

TOWN OF OTTAWA
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

TOWN OF OTTAWA

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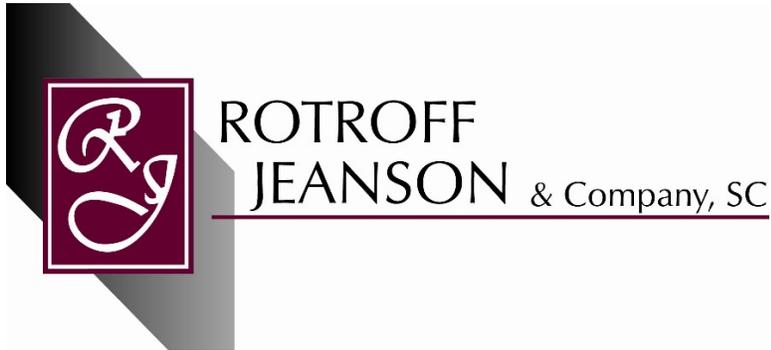
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Independent Auditors' Report

Town Board
Town of Ottawa
Waukesha County, Wisconsin

Dear Board Members:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Ottawa, Wisconsin as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Town'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 auditor's 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 entity'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 entity'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, each major fund, and the aggregate remaining fund information of the Town of Ottawa, Wisconsin as of December 31, 2014, and the respective changes in financial position and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Ottawa, Wisconsin's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual 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. Such 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Ratoff Jensen & Company

Delafield, Wisconsin
March 27, 2015

TOWN OF OTTAWA
STATEMENT OF NET POSITION
Governmental Activities
December 31, 2014

Assets:	
Current assets:	
Cash and cash equivalents	\$ 1,692,672
Property taxes receivable	461,100
Other receivables (net)	77,869
Prepaid expenses	902
Non-current assets:	
Intergovernmental receivables	164,129
Fixed assets:	
Non-depreciable:	
Land	542,359
Depreciable:	
Capital assets, net of accumulated depreciation	1,546,158
Total assets	<u>4,485,189</u>
Liabilities:	
Current liabilities:	
Accounts payable	107,892
Other accrued liabilities	6,860
Current portion of long-term obligations	50,824
Non-current liabilities:	
Non-current portion of long-term obligations	223,622
Total liabilities	<u>389,198</u>
Deferred Inflows of Resources:	
Subsequent year's tax levy	<u>876,514</u>
Net Position:	
Net investment in capital assets	2,088,517
Restricted for:	
Expendable:	
Capital projects	5,966
Nonexpendable:	
Perpetual care	61,454
Unrestricted	1,063,540
Total net position	<u>\$ 3,219,477</u>

The accompanying notes are an integral part of these financial statements

TOWN OF OTTAWA
STATEMENT OF ACTIVITIES
Governmental Activities
Year Ended December 31, 2014

			Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:						
Direct expenses:						
General government	\$ 269,933	-	12,365	1,100	-	(256,468)
Public safety	230,020	12,917	70,086	16,101	-	(156,750)
Health and sanitation	98,652	-	10,539	2,942	-	(85,171)
Highway and transportation	330,540	-	-	82,066	-	(248,474)
Parks and recreation	76,407	-	3,839	-	-	(72,568)
Cemetery	6,158	-	6,905	-	-	747
Indirect expenses:						
Interest and other related charges	12,917	(12,917)	-	-	-	-
Total primary government	\$ 1,024,627	-	103,734	102,209	-	(818,684)
General revenues:						
Property taxes						883,708
Grants not restricted to specific programs						51,679
Cable television franchise fees						24,033
Contributions to permanent fund principal						1,400
Interest and investment earnings						1,777
Miscellaneous						382
Total general revenues						962,979
Change in Net Position						144,295
Net Position - Beginning of Year						3,075,182
Net Position - End of Year					\$	3,219,477

The accompanying notes are an integral part of these financial statements

TOWN OF OTTAWA
BALANCE SHEET
Governmental Funds
December 31, 2014

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets:			
Cash and cash equivalents	\$ 1,603,227	89,445	1,692,672
Receivables:			
Taxes	454,669	6,431	461,100
Accounts	13,674	-	13,674
Intergovernmental	22,318	-	22,318
Prepaid expenditures	902	-	902
Total assets	\$ 2,094,790	95,876	2,190,666
Liabilities, Deferred Inflows of Resources and Fund Balance:			
Liabilities:			
Accounts payable	\$ 107,892	-	107,892
Other accrued liabilities	1,120	-	1,120
Total liabilities	109,012	-	109,012
Deferred Inflows of Resources:			
Subsequent year's tax levy	864,281	12,233	876,514
Fund Balance:			
Nonspendable	1,115	61,454	62,569
Restricted	-	5,966	5,966
Committed	550,000	16,223	566,223
Assigned	130,000	-	130,000
Unassigned	440,382	-	440,382
Total fund balance	1,121,497	83,643	1,205,140
Total liabilities, deferred inflows of resources and fund balance	\$ 2,094,790	95,876	2,190,666

The accompanying notes are an integral part of these financial statements

TOWN OF OTTAWA
 RECONCILIATION OF THE BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 Governmental Funds
 December 31, 2014

Total fund balances - governmental funds	\$	1,205,140
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Certain accounts receivable are not available soon enough after year-end to pay for the current year's expenditures, and therefore are not reported in the governmental funds		41,877
Other long-term assets are not available to pay for current year expenditures and therefore are not reported in the governmental funds		164,129
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:		
Governmental capital assets	\$ 3,209,773	
Less: Accumulated depreciation	<u>(1,121,256)</u>	2,088,517
Interest payable used in the governmental activities are not payable from current resources and therefore are not reported in the governmental funds.		(5,740)
Long-term liabilities are not due and payable in the current year and therefore are not reported in the governmental funds.		<u>(274,446)</u>
Total net position - governmental activities	\$	<u><u>3,219,477</u></u>

The accompanying notes are an integral part of these financial statements

TOWN OF OTTAWA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

Governmental Funds

Year Ended December 31, 2014

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 874,508	9,200	883,708
Intergovernmental	153,888	52,335	206,223
Regulation and compliance	81,326	-	81,326
Charges for services	23,876	8,305	32,181
Interest	1,714	63	1,777
Miscellaneous	382	-	382
	<u>1,135,694</u>	<u>69,903</u>	<u>1,205,597</u>
Expenditures:			
Current:			
General government	259,430	-	259,430
Public safety	211,862	-	211,862
Health and sanitation	95,485	-	95,485
Highway and transportation	199,155	-	199,155
Parks and recreation	61,173	-	61,173
Cemetery	-	6,158	6,158
Unclassified	-	-	-
Capital outlays	21,375	-	21,375
Debt service:			
Principal	-	47,566	47,566
Interest and fiscal fees	-	13,969	13,969
	<u>848,480</u>	<u>67,693</u>	<u>916,173</u>
Excess of revenues over expenditures	<u>287,214</u>	<u>2,210</u>	<u>289,424</u>
Other financing sources (uses):			
Transfers in	5,940	-	5,940
Transfers out	-	(5,940)	(5,940)
Face value of long-term debt	14,932	-	14,932
	<u>20,872</u>	<u>(5,940)</u>	<u>14,932</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	308,086	(3,730)	304,356
Fund balance, January 1	<u>813,411</u>	<u>87,373</u>	<u>900,784</u>
Fund balance, December 31	<u>\$ 1,121,497</u>	<u>83,643</u>	<u>1,205,140</u>

The accompanying notes are an integral part of the financial statements

TOWN OF OTTAWA
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 TO THE STATEMENT OF ACTIVITIES
 Governmental Funds
 Year Ended December 31, 2014

Net change in fund balances - total governmental funds	\$	304,356
Amounts reported for governmental activities in the Statement of Activities are different because:		
Revenues in the Statement of Activities include those which were earned in the current year, even though they do not provide financial resources of the current year.		1,357
Long-term intergovernmental receivables which are not available to pay for current year expenditures are reported when collected in the governmental funds. In the Statement of Activities however, these are reported when earned.		(38,032)
Capital outlays are reported in governmental funds as expenditures. In the Statement of Activities, however, the cost of those assets is depreciated over their estimated useful lives. This is the amount of depreciation expense.		(157,072)
Note proceeds provide current financial resources to government funds but issuing debt increases long-term liabilities in the Statement of Net Position.		(14,932)
Repayment of long-term debt obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		47,566
Interest on long-term debt is recognized as an expenditure in the funds when it is due. In the Statement of Activities, however, interest expense is recognized as it accrues.		<u>1,052</u>
Change in net position of governmental activities	\$	<u><u>144,295</u></u>

The accompanying notes are an integral part of these financial statements

TOWN OF OTTAWA
BUDGETARY COMPARISON STATEMENT
General Fund
Year Ended December 31, 2014

	Budget		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Budgetary fund balance, January 1	\$ 813,411	813,411	813,411	-
Resources (inflows):				
Taxes	865,532	865,532	874,508	8,976
Intergovernmental	152,248	152,248	153,888	1,640
Regulation and compliance	59,900	78,757	81,326	2,569
Charges for services	29,350	29,350	23,876	(5,474)
Interest	1,950	1,950	1,714	(236)
Miscellaneous	200	200	382	182
Transfers in	-	-	5,940	5,940
Face value of long-term debt	-	14,932	14,932	-
Amounts available for appropriation	<u>1,922,591</u>	<u>1,956,380</u>	<u>1,969,977</u>	<u>13,597</u>
Charges to appropriations (outflows):				
Current:				
General government	278,297	278,297	259,430	18,867
Public safety	192,776	212,612	211,862	750
Health and sanitation	88,365	95,485	95,485	-
Highway and transportation	467,751	467,751	199,155	268,596
Parks and recreation	60,265	61,949	61,173	776
Contingency	5,000	5,000	-	5,000
Unclassified	500	500	-	500
Capital outlays	<u>16,226</u>	<u>21,375</u>	<u>21,375</u>	<u>-</u>
Total charges to appropriations	<u>1,109,180</u>	<u>1,142,969</u>	<u>848,480</u>	<u>294,489</u>
Fund balance, December 31	<u>\$ 813,411</u>	<u>813,411</u>	<u>1,121,497</u>	<u>308,086</u>

The accompanying notes are an integral part of these financial statements

TOWN OF OTTAWA
STATEMENT OF FIDUCIARY NET POSITION
Agency Fund
December 31, 2014

Assets:	
Cash and cash equivalents	\$ 3,255,714
Taxes receivable	<u>3,595,602</u>
Total assets	<u>\$ 6,851,316</u>
Liabilities:	
Due to other taxing units:	
School districts	\$ 5,459,846
Waukesha County	1,220,544
State of Wisconsin	88,391
Lake management districts	70,285
Deposits:	
Ditch and occupancy	<u>12,250</u>
Total liabilities	<u>\$ 6,851,316</u>

The accompanying notes are an integral part of the financial statements

TOWN OF OTTAWA
NOTES TO FINANCIAL STATEMENTS

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TOWN OF OTTAWA
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

The accounting and reporting policies of the Town of Ottawa included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

A. Reporting Entity

This report includes all of the funds of the Town of Ottawa. The reporting entity for the Town consists of the primary government, organizations for which the primary government is financially accountable and 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. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and is able to impose its will on that organization or 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. This report does not contain any component units.

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. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town allocates 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 instead as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Funds are organized as major funds or non-major funds within the governmental statements. An emphasis is placed on major funds within the governmental category. Major individual governmental funds are reported in separate columns in the fund financial statements.

TOWN OF OTTAWA
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies - Continued

B. Government-Wide and Fund Financial Statements - continued

Fund Financial Statements - continued

A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

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

The Town reports the following major governmental fund:

General Fund – The general fund accounts for the Town’s primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

The Town reports the following non-major governmental funds:

Special Revenue Funds – The special revenue funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. These include the park dedication and expendable cemetery funds.

Debt Service Fund – The debt service fund accounts for resources accumulated and payments made for principal and interest on long-term debt other than enterprise fund debt.

Permanent Fund – The non-expendable cemetery fund is a permanent fund which accounts for 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 and includes:

In addition, the Town reports the following fund type:

Agency Fund – The agency fund accounts for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

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. Accordingly, all the Town’s assets, deferred outflows of resources, liabilities and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying statement of net position.

Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

TOWN OF OTTAWA
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies - Continued

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

Government-Wide Financial Statements - continued

Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and 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 inflows of revenues. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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 Town considers revenues to be available if they are collected within sixty 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, and judgments, which are recorded as a fund liability when expected to be paid with expendable available financial resources. Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Franchise fees, inspection fees, professional fees reimbursed, sales of recyclables and interest earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Intergovernmental aids and grants are recognized as revenues in the period the Town is entitled to the resources and the amounts are available. Amounts owed to the Town but not available are recorded as receivables and deferred inflows of resources. Amounts received prior to the entitlement period are recorded as current liabilities.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

1. Deposits and Investments

Wisconsin municipalities are authorized by statute to invest idle funds in the following institutions and investments:

- a. Time deposits in any credit union, bank, savings bank, trust company or savings and loan association, which is authorized to transact business in this state if the time deposits mature in not more than 3 years.
- b. Bonds or securities issued or guaranteed as to principal and interest by the federal government or by a commission, board or other instrumentality of the federal government.
- c. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of this state.
- d. Bonds issued by a local exposition district, local professional baseball park district, local professional football stadium district or local cultural arts district.

TOWN OF OTTAWA
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity - continued

1. Deposits and Investments - continued

- e. Bonds issued by the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority
- f. Any security which matures or which may be tendered for purchase at the option of the holder within not more than 7 years of the date on which it is acquired, if that security has a rating which is the highest or 2nd highest rating category assigned by Standard & Poor's corporation, Moody's investors service or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating.
- g. Securities of an open-end management investment company or investment trust (mutual fund), if the investment company or investment trust does not charge a sales load, if the investment company or investment trust is registered under the investment company act of 1940, 15 USC 80a-1 to 80a-64, and if the portfolio of the investment company or investment trust is limited to the following:
 - 1. Bonds and securities issued by the federal government or a commission, board or other instrumentality of the federal government.
 - 2. Bonds that are guaranteed as to principal and interest by the federal government or a commission, board or other instrumentality of the federal government.
 - 3. Repurchase agreements fully collateralized by bonds or securities under (g) 1 or 2.
- h. Bonds or securities issued under the authority of the municipality, whether the bonds or securities create a general municipality liability or a liability of the property owners of the municipality for special improvements, and may sell or hypothecate the bonds or securities.
- i. The Local Government Pooled Investment Fund.
- j. Repurchase agreements with public depositories, if federal bonds or securities secure the agreement.

Investments made during 2014 were held in the Town's name and were in accordance with those allowable by state statutes.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is unrated and is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2014, the fair value of the Town's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

TOWN OF OTTAWA
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity - continued

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the Town, taxes are collected for and remitted to the state and county governments as well as the local school districts, technical college district, and lake management districts. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying agency fund balance sheet.

Property tax calendar – 2014 tax roll:

Levy:	
Tax lien and levy date	December 2014
Tax bills mailed	December 2014
Real property taxes:	
Payment in full or first installment	January 31, 2015
Second installment payable to County	July 31, 2015
Personal property taxes, special assessments and special charges, in full	January 31, 2015
Tax settlements with taxing jurisdictions:	
First settlement	January 15, 2015
Second settlement	February 20, 2015
Final settlement	August 20, 2015
Tax sale - 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. The Town maintains responsibility for collection of delinquent personal property taxes.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Capital Assets

Government – Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the Town as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of 3 years. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated fair value at the date of donation.

TOWN OF OTTAWA
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity - continued

4. Capital Assets - continued

Government – Wide Statements - continued

Prior to 2004, infrastructure assets of governmental funds were not capitalized. Upon implementing GASB 34, governmental units were required to account for all capital assets, including infrastructure, in the government-wide statements. As allowed under the reporting standards the Town elected to report its infrastructure prospectively from the date of implementation.

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 and improvements	25-50 Years
Equipment	5-20 Years
Land improvements	15-25 Years
Infrastructure	5-20 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position or fund balance that applies to a future period and thus, will not be recognized as an outflow of resources (expenditure) until then. The Town currently does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section of deferred inflows of resources. This section represents an acquisition of net position or fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Town's property tax levy qualifies for reporting in this category. These amounts will be recognized as an inflow of resources in the subsequent year for which they were levied.

6. Long-Term Obligations

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist of bonds and notes payable. Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) is reported as other financing sources and payments of principal and interest are reported as expenditures.

TOWN OF OTTAWA
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity - continued

7. Claims and Judgments

Claims and judgments are recorded as liabilities if all of 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 as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

8. Equity Classifications

Government-Wide Statements

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

- a. Net investment in capital assets includes the Town's capital assets, net of accumulated depreciation 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 includes assets with constraints placed on their 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 includes all other net positions that do not meet the definition of "net investment in capital assets" or "restricted".

Fund Statements

Governmental fund equity is classified as fund balance. In accordance with Governmental Standards Board Statement No. 54 fund balance is further categorized into five classifications based on the constraints imposed on the use of these resources. These five classifications are nonspendable, restricted, committed, assigned or unassigned.

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable form – prepaids or inventories; or are legally or contractually required to be maintained intact. The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

- a. Restricted - This classification reflects the constraints imposed on resources externally by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- b. Committed - These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Town Board, the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Town Board removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

TOWN OF OTTAWA
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity - continued

8. Equity Classifications - continued

Fund Statements - continued

- c. Assigned - This classification reflects the amounts constrained by the Town's intent to be used for a specific purpose, but are neither restricted nor committed. The Town Board has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.
- d. Unassigned - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

The Town has not adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. In these circumstances GASB Statement No. 54 indicates that restricted funds are to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

9. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

(2) Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The financial statements include reconciliation between fund balance – total governmental funds as reported in the governmental fund balance sheet and net position – governmental activities as reported in the government-wide statement of net position.

Capital assets net of accumulated depreciation of \$2,088,517 used in governmental funds are not financial resources and, therefore, are not reported in the funds.

Certain liabilities applicable to the Town's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position.

G.O. bonds and notes payable	\$	274,446
Accrued interest		<u>5,740</u>
	\$	<u>280,186</u>

The long term portion of intergovernmental receivables that is not available to pay for current year expenditures of \$164,129 is not reported in the governmental fund financial statements. Certain other accounts receivable that were not available soon enough after year-end to pay for the current year's expenditures, and therefore are not reported in the governmental funds total \$41,877.

TOWN OF OTTAWA
NOTES TO FINANCIAL STATEMENTS

(2) Reconciliation of Government-Wide and Fund Financial Statements - Continued

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The financial statements include reconciliation between net change in fund balances – total governmental funds as reported in the statement of revenues, expenditures and changes in fund balances and change in net position of governmental activities as reported in the government-wide statement of activities.

A significant element of the reconciliation is the repayment of long-term debt of \$47,566 which consumes current financial resources of governmental funds but is not considered current year expenditures in the government-wide statement of activities.

Promissory note proceeds of \$14,932 provided financial resources in the governmental funds but increased long-term liabilities in the statement of net position.

Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The details of this difference are as follows:

Depreciation expense		\$ 157,072
Decrease in accrued interest payable		<u>(1,052)</u>
		<u>\$ 156,020</u>

Long-term intergovernmental receivables totaling \$38,032 were collected and available to pay current year expenditures and are reported in the fund statements. In the Statement of Activities however, these were reported in prior years when they were earned.

Revenues of \$1,357 were earned in the prior year and are excluded in the current year statement of activities. They did, however provide financial resources of the current year and are included in the fund financial statements.

(3) Stewardship, Compliance, and Accountability

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 Town prepares an annual budget for the general and debt service funds on a basis consistent with generally accepted accounting principles. The Town does not budget for the special revenue or permanent funds.

Public hearings are conducted on the proposed budget prior to Town Board approval. After such hearings the Town holds a special meeting at which time the Town residents set and approve the annual tax levy. The budget is legally enacted prior to December 31 through approval of the Town Board.

Budgets are adopted at the departmental level of expenditure. Subsequent to the enactment of the budget, the Town Board has the authority to make amendments to the budget, which may result in changes in total appropriations. Such amendments require approval of two-thirds of the governing body. Amendments made to the original approved budget were in accordance with these requirements.

TOWN OF OTTAWA
NOTES TO FINANCIAL STATEMENTS

(3) Stewardship, Compliance, and Accountability - Continued

A. Budgetary Information - continued

The budgetary comparison statement for the general fund is shown as part of the basic financial statements. Budgetary comparisons for all other governmental funds are included in supplemental information.

B. Limitations of the Town's Tax Levy

Wisconsin Statute 66.0602 limits the Town's property tax levy, with exceptions, to its prior tax levy, increased by the percentage change in the Town's equalized value due to new construction. Changes in debt service from one year to the next are generally exempt from this limit.

(4) Detailed Notes on All Funds

A. Deposits and Investments

The Town's deposits and investments at December 31, 2014 were comprised of the following:

	Carrying Value	Bank and Investment Balances	Associated Risks
Deposits	\$ 4,095,043	4,096,498	Custodial credit risk
LGIP	<u>853,343</u>	<u>853,343</u>	Credit risk, interest rate risk
	\$ <u>4,948,386</u>	<u>4,949,841</u>	

The difference between the carrying value and bank balance is due to outstanding checks. Reconciliation of deposits and investments to statement of net position and statement of fiduciary assets:

Per Statement of Net Position	\$ 1,692,672
Per Statement of Fiduciary Net Position	<u>3,255,714</u>
	\$ <u>4,948,386</u>

At December 31, 2014, idle funds were invested in time and demand deposits of authorized depositories. Such deposits and investments are insured in any one depository institution through federal depository insurance funds. Insurance coverage for governmental depositories depends upon the type of deposit and the location of the insured depository institution.

All time and savings deposits owned by the Town and held by the Town's official custodian in an insured depository institution within the State of Wisconsin are combined and insured up to \$250,000. All demand deposits owned by the Town and held by the Town's official custodian in an insured depository institution within the State of Wisconsin are combined and insured up to \$250,000. For the purpose of these rules, the term 'time and savings deposits' includes NOW accounts and money market deposit accounts. The term 'demand deposits' means both interest bearing and non-interest bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal. For accounts held by the Town located outside the State of Wisconsin, all time, savings, and demand deposits are combined within each depository institution and insured up to \$250,000.

TOWN OF OTTAWA
NOTES TO FINANCIAL STATEMENTS

(4) Detailed Notes on All Funds - Continued

A. Deposits and Investments - continued

In addition to FDIC insurance, there is insurance currently available through the State of Wisconsin depository insurance program, which would provide a maximum of \$400,000 of insurance on deposits in any one institution. The amount available to fund the entire Wisconsin program is limited and, therefore, the actual benefits available at a time of claim would depend upon the remaining balance in the state fund. This coverage has not been considered in computing custodial credit risk.

The State Investment Fund, which the LGIP is a part of, had 99% of its investments in U.S. government securities at December 31, 2014.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the Town's deposits may not be returned to it. Of the Town's total bank balance, \$3,595,720 was exposed to custodial credit risk as uninsured and uncollateralized.

Fluctuating cash flows during January and December, due to tax collections, result in temporary cash and investment balances, which significantly exceed insured amounts, until settlement with the respective taxing jurisdictions during the following month. The Town does not have a deposit policy for custodial credit risk.

Credit and Interest Rate Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value has to changes in market interest rates.

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure of fair value losses arising from changes in interest rates. At December 31, 2014 the Town held investments with a fair value of \$853,343 in the LGIP which is not rated. The average maturity date for investments held by the LGIP is 117 days.

B. Receivables

Governmental fund financial statements report deferred inflows of resources in connection with receivables not considered 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 the Town's receivables included deferred inflows of resources were as follows:

	<u>Unearned</u>	<u>Unavailable</u>	<u>Total</u>
Current year property taxes receivable:			
General fund	\$ 454,456	-	454,456
Debt service fund	<u>6,431</u>	<u>-</u>	<u>6,431</u>
	\$ <u>460,887</u>	<u>-</u>	<u>460,887</u>

In addition, other receivables are reported in the government-wide financial statements net of the amount estimated to be uncollectible of \$14,372.

TOWN OF OTTAWA
NOTES TO FINANCIAL STATEMENTS

(4) Detailed Notes on All Funds - Continued

C. Capital Assets

Capital asset activity in the governmental activities for the year ended December 31, 2014 was as follows:

	Balance <u>12/31/13</u>	Additions	Disposals	Balance <u>12/31/14</u>
Capital Assets Not Being Depreciated:				
Land	\$ <u>542,359</u>	-	-	<u>542,359</u>
Capital Assets Being Depreciated:				
Buildings and improvements	460,181	-	-	460,181
Equipment	94,871	-	-	94,871
Land improvements	251,401	-	-	251,401
Infrastructure	<u>1,860,961</u>	-	-	<u>1,860,961</u>
	<u>2,667,414</u>	-	-	<u>2,667,414</u>
Total capital assets	<u>3,209,773</u>	-	-	<u>3,209,773</u>
Less Accumulated Depreciation:				
Buildings and improvements	\$ (170,655)	(9,231)	-	(179,886)
Equipment	(86,549)	(2,184)	-	(88,733)
Land improvements	(128,613)	(11,092)	-	(139,705)
Infrastructure	<u>(578,367)</u>	<u>(134,565)</u>	-	<u>(712,932)</u>
	<u>(964,184)</u>	<u>(157,072)</u>	-	<u>(1,121,256)</u>
Capital assets, net of depreciation	\$ <u>2,245,589</u>	<u>(157,072)</u>	-	<u>2,088,517</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 7,286
Health and sanitation	3,167
Highway and transportation	131,385
Parks and recreation	<u>15,234</u>
	\$ <u>157,072</u>

D. Payables

Payables as of December 31, 2014 for the Town's individual major funds and non-major funds in the aggregate, are as follows:

Accounts payable	\$ 107,892
Other liabilities	<u>1,120</u>
Total per fund statements	109,012
Accrued interest	<u>5,740</u>
Total per government-wide statement of net position	\$ <u>114,752</u>

TOWN OF OTTAWA
NOTES TO FINANCIAL STATEMENTS

(4) Detailed Notes on All Funds - Continued

E. Long-Term Obligations

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

	Balance <u>12/31/13</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>12/31/14</u>	Amounts Due Within <u>One Year</u>
Governmental Activities:					
General obligation debt	\$ 307,080	14,932	47,566	274,446	50,824

All general obligation debt is backed by the full faith and credit of the Town. Bonds and notes in the governmental funds will be retired by future property tax levies and contributions from the Village of Dousman and the Village of Summit for their portion of the fire station borrowings.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Town may not exceed 5% of the equalized value of taxable property within the Town of \$515,515,200. The debt limit as of December 31, 2014, was \$25,775,760 and total general obligation debt outstanding at year-end was \$274,446. The following is a list of long-term obligations at December 31, 2014:

	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	Balance <u>12/31/14</u>	Amounts Due Within <u>One Year</u>
General obligation debt:					
2010 Build America bonds	3/15/19	4.5%	\$ 408,164	259,514	48,957
2014 promissory notes	2/15/22	0%	14,932	14,932	1,867

<u>Debt service requirements to maturity</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 50,824	11,678	62,502
2016	52,240	9,501	61,741
2017	53,730	7,208	60,938
2018	55,247	4,874	60,121
2019	56,808	2,472	59,280
2020 -2022	<u>5,597</u>	<u>-</u>	<u>5,597</u>
	<u>\$ 274,446</u>	<u>35,733</u>	<u>310,179</u>

F. Governmental Activities Net Position/Fund Balances

Governmental activities net position reported on the government-wide statement of net position at December 31, 2014 includes the following:

Governmental Activities

Net investment in capital assets:

Capital assets	\$ 3,209,773
Less: Accumulated depreciation	<u>(1,121,256)</u>
	2,088,517

Restricted

 Expendable

Enabling legislation for capital projects	5,966
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 Nonexpendable

Perpetual care	61,454
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Unrestricted

1,063,540

\$ 3,219,477

TOWN OF OTTAWA
NOTES TO FINANCIAL STATEMENTS

(4) Detailed Notes on All Funds - Continued

F. Governmental Activities Net Position/Fund Balances - continued

Governmental fund balances reported on the fund financial statements at December 31, 2014 include the following:

Nonspendable		
Major funds		
General Fund:		
Prepaid expenditures	\$	902
Delinquent personal property taxes		213
Non-Major funds		
Permanent fund – Cemetery		
Perpetual care		61,454
Restricted		
Non-Major funds		
Park Dedication		5,966
Committed		
Major funds		
General Fund:		
Future road projects		550,000
Non-Major funds		
Cemetery – Expendable trust		16,223
Assigned		
Major funds		
General Fund:		
Future road projects		100,000
Future revaluation		30,000
Unassigned		
Major funds		
General Fund		<u>440,382</u>
	\$	<u>1,205,140</u>

G. Interfund Transfers

The park dedication special revenue fund transferred \$5,940 to the general fund for capital outlays paid by the general fund in prior years.

(5) Other Information

A. Defined Benefit Pension Plan

All eligible Town of Ottawa employees participate in the Wisconsin Retirement System (WRS), a cost sharing multiple-employer defined benefit, public employee retirement system (PERS). Employees who participated in the WRS prior to July 1, 2011 and are expected to work at least 600 hours a year and be employed for at least one year from employee's date of hire, are eligible to participate in the plan. All employees who had not participated in the WRS prior to July 1, 2011 and expected to work at least 1200 hours a year and be employed for at least one year from employee's date of hire, are eligible to participate in the WRS. Employees hired to work nine or ten months per year, but expected to return year after year are considered to have met the one-year requirement.

TOWN OF OTTAWA
NOTES TO FINANCIAL STATEMENTS

(5) Other Information - Continued

A. Defined Benefit Pension Plan - continued

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 employees in the General Employment category. Employers are required to contribute the remainder of the actuarially determined contribution rate. Employer and employee contributions for 2014 were 7.0% of covered employees' salary.

The payroll for Town employees covered by the WRS for the year ended December 31, 2014 was \$79,179; the employer's total payroll was \$132,995. The total required contribution for the year ended December 31, 2014, was \$11,085. This amount consisted of \$5,543, or 7.0% of payroll from the employer and \$5,542, or 7.0% of payroll from employees. Total contributions for the years ended December 31, 2013 and 2012 were \$9,000 and \$8,360, 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 and 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 year's 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.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of the Wisconsin Statutes. The WRS issues an annual financial report, which may be obtained from the Department of Employee Trust Funds in Madison, Wisconsin.

B. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage during the past three years.

C. Joint Venture

In 1968, under the authority of Wisconsin State Statutes, Section 60.0301, the Town entered into a joint agreement with the Village of Dousman and the Village of Summit to form the Dousman Fire District for purposes of providing fire protection for all persons and properties situated within the District boundaries. The original District boundaries included all of the Village of Dousman and portions of the Village of Summit and the Town of Ottawa. In 2012 the agreement was revised to expand the boundaries of the District to include all of the Village of Summit.

The revised agreement expanded the Board from three to five-members for purposes of managing and controlling the activities of the District. Two Board members are appointed from each of the governing bodies with the two largest shares of the District, as determined by the current year financing formula, and one from the municipality with the smallest share.

TOWN OF OTTAWA
NOTES TO FINANCIAL STATEMENTS

(5) Other Information - Continued

C. Joint Venture - continued

In March 2010 the Town borrowed \$408,164 and transferred the funds to the Dousman Fire District to finance fire station improvements and furnishings. The District's Articles of Association and By-laws were subsequently amended to include provisions whereby annual debt service requirements would be paid to the Town by each of the participating municipalities based upon each member's respective share based on the current year financing formula. An estimated receivable, based on current equalized values, is included in the government-wide financial statements.

All municipalities participate for a minimum of seven years commencing January 1, 2013. After the initial five year period, any municipality may withdraw by providing a two year written notification. In the event of dissolution, the Fire Board is empowered to sell the District's assets to the participating municipalities at appraised values or to the highest bidder. Assets will be distributed using the financing formula in place at the time of purchase with remaining funds divided between the participating municipalities in proportion to the current year financing formula.

Costs are shared between the participating municipalities based upon a financing formula which includes the average of the last three years response calls, equalized value of improvements and population. The Town's share of the operating costs for 2014 was \$130,558. Financial statements of the District can be obtained at the District's office.

D. Subsequent Events

In preparing the financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through March 27, 2015 the date that the financial statements were available to be issued. There were no subsequent events that required recognition or disclosure.

SUPPORTING SCHEDULES

TOWN OF OTTAWA
STATEMENT OF NET EXPENDITURES, REVENUES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
All Governmental Fund Types
Year Ended December 31, 2014

			Program Revenues			Net (Expenditures) Revenue and Changes in Fund Balance
	Expenditures	Indirect Expenditure Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:						
Direct expenses:						
General government	\$ 259,430	-	12,116	1,100	-	(246,214)
Public safety	211,862	61,535	107,010	16,101	-	(150,286)
Health and sanitation	95,485	-	10,539	2,942	-	(82,004)
Highway and transportation	199,155	-	-	82,066	-	(117,089)
Parks and recreation	61,173	-	3,839	-	-	(57,334)
Cemetery	6,158	-	6,905	-	-	747
Capital outlays	21,375	-	-	-	-	(21,375)
Indirect expenditures:						
Principal retirement	47,566	(47,566)	-	-	-	-
Interest and other related charges	13,969	(13,969)	-	-	-	-
Total primary government	\$ 916,173	-	140,409	102,209	-	(673,555)
General revenues and other sources:						
Property taxes						883,708
Grants not restricted to specific programs						51,679
Cable television franchise fees						24,033
Contributions to permanent fund principal						1,400
Interest and investment earnings						1,777
Miscellaneous						382
Face value of long-term debt						14,932
Total general revenues and other sources						977,911
Excess of revenues over expenditures						304,356
Fund balance - Beginning of Year						900,784
Fund balance - End of Year						\$ 1,205,140

TOWN OF OTTAWA
Non-Major Governmental Funds
COMBINING BALANCE SHEET
December 31, 2014

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Permanent</u>	<u>Total Non-Major Funds</u>
Assets:				
Cash and cash equivalents	\$ 22,189	5,802	61,454	89,445
Receivables:				
Current taxes	<u>-</u>	<u>6,431</u>	<u>-</u>	<u>6,431</u>
Total assets	<u>\$ 22,189</u>	<u>12,233</u>	<u>61,454</u>	<u>95,876</u>
Liabilities, Deferred Inflows of Resources and Fund Balance:				
Liabilities:				
Accounts payable	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes	<u>-</u>	<u>12,233</u>	<u>-</u>	<u>12,233</u>
Fund balance:				
Nonspendable:				
Perpetual care	-	-	61,454	61,454
Restricted:				
Park dedication	5,966	-	-	5,966
Committed:				
Cemetery maintenance	<u>16,223</u>	<u>-</u>	<u>-</u>	<u>16,223</u>
Total fund balance	<u>22,189</u>	<u>-</u>	<u>61,454</u>	<u>83,643</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 22,189</u>	<u>12,233</u>	<u>61,454</u>	<u>95,876</u>

TOWN OF OTTAWA
Non-Major Governmental Funds
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended December 31, 2014

	Special Revenue	Debt Service	Permanent	Total Non-Major Funds
Revenues:				
Tax levy	\$ -	9,200	-	9,200
Intergovernmental	-	52,335	-	52,335
Charges for services	6,905	-	1,400	8,305
Interest	63	-	-	63
Total revenues	<u>6,968</u>	<u>61,535</u>	<u>1,400</u>	<u>69,903</u>
Expenditures:				
Current:				
Cemetery	6,158	-	-	6,158
Debt service:				
Principal	-	47,566	-	47,566
Interest and fiscal fees	-	13,969	-	13,969
Total expenditures	<u>6,158</u>	<u>61,535</u>	<u>-</u>	<u>67,693</u>
Excess of revenues over expenditures	810	-	1,400	2,210
Other financing uses:				
Transfers out	<u>(5,940)</u>	-	-	<u>(5,940)</u>
Excess (deficiency) of revenues over expenditures and other financing uses	(5,130)	-	1,400	(3,730)
Fund balance, January 1	<u>27,319</u>	-	<u>60,054</u>	<u>87,373</u>
Fund balance, December 31	<u>\$ 22,189</u>	<u>-</u>	<u>61,454</u>	<u>83,643</u>

TOWN OF OTTAWA
General Fund
STATEMENT OF REVENUES COMPARED TO BUDGET
Year Ended December 31, 2014

	Actual	Budget	Variance: Favorable (Unfavorable)
Taxes:			
General property tax levy	\$ 864,684	865,182	(498)
Land-use penalties	9,383	-	9,383
Managed forest land	441	350	91
	<u>874,508</u>	<u>865,532</u>	<u>8,976</u>
Intergovernmental:			
State shared revenues	45,143	45,143	-
Fire insurance dues	16,101	16,500	(399)
Transportation aids	82,066	81,250	816
Public safety aids	-	1,000	(1,000)
Aids in lieu of taxes	6,488	5,500	988
State recycling grants:	2,942	2,800	142
Election equipment grants	1,100	-	1,100
Exempt computer aids	48	55	(7)
	<u>153,888</u>	<u>152,248</u>	<u>1,640</u>
Regulation and compliance:			
Licenses:			
Business	665	600	65
Dog and kennel	2,013	3,200	(1,187)
Building permits	52,515	49,857	2,658
Ordinance violations	100	100	-
Occupancy bond forfeitures	2,000	-	2,000
Cable TV franchise	24,033	25,000	(967)
	<u>81,326</u>	<u>78,757</u>	<u>2,569</u>

TOWN OF OTTAWA
General Fund
STATEMENT OF REVENUES COMPARED TO BUDGET
Year Ended December 31, 2014

	Actual	Budget	Variance: Favorable (Unfavorable)
Charges for services:			
Tax search fees	\$ 420	100	320
Address tiles	60	50	10
Reimbursable fees:			
Engineering	3,582	5,000	(1,418)
Legal	3,307	5,000	(1,693)
Zoning and planning	2,129	3,200	(1,071)
Recycling	10,539	12,500	(1,961)
Park reservation fees	2,774	2,500	274
Recreation fees	1,065	1,000	65
	23,876	29,350	(5,474)
Interest:			
Investments	1,398	1,500	(102)
Checking account	316	350	(34)
Delinquent accounts	-	100	(100)
	1,714	1,950	(236)
Miscellaneous revenues:			
Sundry	382	200	182
	382	200	182
Total revenues	\$ 1,135,694	1,128,037	7,657

TOWN OF OTTAWA
General Fund
STATEMENT OF EXPENDITURES COMPARED TO BUDGET
Year Ended December 31, 2014

	Actual	Budget	Variance: Favorable (Unfavorable)
General government:			
Town board	\$ 31,092	31,442	350
Clerk/Treasurer	116,561	118,544	1,983
Elections	4,610	6,320	1,710
Assessor	19,793	29,750	9,957
Planning and appeals	9,539	10,922	1,383
Town hall operations	17,527	20,450	2,923
Insurance	10,618	10,869	251
Professional fees	49,690	50,000	310
	<u>259,430</u>	<u>278,297</u>	<u>18,867</u>
Public safety:			
Fire protection	162,612	163,362	750
Inspection	47,286	47,286	-
Animal control	1,964	1,964	-
	<u>211,862</u>	<u>212,612</u>	<u>750</u>
Health and sanitation	<u>95,485</u>	<u>95,485</u>	<u>-</u>
Highway and transportation	<u>199,155</u>	<u>467,751</u>	<u>268,596</u>
Parks and recreation:			
Parks	58,519	58,519	-
Recreation	2,654	3,430	776
	<u>61,173</u>	<u>61,949</u>	<u>776</u>
Contingency	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Unclassified	<u>-</u>	<u>500</u>	<u>500</u>
Capital outlays	<u>21,375</u>	<u>21,375</u>	<u>-</u>
Total expenditures	<u>\$ 848,480</u>	<u>1,142,969</u>	<u>294,489</u>

TOWN OF OTTAWA
Special Revenue Funds
COMBINING BALANCE SHEET
December 31, 2014

	<u>Park Dedication</u>	<u>Cemetery</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ <u>5,966</u>	<u>16,223</u>	<u>22,189</u>
Total assets	\$ <u><u>5,966</u></u>	<u><u>16,223</u></u>	<u><u>22,189</u></u>
Liabilities and Fund Balance:			
Liabilities	\$ <u>-</u>	<u>-</u>	<u>-</u>
Fund balance:			
Restricted	5,966	-	5,966
Committed	<u>-</u>	<u>16,223</u>	<u>16,223</u>
Total fund balance	<u><u>5,966</u></u>	<u><u>16,223</u></u>	<u><u>22,189</u></u>
Total liabilities and fund balance	\$ <u><u>5,966</u></u>	<u><u>16,223</u></u>	<u><u>22,189</u></u>

TOWN OF OTTAWA
Special Revenue Funds
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended December 31, 2014

	<u>Park Dedication</u>	<u>Cemetery</u>	<u>Total</u>
Revenues:			
Charges for services:			
Lot sales	\$ -	4,200	4,200
Grave openings	-	2,705	2,705
Interest earnings	<u>7</u>	<u>56</u>	<u>63</u>
	<u>7</u>	<u>6,961</u>	<u>6,968</u>
Expenditures:			
Cemetery	<u>-</u>	<u>6,158</u>	<u>6,158</u>
Excess of revenues over expenditures	7	803	810
Other financing uses:			
Transfers out	<u>(5,940)</u>	<u>-</u>	<u>(5,940)</u>
Excess (deficiency) of revenues over expenditures and other financing uses	(5,933)	803	(5,130)
Fund balance, January 1	<u>11,899</u>	<u>15,420</u>	<u>27,319</u>
Fund balance, December 31	<u>\$ 5,966</u>	<u>16,223</u>	<u>22,189</u>

TOWN OF OTTAWA
Debt Service Fund
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
Year Ended December 31, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Taxes:			
General property tax levy	\$ 9,200	8,702	498
Intergovernmental:			
Build America bond rebate	4,488	4,837	(349)
Shared debt service for Dousman Fire District	<u>47,847</u>	<u>47,846</u>	<u>1</u>
Total revenues	<u>61,535</u>	<u>61,385</u>	<u>150</u>
 Expenditures:			
Debt service:			
Principal	47,566	47,566	-
Interest and fiscal fees	<u>13,969</u>	<u>13,819</u>	<u>(150)</u>
Total expenditures	<u>61,535</u>	<u>61,385</u>	<u>(150)</u>
 Excess of revenues over expenditures	 -	 <u>-</u>	 <u>-</u>
 Fund balance, January 1	 <u>-</u>		
 Fund balance, December 31	 \$ <u><u>-</u></u>		