligation Debt		
	Principal	Interest	Total
2015	\$ 1,031,714	\$ 210,723	\$ 1,242,437
2016	1,050,263	185,250	1,235,513
2017	759,092	160,324	919,416
2018	749,677	143,606	893,283
2019	721,461	127,672	849,133
2020-2024	3,560,642	422,675	3,983,317
2025-2029	2,305,000	74,823	2,379,823
<b>Totals</b>	<b>\$ 10,177,849</b>	<b>\$ 1,325,073</b>	<b>\$ 11,502,922</b>

**Debt Premiums**

**Business-type Activities:**

Debt premiums are deferred and amortized using the straight-line method over the life of the debt issue in both the fund statements and the government-wide statements. The unamortized debt premiums are reported in the liability section, in both the fund statements and the government-wide statements.

Activity for the year ended December 31, 2014 is summarized as follows:

	Balance January 1, 2014	Additions	Amortization	Balance December 31, 2014
Business-type Activities	\$ 152,664	\$ ---	\$ (11,744)	\$ 140,920

**Debt Refundings**

On February 7, 2013 the Summit Utility District No. 2 issued \$9,495,000 of General Obligation Refunding Bonds, which mature on May 1, 2027. Part of this issue represented a current refunding of Summit Utility District No. 2's Clean Water Fund Loan. The remaining principal balance of \$4,270,172 on the Clean Water Fund Loan was paid off with the proceeds from the new debt. In addition, part of this new debt issue represented an advanced refunding, in which a portion of the \$5,200,000 General Obligation Refunding Bonds were defeased by placing the proceeds of the refunding bonds in irrevocable escrow accounts to meet future debt service requirements as they become due. As a result of the advance refunding, the Village decreased its total future debt service requirements by \$947,984, which resulted in an economic gain (difference between the present value of the debt service payments on the old debt and the cost of defeasance) of \$1,028,182. The principal of the defeased bonds totaled \$4,935,000. As of December 31, 2014 and 2013, \$4,935,000 of the defeased bonds remain outstanding.

**Other Debt Information**

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the general fund.

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**3. Detail Notes on Transaction Classes and Accounts (continued)**

**G. Net Position and Fund Balances**

**Government-wide Financial Statement Net Position**

**Governmental Activities**

Governmental net position consist of the following:

**Net Investment in Capital Assets:**

Land and construction in progress	\$ 1,100,513	
Other capital assets net of accumulated depreciation	3,395,060	
Less: related long-term debt	<u>(570,056)</u>	
<b>Total Net Investment in Capital Assets</b>		<b>\$ 3,925,517</b>

**Restricted for:**

**Other:**

Land acquisition	3,040	
Cemetery	272,453	
Genesee Lakes Utility District	25,525	
Impact fees	<u>104,230</u>	
<b>Total Restricted for Other</b>		<b>405,248</b>

Unrestricted		<u>1,807,633</u>
<b>Total Governmental Net Position</b>		<b>\$ <u>6,138,398</u></b>

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**3. Detail Notes on Transaction Classes and Accounts (continued)**

**G. Net Position and Fund Balances (continued)**

**Government-Wide Financial Statement Net Position (continued)**

**Business-type Activities**

Business-type net position consist of the following:

**Net Investment in Capital Assets:**

Land	\$ 92,861	
Other capital assets net of accumulated depreciation	12,049,983	
Less: related long-term debt, net of unamortized debt issuance costs	(9,570,000)	
Less: unamortized debt premium	<u>(140,920)</u>	
<b>Net Investment in Capital Assets</b>		<b>\$ 2,431,924</b>

**Restricted for:**

**Other:**

Special assessments receivable	1,887,695	
Connection charges receivable	61,722	
Less: connection charges payable	(61,772)	
Less: due to other utilities	(151,865)	
Less: deferred special assessments	<u>(956,804)</u>	
<b>Total restricted for other</b>		<b>779,026</b>

Unrestricted		<u>830,321</u>
<b>Total Business-type Net Position</b>		<b>\$ <u>4,041,271</u></b>

VILLAGE OF SUMMIT  
Summit, Wisconsin

Notes to Financial Statements  
December 31, 2014

3. Detail Notes on Transaction Classes and Accounts (continued)

G. Net Position and Fund Balances (continued)

Fund Financial Statements

Governmental fund balances consist of the following:

Major Funds:

General Fund:

Nonspendable:

Long-term advance receivable \$ 35,000

Committed:

Retiree health insurance \$ 15,789

Facility improvements 1,238,069

Park development 80,000

**Subtotal** 1,333,858

Unassigned 646,187

**Total General Fund** \$ 2,015,045

Nonmajor Governmental Funds:

Restricted:

Land acquisition \$ 3,040

Cemetery 272,453

Genesee Lakes Utility District 25,525

Impact fees 104,230

**Subtotal** \$ 405,248

Unassigned (340)

**Total nonmajor governmental funds** \$ 404,908

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**4. Other Notes**

**A. Employee Pension Plan**

All eligible Village of Summit employees participate in the Wisconsin Retirement System (“WRS”), a cost-sharing multiple-employer, defined benefit, public employee retirement system (“PERS”). All permanent employees expected to work at least 600 hours a year and expected to be employed for at least one year from employee’s date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee’s date of hire are eligible to participate in the WRS.

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees, including Teachers, and Executives and Elected Officials. Required contributions for protective contributions are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contributions unless provided by an existing collective bargaining agreement. Contribution rates for 2014 are:

	<u>Employee</u>	<u>Employer</u>
General	7.00%	7.00%
Executives & Elected Officials	7.75%	7.75%
Protective with Social Security	7.00%	10.10%
Protective without Social Security	7.00%	13.70%

The payroll for Village of Summit employees covered by WRS for the year ended December 31, 2014 was \$1,144,847; the employer’s total payroll was \$1,182,335. The total required contribution for the year ended December 31, 2014 was \$186,956, which consisted of \$106,817, or 9.3% of payroll from the employer and \$80,139, or 7.2% of payroll from employees. Total contributions for the years ending December 31, 2013 and 2012 were \$184,116 and \$143,858, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee’s three highest years’ earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes. The WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, Wisconsin 53707-7931.

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**4. Other Notes (continued)**

**B. Risk Management**

The Village is exposed to various risks of loss related to torts; theft of; damage to, or destruction of assets; and errors and omissions; workers' compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There are no significant reductions in coverage compared to the prior year.

**C. Contingent Liabilities**

From time to time, the Village is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and of the Village attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Village's financial position or results of operations.

**D. Police Contract**

Starting in 2011, the Village began providing police services to a local municipality. The Village received \$325,000 in the current year related to these services. In 2015, the services will provide approximately \$343,000 in revenues for the Village.

**REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Budgetary Comparison Schedule**  
**General Fund**  
For the Year Ended December 31, 2014

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Revenues:</b>				
Taxes	\$ 1,562,908	\$ 1,562,990	\$ 1,562,886	\$ (104)
<b>Operating grants and contributions:</b>				
Intergovernmental	332,627	346,919	327,113	(19,806)
Other	2,000	30,475	21,010	(9,465)
Licenses and permits	119,410	126,775	168,503	41,728
Fines, forfeitures and penalties	50,130	35,160	43,592	8,432
Public charges for services	480,300	477,729	481,245	3,516
Intergovernmental charges for services	419,580	419,580	415,530	(4,050)
Investment income	9,000	4,300	4,639	339
Other revenues	2,900	6,352	10,912	4,560
<b>Total revenues</b>	<b>2,978,855</b>	<b>3,010,280</b>	<b>3,035,430</b>	<b>25,150</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	671,845	868,665	669,059	199,606
Public safety	1,369,029	1,352,780	1,400,840	(48,060)
Public works	807,324	798,153	844,736	(46,583)
Health and human services	33,790	29,652	28,821	831
Culture, recreation and education	254,914	281,018	27,944	253,074
Capital outlay	470,500	470,500	377,480	93,020
<b>Debt Service:</b>				
Principal	71,698	71,698	---	71,698
Interest and fiscal charges	7,632	7,632	---	7,632
<b>Total expenditures</b>	<b>3,686,732</b>	<b>3,880,098</b>	<b>3,348,880</b>	<b>531,218</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(707,877)</b>	<b>(869,818)</b>	<b>(313,450)</b>	<b>556,368</b>
<b>Other Financing Sources (Uses):</b>				
Debt issued	253,047	253,047	281,377	28,330
Sales of property	20,500	20,500	31,545	11,045
Transfer in	360,000	360,000	12,183	(347,817)
Transfer out	(35,000)	(35,000)	---	35,000
<b>Total other financing sources (uses)</b>	<b>598,547</b>	<b>598,547</b>	<b>325,105</b>	<b>(273,442)</b>
<b>Net change in fund balance</b>	<b>(109,330)</b>	<b>(271,271)</b>	<b>11,655</b>	<b>282,926</b>
Fund Balance - Beginning of Year	2,003,390	2,003,390	2,003,390	---
Fund Balance - End of Year	\$ 1,894,060	\$ 1,732,119	\$ 2,015,045	\$ 282,926

See independent auditors' report.

**VILLAGE OF SUMMIT**  
Summit, Wisconsin

**Notes to Required Supplementary Information**  
December 31, 2014

**A. Budgetary Information**

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1. C.

The Village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds council action.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the fund level of expenditure.

**B. Excess Expenditures Over Appropriations**

<u>Department</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
<b>General Fund:</b>			
Public safety	\$ 1,352,780	\$ 1,400,840	\$ (48,060)
Public works	798,153	844,736	(46,583)

The Village controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the Village's year-end budget to actual report.

The excess expenditures were funded by lower expenditures in other areas.

**OTHER SUPPLEMENTARY INFORMATION**

VILLAGE OF SUMMIT

Summit, Wisconsin

Combing Balance Sheet  
Nonmajor Governmental Funds

December 31, 2014

	Special Revenue Funds					Permanent Fund	Total Nonmajor Funds
	Debt Service Fund	Land Acquisition and Capital Improvements	Impact Fees	Genesee Lakes Utility District	Summit Utility District #3	Cemetery Fund	
<b>Assets:</b>							
Cash and investments	\$ 89,082	\$ 3,040	\$ 104,230	\$ ---	\$ ---	\$ 397,664	\$ 594,016
Receivables:							
Taxes	85,698	---	---	3,969	20,605	---	110,272
Due from other funds	---	---	---	25,525	---	---	25,525
<b>Total Assets</b>	<b>174,780</b>	<b>3,040</b>	<b>104,230</b>	<b>29,494</b>	<b>20,605</b>	<b>397,664</b>	<b>729,813</b>
<b>Liabilities:</b>							
Due to other funds	---	---	---	---	340	125,211	125,551
<b>Deferred Inflows of Resources:</b>							
Tax roll revenue	174,780	---	---	3,969	20,605	---	199,354
<b>Fund Balance (Deficit):</b>							
Restricted	---	3,040	104,230	25,525	---	272,453	405,248
Unassigned	---	---	---	---	(340)	---	(340)
<b>Total Fund Balance (Deficit)</b>	<b>\$ ---</b>	<b>\$ 3,040</b>	<b>\$ 104,230</b>	<b>\$ 25,525</b>	<b>\$ (340)</b>	<b>\$ 272,453</b>	<b>\$ 404,908</b>

See independent auditors' report.

VILLAGE OF SUMMIT

Summit, Wisconsin

Combing Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended December 31, 2014

	Special Revenue Funds					Permanent Fund	Total Nonmajor Funds
	Debt Service Fund	Land Acquisition and Capital Improvements	Impact Fees	Genesee Lakes Utility District	Summit Utility District #3	Cemetery Fund	
<b>Revenues:</b>							
Taxes	\$ 79,330	\$ ---	\$ ---	\$ 3,969	\$ 20,605	\$ ---	\$ 103,904
Public charges for services	---	---	22,856	---	---	8,600	31,456
Investment income	---	---	52	---	---	3,858	3,910
<b>Total revenues</b>	<u>79,330</u>	<u>---</u>	<u>22,908</u>	<u>3,969</u>	<u>20,605</u>	<u>12,458</u>	<u>139,270</u>
<b>Expenditures:</b>							
Current:							
Public works	---	---	---	---	20,605	---	20,605
Health and human services	---	---	---	---	---	19,625	19,625
Debt Service:							
Principal	71,698	---	---	---	---	---	71,698
Interest and fiscal charges	7,632	---	---	---	---	---	7,632
<b>Total Expenditures</b>	<u>79,330</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>20,605</u>	<u>19,625</u>	<u>119,560</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	---	---	22,908	3,969	---	(7,167)	19,710
<b>Other Financing Uses:</b>							
Impact fees refunded	---	---	(31,463)	---	---	---	(31,463)
Transfers out	---	---	(8,325)	---	---	(3,858)	(12,183)
<b>Total other financing uses</b>	<u>---</u>	<u>---</u>	<u>(39,788)</u>	<u>---</u>	<u>---</u>	<u>(3,858)</u>	<u>(43,646)</u>
<b>Net change in fund balance</b>	---	---	(16,880)	3,969	---	(11,025)	(23,936)
<b>Fund Balance (Deficiti), beginning of year</b>	<u>---</u>	<u>3,040</u>	<u>121,110</u>	<u>21,556</u>	<u>(340)</u>	<u>283,478</u>	<u>428,844</u>
<b>Fund Balance (Deficit) - end of year</b>	<u>\$ ---</u>	<u>\$ 3,040</u>	<u>\$ 104,230</u>	<u>\$ 25,525</u>	<u>\$ (340)</u>	<u>\$ 272,453</u>	<u>\$ 404,908</u>

See independent auditors' report.