

VILLAGE OF NICHOLS, WISCONSIN

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2010

VILLAGE OF NICHOLS, WISCONSIN
December 31, 2010

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INDEPENDENT AUDITORS' REPORT ON BASIC FINANCIAL STATEMENTS

To the Village Board
Village of Nichols, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund, of the Village of Nichols, Wisconsin ("the Village") as of and for the year ended December 31, 2010, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Nichols management. Our responsibility is to express opinions on these basic financial statements based on our audit. The prior year summarized comparative information has been derived from the Village's 2009 financial statements and, in our report dated April 3, 2010, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, and each major fund.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and the major fund, of the Village as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2011, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Nichols, Wisconsin's financial statements as a whole. The financial information listed in the table of contents as supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements. The supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Certified Public Accountants
Green Bay, Wisconsin
April 4, 2011

BASIC FINANCIAL STATEMENTS

VILLAGE OF NICHOLS, WISCONSIN
Statement of Net Assets
December 31, 2010
With Summarized Financial Information for December 31, 2009

	Governmental Activities	Business-type Activities	Total	
			2010	2009
ASSETS				
Cash and investments	\$ 327,327	\$ 3,337	\$ 330,664	\$ 312,488
Receivables				
Taxes	135,935	-	135,935	125,106
Accounts	9,153	5,732	14,885	14,204
Internal balances	84,494	(84,494)	-	-
Capital assets, nondepreciable				
Land	28,148	600	28,748	28,748
Capital assets, depreciable				
Buildings and improvements	383,290	53,110	436,400	436,400
Machinery and equipment	75,184	38,330	113,514	115,309
Infrastructure	773,410	439,415	1,212,825	1,203,145
Less: Accumulated depreciation	(751,886)	(292,868)	(1,044,754)	(1,002,408)
TOTAL ASSETS	1,065,055	163,162	1,228,217	1,232,992
LIABILITIES				
Accounts payable	4,640	1,363	6,003	8,518
Accrued and other current liabilities	2,138	-	2,138	2,051
Due to other governments	152,215	-	152,215	155,760
Unearned revenues	46,106	-	46,106	47,155
Long-term obligations				
Due within one year	10,703	-	10,703	10,485
Due in more than one year	30,557	-	30,557	43,381
TOTAL LIABILITIES	246,359	1,363	247,722	267,350
NET ASSETS				
Invested in capital assets, net of related debt	466,886	238,587	705,473	639,779
Unrestricted (Deficit)	351,810	(76,788)	275,022	325,863
TOTAL NET ASSETS	\$ 818,696	\$ 161,799	\$ 980,495	\$ 965,642

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

VILLAGE OF NICHOLS, WISCONSIN
Statement of Activities
For the Year Ended December 31, 2010
With Summarized Financial Information for 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	\$ 44,294	\$ 2,732	\$ 90	\$ -
Public safety	24,980	-	283	-
Public works	64,667	12,030	8,449	-
Sanitation	71,378	24,769	-	-
Culture and recreation	9,112	-	525	-
Total Governmental Activities	<u>214,431</u>	<u>39,531</u>	<u>9,347</u>	<u>-</u>
Business-type Activities				
Water utility	35,420	37,491	-	-
Total	<u>\$ 249,851</u>	<u>\$ 77,022</u>	<u>\$ 9,347</u>	<u>\$ -</u>

General revenues
Taxes
 Property taxes, levied for general purposes
 Other taxes
Federal and state grants and other contributions
 not restricted to specific functions
Interest and investment earnings
Rental income
Gain on sale of asset
Transfers
 Total general revenues and transfers

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	
		2010	2009
\$ (41,472)	\$ -	\$ (41,472)	\$ (51,528)
(24,697)	-	(24,697)	(23,846)
(44,188)	-	(44,188)	(45,547)
(46,609)	-	(46,609)	(44,475)
(8,587)	-	(8,587)	(7,496)
<u>(165,553)</u>	<u>-</u>	<u>(165,553)</u>	<u>(172,892)</u>
-	2,071	2,071	(36,305)
<u>(165,553)</u>	<u>2,071</u>	<u>(163,482)</u>	<u>(209,197)</u>
45,786	-	45,786	45,933
3,758	-	3,758	4,413
105,401	-	105,401	106,173
3,389	12	3,401	5,748
16,500	-	16,500	16,500
650	-	650	21
7,548	(7,548)	-	-
<u>183,032</u>	<u>(7,536)</u>	<u>175,496</u>	<u>178,788</u>
17,479	(5,465)	12,014	(30,409)
<u>801,217</u>	<u>167,264</u>	<u>968,481</u>	<u>996,051</u>
<u>\$ 818,696</u>	<u>\$ 161,799</u>	<u>\$ 980,495</u>	<u>\$ 965,642</u>

VILLAGE OF NICHOLS, WISCONSIN

Balance Sheet
Governmental Fund
December 31, 2010

With Summarized Financial Information for December 31, 2009

	General Fund	
	2010	2009
ASSETS		
Cash and investments	\$ 327,327	\$ 310,208
Receivables		
Taxes	135,935	125,106
Accounts	9,153	8,564
Due from other fund	20,893	7,920
Advance to other fund	78,601	87,549
TOTAL ASSETS	\$ 571,909	\$ 539,347
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 4,640	\$ 7,086
Accrued and other current liabilities	2,138	2,051
Due to other fund	15,000	14,891
Due to other taxing districts	152,215	155,760
Deferred revenues	46,106	47,155
Total Liabilities	220,099	226,943
Fund Balance		
Reserved for advance to enterprise fund	78,601	87,549
Unreserved		
Designated for subsequent year's expenditures	36,749	36,671
Undesignated	236,460	188,184
Total Fund Balance	351,810	312,404
TOTAL LIABILITIES AND FUND BALANCE	\$ 571,909	\$ 539,347
<u>Reconciliation to the Statement of Net Assets</u>		
Total Fund Balances as shown above	\$ 351,810	\$ 312,404
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.	508,146	542,679
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Notes payable	(41,260)	(53,866)
Net Assets of Governmental Activities as Reported on the Statement of Net Assets (see page 3)	\$ 818,696	\$ 801,217

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

VILLAGE OF NICHOLS, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
Year Ended December 31, 2010
With Summarized Financial Information for Year Ended December 31, 2009

	General Fund	
	2010	2009
Revenues		
Taxes	\$ 49,544	\$ 50,346
Intergovernmental	114,223	115,629
Licenses and permits	945	1,043
Fines and forfeits	260	266
Public charges for services	37,876	36,478
Miscellaneous	20,848	24,127
Total Revenues	<u>223,696</u>	<u>227,889</u>
Expenditures		
Current		
General government	35,818	48,774
Public safety	20,561	19,751
Public works	42,024	35,912
Sanitation	71,378	68,871
Culture and recreation	6,777	6,148
Debt service		
Principal	12,606	12,192
Interest and fiscal charges	2,874	3,405
Capital outlay	450	45,561
Total Expenditures	<u>192,488</u>	<u>240,614</u>
Excess of Revenues Over (Under) Expenditures	<u>31,208</u>	<u>(12,725)</u>
Other Financing Sources		
Long-term debt issued	-	25,795
Sale of capital assets	650	21
Transfers in	7,548	7,136
Total Other Financing Sources	<u>8,198</u>	<u>32,952</u>
Net Change in Fund Balance	39,406	20,227
Fund Balance - January 1	<u>312,404</u>	<u>292,177</u>
Fund Balance - December 31	<u>\$ 351,810</u>	<u>\$ 312,404</u>

(Continued)

VILLAGE OF NICHOLS, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Fund
Year Ended December 31, 2010
With Summarized Financial Information for Year Ended December 31, 2009

General Fund	
2010	2009

Reconciliation to the Statement of Activities

Net Change in Fund Balances as shown above	\$	39,406		\$	20,227
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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	-			44,585
Depreciation expense reported in the statement of activities	(34,533)			(38,043)
Amount by which capital outlays are greater (less) than depreciation	(34,533)			6,542

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.

Cost of assets disposed of	-			(172)
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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 fund statement is:

	-			(25,795)
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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 is:

	12,606			12,192
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Change in Net Assets of Governmental Activities as Reported in the Statement of Activities (see page 4 and 5)

	\$	17,479		\$	12,994
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The notes to the basic financial statements are an integral part of this statement.

