

BASIC FINANCIAL STATEMENTS

TOWN OF GRAND CHUTE, WISCONSIN

Statement of Net Assets

December 31, 2009

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 20,134,939	\$ 11,591,716	\$ 31,726,655
Receivables			
Taxes	7,789,939	-	7,789,939
Special assessments	3,379,092	3,450,183	6,829,275
Accounts	431,306	1,687,805	2,119,111
Receivable from fiduciary fund	-	393,181	393,181
Due from other governments	-	647	647
Inventories and prepaid items	176,276	48,599	224,875
Deferred charges	144,011	156,472	300,483
Restricted assets			
Cash and investments	-	1,715,553	1,715,553
Capital assets, nondepreciable			
Land	2,586,389	506,053	3,092,442
Construction in progress	2,405,446	1,204,422	3,609,868
Capital assets, depreciable			
Land improvements	1,261,790	5,477,685	6,739,475
Buildings	12,775,942	177,432	12,953,374
Machinery and equipment	5,381,634	2,039,323	7,420,957
Infrastructure	54,672,912	53,846,052	108,518,964
Less: Accumulated depreciation	(28,640,632)	(13,396,479)	(42,037,111)
TOTAL ASSETS	82,499,044	68,898,644	151,397,688
LIABILITIES			
Accounts payable	872,646	427,396	1,300,042
Accrued and other current liabilities	261,144	19,058	280,202
Accrued interest payable	219,139	142,375	361,514
Due to other governments	-	622,863	622,863
Unearned revenues	10,466,534	19,400	10,485,934
Long-term obligations			
Due within one year	3,497,418	2,254,731	5,752,149
Due in more than one year	19,090,727	11,714,656	30,805,383
TOTAL LIABILITIES	34,407,608	15,200,479	49,608,087
NET ASSETS			
Invested in capital assets, net of related debt	33,630,868	37,717,177	71,348,045
Restricted for			
Debt service	100,914	-	100,914
Unrestricted	14,359,654	15,980,988	30,340,642
TOTAL NET ASSETS	\$ 48,091,436	\$ 53,698,165	\$ 101,789,601

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, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 1,618,631	\$ 350,524	\$ 500	\$ -
Public safety	6,189,492	341,406	293,535	-
Public works	6,302,798	971,047	1,673,566	2,654,456
Culture and recreation	176,402	26,286	600	-
Conservation and development	1,244,866	221,575	885	-
Interest on debt	719,789	-	-	-
Total Governmental Activities	16,251,978	1,910,838	1,969,086	2,654,456
Business-type Activities				
Water utility	4,775,988	3,691,056	-	357,557
Sewer utility	2,610,870	2,688,464	-	376,376
Storm water utility	775,916	1,356,850	-	591,213
Total Business-type Activities	8,162,774	7,736,370	-	1,325,146
Total	\$ 24,414,752	\$ 9,647,208	\$ 1,969,086	\$ 3,979,602

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

Transfers

Total general revenues

Change in net assets

Net assets - January 1 (Restated)

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

\$ (1,267,607)	\$ -	\$ (1,267,607)
(5,554,551)	-	(5,554,551)
(1,003,729)	-	(1,003,729)
(149,516)	-	(149,516)
(1,022,406)	-	(1,022,406)
(719,789)	-	(719,789)
<u>(9,717,598)</u>	<u>-</u>	<u>(9,717,598)</u>

-	(727,375)	(727,375)
-	453,970	453,970
-	1,172,147	1,172,147
-	898,742	898,742
<u>(9,717,598)</u>	<u>898,742</u>	<u>(8,818,856)</u>

6,413,461	298,606	6,712,067
2,753,240	-	2,753,240
819,376	-	819,376
469,309	396	469,705
453,804	331,254	785,058
294,446	-	294,446
48,899	(48,899)	-
<u>11,252,535</u>	<u>581,357</u>	<u>11,833,892</u>
1,534,937	1,480,099	3,015,036
<u>46,556,499</u>	<u>52,218,066</u>	<u>98,774,565</u>
<u>\$ 48,091,436</u>	<u>\$ 53,698,165</u>	<u>\$ 101,789,601</u>

TOWN OF GRAND CHUTE, WISCONSIN

Balance Sheet
Governmental Funds
December 31, 2009

	General	Special Assessment	Debt Service	Capital Projects
ASSETS				
Cash and investments	\$ 6,033,241	\$ 7,542,499	\$ 997,414	\$ 5,469,741
Receivables				
Taxes	5,232,070	833,935	1,703,500	20,434
Special assessments	-	3,379,092	-	-
Accounts	270,766	-	-	57
Due from other funds	48,916	-	-	-
Inventories and prepaid items	176,276	-	-	-
TOTAL ASSETS	<u>\$ 11,761,269</u>	<u>\$ 11,755,526</u>	<u>\$ 2,700,914</u>	<u>\$ 5,490,232</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 368,144	\$ -	\$ -	\$ 392,935
Accrued and other current liabilities	261,144	-	-	-
Due to other funds	-	-	-	-
Deferred revenues	7,860,034	4,651,902	2,600,000	-
Total Liabilities	<u>8,489,322</u>	<u>4,651,902</u>	<u>2,600,000</u>	<u>392,935</u>
Fund Balances				
Reserved for				
Inventories and prepaid items	176,276	-	-	-
Debt service	-	-	100,914	-
Unreserved				
Designated for				
Subsequent year's expenditures	682,000	-	-	-
Equipment replacement	911,400	-	-	-
Undesignated, reported in				
General fund	1,502,271	-	-	-
Special revenue funds	-	7,103,624	-	-
Capital projects funds	-	-	-	5,097,297
Total Fund Balances	<u>3,271,947</u>	<u>7,103,624</u>	<u>100,914</u>	<u>5,097,297</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 11,761,269</u>	<u>\$ 11,755,526</u>	<u>\$ 2,700,914</u>	<u>\$ 5,490,232</u>

(Continued)

Other Governmental Funds	Total Governmental Funds
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\$ 92,044 \$ 20,134,939

- 7,789,939

- 3,379,092

160,483 431,306

- 48,916

- 176,276

\$ 252,527 \$ 31,960,468

\$ 111,567 \$ 872,646

- 261,144

48,916 48,916

6,500 15,118,436

166,983 16,301,142

- 176,276

- 100,914

- 682,000

- 911,400

- 1,502,271

85,544 7,189,168

- 5,097,297

85,544 15,659,326

\$ 252,527 \$ 31,960,468

TOWN OF GRAND CHUTE, WISCONSIN
 Balance Sheet (Continued)
 Governmental Funds
 December 31, 2009

Reconciliation to the Statement of Net Assets

Total Fund Balances as shown on previous page \$ 15,659,326

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. 50,443,481

Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.
 Special assessments 4,651,902

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds and notes payable	\$(21,909,910)	
Debt premium	(138,962)	
Loss on advance refunding	36,250	
Compensated absences	(575,523)	
Deferred charges - bond issues	144,011	
Accrued interest on long-term obligations	(219,139)	(22,663,273)

Net Assets of Governmental Activities as Reported on the Statement of Net Assets (see page 3) \$ 48,091,436

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, 2009

	General	Special Assessment	Debt Service	Capital Projects
Revenues				
Taxes	\$ 6,416,715	\$ -	\$ 2,753,240	\$ -
Special assessments	101,910	1,502,893	-	-
Intergovernmental	2,433,456	-	-	-
Licenses and permits	586,342	-	-	-
Fines and forfeitures	282,408	-	-	-
Public charges for services	769,933	-	-	-
Intergovernmental charges for services	250,496	-	-	-
Miscellaneous	242,479	306,616	134,184	73,511
Total Revenues	<u>11,083,739</u>	<u>1,809,509</u>	<u>2,887,424</u>	<u>73,511</u>
Expenditures				
Current				
General government	1,248,129	-	-	-
Public safety	6,123,832	-	-	-
Public works	3,140,213	-	-	-
Culture and recreation	128,819	-	-	-
Conservation and development	669,252	-	-	-
Debt service				
Principal	-	-	3,295,042	-
Interest and fiscal charges	-	-	756,491	43,925
Capital outlay	-	-	-	2,952,543
Total Expenditures	<u>11,310,245</u>	<u>-</u>	<u>4,051,533</u>	<u>2,996,468</u>
Excess of Revenues Over (Under) Expenditures	<u>(226,506)</u>	<u>1,809,509</u>	<u>(1,164,109)</u>	<u>(2,922,957)</u>
Other Financing Sources (Uses)				
Long-term debt issued	-	-	-	3,685,000
Debt premium	-	-	-	61,644
Sale of capital assets	8,976	-	-	-
Transfers in	255,950	-	1,181,411	160,900
Transfers out	(160,900)	(1,162,161)	-	-
Total Other Financing Sources (Uses)	<u>104,026</u>	<u>(1,162,161)</u>	<u>1,181,411</u>	<u>3,907,544</u>
Net Change in Fund Balances	(122,480)	647,348	17,302	984,587
Fund Balances - January 1 (Restated)	<u>3,394,427</u>	<u>6,456,276</u>	<u>83,612</u>	<u>4,112,710</u>
Fund Balances - December 31	<u>\$ 3,271,947</u>	<u>\$ 7,103,624</u>	<u>\$ 100,914</u>	<u>\$ 5,097,297</u>

(Continued)

Other Governmental Funds	Total Governmental Funds
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\$ 815,698	\$ 9,985,653
-	1,604,803
-	2,433,456
-	586,342
-	282,408
21,659	791,592
-	250,496
786	757,576
<u>838,143</u>	<u>16,692,326</u>

-	1,248,129
-	6,123,832
-	3,140,213
-	128,819
567,305	1,236,557

-	3,295,042
-	800,416
-	2,952,543
<u>567,305</u>	<u>18,925,551</u>

<u>270,838</u>	<u>(2,233,225)</u>
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-	3,685,000
-	61,644
-	8,976
-	1,598,261
<u>(226,301)</u>	<u>(1,549,362)</u>
<u>(226,301)</u>	<u>3,804,519</u>

44,537	1,571,294
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<u>41,007</u>	<u>14,088,032</u>
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<u>\$ 85,544</u>	<u>\$ 15,659,326</u>
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TOWN OF GRAND CHUTE, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended December 31, 2009

Reconciliation to the Statement of Activities

Net Change in Fund Balances as shown on previous page		\$ 1,571,294
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	\$ 2,925,386	
Depreciation expense reported in the statement of activities	<u>(3,515,563)</u>	
Amount by which capital outlays are less than depreciation in current period		(590,177)
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	\$ (8,976)	
Loss on disposition reported on the statement of activities	<u>3,890</u>	
Book value of capital assets disposed of		(12,866)
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 increased by:		
		(63,386)
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.		
		1,045,690
Some capital assets acquired during the year were financed with debt. 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:		
		(3,685,000)
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:		
		3,295,042
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.		
		19,558
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.		
		(6,590)
Bond issue costs are reported in the governmental funds as an expenditure while bond premiums are reported as a source of financing. In the statement of activities, these costs are capitalized and amortized over the life of the debt issue.		
		<u>(38,628)</u>
Change in Net Assets of Governmental Activities as Reported in the Statement of Activities (see pages 4 - 5)		<u>\$ 1,534,937</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, 2009

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 6,410,985	\$ 6,410,985	\$ 6,416,715	\$ 5,730
Special assessments	94,000	94,000	101,910	7,910
Intergovernmental	2,366,132	2,366,132	2,433,456	67,324
Licenses and permits	682,200	682,200	586,342	(95,858)
Fines and forfeitures	320,500	320,500	282,408	(38,092)
Public charges for services	844,456	844,456	769,933	(74,523)
Intergovernmental charges for services	233,400	233,400	250,496	17,096
Miscellaneous	340,600	340,600	242,479	(98,121)
Total Revenues	11,292,273	11,292,273	11,083,739	(208,534)
Expenditures				
Current				
General government	1,475,361	1,475,361	1,248,129	227,232
Public safety	6,204,598	6,204,598	6,123,832	80,766
Public works	3,197,200	3,197,200	3,140,213	56,987
Culture and recreation	167,870	167,870	128,819	39,051
Conservation and development	673,500	673,500	669,252	4,248
Total Expenditures	11,718,529	11,718,529	11,310,245	408,284
Excess of Revenues Over (Under) Expenditures	(426,256)	(426,256)	(226,506)	199,750
Other Financing Sources (Uses)				
Sale of capital assets	4,000	4,000	8,976	4,976
Transfers in	362,656	362,656	255,950	(106,706)
Transfers out	(160,900)	(160,900)	(160,900)	-
Total Other Financing Sources (Uses)	205,756	205,756	104,026	(101,730)
Net Change in Fund Balance	(220,500)	(220,500)	(122,480)	98,020
Fund Balance - January 1	3,394,427	3,394,427	3,394,427	-
Fund Balance - December 31	\$ 3,173,927	\$ 3,173,927	\$ 3,271,947	\$ 98,020

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, 2009

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Special assessments	\$ 1,150,000	\$ 1,150,000	\$ 1,502,893	\$ 352,893
Miscellaneous	260,000	260,000	306,616	46,616
Total Revenues	1,410,000	1,410,000	1,809,509	399,509
Expenditures				
Capital outlay	-	-	-	-
Excess of Revenues Over Expenditures	1,410,000	1,410,000	1,809,509	399,509
Other Financing Uses				
Transfers out	(781,606)	-	(1,162,161)	(1,162,161)
Net Change in Fund Balance	628,394	1,410,000	647,348	(762,652)
Fund Balance - January 1	6,456,276	6,456,276	6,456,276	-
Fund Balance - December 31	\$ 7,084,670	\$ 7,866,276	\$ 7,103,624	\$ (762,652)

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, 2009

	Sanitary District No. 1	Sanitary District No. 2	Sanitary District No. 3	East Side Utility	Total Enterprise Funds
ASSETS					
Current assets					
Cash and investments	\$ -	\$ 7,927,145	\$ 3,444,369	\$ 220,202	\$ 11,591,716
Receivables					
Accounts	807,477	593,393	281,614	5,321	1,687,805
Receivable from fiduciary fund	213,947	143,650	16,184	19,400	393,181
Due from other governments	647	-	-	-	647
Inventories and prepaid expenses	32,404	16,195	-	-	48,599
Total Current Assets	1,054,475	8,680,383	3,742,167	244,923	13,721,948
Noncurrent assets					
Receivables					
Special assessments	977,869	1,858,854	613,460	-	3,450,183
Restricted assets					
Cash and investments	239,281	1,476,272	-	-	1,715,553
Deferred charges	93,952	12,416	50,104	-	156,472
Capital assets, nondepreciable					
Land	52,459	6,100	447,494	-	506,053
Construction in progress	3,300	14,303	1,186,819	-	1,204,422
Capital assets, depreciable					
Land improvements	-	-	5,477,685	-	5,477,685
Buildings	177,432	-	-	-	177,432
Machinery and equipment	1,086,310	845,049	103,042	4,922	2,039,323
Infrastructure	24,164,556	20,235,781	8,351,021	1,094,694	53,846,052
Less: Accumulated depreciation	(5,112,081)	(5,959,297)	(1,977,306)	(347,795)	(13,396,479)
Total Capital Assets, Net of Accumulated Depreciation	20,371,976	15,141,936	13,588,755	751,821	49,854,488
Total Noncurrent Assets	21,683,078	18,489,478	14,252,319	751,821	55,176,696
TOTAL ASSETS	22,737,553	27,169,861	17,994,486	996,744	68,898,644

(Continued)

TOWN OF GRAND CHUTE, WISCONSIN

Statement of Net Assets (Continued)

Proprietary Funds

December 31, 2009

	Sanitary District No. 1	Sanitary District No. 2	Sanitary District No. 3	East Side Utility	Total Enterprise Funds
LIABILITIES					
Current liabilities					
Accounts payable	180,703	124,556	120,286	1,851	427,396
Accrued and other current liabilities	11,934	6,296	828	-	19,058
Accrued interest	63,217	12,205	66,953	-	142,375
Due to other governments	622,863	-	-	-	622,863
Deferred revenue	-	-	-	19,400	19,400
Current portion of general obligation debt	746,491	308,558	1,199,682	-	2,254,731
Total Current Liabilities	1,625,208	451,615	1,387,749	21,251	3,485,823
Noncurrent liabilities					
General obligation debt	3,914,758	1,371,310	6,239,441	-	11,525,509
Debt premium	30,812	9,840	53,839	-	94,491
Loss on advance refunding	-	-	(10,446)	-	(10,446)
Compensated absences	52,551	52,551	-	-	105,102
Total Noncurrent Liabilities	3,998,121	1,433,701	6,282,834	-	11,714,656
TOTAL LIABILITIES	5,623,329	1,885,316	7,670,583	21,251	15,200,479
NET ASSETS					
Invested in capital assets, net of related debt	15,710,727	13,462,068	7,792,561	751,821	37,717,177
Unrestricted	1,403,497	11,822,477	2,531,342	223,672	15,980,988
TOTAL NET ASSETS	\$ 17,114,224	\$ 25,284,545	\$ 10,323,903	\$ 975,493	\$ 53,698,165

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, 2009

	Sanitary District No. 1	Sanitary District No. 2	Sanitary District No. 3	East Side Utility	Total
Operating Revenues					
Charges for services	\$ 3,548,100	\$ 2,441,629	\$ 1,346,491	\$ 24,623	\$ 7,360,843
Other	142,956	221,972	10,359	240	375,527
Total Operating Revenues	<u>3,691,056</u>	<u>2,663,601</u>	<u>1,356,850</u>	<u>24,863</u>	<u>7,736,370</u>
Operating Expenses					
Operations and maintenance	4,136,101	2,019,635	230,332	23,145	6,409,213
Depreciation	421,340	459,437	286,288	19,242	1,186,307
Taxes	31,861	13,240	-	-	45,101
Total Operating Expenses	<u>4,589,302</u>	<u>2,492,312</u>	<u>516,620</u>	<u>42,387</u>	<u>7,640,621</u>
Operating Income (Loss)	<u>(898,246)</u>	<u>171,289</u>	<u>840,230</u>	<u>(17,524)</u>	<u>95,749</u>
Nonoperating Revenues (Expenses)					
Property taxes	278,989	-	-	19,617	298,606
Intergovernmental	396	-	-	-	396
Interest income	61,885	200,859	64,083	4,427	331,254
Interest expense	(185,327)	(73,615)	(250,649)	-	(509,591)
Amortization of debt discount	(1,359)	(2,556)	(8,647)	-	(12,562)
Total Nonoperating Revenues (Expenses)	<u>154,584</u>	<u>124,688</u>	<u>(195,213)</u>	<u>24,044</u>	<u>108,103</u>
Income (Loss) Before Contributions and Transfers	<u>(743,662)</u>	<u>295,977</u>	<u>645,017</u>	<u>6,520</u>	<u>203,852</u>
Capital contributions	357,557	376,376	591,213	-	1,325,146
Transfers out	-	-	(48,899)	-	(48,899)
Change in Net Assets	<u>(386,105)</u>	<u>672,353</u>	<u>1,187,331</u>	<u>6,520</u>	<u>1,480,099</u>
Net Assets - January 1	<u>17,500,329</u>	<u>24,612,192</u>	<u>9,136,572</u>	<u>968,973</u>	<u>52,218,066</u>
Net Assets - December 31	<u>\$ 17,114,224</u>	<u>\$ 25,284,545</u>	<u>\$ 10,323,903</u>	<u>\$ 975,493</u>	<u>\$ 53,698,165</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, 2009

	Sanitary District No. 1	Sanitary District No. 2	Sanitary District No. 3	East Side Utility	Total
Cash Flows from Operating Activities					
Cash received from customers	\$ 3,671,878	\$ 2,713,049	\$ 1,358,682	\$ 20,485	\$ 7,764,094
Payment for interfund services	-	-	(48,899)	-	(48,899)
Cash payments to employees	(395,037)	(313,622)	(47,634)	(8,634)	(764,927)
Cash payments to suppliers	(3,799,198)	(1,756,650)	(109,684)	(15,363)	(5,680,895)
Net Cash Provided (Used) by Operating Activities	(522,357)	642,777	1,152,465	(3,512)	1,269,373
Cash Flows from Noncapital Financing Activities					
Changes in assets and liabilities					
Due from other funds	32,948	11,562	-	4,138	48,648
Deferred property tax revenue	-	-	-	1,000	1,000
Property taxes	278,989	-	-	19,617	298,606
Operating grants	396	-	-	-	396
Net Cash Provided by Noncapital Financing Activities	312,333	11,562	-	24,755	348,650
Cash Flows from Capital and Related Financing Activities					
Acquisition of capital assets	(1,845,087)	(75,840)	(1,262,112)	-	(3,183,039)
Capital contributions	136,793	147,459	350,080	-	634,332
Prior year capital contributions	-	-	329,210	-	329,210
Proceeds from long-term debt	-	-	1,635,000	-	1,635,000
Principal payments on long-term debt	(795,425)	(358,558)	(1,815,877)	-	(2,969,860)
Interest payments on long-term debt	(191,047)	(77,046)	(259,483)	-	(527,576)
Issuance costs paid	-	-	(19,659)	-	(19,659)
Bond premium received	-	-	27,588	-	27,588
Net Cash Used by Capital and Related Financing Activities	(2,694,766)	(363,985)	(1,015,253)	-	(4,074,004)
Cash Flows Provided by Investing Activities					
Interest from investments	61,885	200,859	64,083	4,427	331,254
Change in Cash and Cash Equivalents	(2,842,905)	491,213	201,295	25,670	(2,124,727)
Cash and Cash Equivalents - January 1	3,082,186	8,912,204	3,243,074	194,532	15,431,996
Cash and Cash Equivalents - December 31	\$ 239,281	\$ 9,403,417	\$ 3,444,369	\$ 220,202	\$ 13,307,269
Reconciliation of Cash and Cash Equivalents to Statement of Net Assets					
Cash and investments	\$ -	\$ 7,927,145	\$ 3,444,369	\$ 220,202	\$ 11,591,716
Restricted assets	239,281	1,476,272	-	-	1,715,553
Cash and Cash Equivalents - December 31	\$ 239,281	\$ 9,403,417	\$ 3,444,369	\$ 220,202	\$ 13,307,269

(Continued)

TOWN OF GRAND CHUTE, WISCONSIN

Statement of Cash Flows (Continued)

Proprietary Funds

Year Ended December 31, 2009

	Sanitary District No. 1	Sanitary District No. 2	Sanitary District No. 3	East Side Utility	Total
Reconciliation of Operating Income (Loss) to					
Net Cash Provided (Used) by Operating Activities					
Operating income (loss)	\$ (898,246)	\$ 171,289	\$ 840,230	\$ (17,524)	\$ 95,749
Adjustments to reconcile operating					
income (loss) to net cash provided by					
operating activities					
Depreciation	421,340	459,437	286,288	19,242	1,186,307
Depreciation reimbursement	38,590	(38,590)	-	-	-
Payment for interfund services	-	-	(48,899)	-	(48,899)
Changes in assets and liabilities					
Accounts receivable	(19,178)	49,448	1,832	(4,378)	27,724
Inventories	3,367	(482)	-	-	2,885
Accounts payable	(52,769)	(2,045)	73,043	(852)	17,377
Accrued liabilities	2,758	1,590	(29)	-	4,319
Due to other governmental units	(20,349)	-	-	-	(20,349)
Compensated absences	2,130	2,130	-	-	4,260
Net Cash Provided (Used) by					
Operating Activities	<u>\$ (522,357)</u>	<u>\$ 642,777</u>	<u>\$ 1,152,465</u>	<u>\$ (3,512)</u>	<u>\$ 1,269,373</u>

Noncash Investing, Capital and Financing Activities

None

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, 2009

	Tax Collection	Developer Deposits	Total Agency Funds
ASSETS			
Cash and investments	\$ 14,143,291	\$ 11,077	\$ 14,154,368
Receivables			
Taxes	23,875,679	-	23,875,679
TOTAL ASSETS	<u>\$ 38,018,970</u>	<u>\$ 11,077</u>	<u>\$ 38,030,047</u>
LIABILITIES			
Accounts payable	\$ 201	\$ 11,077	\$ 11,278
Payable to primary government	921,935	-	921,935
Due to other governments	37,096,834	-	37,096,834
TOTAL LIABILITIES	<u>\$ 38,018,970</u>	<u>\$ 11,077</u>	<u>\$ 38,030,047</u>

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, 2009

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*.

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.

TOWN OF GRAND CHUTE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

SANITARY DISTRICT NO. 3 ENTERPRISE 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.

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*.

TOWN OF GRAND CHUTE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2009

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, 2009

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:

	Governmental Activities	Business-type Activities
	Years	
<u>Assets</u>		
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, 2009

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, 2009

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, 2009.

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 \$47,596,576 on December 31, 2009 as summarized below:

Petty cash funds	\$ 1,975
Deposits with financial institutions	18,969,727
Investments	28,624,874
	<u>\$ 47,596,576</u>

Reconciliation to the basic financial statements:

Basic financial statements	
Cash and investments	\$ 31,726,655
Restricted cash and investments	1,715,553
Fiduciary funds	
Agency funds	14,154,368
	<u>\$ 47,596,576</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, 2009

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 June 30, 2010. 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, 2009, \$12,306,443 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	\$ 2,238,333	\$ 2,238,333	\$ -	\$ -	\$ -
Federal agency securities	3,655,789	-	3,655,789	-	-
Corporate notes	4,207,303	-	4,184,883	22,420	-
Money market mutual funds	3,371,493	-	-	-	3,371,493
Wisconsin local government investment pool	15,151,956	-	-	-	15,151,956
Totals	\$ 28,624,874	\$ 2,238,333	\$ 7,840,672	\$ 22,420	\$ 18,523,449

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 Mortgage Corporation	Federal Agency Securities	\$ 1,869,793	7%
Federal National Mortgage Association	Federal Agency Securities	\$ 2,323,181	8%

TOWN OF GRAND CHUTE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2009

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	\$ 2,238,333	\$ -	\$ 274,450	\$ 1,963,883	\$ -
Federal agency securities	3,655,789	-	-	3,655,789	-
Corporate notes	4,207,303	354,330	905,737	2,947,236	-
Money market mutual funds	3,371,493	3,371,493	-	-	-
Wisconsin local government investment pool	15,151,956	15,151,956	-	-	-
Totals	\$ 28,624,874	\$ 18,877,779	\$ 1,180,187	\$ 8,566,908	\$ -

Investment in Wisconsin Local Government Investment Pool

The Town has investments in the Wisconsin local government investment pool of \$15,151,956 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, 2009, the fair value of the Town's share of the LGIP's assets was substantially equal to the carrying value.

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, 2009

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

3. Restricted and Other Assets

Restricted and other assets on December 31, 2009 totaled \$2,327,002 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	<u>\$ 347,966</u>	To be used for maintenance on the Sanitary District's water tower.
Restricted Assets		
Depreciation fund	483,048	To be used for additions and betterments of the District's capital assets.
Impact fees	<u>19,716</u>	Impact fees collected for future purchases
	<u>502,764</u>	
Less: Restricted cash temporarily used to finance operating cash deficit	<u>(611,449)</u>	
Total Sanitary District No. 1	<u>239,281</u>	
Sanitary District No. 2		
Other Assets		
Depreciation fund	435,920	To be used for additions and betterments of the District's capital assets.
Service availability charges	742,491	To account for SAC fees collected to be used for future sewerage plant expansion.
	<u>1,178,411</u>	
Restricted Assets		
DNR replacement fund	297,861	To be used for the replacement of certain equipment of the District in accordance with the Wisconsin Department of Natural Resources requirements.
	<u>297,861</u>	
Total Sanitary District No. 2	<u>1,476,272</u>	
Total	<u>\$ 1,715,553</u>	

TOWN OF GRAND CHUTE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2009

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

4. Capital Assets

Capital asset activity for the year ended December 31, 2009 was as follows:

	Beginning Balance	Reclass- ifications	Increases	Decreases	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 3,033,883	\$ (447,494)	\$ -	\$ -	\$ 2,586,389
Construction in progress	3,865,703	(74,062)	2,831,798	4,217,993	2,405,446
Total capital assets, not being depreciated	<u>6,899,586</u>	<u>(521,556)</u>	<u>2,831,798</u>	<u>4,217,993</u>	<u>4,991,835</u>
Capital assets, being depreciated:					
Land improvements	6,644,787	(5,382,997)	-	-	1,261,790
Buildings	8,702,922	-	4,073,020	-	12,775,942
Machinery and equipment	5,324,320	(48,375)	191,462	85,773	5,381,634
Infrastructure	62,976,834	(8,351,021)	47,099	-	54,672,912
Subtotals	<u>83,648,863</u>	<u>(13,782,393)</u>	<u>4,311,581</u>	<u>85,773</u>	<u>74,092,278</u>
Less accumulated depreciation for:					
Land improvements	1,143,234	(968,511)	142,869	-	317,592
Buildings	2,783,010	-	333,099	-	3,116,109
Machinery and equipment	2,703,098	(1,028)	221,329	72,907	2,850,492
Infrastructure	20,259,652	(721,479)	2,818,266	-	22,356,439
Subtotals	<u>26,888,994</u>	<u>(1,691,018)</u>	<u>3,515,563</u>	<u>72,907</u>	<u>28,640,632</u>
Total capital assets, being depreciated, net	<u>56,759,869</u>	<u>(12,091,375)</u>	<u>796,018</u>	<u>12,866</u>	<u>45,451,646</u>
Governmental activities capital assets, net	<u>\$ 63,659,455</u>	<u>\$(12,612,931)</u>	<u>\$ 3,627,816</u>	<u>\$ 4,230,859</u>	<u>50,443,481</u>
Less related long-term debt outstanding (net of available bond proceeds of \$5,097,297)					<u>16,812,613</u>
Invested in capital assets, net of related debt					<u>\$ 33,630,868</u>

TOWN OF GRAND CHUTE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2009

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

	Beginning Balance	Reclass- ifications	Increases	Decreases	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 58,559	\$ 447,494	\$ -	\$ -	\$ 506,053
Construction in progress	2,091,335	74,062	2,922,718	3,883,693	1,204,422
Total capital assets, not being depreciated	<u>2,149,894</u>	<u>521,556</u>	<u>2,922,718</u>	<u>3,883,693</u>	<u>1,710,475</u>
Capital assets, being depreciated:					
Land improvements	-	5,382,997	94,688	-	5,477,685
Buildings	177,432	-	-	-	177,432
Machinery and equipment	1,840,953	48,375	182,201	32,206	2,039,323
Infrastructure	41,659,156	8,351,021	3,894,325	58,450	53,846,052
Subtotals	<u>43,677,541</u>	<u>13,782,393</u>	<u>4,171,214</u>	<u>90,656</u>	<u>61,540,492</u>
Less accumulated depreciation	<u>10,581,963</u>	<u>1,691,018</u>	<u>1,212,808</u>	<u>89,310</u>	<u>13,396,479</u>
Total capital assets, being depreciated, net	<u>33,095,578</u>	<u>12,091,375</u>	<u>2,958,406</u>	<u>1,346</u>	<u>48,144,013</u>
Business-type activities capital assets, net	<u>\$ 35,245,472</u>	<u>\$ 12,612,931</u>	<u>\$ 5,881,124</u>	<u>\$ 3,885,039</u>	49,854,488
Less related long-term debt outstanding (net of available bond proceeds of \$1,642,929)					<u>12,137,311</u>
Invested in capital assets, net of related debt					<u>\$ 37,717,177</u>

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

Governmental activities	\$ 302,471
General government	182,322
Public safety	2,983,187
Public works	47,583
Culture and recreation	-
Total depreciation expense - governmental activities	<u>\$ 3,515,563</u>
Business-type activities	\$ 421,340
Sanitary District No. 1	26,501
Allocated depreciation	459,437
Sanitary District No. 2	286,288
Sanitary District No. 3	19,242
East Side Utility	-
Total depreciation expense - business-type activities	<u>\$ 1,212,808</u>

TOWN OF GRAND CHUTE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2009

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, 2009 are detailed below:

Receivable Fund	Payable Fund	Amount
General fund	Room tax special revenue fund	\$ 48,916
Less: Fund eliminations		(48,916)
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	\$ 48,899
	Room tax	207,051
Debt service fund	Special revenue funds	
	Special assessment	1,162,161
	Park development	10,250
	Fire impact fees	9,000
Capital projects fund	General fund	160,900
Total Transfers		<u>1,598,261</u>
Elimination of governmental fund transfers		<u>(1,549,362)</u>
Transfers - Government-wide Financial Statements		<u>\$ 48,899</u>

The purpose of interfund transfers for the year ended December 31, 2009 is as follows:

	Amount
Town portion of room tax funds	\$ 207,051
Operating cost reimbursement	209,799
Retirement of long-term debt	1,181,411
	<u>\$ 1,598,261</u>

TOWN OF GRAND CHUTE, WISCONSIN

Notes to Basic Financial Statements

December 31, 2009

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	\$ -	\$ 7,017,003	\$ 7,017,003
Debt service fund	-	2,600,000	2,600,000
Capital project fund	-	-	-
Special charges placed on 2009 tax roll			
General fund	-	838,740	838,740
Receipts received prior to meeting all eligibility requirements			
General fund	-	4,291	4,291
Special revenue fund			
Room tax	-	6,500	6,500
Special assessment receivable			
Special assessment fund	4,651,902	-	4,651,902
Subtotal	<u>4,651,902</u>	<u>10,466,534</u>	<u>15,118,436</u>
Business-type Activities			
Subsequent year tax levy receivable			
East Side Utility	-	19,400	19,400
Total	<u><u>\$ 4,651,902</u></u>	<u><u>\$ 10,485,934</u></u>	<u><u>\$ 15,137,836</u></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, 2009

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, 2009:

	Outstanding 1/1/09	Reclass- ifications	Issued	Retired	Outstanding 12/31/09	Due Within One Year
Governmental activities:						
General Obligation Debt						
Notes	\$29,139,952	\$(7,620,000)	\$ 3,685,000	\$ 3,295,042	\$21,909,910	\$ 3,497,418
Debt premium	118,894	(30,330)	61,406	11,008	138,962	-
Loss on advance refunding	(55,185)	12,345	-	(6,590)	(36,250)	-
Compensated absences	512,137	-	63,386	-	575,523	-
Governmental activities Long-term obligations	<u>\$29,715,798</u>	<u>\$(7,637,985)</u>	<u>\$ 3,809,792</u>	<u>\$ 3,299,460</u>	<u>\$22,588,145</u>	<u>\$ 3,497,418</u>
Business-type activities:						
General Obligation Debt						
Notes	\$ 7,495,100	\$ 7,620,000	\$ 1,635,000	\$ 2,969,860	\$13,780,240	\$ 2,254,731
Debt premium	45,726	30,330	27,588	9,153	94,491	-
Loss on advance refunding	-	(12,345)	-	(1,899)	(10,446)	-
Compensated absences	100,842	-	4,260	-	105,102	-
Business-type activities Long-term obligations	<u>\$ 7,641,668</u>	<u>\$ 7,637,985</u>	<u>\$ 1,666,848</u>	<u>\$ 2,977,114</u>	<u>\$13,969,387</u>	<u>\$ 2,254,731</u>

Total interest paid during the year on long-term debt totaled \$1,283,995.

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, 2009 totaled \$35,690,150 and was comprised of the following issues:

Notes

\$7,890,000 issued 12/1/01; \$680,000 to \$1,960,000 due annually through 2011; interest 3.75% to 4.0%	\$ 2,640,000
\$6,115,000 issued 12/1/02; \$470,000 to \$515,000 due annually through 2012; interest 3.25% to 4.0%	1,490,000
\$7,350,000 issued 12/1/03; \$525,000 to \$530,000 due annually through 2013; interest 3.0% to 3.35%	2,115,000
\$9,555,000 issued 8/1/04; \$960,000 to \$1,135,000 due annually through 2014; interest 3.40% to 3.55%	5,275,000
\$9,750,000 issued 7/1/05; \$1,050,000 to \$1,250,000 due annually through 2015; interest 3.5%	7,065,000
\$733,000 issued 7/15/05; \$144,792 to \$155,150 due in 2010; interest 3.5%	155,150
\$4,215,000 issued 12/21/06; \$395,000 to \$415,000 due annually through 2016; interest 3.875%	2,870,000
\$9,685,000 issued 08/26/08; \$925,000 to \$995,000 due annually through 2018; interest 3.50% to 4.0%	8,760,000
\$5,320,000 issued 10/1/09; \$485,000 to \$555,000 due annually through 2019; interest 2.0% to 3.5%	<u>5,320,000</u>
Total Outstanding General Obligation Debt	<u>\$ 35,690,150</u>

TOWN OF GRAND CHUTE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2009

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Annual principal and interest maturities of the outstanding general obligation debt of \$35,690,150 on December 31, 2009 are detailed below:

Year Ended December 31	Governmental Activities		Business-type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 3,497,418	\$ 738,114	\$ 2,254,731	\$ 474,121	\$ 5,752,149	\$ 1,212,235
2011	4,731,319	618,261	2,278,681	397,116	7,010,000	1,015,377
2012	3,032,384	448,494	2,147,616	317,931	5,180,000	766,425
2013	2,808,909	352,522	1,950,091	248,107	4,759,000	600,629
2014	2,479,995	258,360	1,807,005	181,121	4,287,000	439,481
2015-2019	5,359,885	441,864	3,342,116	279,354	8,702,001	721,218
	<u>\$ 21,909,910</u>	<u>\$ 2,857,615</u>	<u>\$ 13,780,240</u>	<u>\$ 1,897,750</u>	<u>\$ 35,690,150</u>	<u>\$ 4,755,365</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, 2009 was \$88,051,499 as follows:

Equalized valuation of the County	\$ 2,472,814,700
Statutory limitation percentage	(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	123,640,735
Total outstanding general obligation debt applicable to debt limitation	\$ 35,690,150
Less: Amounts available for financing general obligation debt	
Debt service fund	100,914
Net outstanding general obligation debt applicable to debt limitation	35,589,236
Legal Margin for New Debt	<u>\$ 88,051,499</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.

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 5.9% of their salary (3.0% for Executives and Elected Officials, 5.0% for Protective Occupations with Social Security, and 3.2% 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.

TOWN OF GRAND CHUTE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2009

NOTE D - OTHER INFORMATION (Continued)

The payroll for Town employees covered by the WRS for the year ended December 31, 2009 was \$5,045,855; the employer's total payroll was \$5,255,923. The total required contribution for the year ended December 31, 2009 was \$685,648, which consisted of \$416,335, or 8.25% of covered payroll from the employer and \$269,313, or 5.34% of covered payroll from employees. The required contribution for employees for the year ended December 31, 2009 was financed by the Town. Total contributions for the years ending December 31, 2008 and 2007 were \$563,272 and \$514,708 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.

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, 2009, the Town was potentially liable for approximately 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. 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.

TOWN OF GRAND CHUTE, WISCONSIN
Notes to Basic Financial Statements
December 31, 2009

NOTE D - OTHER INFORMATION (Continued)

- c. 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.

4. Financial Statement Reclassification

The Sanitary District No. 3 operates a storm water system financed primarily by user charges. In prior years, the Town included the financial operations of Sanitary District No. 3 as a special revenue fund. In 2009, the Town elected to reclassify Sanitary District No. 3 to an enterprise fund. Because the Sanitary District was recorded with governmental funds, Sanitary District No. 3's special assessments were included in the Town's special assessment fund and were also reclassified to an enterprise fund. A summary of the changes in the Town's fund financial statements follows:

	Special Revenue Funds		Enterprise Fund
	Special Assessments	Sanitary District No. 3	Sanitary District No. 3
Statement of Net Assets			
Fund Balance/Net Assets - Originally Reported	\$ 6,785,486	\$ 3,494,604	\$ -
Fund Financial Statement Adjustments			
Governmental Funds			
Fund Balance Reclassifications	(329,210)	(3,494,604)	3,823,814
Proprietary Funds			
Deferred charges	-	-	43,102
Capital assets (See note C 4)	-	-	12,612,931
Accrued interest payable	-	-	(77,617)
Deferred revenues	-	-	372,327
Long-term obligations (see Note C 7)	-	-	(7,637,985)
Fund Balance/Net Assets - Restated	<u>\$ 6,456,276</u>	<u>\$ -</u>	<u>\$ 9,136,572</u>

A summary of the changes in the Town's government-wide financial statements follows:

	Governmental Activities	Business-type Activities	Total
Statement of Net Assets			
Net Assets - Originally Reported	\$ 55,693,071	\$ 43,081,494	\$ 98,774,565
Fund Financial Statement Adjustments			
Fund Balance Reclassifications			
Sanitary District No. 3	(3,494,604)	3,494,604	-
Special assessment	(329,210)	329,210	-
Government-wide Financial Statement Adjustments			
Deferred charges	(43,102)	43,102	-
Capital assets (See note C 4)	(12,612,931)	12,612,931	-
Accrued interest payable	77,617	(77,617)	-
Deferred revenues	(372,327)	372,327	-
Long-term obligations (see Note C 7)	7,637,985	(7,637,985)	-
Net Assets - Restated	<u>\$ 46,556,499</u>	<u>\$ 52,218,066</u>	<u>\$ 98,774,565</u>