

TOWN OF VERONA
REPORT TO THE TOWN BOARD
For the Year Ended December 31, 2018



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2018 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 above are converted
 - Modified Accrual Basis of Accounting
- 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 between Full and Modified Accrual
 - 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
 - Wisconsin Pension and Life Insurance Benefit Schedules

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 15th 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
- Appendix: Audit Adjustments

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TOWN OF VERONA
2018 Financial Statement Highlights

	2018	2017
General Fund		
Assets		
Cash	\$ 462,804	\$ 384,496
Taxes Receivable	1,176,695	1,196,501
Accounts Receivable	1,227	9,506
Due from Other Governments	48,881	20,404
Other Assets	9,353	14,188
	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,698,960</u>	<u>\$ 1,625,095</u>
 Liabilities, Deferred Inflows, and Fund Balance		
Current Liabilities	<u>\$ 100,137</u>	<u>\$ 39,885</u>
Deferred Inflows	<u>1,217,793</u>	<u>1,214,043</u>
	<u> </u>	<u> </u>
Total Liabilities and Deferred Inflows	<u>1,317,930</u>	<u>1,253,928</u>
	<u> </u>	<u> </u>
Total Fund Balance	<u>381,030</u>	<u>371,167</u>
	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 1,698,960</u>	<u>\$ 1,625,095</u>
 Detail of General Fund Balance		
Nonspendable	\$ 17,135	\$ 17,051
Committed	36,859	31,059
Assigned	128,216	13,258
Unassigned	198,820	309,799
	<u>\$ 381,030</u>	<u>\$ 371,167</u>
	<u> </u>	<u> </u>
Unassigned Fund Balance as a Percent of Next Year's Budget	13%	20%
Total Fund Balance as a Percent of Next Year's Budget	25%	24%

TOWN OF VERONA
2018 Financial Statement Highlights (Continued)

	Budgeted Amounts			Variances with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 1,075,403	\$ 1,075,403	\$ 1,075,403	\$ -
Other taxes	11,294	11,294	22,401	11,107
Intergovernmental	275,196	275,196	258,613	(16,583)
Licenses and permits	46,035	46,035	54,502	8,467
Fines, forfeits and penalties	10,400	10,400	14,660	4,260
Charges for services	120,707	120,707	119,626	(1,081)
Interest	1,500	1,500	16,723	15,223
Miscellaneous	7,142	7,142	13,119	5,977
Total Revenues	<u>1,547,677</u>	<u>1,547,677</u>	<u>1,575,047</u>	<u>27,370</u>
Expenditures:				
Current				
General government	414,641	393,641	376,189	17,452
Public safety	366,460	369,460	366,397	3,063
Public works	356,143	364,643	332,377	32,266
Health and Human Services	14,000	14,000	14,000	-
Conservation and development	10,000	16,000	18,784	(2,784)
Capital outlay	386,433	439,933	457,437	(17,504)
Total Expenditures	<u>1,547,677</u>	<u>1,597,677</u>	<u>1,565,184</u>	<u>32,493</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(50,000)</u>	<u>9,863</u>	<u>59,863</u>
Net change in fund balances	-	(50,000)	9,863	59,863
Fund balance-Beginning of year	371,167	371,167	371,167	-
Fund balance-End of year	<u>\$ 371,167</u>	<u>\$ 321,167</u>	<u>\$ 381,030</u>	<u>\$ 59,863</u>

TOWN OF VERONA
2018 Financial Statement Highlights (Continued)

General Obligation Debt		<u>2018</u>	<u>2017</u>
Outstanding General Obligation (G.O.) Debt December 31		\$ -	\$ -
<u>Total G.O. Debt Capacity December 31</u>		<u>\$ 15,065,230</u>	<u>\$ 16,317,200</u>
 % of Debt Capacity		 <u>0.00%</u>	 <u>0.00%</u>

Town's Historical Tax Levy	<u>General</u>	<u>Increase</u>
2018 (2019 Budget)	\$ 1,092,334	1.6%
2017 (2018 Budget)	\$ 1,075,403	2.5%
2016 (2017 Budget)	\$ 1,048,693	0.4%
2015 (2016 Budget)	\$ 1,044,961	0.7%
2014 (2015 Budget)	\$ 1,037,893	1.2%
2013 (2014 Budget)	\$ 1,025,850	1.6%

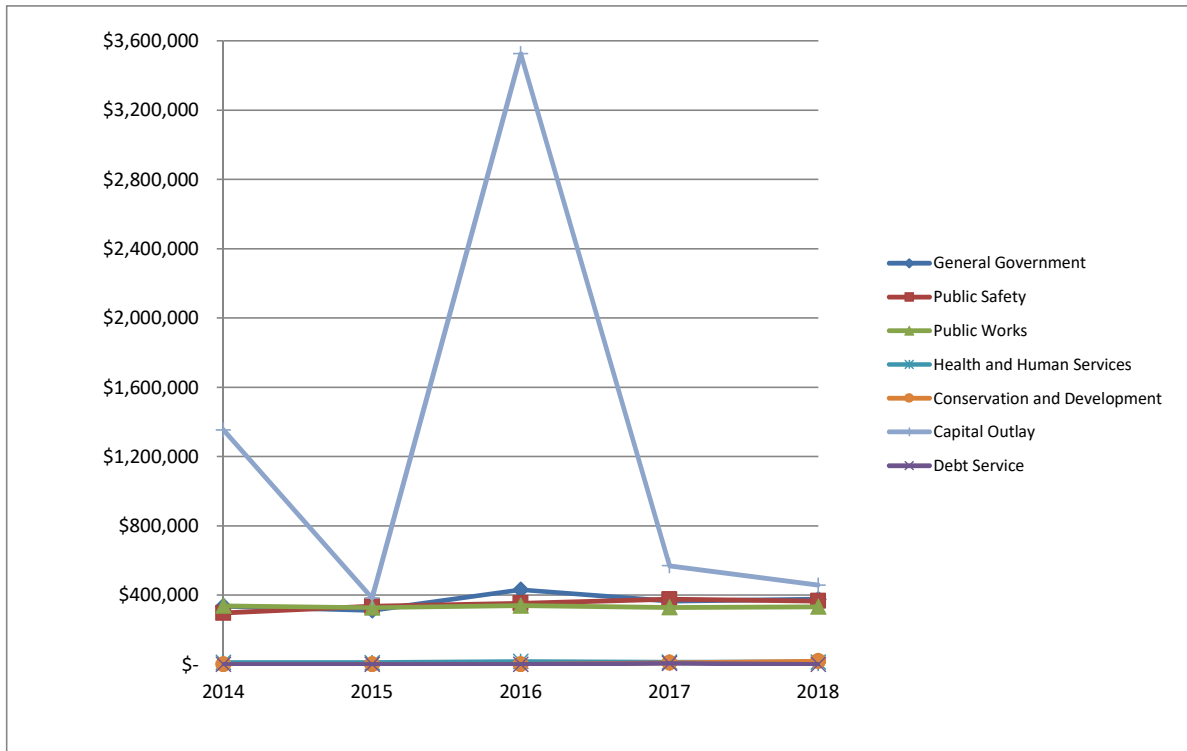
TOWN OF VERONA
2018 Financial Statement Highlights (Continued)

	2018	2017
Utility Operations		
Sanitary District #1		
Operating Revenues	\$ 64,833	\$ 51,158
Operating Expenses	<u>38,256</u>	<u>43,225</u>
Water/Sewer Operating Income (Loss)	<u><u>\$ 26,577</u></u>	<u><u>\$ 7,933</u></u>
Operating Expenses Includes Depreciation	<u>\$ 3,280</u>	<u>\$ 3,280</u>

	2018	2017
Utility Cash Flow vs. Debt Service		
Water/Sewer		
Net cash flows from operating activities	\$ 17,554	\$ 17,993
Net cash flows from capital and related financing activities	-	(39,397)
Net cash flows from investing activities	<u>1,190</u>	<u>614</u>
Net Change in Cash and Cash Equivalents	<u><u>\$ 18,744</u></u>	<u><u>\$ (20,790)</u></u>

TOWN OF VERONA
General Fund Expenditures

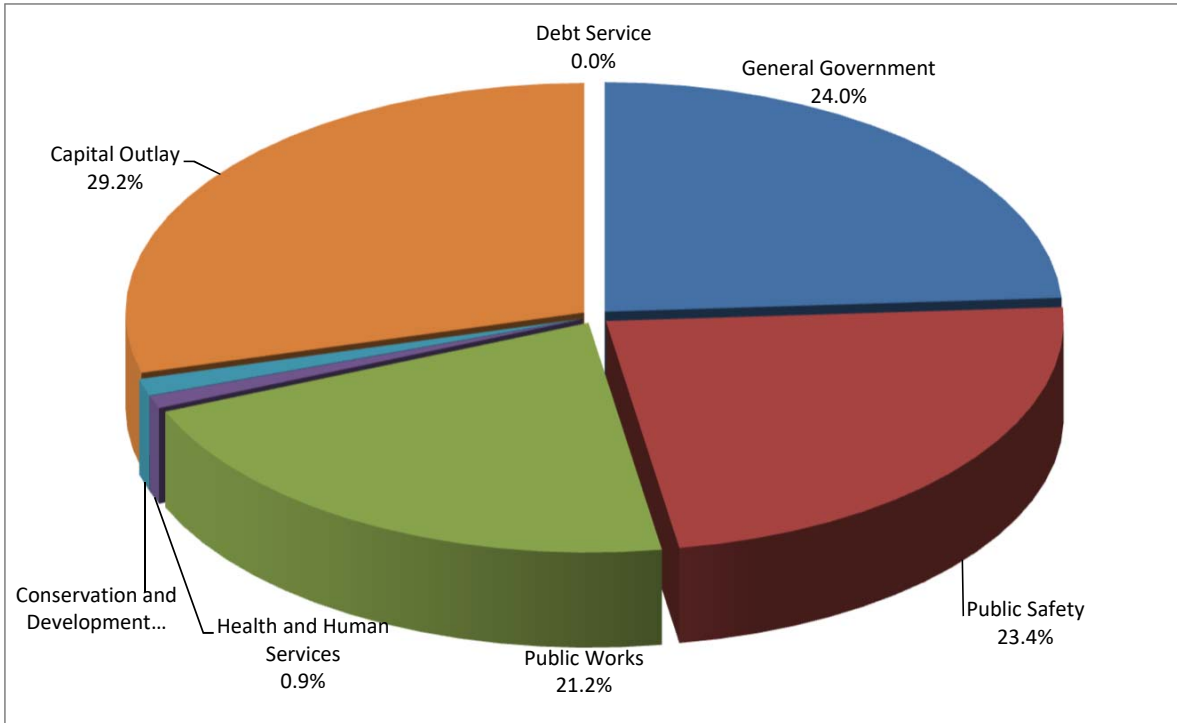
Actual 2014-2018



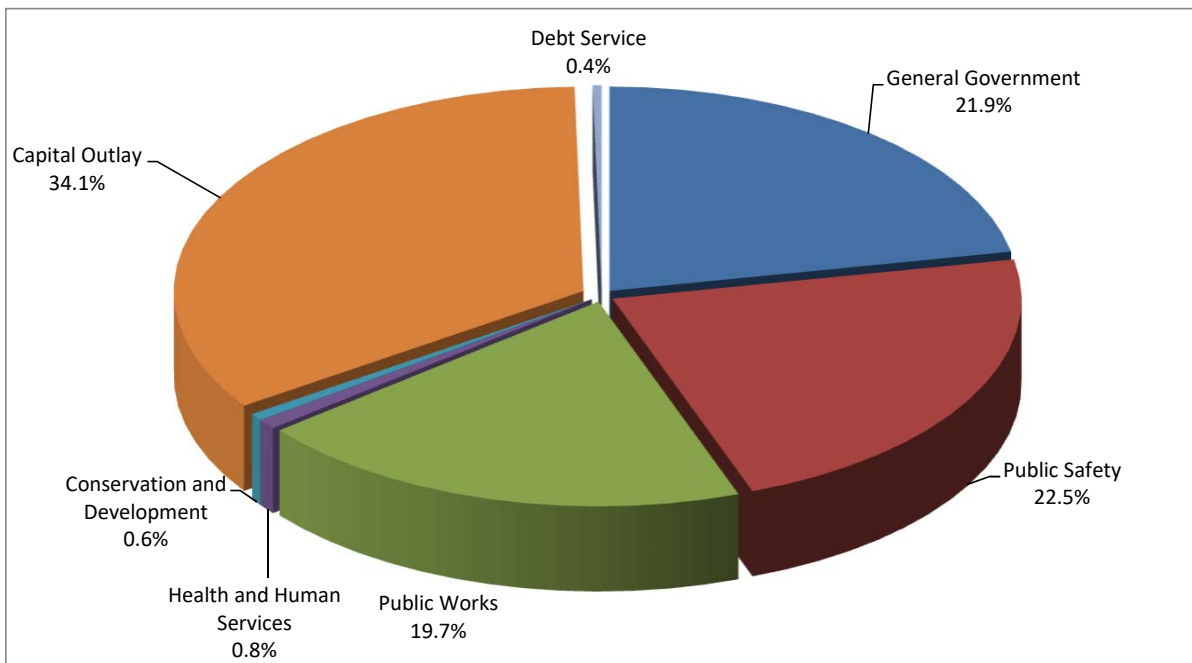
	2014	2015	2016	2017	2018
General Government	\$ 336,972	\$ 311,987	\$ 430,860	\$ 365,824	\$ 376,189
Public Safety	296,437	336,351	353,140	376,042	366,397
Public Works	338,386	327,399	339,026	329,202	332,377
Health and Human Services	10,705	10,000	16,500	12,959	14,000
Conservation and Development	549	583	485	9,385	18,784
Capital Outlay	1,353,565	383,397	3,526,081	569,471	457,437
Debt Service	-	-	-	5,850	-
Totals	\$ 2,336,614	\$ 1,369,717	\$ 4,666,092	\$ 1,668,733	\$ 1,565,184

TOWN OF VERONA

2018 General Fund Expenditures Total Expenditures: \$1,565,184

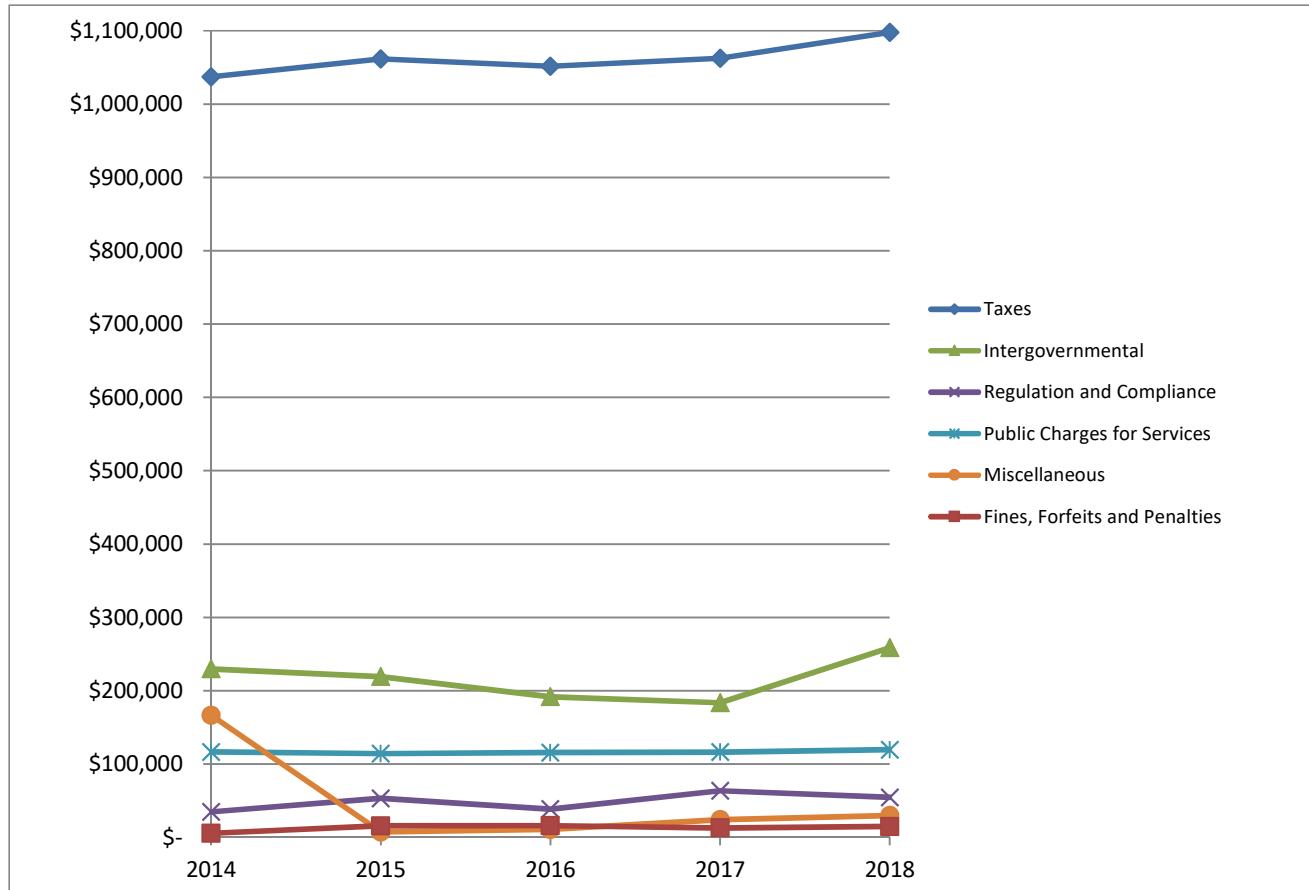


2017 General Fund Expenditures Total Expenditures: \$1,668,733



TOWN OF VERONA
General Fund Revenues

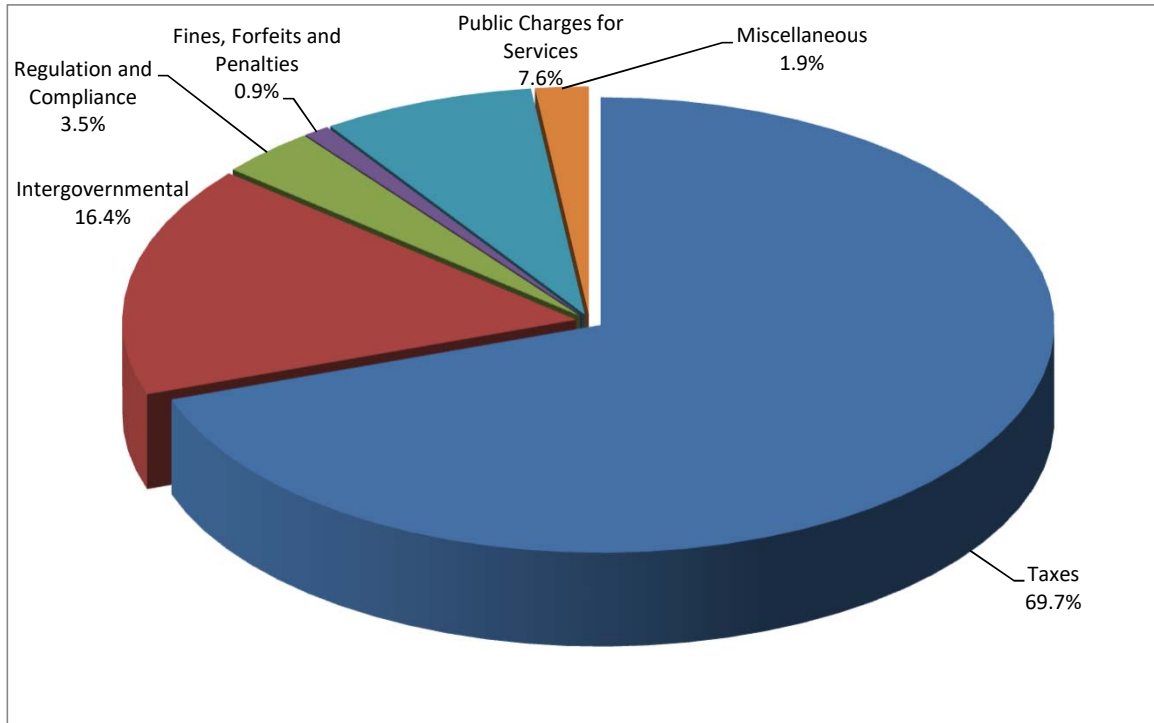
Actual 2014-2018



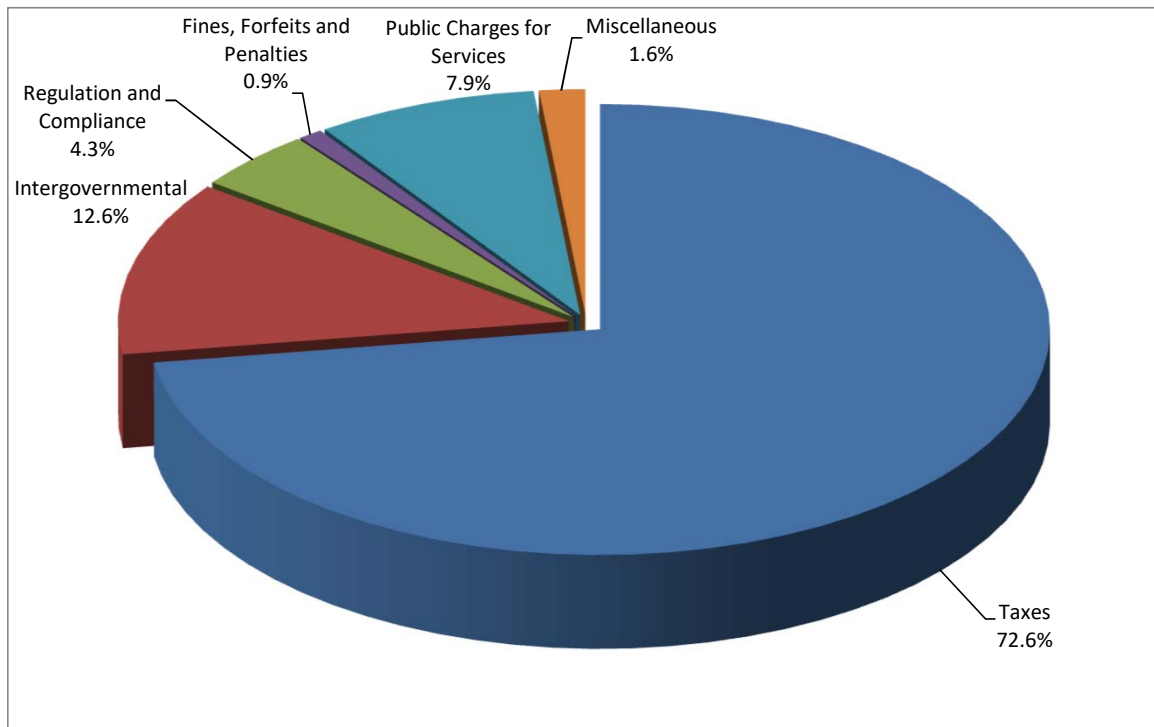
	2014	2015	2016	2017	2018
Taxes	\$ 1,037,169	\$ 1,061,377	\$ 1,051,468	\$ 1,062,411	\$ 1,097,804
Intergovernmental	229,793	219,195	191,760	183,605	258,613
Regulation and Compliance	34,666	53,261	38,574	63,435	54,502
Fines, Forfeits and Penalties	5,541	15,743	15,979	12,720	14,660
Public Charges for Services	116,375	114,203	115,670	116,251	119,626
Miscellaneous	166,696	7,406	10,828	24,094	29,842
Totals	\$ 1,590,240	\$ 1,471,185	\$ 1,424,279	\$ 1,462,516	\$ 1,575,047

TOWN OF VERONA

2018 General Fund Revenues
Total Revenues: \$1,575,047



2017 General Fund Revenues
Total Revenues: \$1,462,516



TOWN OF VERONA
December 31, 2018
Expenses Net of Program Revenues

Net (Expense) Revenue by Function	NET COST
General Government	\$ (443,338)
Public Safety	(287,700)
Public Works	63,414
Health and Human Services	(14,000)
Conservation and Development	(18,784)
Total Government Activities Funded by General Revenues	<u>\$ (700,408)</u>

General Revenues	
Property Taxes and Other Taxes	\$ 1,092,695
Intergovernmental Revenues	61,425
Other	24,935
Total General Revenues	<u>\$ 1,179,055</u>

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

Fund Balance Analysis

Next Year's Budget (Total Budget)	<u>\$ 1,544,785</u>
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Analysis of ending fund balance compared to 2019 TOTAL BUDGET

Unassigned Fund Balance at December 31, 2018	\$ 198,820
Current unassigned fund balance as % of budget	13%
15% of 2019 budget would be	232,000
Current surplus of fund balance to meet 15%	(33,000)
20% of 2019 budget would be	309,000
Current shortfall of fund balance to meet 20%	(110,000)
25% of 2019 budget would be	386,000
Current shortfall of fund balance to meet 25%	(187,000)