

**TOWN OF VERONA**  
**REPORT TO THE TOWN BOARD**  
**For the Year Ended December 31, 2015**

Johnson Block & Co., Inc.  
Certified Public Accountants  
406 Science Drive, Suite 100  
Madison, Wisconsin  
(608) 274-2002  
Fax: (608) 274-4320

## 2015 AUDIT OVERVIEW

### **Content of Audit Report**

- Independent Auditor's Report – our report is unmodified
- Government-Wide Financial Statements
  - Report Governmental and Business-Type Activities
  - Full-accrual basis of accounting
  - Governmental Fund Financial Statements identified below are converted
- Fund Financial Statements
  - Contains financial statements on individual funds
  - Difference in fund types
    - Governmental Funds – Measure resources available for current use. Funds include Major Funds: General Fund.
    - Business-Type Funds – Accounted for similar to businesses. Includes Sanitary District.
    - Major differences in accounting
      - Capital Assets (Long-term Asset vs. Expenditure, Depreciation)
- Notes to the Financial statements
  - Contains Summary of Significant Accounting Policies
  - Footnotes related to Significant Financial Statement Accounts (Cash, Capital Assets, Fund Balance)
- Required Supplementary Information (RSI)
  - Budget to Actual Schedule

### **Other Reports**

- Department of Revenue Municipal Financial Report – Form C
  - Used to determine state shared revenues and state transportation aids
  - Required by DOR and DOT
  - Due by May 15<sup>th</sup> each year

### **Required Audit Communications to the Town Board**

- Audit Matters Requiring Communication to the Governing Body
  - Standard communication that includes the list of audit adjustments proposed
- Material Weaknesses
  - Segregation of Duties
  - Drafting of Financial Statements
    - Both standard communications for small municipalities
- Other Comments
  - Cash Deposits
- Appendix: Audit Adjustments

**TOWN OF VERONA**  
**2015 Financial Statement Highlights**

	2015	2014
<b>General Fund</b>		
<b>Assets</b>		
Cash	\$ 1,036,419	\$ 919,361
Taxes Receivable	1,160,465	1,152,573
Accounts Receivable	3,480	31,662
Due from Other Governments	25,241	19,711
Other Assets	9,558	12,763
	<u>\$ 2,235,163</u>	<u>\$ 2,136,070</u>
<b>Liabilities, Deferred Inflows, and Fund Balance</b>		
Current Liabilities	\$ 41,829	\$ 58,778
Deferred Inflows	1,183,515	1,168,941
	<u>1,225,344</u>	<u>1,227,719</u>
Total Liabilities and Deferred Inflows		
Total Fund Balance	1,009,819	908,351
	<u>\$ 2,235,163</u>	<u>\$ 2,136,070</u>
<b>Detail of General Fund Balance</b>		
Nonspendable	\$ 10,961	\$ 11,719
Restricted	-	7,050
Committed	194,896	432,688
Assigned	259,772	15,048
Unassigned	544,190	441,846
	<u>\$ 1,009,819</u>	<u>\$ 908,351</u>
Unassigned Fund Balance as a Percent of Next Year's Budget	34%	21%
Total Fund Balance as a Percent of Next Year's Budget	64%	43%

**TOWN OF VERONA**  
**2015 Financial Statement Highlights (Continued)**

<b>Summarized Income Statement</b>	<u>2015 Budget</u>	<u>2015 Actual</u>
Revenues	\$ 1,456,436	\$ 1,471,185
Expenditures	1,406,200	1,369,717
Other financing sources (uses)	<u>(50,236)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 101,468</u>

<b>General Obligation Debt</b>	<u>2015</u>	<u>2014</u>
Outstanding General Obligation (G.O.) Debt December 31	<u>\$ -</u>	<u>\$ -</u>
<u>Total G.O. Debt Capacity December 31</u>	<u>\$ 13,953,865</u>	<u>\$ 14,224,945</u>
% of Debt Capacity	<u>0.00%</u>	<u>0.00%</u>

**TOWN OF VERONA**  
**2015 Financial Statement Highlights (Continued)**

	2015	2014
<b>Utility Operations</b>		
Sanitary District #1		
Operating Revenues	\$ 32,233	\$ 23,388
Operating Expenses	45,269	46,334
Water/Sewer Operating Income (Loss)	\$ (13,036)	\$ (22,946)
Operating Expenses Includes Depreciation	\$ 2,755	\$ 2,369

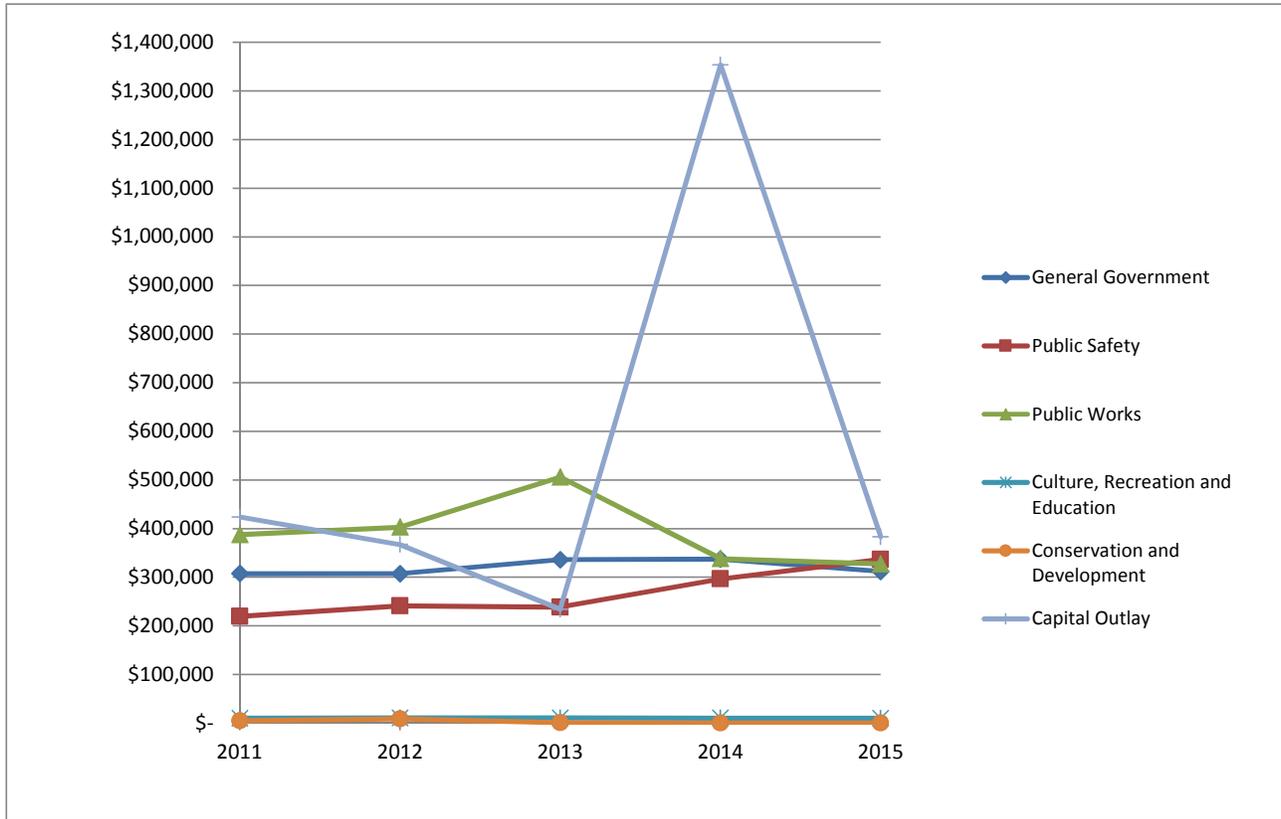
	2015	2014
<b>Utility Cash Flow vs. Debt Service</b>		
Water/Sewer		
Net cash flows from operating activities	\$ (15,802)	\$ (20,305)
Net cash flows from capital and related financing activities	(28,944)	-
Net cash flows from investing activities	204	231
Net Change in Cash and Cash Equivalents	\$ (44,542)	\$ (20,074)

Over last several years, operating revenues have not been sufficient to cover operating expenses and the district has reported net decreases in cash over the last several years.

Recommend the Board review rates and annual operating expenses to determine if rate increases are needed to meet annual costs.

**TOWN OF VERONA**  
**General Fund Expenditures**

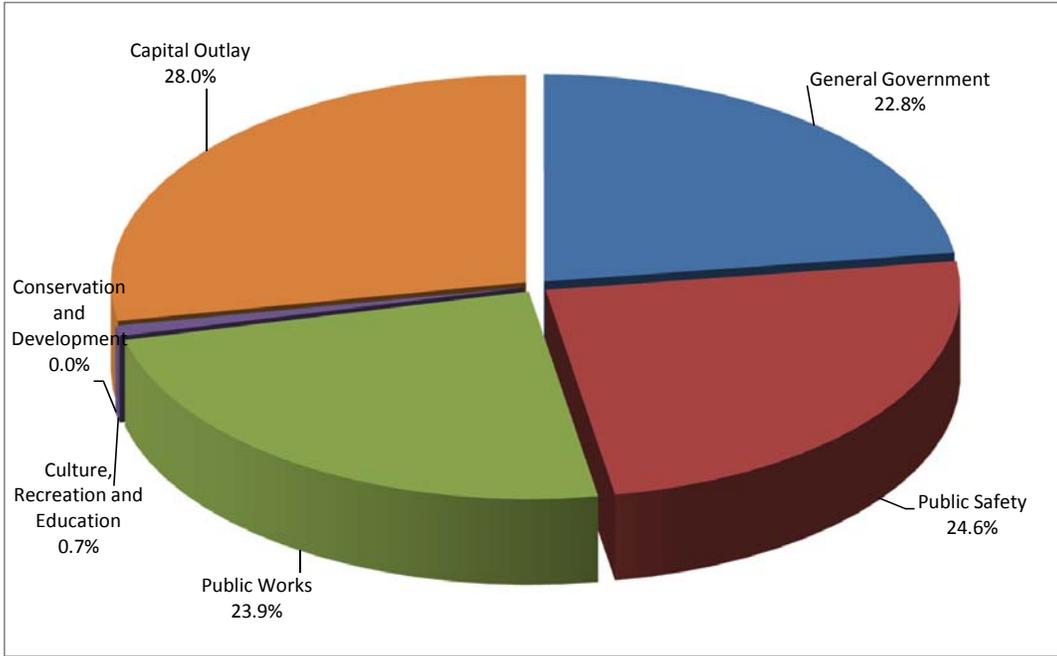
**Actual 2011-2015**



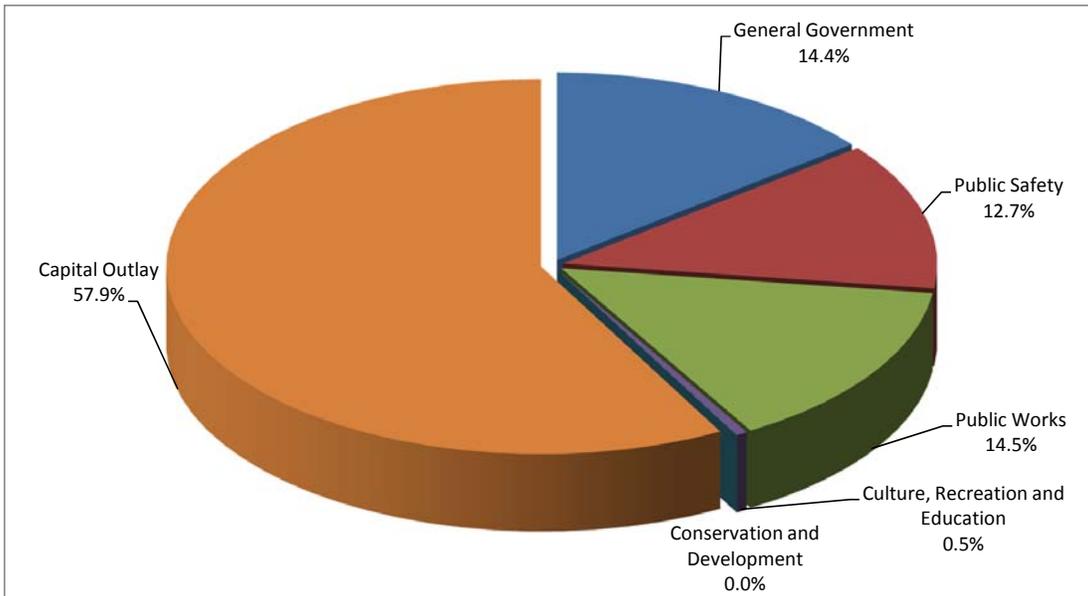
	2011	2012	2013	2014	2015
General Government	\$ 307,782	\$ 307,508	\$ 336,230	\$ 336,972	\$ 311,987
Public Safety	219,223	241,339	238,608	296,437	336,351
Public Works	387,703	403,093	505,832	338,386	327,399
Culture, Recreation and Education	10,201	10,959	10,989	10,705	10,000
Conservation and Development	4,924	9,046	1,151	549	583
Capital Outlay	423,677	367,233	234,167	1,353,565	383,397
<b>Totals</b>	<b>\$ 1,353,510</b>	<b>\$ 1,339,178</b>	<b>\$ 1,326,977</b>	<b>\$ 2,336,614</b>	<b>\$ 1,369,717</b>

**TOWN OF VERONA**

**2015 General Fund Expenditures**  
**Total Expenditures: \$1,369,717**

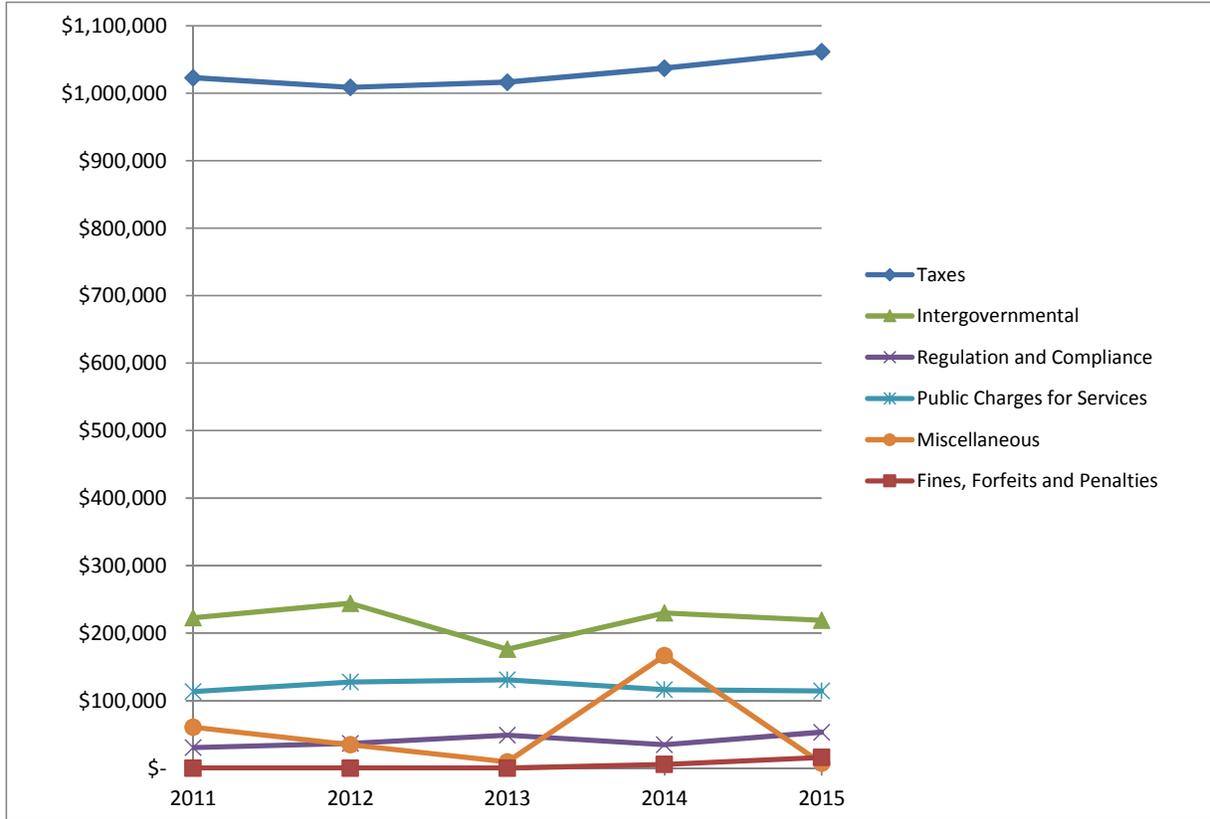


**2014 General Fund Expenditures**  
**Total Expenditures: \$2,336,614**



**TOWN OF VERONA  
General Fund Revenues**

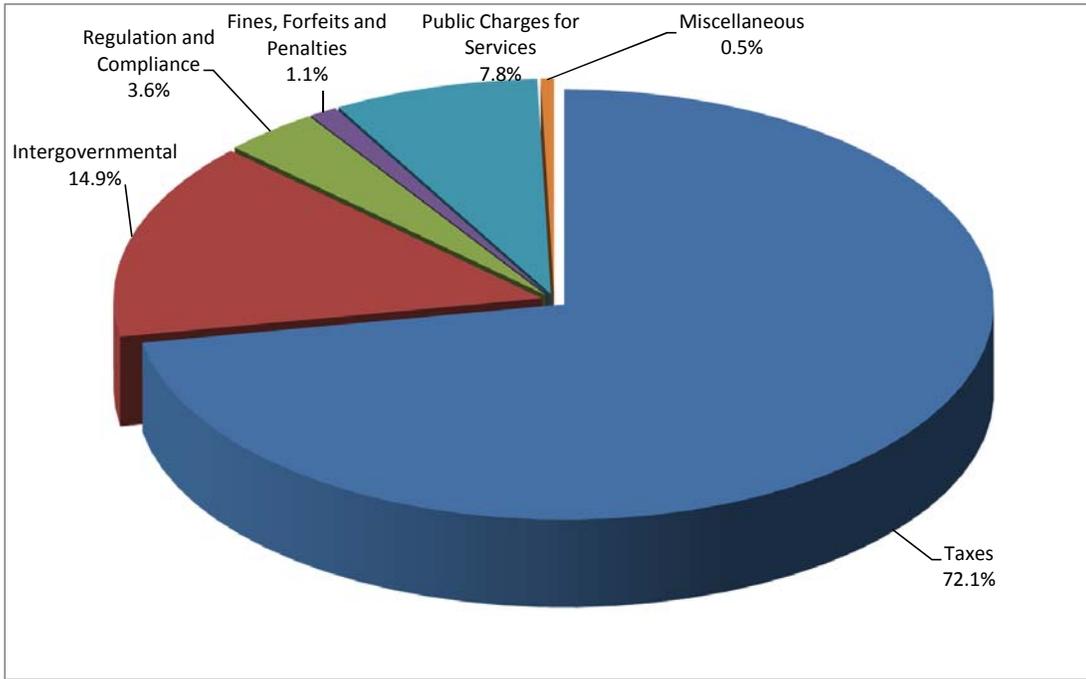
**Actual 2011-2015**



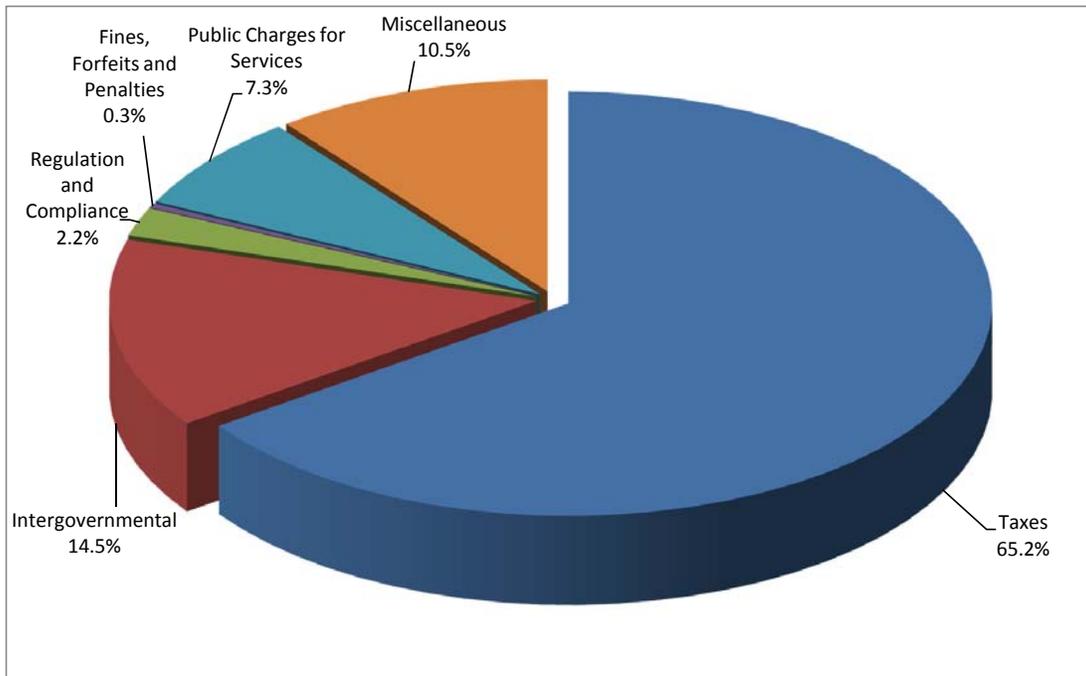
	2011	2012	2013	2014	2015
Taxes	\$ 1,023,076	\$ 1,008,907	\$ 1,016,435	\$ 1,037,169	\$ 1,061,377
Intergovernmental	222,762	244,197	175,986	229,793	219,195
Regulation and Compliance	30,381	36,729	49,048	34,666	53,261
Fines, Forfeits and Penalties	-	-	-	5,541	15,743
Public Charges for Services	113,303	127,511	130,947	116,375	114,203
Miscellaneous	60,670	34,765	9,014	166,696	7,406
<b>Totals</b>	<b>\$ 1,450,192</b>	<b>\$ 1,452,109</b>	<b>\$ 1,381,430</b>	<b>\$ 1,590,240</b>	<b>\$ 1,471,185</b>

**TOWN OF VERONA**

**2015 General Fund Revenues  
Total Revenues: \$1,471,185**



**2014 General Fund Revenues  
Total Revenues: \$1,590,240**



**TOWN OF VERONA**  
**December 31, 2015**  
**Expenses Net of Program Revenues**

	NET COST
Net (Expense) Revenue by Function	
General Government	\$ (333,440)
Public Safety	(263,720)
Public Works	(203,360)
Health and Human Services	(10,000)
Conservation and Development	(583)
Total Government Activities Funded by General Revenues	\$ (811,103)
General Revenues	
Property Taxes and Other Taxes	\$ 1,061,377
Intergovernmental Revenues	28,062
Other	12,148
Total General Revenues	\$ 1,101,587

Represents total costs less fees/charges directly generated from those activates.  
The net cost reflects the cost of each function funded by tax dollars and other general revenues.