

BASIC FINANCIAL STATEMENTS

TOWN OF GRAND CHUTE, WISCONSIN
Statement of Net Assets
December 31, 2008

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 21,618,647	\$ 9,979,063	\$ 31,597,710
Receivables			
Taxes	7,119,668	-	7,119,668
Special assessments	2,954,665	2,387,042	5,341,707
Accounts	991,166	1,437,221	2,428,387
Receivable from fiduciary fund	-	420,507	420,507
Inventories and prepaid items	174,320	51,484	225,804
Deferred charges	175,343	115,357	290,700
Restricted assets			
Cash and investments	-	2,209,859	2,209,859
Capital assets, nondepreciable			
Land	3,033,883	58,559	3,092,442
Construction in progress	3,865,703	2,091,335	5,957,038
Capital assets, depreciable			
Land improvements	6,644,787	-	6,644,787
Buildings	8,702,922	177,432	8,880,354
Machinery and equipment	5,324,320	1,840,953	7,165,273
Infrastructure	62,976,834	41,659,156	104,635,990
Less: Accumulated depreciation	(26,888,994)	(10,581,963)	(37,470,957)
TOTAL ASSETS	96,693,264	51,846,005	148,539,269
LIABILITIES			
Accounts payable	777,693	362,778	1,140,471
Accrued and other current liabilities	210,004	13,882	223,886
Accrued interest payable	316,314	84,571	400,885
Due to other governments	17,630	643,212	660,842
Unearned revenues	9,962,754	18,400	9,981,154
Long-term obligations			
Due within one year	5,100,365	1,164,538	6,264,903
Due in more than one year	24,615,433	6,477,130	31,092,563
TOTAL LIABILITIES	41,000,193	8,764,511	49,764,704
NET ASSETS			
Invested in capital assets, net of related debt	37,200,422	27,837,787	65,038,209
Restricted for			
Debt service	83,612	-	83,612
Unrestricted	18,409,037	15,243,707	33,652,744
TOTAL NET ASSETS	\$ 55,693,071	\$ 43,081,494	\$ 98,774,565

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

TOWN OF GRAND CHUTE, WISCONSIN
Statement of Activities
For the Year Ended December 31, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 5,102,783	\$ 300,177	\$ 265	\$ -
Public safety	2,799,222	523,805	211,581	-
Public works	7,435,973	2,057,425	1,609,631	1,084,170
Health and human services	4,796	1,786	-	-
Culture and recreation	180,245	38,433	300	36,543
Conservation and development	959,562	100,358	6,352	-
Interest on debt	955,979	-	-	-
Total Governmental Activities	17,438,560	3,021,984	1,828,129	1,120,713
Business-type Activities				
Water utility	4,502,220	3,975,285	-	545
Sewer utility	2,385,087	2,691,896	-	-
Total Business-type Activities	6,887,307	6,667,181	-	545
Total	\$ 24,325,867	\$ 9,689,165	\$ 1,828,129	\$ 1,121,258

General revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for specific purposes

Other taxes and franchise fees

Federal and state grants and other contributions
not restricted to specific functions

Interest and investment earnings

Miscellaneous

Gain on sale of asset

Total general revenues

Change in net assets

Net assets - January 1

Net assets - December 31

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

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

\$ (4,802,341)	\$ -	\$ (4,802,341)
(2,063,836)	-	(2,063,836)
(2,684,747)	-	(2,684,747)
(3,010)	-	(3,010)
(104,969)	-	(104,969)
(852,852)	-	(852,852)
(955,979)	-	(955,979)
<u>(11,467,734)</u>	<u>-</u>	<u>(11,467,734)</u>

-	(526,390)	(526,390)
-	306,809	306,809
-	<u>(219,581)</u>	<u>(219,581)</u>
<u>(11,467,734)</u>	<u>(219,581)</u>	<u>(11,687,315)</u>

5,518,120	18,400	5,536,520
2,691,000	-	2,691,000
1,014,162	-	1,014,162
471,327	-	471,327
887,883	506,261	1,394,144
406,349	-	406,349
33,068	-	33,068
<u>11,021,909</u>	<u>524,661</u>	<u>11,546,570</u>
(445,825)	305,080	(140,745)
<u>56,138,896</u>	<u>42,776,414</u>	<u>98,915,310</u>
<u>\$ 55,693,071</u>	<u>\$ 43,081,494</u>	<u>\$ 98,774,565</u>

TOWN OF GRAND CHUTE, WISCONSIN

Balance Sheet
Governmental Funds
December 31, 2008

	General	Special Assessment	Sanitary District No. 3	Debt Service
ASSETS				
Cash and investments	\$ 5,842,858	\$ 7,153,768	\$ 3,243,074	\$ 934,649
Receivables				
Taxes	4,725,819	655,592	15,195	1,514,963
Special assessments	-	2,954,665	-	-
Accounts	497,079	-	284,435	-
Due from other funds	63,602	-	-	-
Inventories and prepaid items	174,320	-	-	-
TOTAL ASSETS	\$ 11,303,678	\$ 10,764,025	\$ 3,542,704	\$ 2,449,612
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 417,220	\$ -	\$ 47,243	\$ -
Accrued and other current liabilities	209,147	-	857	-
Due to other funds	-	-	-	-
Due to other governments	17,630	-	-	-
Deferred revenues	7,265,254	3,978,539	-	2,366,000
Total Liabilities	7,909,251	3,978,539	48,100	2,366,000
Fund Balances				
Reserved for				
Inventories and prepaid items	174,320	-	-	-
Debt service	-	-	-	83,612
Unreserved				
Designated for				
Subsequent year's expenditures	682,000	-	-	-
Equipment replacement	911,400	-	-	-
Undesignated, reported in				
General fund	1,626,707	-	-	-
Special revenue funds	-	6,785,486	3,494,604	-
Capital projects funds	-	-	-	-
Total Fund Balances	3,394,427	6,785,486	3,494,604	83,612
TOTAL LIABILITIES AND FUND BALANCES	\$ 11,303,678	\$ 10,764,025	\$ 3,542,704	\$ 2,449,612

(Continued)

Capital Projects	Other Governmental Funds	Total Governmental Funds
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\$ 4,396,791 \$ 47,507 \$ 21,618,647

208,099 - 7,119,668

- - 2,954,665

1,322 208,330 991,166

- - 63,602

- - 174,320

\$ 4,606,212 \$ 255,837 \$ 32,922,068

\$ 168,502 \$ 144,728 \$ 777,693

- - 210,004

- 63,602 63,602

- - 17,630

325,000 6,500 13,941,293

493,502 214,830 15,010,222

- - 174,320

- - 83,612

- - 682,000

- - 911,400

- - 1,626,707

- 41,007 10,321,097

4,112,710 - 4,112,710

4,112,710 41,007 17,911,846

\$ 4,606,212 \$ 255,837 \$ 32,922,068

TOWN OF GRAND CHUTE, WISCONSIN
Balance Sheet (Continued)
Governmental Funds
December 31, 2008

Reconciliation to the Statement of Net Assets

Total Fund Balances as shown on previous page		\$ 17,911,846
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.		63,659,455
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.		
Special assessments		3,978,539
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	\$(29,139,952)	
Debt premium	(118,894)	
Loss on advance refunding	55,185	
Compensated absences	(512,137)	
Deferred charges - bond issues	175,343	
Accrued interest on long-term obligations	(316,314)	<u>(29,856,769)</u>
Net Assets of Governmental Activities as Reported on the Statement of Net Assets (see page 3)		<u>\$ 55,693,071</u>

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

TOWN OF GRAND CHUTE, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

	General	Special Assessment	Sanitary District No. 3	Debt Service
Revenues				
Taxes	\$ 5,521,241	\$ -	\$ -	\$ 2,366,000
Special assessments	93,783	1,579,257	-	-
Intergovernmental	2,269,217	-	28,524	-
Licenses and permits	556,750	-	-	-
Fines and forfeitures	306,492	-	-	-
Public charges for services	584,761	-	1,301,307	-
Intergovernmental charges for services	237,622	-	-	-
Miscellaneous	409,790	413,896	117,823	134,184
Total Revenues	<u>9,979,656</u>	<u>1,993,153</u>	<u>1,447,654</u>	<u>2,500,184</u>
Expenditures				
Current				
General government	1,473,878	-	-	-
Public safety	5,781,895	-	-	-
Public works	2,995,126	-	174,765	-
Health and human services	4,796	-	-	-
Culture and recreation	139,977	-	-	-
Conservation and development	248,781	-	-	-
Debt service				
Principal	-	-	-	3,655,312
Interest and fiscal charges	-	-	14,409	895,161
Capital outlay	-	-	1,000,831	-
Total Expenditures	<u>10,644,453</u>	<u>-</u>	<u>1,190,005</u>	<u>4,550,473</u>
Excess of Revenues Over (Under) Expenditures	<u>(664,797)</u>	<u>1,993,153</u>	<u>257,649</u>	<u>(2,050,289)</u>
Other Financing Sources (Uses)				
Long-term debt issued	-	-	1,475,000	-
Debt premium	-	-	20,151	-
Sale of capital assets	33,068	-	-	-
Transfers in	378,543	-	-	1,989,600
Transfers out	-	(688,000)	(1,361,292)	-
Total Other Financing Sources (Uses)	<u>411,611</u>	<u>(688,000)</u>	<u>133,859</u>	<u>1,989,600</u>
Net Change in Fund Balances	<u>(253,186)</u>	<u>1,305,153</u>	<u>391,508</u>	<u>(60,689)</u>
Fund Balances - January 1	<u>3,647,613</u>	<u>5,480,333</u>	<u>3,103,096</u>	<u>144,301</u>
Fund Balances - December 31	<u>\$ 3,394,427</u>	<u>\$ 6,785,486</u>	<u>\$ 3,494,604</u>	<u>\$ 83,612</u>

(Continued)

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 325,000	\$ 1,011,041	\$ 9,223,282
-	-	1,673,040
-	-	2,297,741
-	-	556,750
-	-	306,492
-	35,052	1,921,120
-	-	237,622
309,493	878	1,386,064
<u>634,493</u>	<u>1,046,971</u>	<u>17,602,111</u>

-	-	1,473,878
-	-	5,781,895
-	-	3,169,891
-	-	4,796
-	25	140,002
-	703,180	951,961
-	-	3,655,312
57,244	-	966,814
4,594,381	-	5,595,212
<u>4,651,625</u>	<u>703,205</u>	<u>21,739,761</u>
<u>(4,017,132)</u>	<u>343,766</u>	<u>(4,137,650)</u>

5,860,000	-	7,335,000
80,055	-	100,206
-	-	33,068
-	-	2,368,143
-	(318,851)	(2,368,143)
<u>5,940,055</u>	<u>(318,851)</u>	<u>7,468,274</u>
1,922,923	24,915	3,330,624
<u>2,189,787</u>	<u>16,092</u>	<u>14,581,222</u>
<u>\$ 4,112,710</u>	<u>\$ 41,007</u>	<u>\$ 17,911,846</u>

TOWN OF GRAND CHUTE, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended December 31, 2008

Reconciliation to the Statement of Activities

Net Change in Fund Balances as shown on previous page		\$ 3,330,624
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital assets reported as capital outlay in governmental fund statements	\$ 4,330,665	
Depreciation expense reported in the statement of activities	<u>(3,534,869)</u>	795,796
Amount by which capital outlays are greater than depreciation in current period		
In governmental funds the entire proceeds, if any, from the disposal of capital assets is reported as an other financing source. In the statement of activities only the gain (or loss) on the disposal is reported.		
Proceeds from the disposition of capital assets as reported on the governmental funds operating statement	\$ (9,410)	
Loss on disposition reported on the statement of activities	<u>147,422</u>	(156,832)
Book value of capital assets disposed of		
Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This year the accrual of these benefits decreased by:		
		24,920
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.		
		(633,034)
Some capital assets acquired during the year were financed with debt. In addition, the Town issued debt to advance refund debt issues from prior years. The amount of the debt is reported in the governmental funds as a source of financing. In the statement of net assets, however, debt constitutes a long-term liability. The amount of debt reported in the governmental funds statement is:		
		(7,335,000)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net assets and does not affect the statement of activities. The amount of long-term debt principal payments in the current year is:		
		3,655,312
Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid, in the statement of activities interest is reported as it accrues.		
		(58,454)
In prior years, the Town advance refunded long-term debt. The loss on the advance refunding is not recorded in the governmental funds. In the statement of activities, the loss is amortized over the life of the refunding debt issue.		
		(8,489)
Bond issue costs are reported in the governmental funds as an expenditure. In the statement of activities, these costs are capitalized and amortized over the life of the bonds.		
		<u>(60,668)</u>
Change in Net Assets of Governmental Activities as Reported in the Statement of Activities (see pages 4 - 5)		<u>\$ (445,825)</u>

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

TOWN OF GRAND CHUTE, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 5,528,900	\$ 5,528,900	\$ 5,521,241	\$ (7,659)
Special assessments	91,500	91,500	93,783	2,283
Intergovernmental	1,955,300	2,054,000	2,269,217	215,217
Licenses and permits	659,100	659,100	556,750	(102,350)
Fines and forfeitures	320,500	320,500	306,492	(14,008)
Public charges for services	598,800	598,800	584,761	(14,039)
Intergovernmental charges for services	226,000	226,000	237,622	11,622
Miscellaneous	483,800	483,800	409,790	(74,010)
Total Revenues	9,863,900	9,962,600	9,979,656	17,056
Expenditures				
Current				
General government	1,552,300	1,522,300	1,473,878	48,422
Public safety	5,520,300	5,898,300	5,781,895	116,405
Public works	2,754,300	2,799,300	2,995,126	(195,826)
Health and human services	16,700	1,700	4,796	(3,096)
Culture and recreation	160,000	160,000	139,977	20,023
Conservation and development	271,800	271,800	248,781	23,019
Total Expenditures	10,275,400	10,653,400	10,644,453	8,947
Excess of Revenues Over (Under) Expenditures	(411,500)	(690,800)	(664,797)	26,003
Other Financing Sources (Uses)				
Sale of capital assets	-	24,000	33,068	9,068
Transfers in	357,500	357,500	378,543	21,043
Total Other Financing Sources (Uses)	357,500	381,500	411,611	30,111
Net Change in Fund Balance	(54,000)	(309,300)	(253,186)	56,114
Fund Balance - January 1	3,647,613	3,647,613	3,647,613	-
Fund Balance - December 31	\$ 3,593,613	\$ 3,338,313	\$ 3,394,427	\$ 56,114

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

TOWN OF GRAND CHUTE, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Assessment Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Special assessments	\$ 1,150,000	\$ 1,150,000	\$ 1,579,257	\$ 429,257
Miscellaneous	298,000	298,000	413,896	115,896
Total Revenues	<u>1,448,000</u>	<u>1,448,000</u>	<u>1,993,153</u>	<u>545,153</u>
Expenditures				
Capital outlay	-	-	-	-
Excess of Revenues Over Expenditures	<u>1,448,000</u>	<u>1,448,000</u>	<u>1,993,153</u>	<u>545,153</u>
Other Financing Uses				
Transfers out	<u>(688,000)</u>	<u>(688,000)</u>	<u>(688,000)</u>	<u>-</u>
Net Change in Fund Balance	760,000	760,000	1,305,153	545,153
Fund Balance - January 1	<u>5,480,333</u>	<u>5,480,333</u>	<u>5,480,333</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 6,240,333</u>	<u>\$ 6,240,333</u>	<u>\$ 6,785,486</u>	<u>\$ 545,153</u>

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

TOWN OF GRAND CHUTE, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Sanitary District No. 3 Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 750,000	\$ 750,000	\$ 28,524	\$ (721,476)
Public charges for services	1,331,500	1,331,500	1,301,307	(30,193)
Miscellaneous	160,000	160,000	117,823	(42,177)
Total Revenues	2,241,500	2,241,500	1,447,654	(793,846)
Expenditures				
Current				
Public works	267,100	267,100	174,765	92,335
Debt service				
Interest and fiscal charges	20,000	20,000	14,409	5,591
Capital outlay	4,432,100	4,432,100	1,000,831	3,431,269
Total Expenditures	4,719,200	4,719,200	1,190,005	3,529,195
Excess of Revenues Over Expenditures	(2,477,700)	(2,477,700)	257,649	2,735,349
Other Financing Sources (Uses)				
Debt premium	-	-	20,151	20,151
Transfers in	4,399,800	4,399,800	1,475,000	(2,924,800)
Transfers out	(1,340,600)	(1,340,600)	(1,361,292)	(20,692)
Total Other Financing Sources (Uses)	3,059,200	3,059,200	133,859	(2,925,341)
Net Change in Fund Balance	581,500	581,500	391,508	(189,992)
Fund Balance - January 1	3,103,096	3,103,096	3,103,096	-
Fund Balance - December 31	\$ 3,684,596	\$ 3,684,596	\$ 3,494,604	\$ (189,992)

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

TOWN OF GRAND CHUTE, WISCONSIN
Statement of Net Assets
Proprietary Funds
December 31, 2008

	Sanitary District No. 1	Sanitary District No. 2	East Side Utility	Total Enterprise Funds
ASSETS				
Current assets				
Cash and investments	\$ 2,268,235	\$ 7,516,296	\$ 194,532	\$ 9,979,063
Receivables				
Accounts	788,299	642,841	6,081	1,437,221
Receivable from fiduciary fund	246,895	155,212	18,400	420,507
Inventories and prepaid expenses	35,771	15,713	-	51,484
Total Current Assets	3,339,200	8,330,062	219,013	11,888,275
Noncurrent assets				
Receivables				
Special assessments	757,105	1,629,937	-	2,387,042
Restricted assets				
Cash and investments	813,951	1,395,908	-	2,209,859
Deferred charges	98,980	16,377	-	115,357
Capital assets, nondepreciable				
Land	52,459	6,100	-	58,559
Construction in progress	842,771	1,248,564	-	2,091,335
Capital assets, depreciable				
Buildings	177,432	-	-	177,432
Machinery and equipment	1,038,646	797,385	4,922	1,840,953
Infrastructure	21,576,361	18,988,101	1,094,694	41,659,156
Less: Accumulated depreciation	(4,700,203)	(5,553,207)	(328,553)	(10,581,963)
Total Capital Assets, Net of Accumulated Depreciation	18,987,466	15,486,943	771,063	35,245,472
Total Noncurrent Assets	20,657,502	18,529,165	771,063	39,957,730
TOTAL ASSETS	23,996,702	26,859,227	990,076	51,846,005

(Continued)

TOWN OF GRAND CHUTE, WISCONSIN

Statement of Net Assets (Continued)

Proprietary Funds

December 31, 2008

	Sanitary District No. 1	Sanitary District No. 2	East Side Utility	Total Enterprise Funds
LIABILITIES				
Current liabilities				
Accounts payable	\$ 233,472	\$ 126,603	\$ 2,703	\$ 362,778
Accrued and other current liabilities	9,176	4,706	-	13,882
Accrued interest	68,937	15,634	-	84,571
Due to other governments	643,212	-	-	643,212
Deferred revenue	-	-	18,400	18,400
Current portion of general obligation debt	1,164,538	-	-	1,164,538
Total Current Liabilities	2,119,335	146,943	21,103	2,287,381
Noncurrent liabilities				
General obligation debt	4,292,136	2,038,426	-	6,330,562
Debt premium	34,481	11,245	-	45,726
Compensated absences	50,421	50,421	-	100,842
Total Noncurrent Liabilities	4,377,038	2,100,092	-	6,477,130
TOTAL LIABILITIES	6,496,373	2,247,035	21,103	8,764,511
NET ASSETS				
Invested in capital assets, net of related debt	13,530,792	13,535,932	771,063	27,837,787
Unrestricted	3,969,537	11,076,260	197,910	15,243,707
TOTAL NET ASSETS	\$ 17,500,329	\$ 24,612,192	\$ 968,973	\$ 43,081,494

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

TOWN OF GRAND CHUTE, WISCONSIN
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Year Ended December 31, 2008

	Sanitary District No. 1	Sanitary District No. 2	East Side Utility	Total
Operating Revenues				
Charges for services	\$ 3,843,055	\$ 2,503,450	\$ 23,580	\$ 6,370,085
Other	132,230	164,620	246	297,096
Total Operating Revenues	<u>3,975,285</u>	<u>2,668,070</u>	<u>23,826</u>	<u>6,667,181</u>
Operating Expenses				
Operations and maintenance	3,857,376	1,802,454	16,835	5,676,665
Depreciation	399,096	440,987	19,242	859,325
Taxes	24,352	14,804	-	39,156
Total Operating Expenses	<u>4,280,824</u>	<u>2,258,245</u>	<u>36,077</u>	<u>6,575,146</u>
Operating Income (Loss)	<u>(305,539)</u>	<u>409,825</u>	<u>(12,251)</u>	<u>92,035</u>
Nonoperating Revenues (Expenses)				
Property taxes	-	-	18,400	18,400
Loss on disposal of capital assets	(65,014)	-	-	(65,014)
Interest income	84,336	414,479	7,446	506,261
Interest expense	(154,408)	(88,209)	-	(242,617)
Amortization of debt discount	(1,974)	(2,556)	-	(4,530)
Total Nonoperating Revenues (Expenses)	<u>(137,060)</u>	<u>323,714</u>	<u>25,846</u>	<u>212,500</u>
Income (Loss) Before Contributions	<u>(442,599)</u>	<u>733,539</u>	<u>13,595</u>	<u>304,535</u>
Capital contributions	<u>545</u>	<u>-</u>	<u>-</u>	<u>545</u>
Change in Net Assets	<u>(442,054)</u>	<u>733,539</u>	<u>13,595</u>	<u>305,080</u>
Net Assets - January 1	<u>17,942,383</u>	<u>23,878,653</u>	<u>955,378</u>	<u>42,776,414</u>
Net Assets - December 31	<u>\$ 17,500,329</u>	<u>\$ 24,612,192</u>	<u>\$ 968,973</u>	<u>\$ 43,081,494</u>

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

TOWN OF GRAND CHUTE, WISCONSIN

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2008

	Sanitary District No. 1	Sanitary District No. 2	East Side Utility	Total
Cash Flows from Operating Activities				
Cash received from customers	\$ 4,070,603	\$ 2,500,950	\$ 23,942	\$ 6,595,495
Cash payments to employees	(348,727)	(313,061)	(2,711)	(664,499)
Cash payments to suppliers	(3,341,331)	(1,554,379)	(13,030)	(4,908,740)
Net Cash Provided by Operating Activities	380,545	633,510	8,201	1,022,256
Cash Flows from Noncapital Financing Activities				
Changes in assets and liabilities				
Due from other funds	56,705	17,419	(391)	73,733
Property taxes	-	-	18,400	18,400
Net Cash Provided by Noncapital Financing Activities	56,705	17,419	18,009	92,133
Cash Flows from Capital and Related Financing Activities				
Acquisition of capital assets	(1,092,174)	(1,090,479)	-	(2,182,653)
Capital contributions	134,750	176,897	-	311,647
Proceeds from long-term debt	2,350,000	-	-	2,350,000
Principal payments on long-term debt	(600,952)	(423,529)	-	(1,024,481)
Interest payments on long-term debt	(130,377)	(91,745)	-	(222,122)
Net Cash Provided (Used) by Capital and Related Financing Activities	661,247	(1,428,856)	-	(767,609)
Cash Flows Provided by Investing Activities				
Interest from investments	84,336	414,479	7,446	506,261
Change in Cash and Cash Equivalents	1,182,833	(363,448)	33,656	853,041
Cash and Cash Equivalents - January 1	1,899,353	9,275,652	160,876	11,335,881
Cash and Cash Equivalents - December 31	\$ 3,082,186	\$ 8,912,204	\$ 194,532	\$ 12,188,922
Reconciliation of Cash and Cash Equivalents to Statement of Net Assets				
Cash and investments	\$ 2,268,235	\$ 7,516,296	\$ 194,532	\$ 9,979,063
Restricted assets	813,951	1,395,908	-	2,209,859
	\$ 3,082,186	\$ 8,912,204	\$ 194,532	\$ 12,188,922

(Continued)

TOWN OF GRAND CHUTE, WISCONSIN

Statement of Cash Flows (Continued)

Proprietary Funds

Year Ended December 31, 2008

	Sanitary District No. 1	Sanitary District No. 2	East Side Utility	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (305,539)	\$ 409,825	\$ (12,251)	\$ 92,035
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	399,096	440,987	19,242	859,325
Depreciation reimbursement for meters	38,538	(38,538)	-	-
Depreciation charged to other accounts	9,497	-	-	9,497
Changes in assets and liabilities				
Accounts receivable	95,318	(167,120)	116	(71,686)
Inventories	(10,938)	(12,751)	-	(23,689)
Accounts payable	97,682	1,928	1,094	100,704
Accrued liabilities	(1,400)	(2,232)	-	(3,632)
Due to other governmental units	56,880	-	-	56,880
Compensated absences	1,411	1,411	-	2,822
Net Cash Provided by Operating Activities	<u>\$ 380,545</u>	<u>\$ 633,510</u>	<u>\$ 8,201</u>	<u>\$ 1,022,256</u>
Noncash Investing, Capital and Financing Activities				
Capital asset contributions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

TOWN OF GRAND CHUTE, WISCONSIN

Statement of Net Assets

Fiduciary Funds

December 31, 2008

	Tax Collection	Developer Deposits	Total Agency Funds
ASSETS			
Cash and investments	\$ 14,279,712	\$ 11,077	\$ 14,290,789
Receivables			
Taxes	40,614,043	-	40,614,043
TOTAL ASSETS	\$ 54,893,755	\$ 11,077	\$ 54,904,832
LIABILITIES			
Accounts payable	\$ -	\$ 11,077	\$ 11,077
Payable to primary government	19,096,134	-	19,096,134
Due to other governments	35,797,621	-	35,797,621
TOTAL LIABILITIES	\$ 54,893,755	\$ 11,077	\$ 54,904,832

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

TOWN OF GRAND CHUTE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Town of Grand Chute, Wisconsin ("the Town"), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the Town are described below:

1. Reporting Entity

The Town of Grand Chute is a municipal corporation governed by an elected five member board. In accordance with GAAP, the basic financial statements are required to include the Town (the primary government) and any separate component units that have a significant operational or financial relationship with the Town. The component units discussed below are included in the Town's reporting entity because of the significance of their operational and/or financial relationship with the Town.

2. Individual Component Unit Disclosures

BLENDING COMPONENT UNITS

The following component units are blended or included in the basic financial statements of the Town of Grand Chute.

The Town of Grand Chute Sanitary District No. 1, the Town of Grand Chute Sanitary District No. 2, Town of Grand Chute Sanitary District No. 3, and the East Side Utility are governed by the five-member Town Board of Grand Chute. Although they are legally separate from the Town, the Districts are reported as if they are part of the primary government because the Town Board is serving as their governing body. The Districts provide water, wastewater, and storm water services to portions of the Town.

3. Joint Venture

The Town is a participant with the Town of Menasha, Town of Greenville and Town of Neenah in a joint venture to operate a wastewater disposal plant. The Grand Chute-Menasha West Sewerage Commission was created for that purpose. The commission is governed by a seven-member board appointed by the aforementioned municipalities. Complete financial statements for the Commission can be obtained from the Commission's office at 1965 W. Butte Des Morts Beach Road, Appleton, Wisconsin.

4. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

TOWN OF GRAND CHUTE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise and internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

GENERAL FUND

This is the Town's main operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

SPECIAL ASSESSMENT SPECIAL REVENUE FUND

The special assessment fund is used to account for current and deferred property assessments that are used for the repayment of long-term debt.

SANITARY DISTRICT NO. 3 SPECIAL REVENUE FUND

The Sanitary District No. 3 fund is a blended component unit that accounts for the financial resources to be used to operate a storm water system.

DEBT SERVICE FUND

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

CAPITAL PROJECTS FUND

This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The Town reports the following major enterprise funds:

SANITARY DISTRICT NO. 1 ENTERPRISE FUND

The Sanitary District No. 1 fund is a blended component unit that accounts for the financial resources to be used to operate a water utility.

SANITARY DISTRICT NO. 2 ENTERPRISE FUND

The Sanitary District No. 2 fund is a blended component unit that accounts for the financial resources to be used to operate a wastewater utility.

TOWN OF GRAND CHUTE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Additionally, the Town reports the following fund types:

EAST SIDE UTILITY FUND

The East Side Utility fund is a blended component unit that accounts for the financial resources to be used to operate a sewer utility.

The Town accounts for assets held for developer's deposits and property taxes collected on behalf of other governments in *agency funds*.

5. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Certain private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following certain subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 Town's enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

TOWN OF GRAND CHUTE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Assets, Liabilities and Net Assets or Equity

a. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

b. Accounts Receivable

Accounts receivable are recorded at gross amount with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

c. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements.

The amount reported on the statement of net assets for internal balances represents the residual balance outstanding between the governmental activities and business-type activities.

d. Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are offset by fund balance reserve amounts to indicate that they do not represent spendable available financial resources.

e. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items.

Prepaid items of governmental funds in the fund financial statements are offset by fund balance reserve amounts to indicate that they do not represent spendable available financial resources.

TOWN OF GRAND CHUTE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	Governmental	Business-type
	Activities	Activities
	Years	
Land improvements	25 - 30	25 - 30
Buildings	25 - 50	25 - 50
Machinery and equipment	3 - 10	3 - 10
Infrastructure	15 - 50	25 - 100

g. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with bargaining unit agreements. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

h. Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or for resources that have been received, but not yet recognizable.

i. Long-term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

TOWN OF GRAND CHUTE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Fund Equity

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

GOVERNMENT-WIDE AND PROPRIETARY FUND STATEMENTS

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

- Invested in capital assets, net of related debt - Amount of capital assets, net of accumulated depreciation, less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net assets - Amount of net assets that are subject to restrictions that are imposed 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.
- Unrestricted net assets - Net assets that are neither classified as restricted nor as invested in capital assets, net of related debt.

k. Use of Estimates

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE B - STEWARDSHIP AND COMPLIANCE

Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. During November, Town management submits to the Town Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by Town Board action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the governmental funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for the governmental funds.

TOWN OF GRAND CHUTE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

NOTE B - STEWARDSHIP AND COMPLIANCE (Continued)

4. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the Town. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Town Board.
5. Encumbrance accounting is not used by the Town to record commitments related to unperformed contracts for goods or services.

The Town did not have any material violations of legal or contractual provisions for the fiscal year ended December 31, 2008.

NOTE C - DETAILED NOTES ON ALL FUNDS

1. Cash and Investments

The Town maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed on the financial statements as "Cash and investments."

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the Town's cash and investments totaled \$48,098,358 on December 31, 2008 as summarized below:

Petty cash funds	\$ 1,975
Deposits with financial institutions	21,226,391
Investments	<u>26,869,992</u>
	<u>\$ 48,098,358</u>

Reconciliation to the basic financial statements:

Basic financial statements	
Cash and investments	\$ 31,597,710
Restricted cash and investments	2,209,859
Fiduciary funds	
Agency funds	<u>14,290,789</u>
	<u>\$ 48,098,358</u>

Deposits and investments of the Town are subject to various risks. Presented below is a discussion of the specific risks and the Town's policy related to the risk.

TOWN OF GRAND CHUTE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The Town does not have an additional custodial credit risk policy.

Deposits with financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 per official custodian through December 31, 2013. In addition, the City's non-interest bearing transaction accounts are fully insured under the Temporary Liquidity Guarantee Program through December 31, 2009. On January 1, 2014, the coverage limit for all accounts will return to \$100,000 for interest bearing accounts and \$100,000 for non-interest bearing accounts. In addition, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available.

As of December 31, 2008, \$14,395,095 of the Town's deposits with financial institutions were in excess of federal depository insurance limits and uncollateralized (or collateralized with securities held by the pledging financial institution or its trust department or agent but not in the Town's name).

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The Town does not have an additional credit risk policy. Presented below is the actual rating as of year end for each investment type.

Investment Type	Amount	Exempt From Disclosure	AAA	Aa	Not Rated
U.S. Treasury notes	\$ 602,859	\$ 602,859	\$ -	\$ -	\$ -
Federal agency securities	7,138,952	-	7,138,952	-	-
Corporate notes	2,916,222	-	2,893,802	22,420	-
Money market mutual funds	233,119	-	-	-	233,119
Wisconsin local government investment pool	15,978,840	-	-	-	15,978,840
Totals	\$ 26,869,992	\$ 602,859	\$ 10,032,754	\$ 22,420	\$ 16,211,959

Concentration of Credit Risk

The investment policy of the Town contains no limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total Town investments are as follows:

Issuer	Investment Type	Reported Amount	Percentage of Total Investments
Federal Home Loan Corporation	Federal Agency Securities	\$ 2,266,723	8%
Federal National Mortgage Association	Federal Agency Securities	\$ 5,305,343	20%

TOWN OF GRAND CHUTE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Interest Rate Risk

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 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 to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Town's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Treasury notes	\$ 602,858	\$ 462,692	\$ -	\$ 140,166	\$ -
Federal agency securities	7,138,952	3,839,523	-	3,299,429	-
Corporate notes	2,916,223	-	398,162	2,518,061	-
Money market mutual funds	233,119	233,119	-	-	-
Wisconsin local government investment pool	15,978,840	15,978,840	-	-	-
Totals	\$ 26,869,992	\$ 20,514,174	\$ 398,162	\$ 5,957,656	\$ -

Investment in Wisconsin Local Government Investment Pool

The Town has investments in the Wisconsin local government investment pool of \$15,978,840 at year-end. 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 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, 2008, the fair value of the Town's share of the LGIP's assets was substantially equal to the carrying value.

Investments in the Wisconsin Local Government Investment Pool are covered under a surety bond issued by Financial Security Assurance, Inc. which is in effect through February 15, 2009. The bond insures against losses arising from principal defaults on substantially all types of securities acquired by the pool. The bond provides unlimited coverage on principal losses, reduced by any FDIC, State of Wisconsin Guarantee Fund insurance, and income on the investment during the calendar quarter a loss occurs.

2. Property Taxes

Property taxes consist of taxes on real estate and personal property. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement. Delinquent personal property taxes remain the collection responsibility of the Town.

The Town bills and collects its own property taxes and also levies and collects taxes for the Appleton Area School District, School District of Hortonville, Outagamie County, Fox Valley Technical College and the State of Wisconsin. Collections and remittances of taxes for other entities are accounted for in the tax collection agency fund.

TOWN OF GRAND CHUTE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

3. Restricted and Other Assets

Restricted and other assets on December 31, 2008 totaled \$2,209,859 and consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
Sanitary District No. 1		
Other Assets		
General obligation debt		
Water tower	\$ 340,821	To be used for maintenance on the Sanitary District's water tower.
Restricted Assets		
Depreciation fund	473,130	To be used for additions and betterments of the District's capital assets.
Total Sanitary District No. 1	<u>813,951</u>	
Sanitary District No. 2		
Other Assets		
Depreciation fund	426,969	To be used for additions and betterments of the District's capital assets.
Service availability charges	721,693	To account for SAC fees collected to be used for future sewerage plant expansion.
	<u>1,148,662</u>	
Restricted Assets		
DNR replacement fund	247,246	To be used for the replacement of certain equipment of the District in accordance with the Wisconsin Department of Natural Resources requirements.
	<u>247,246</u>	
Total Sanitary District No. 2	<u>1,395,908</u>	
Total	<u>\$ 2,209,859</u>	

TOWN OF GRAND CHUTE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

4. Capital Assets

Capital asset activity for the year ended December 31, 2008 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,998,375	\$ 35,508	\$ -	\$ 3,033,883
Construction in progress	529,882	3,335,821	-	3,865,703
Total capital assets, not being depreciated	<u>3,528,257</u>	<u>3,371,329</u>	<u>-</u>	<u>6,899,586</u>
Capital assets, being depreciated:				
Land improvements	6,075,831	568,956	-	6,644,787
Buildings	8,702,922	-	-	8,702,922
Machinery and equipment	5,216,820	305,610	198,110	5,324,320
Infrastructure	62,892,064	84,770	-	62,976,834
Subtotals	<u>82,887,637</u>	<u>959,336</u>	<u>198,110</u>	<u>83,648,863</u>
Less accumulated depreciation for:				
Land improvements	1,014,841	128,393	-	1,143,234
Buildings	2,507,613	275,397	-	2,783,010
Machinery and equipment	2,533,226	211,150	41,278	2,703,098
Infrastructure	17,339,723	2,919,929	-	20,259,652
Subtotals	<u>23,395,403</u>	<u>3,534,869</u>	<u>41,278</u>	<u>26,888,994</u>
Total capital assets, being depreciated, net	<u>59,492,234</u>	<u>(2,575,533)</u>	<u>156,832</u>	<u>56,759,869</u>
Governmental activities capital assets, net	<u>\$ 63,020,491</u>	<u>\$ 795,796</u>	<u>\$ 156,832</u>	63,659,455
Less related long-term debt outstanding (net of available bond proceeds of \$2,680,919)				<u>26,459,033</u>
Invested in capital assets, net of related debt				<u>\$ 37,200,422</u>

TOWN OF GRAND CHUTE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 58,559	\$ -	\$ -	\$ 58,559
Construction in progress	252,471	1,992,247	153,383	2,091,335
Total capital assets, not being depreciated	<u>311,030</u>	<u>1,992,247</u>	<u>153,383</u>	<u>2,149,894</u>
Capital assets, being depreciated:				
Buildings	177,432	-	-	177,432
Machinery and equipment	1,694,609	146,344	-	1,840,953
Infrastructure	41,839,898	182,921	363,663	41,659,156
Subtotals	<u>43,711,939</u>	<u>329,265</u>	<u>363,663</u>	<u>43,677,541</u>
Less accumulated depreciation	<u>10,035,464</u>	<u>868,415</u>	<u>321,916</u>	<u>10,581,963</u>
Total capital assets, being depreciated, net	<u>33,676,475</u>	<u>(539,150)</u>	<u>41,747</u>	<u>33,095,578</u>
Business-type activities capital assets, net	<u>\$ 33,987,505</u>	<u>\$ 1,453,097</u>	<u>\$ 195,130</u>	<u>35,245,472</u>
Less related long-term debt outstanding (net of available bond proceeds of \$87,415)				<u>7,407,685</u>
Invested in capital assets, net of related debt				<u>\$ 27,837,787</u>

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

Governmental activities		
General government		\$ 289,484
Public safety		120,890
Public works		3,084,672
Culture and recreation		39,823
Total depreciation expense - governmental activities		<u>\$ 3,534,869</u>
Business-type activities		
Sanitary District No. 1		\$ 408,592
Allocated depreciation		9,497
Sanitary District No. 2		431,084
East Side Utility		19,242
Total depreciation expense - business-type activities		<u>\$ 868,415</u>

TOWN OF GRAND CHUTE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

5. Interfund Receivable, Payables, and Transfers

Interfund receivables and payables between individual funds of the Town, as reported in the fund financial statements, as of December 31, 2008 are detailed below:

Receivable Fund	Payable Fund	Amount
General fund	Room tax special revenue fund	\$ 63,602
Less: Fund eliminations		(63,602)
Total Internal Balances - Government-wide Statement of Net Assets		<u>\$ -</u>

Fund Transferred To	Fund Transferred From	Amount
General fund	Special revenue funds	
	Sanitary district no. 3	\$ 70,692
	Room tax	307,851
Debt service	Special revenue funds	
	Special assessment	688,000
	Sanitary district no. 3	1,290,600
	Park development	11,000
		<u>\$ 2,368,143</u>

The purpose of interfund transfers for the year ended December 31, 2008 is as follows:

	Amount
Town portion of room tax funds	\$ 307,851
Operating cost reimbursement	70,692
Retirement of long-term debt	1,989,600
	<u>\$ 2,368,143</u>

TOWN OF GRAND CHUTE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

6. Deferred Revenues

Governmental activities, business activities, and proprietary funds defer revenue recognition in connection with resources that have been received, but not yet earned. Governmental funds also report deferred revenue in connection with receivables for resources that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue were as follows:

	Unavailable	Unearned	Total
Governmental Activities			
Subsequent year tax levy receivable			
General fund	\$ -	\$ 6,469,225	\$ 6,469,225
Debt service fund	-	2,366,000	2,366,000
Capital project fund	-	325,000	325,000
Special charges placed on 2008 tax roll			
General fund	-	793,345	793,345
Receipts received prior to meeting all eligibility requirements			
General fund	-	2,684	2,684
Special revenue fund			
Room tax	-	6,500	6,500
Special assessment receivable			
Special assessment fund	3,978,539	-	3,978,539
Subtotal	<u>3,978,539</u>	<u>9,962,754</u>	<u>13,941,293</u>
Business-type Activities			
Subsequent year tax levy receivable			
East Side Utility	-	18,400	18,400
Total	<u>\$ 3,978,539</u>	<u>\$ 9,981,154</u>	<u>\$ 13,959,693</u>

Special assessments are generally collectible on annual installments from one to five years while others have been deferred until the property is sold or placed into service.

TOWN OF GRAND CHUTE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

7. Long-term Obligations

The following is a summary of changes in long-term obligations of the Town for the year ended December 31, 2008:

	Outstanding 1/1/08	Issued	Retired	Outstanding 12/31/08	Due Within One Year
Governmental activities:					
General Obligation Debt					
Notes	\$ 25,460,264	\$ 7,335,000	\$ 3,655,312	\$ 29,139,952	\$ 5,100,365
Debt premium	24,813	100,206	6,125	118,894	-
Loss on advance refunding	(63,674)	-	(8,489)	(55,185)	-
Compensated absences	537,057	-	24,920	512,137	-
Governmental activities					
Long-term obligations	<u>\$ 25,958,460</u>	<u>\$ 7,435,206</u>	<u>\$ 3,677,868</u>	<u>\$ 29,715,798</u>	<u>\$ 5,100,365</u>
Business-type activities:					
General Obligation Debt					
Notes	\$ 6,169,581	\$ 2,350,000	\$ 1,024,481	\$ 7,495,100	\$ 1,164,538
Debt premium	16,538	32,104	2,916	45,726	-
Compensated absences	98,020	2,822	-	100,842	-
Business-type activities					
Long-term obligations	<u>\$ 6,284,139</u>	<u>\$ 2,384,926</u>	<u>\$ 1,027,397</u>	<u>\$ 7,641,668</u>	<u>\$ 1,164,538</u>

Total interest paid during the year on long-term debt totaled \$1,117,281.

General Obligation Debt

The Town has issued general obligation debt to provide funds for the acquisition and construction of major capital facilities. General obligation debt has been issued for both governmental and proprietary fund activities. General obligation debt is reported in the proprietary funds if it is expected to be repaid from proprietary fund revenues.

General obligation debt service requirements are direct obligations and pledge the full faith and credit of the Town. General obligation debt outstanding on December 31, 2008 totaled \$36,635,052 and was comprised of the following issues:

Notes	\$ 1,090,000
\$4,825,000 issued 11/1/99; \$1,090,000 due in 2009; interest 4.9%	1,090,000
\$7,890,000 issued 12/1/01; \$680,000 to \$1,960,000 due annually through 2011; interest 3.75% to 4.0%	3,320,000
\$6,115,000 issued 12/1/02; \$470,000 to \$515,000 due annually through 2012; interest 3.25% to 4.0%	1,960,000
\$7,350,000 issued 12/1/03; \$525,000 to \$530,000 due annually through 2013; interest 3.0% to 3.35%	2,640,000
\$9,555,000 issued 8/1/04; \$960,000 to \$1,135,000 due annually through 2014; interest 3.40% to 3.55%	6,235,000
\$9,750,000 issued 7/1/05; \$1,050,000 to \$1,250,000 due annually through 2015; interest 3.5%	8,115,000
\$733,000 issued 7/15/05; \$144,792 to \$155,149 due annually through 2010; interest 3.5%	305,052
\$4,215,000 issued 12/21/06; \$395,000 to \$415,000 due annually through 2016; interest 3.875%	3,285,000
\$9,685,000 issued 08/26/08; \$925,000 to \$995,000 due annually through 2018; interest 3.50% to 4.0%	<u>9,685,000</u>
Total Outstanding General Obligation Debt	<u>\$ 36,635,052</u>

TOWN OF GRAND CHUTE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Annual principal and interest maturities of the outstanding general obligation debt of \$36,635,052 on December 31, 2008 are detailed below:

Year Ended December 31	Governmental Activities		Business-type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 5,100,365	\$ 1,015,905	\$ 1,164,538	\$ 268,091	\$ 6,264,903	\$ 1,283,996
2010	4,195,611	848,317	1,059,538	226,093	5,255,149	1,074,410
2011	5,415,462	698,716	1,074,538	188,536	6,490,000	887,252
2012	3,583,502	498,769	1,076,498	149,931	4,660,000	648,700
2013	3,334,976	378,536	895,024	114,768	4,230,000	493,304
2014-2018	7,510,036	607,097	2,224,964	196,814	9,735,000	803,911
	<u>\$ 29,139,952</u>	<u>\$ 4,047,340</u>	<u>\$ 7,495,100</u>	<u>\$ 1,144,233</u>	<u>\$ 36,635,052</u>	<u>\$ 5,191,573</u>

For governmental activities, the other long-term liabilities are generally funded by the general fund.

Legal Margin for New Debt

The Town's legal margin for creation of additional general obligation debt on December 31, 2008 was \$87,296,210 as follows:

Equalized valuation of the County	\$ 2,476,953,000
Statutory limitation percentage	<u>(x) 5%</u>
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	123,847,650
Total outstanding general obligation debt applicable to debt limitation	\$ 36,635,052
Less: Amounts available for financing general obligation debt	
Debt service fund	<u>83,612</u>
Net outstanding general obligation debt applicable to debt limitation	<u>36,551,440</u>
Legal Margin for New Debt	<u><u>\$ 87,296,210</u></u>

8. Conduit Debt Obligations

In prior years, the Town has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Town, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying basic financial statements.

TOWN OF GRAND CHUTE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

NOTE D - OTHER INFORMATION

1. Retirement Commitments

All eligible Town employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All permanent employees expected to work over 600 hours a year are eligible to participate in the WRS. Covered employees in the General category are required by statute to contribute 6.0% of their salary (3.0% for Executives and Elected Officials, 5.1% for Protective Occupations with Social Security, and 3.4% for Protective Occupations without Social Security) to the plan. Employers may make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for Town employees covered by the WRS for the year ended December 31, 2008 was \$4,604,912; the employer's total payroll was \$4,861,625. The total required contribution for the year ended December 31, 2008 was \$563,272, which consisted of \$312,027, or 6.8% of covered payroll from the employer and \$251,245, or 5.5% of covered payroll from employees. The required contribution for employees for the year ended December 31, 2008 was financed by the Town. Total contributions for the years ending December 31, 2007 and 2006 were \$514,708 and \$480,442 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. 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 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 is 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, WI 53707-7931.

2. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The Town completes an annual review of its insurance coverage to ensure adequate coverage.

TOWN OF GRAND CHUTE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

NOTE D - OTHER INFORMATION (Continued)

3. Contingencies

- a. Joint Venture - The Town's valuation and taxing power secures a portion of the outstanding long-term debt of the Grand Chute Menasha West Sewerage commission, a joint venture created by the Town and three other municipalities. As of December 31, 2008, the Town was potentially liable for approximately \$3.5 million, or 60% of the Commission's outstanding long-term debt. The Town would be liable in the unlikely event that the Commission defaulted on the debt.
- b. From time to time, the Town is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the Town Attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Town's financial position or results of operations.
- c. The Commission has identified the following items as potential liabilities not recorded on the financial statements:

The Town contracts with Grand Chute Menasha - West Sewage Commission to treat sewage.

The U.S. Fish & Wildlife Service and the Wisconsin Department of Natural Resources are in the process of preparing Natural Resource Damage Assessments to determine the level of damages to the Lower Fox River and Green Bay natural resources resulting from PCB contamination, and the Wisconsin Department of Natural Resources is in the process of preparing a plan for the cleanup of PCB contaminated sediments in the Lower Fox River. Although none of the state or federal agencies has designated the Commission as a responsible party with respect to the natural resource damages or PCB cleanup costs, the seven Fox River Valley paper mills that have been designated as responsible parties have the ability to seek contribution toward such damages and costs from the POTWs (Publicly Owned Treatment Works) on the Lower Fox River, including the Commission. The currently available information indicates that the Commission bears virtually no responsibility for the discharge of PCB's into the Lower Fox River. Therefore, the Commission has a de minimis exposure in the above matters.