

**VILLAGE OF SISTER BAY, WISCONSIN**  
**ANNUAL FINANCIAL REPORT**  
**DECEMBER 31, 2009**

VILLAGE OF SISTER BAY, WISCONSIN  
December 31, 2009

Table of Contents

	<u>Page No.</u>
INDEPENDENT AUDITORS' REPORT ON BASIC FINANCIAL STATEMENTS	1 - 2
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Assets	3
Statement of Activities	4 - 5
Fund Financial Statements	
Balance Sheet - Governmental Funds	6 - 8
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	9 - 11
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	12
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Marina Fund	13
Statement of Net Assets - Proprietary Fund Type - Enterprise Funds	14
Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Fund Type - Enterprise Funds	15
Statement of Cash Flows - Proprietary Fund Type - Enterprise Funds	16
Notes to Basic Financial Statements	17 - 31
SUPPLEMENTAL INFORMATION	
Combining Balance Sheet - Nonmajor Governmental Funds	32
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	33
General Fund	
Detailed Comparison of Budgeted and Actual Revenues	34
Detailed Comparison of Budgeted and Actual Expenditures	35
Debt Service Fund	
Detailed Comparison of Budgeted and Actual Revenues and Expenditures	36
Schedule of Water Department Operating Revenues and Expenses	37
Schedule of Wastewater Department Operating Revenues and Expenses	38

## INDEPENDENT AUDITORS' REPORT ON BASIC FINANCIAL STATEMENTS

To the Village Board  
Village of Sister Bay, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Sister Bay, Wisconsin ("the Village") as of and for the year ended December 31, 2009, 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 Sister Bay's 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 2008 financial statements and, in our report dated April 3, 2009, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information.

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 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, each major fund, and the aggregate remaining fund information of the Village as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund and marina special revenue 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 5, 2010, 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.

The Village has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Schenk SC*

Certified Public Accountants  
Green Bay, Wisconsin  
April 5, 2010

## **BASIC FINANCIAL STATEMENTS**

VILLAGE OF SISTER BAY, WISCONSIN

Statement of Net Assets

December 31, 2009

(With Summarized Financial Information as of December 31, 2008)

	Governmental Activities	Business-type Activities	Totals	
			2009	2008
<b>ASSETS</b>				
Cash and investments	\$ 2,665,247	\$ 953,589	\$ 3,618,836	\$ 2,935,159
Receivables				
Taxes	3,843,496	-	3,843,496	4,021,316
Accounts	33,011	233,090	266,101	211,963
Special assessments	1,033	261,557	262,590	282,088
Internal balances	(198,972)	198,972	-	-
Due from other governments	-	20,922	20,922	7,930
Inventories and prepaid items	21,687	21,744	43,431	37,484
Unamortized debt discount	24,919	-	24,919	33,219
Investment in joint venture	459,433	-	459,433	459,433
Restricted assets				
Cash and investments	49,165	1,188,688	1,237,853	2,062,000
Capital assets, nondepreciable				
Land	6,859,457	168,265	7,027,722	7,027,720
Construction in progress	223,996	-	223,996	328,373
Capital assets, depreciable				
Land improvements	3,530,548	-	3,530,548	3,027,456
Buildings	3,486,234	5,275,537	8,761,771	8,591,369
Machinery and equipment	284,021	1,673,134	1,957,155	1,891,612
Infrastructure	944,051	7,645,551	8,589,602	8,585,198
Less: Accumulated depreciation	(2,078,564)	(6,856,371)	(8,934,935)	(8,282,225)
<b>TOTAL ASSETS</b>	<b>20,148,762</b>	<b>10,784,678</b>	<b>30,933,440</b>	<b>31,220,095</b>
<b>LIABILITIES</b>				
Accounts payable	196,611	10,885	207,496	116,825
Accrued and other current liabilities	14,579	9,258	23,837	48,974
Accrued interest payable	69,817	5,503	75,320	93,643
Due to other governments	3,188,675	-	3,188,675	3,049,608
Unearned revenues	1,814,533	-	1,814,533	1,759,942
Long-term obligations				
Due within one year	411,500	88,500	500,000	1,125,000
Due in more than one year	10,162,101	1,452,392	11,614,493	11,666,415
<b>TOTAL LIABILITIES</b>	<b>15,857,816</b>	<b>1,566,538</b>	<b>17,424,354</b>	<b>17,860,407</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	2,771,527	6,378,416	9,149,943	9,453,685
Restricted for plant replacement	-	1,075,696	1,075,696	910,852
Restricted for impact fees	-	112,992	112,992	111,963
Unrestricted	1,519,419	1,651,036	3,170,455	2,883,188
<b>TOTAL NET ASSETS</b>	<b>\$ 4,290,946</b>	<b>\$ 9,218,140</b>	<b>\$ 13,509,086</b>	<b>\$ 13,359,688</b>

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

**VILLAGE OF SISTER BAY, WISCONSIN**  
Statement of Activities  
For the Year Ended December 31, 2009  
(With Summarized Financial Information for Year Ended December 31, 2008)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General government	\$ 543,562	\$ 92,255	\$ 10,784	\$ -
Administration	312,358	-	-	-
Parks and streets	786,031	346,211	73,646	-
Interest on debt	464,263	-	-	-
<b>Total Governmental Activities</b>	<b>2,106,214</b>	<b>438,466</b>	<b>84,430</b>	<b>-</b>
<b>Business-type Activities:</b>				
Water utility	501,076	365,773	-	-
Wastewater utility	719,345	565,797	-	14,122
<b>Total Business-type Activities</b>	<b>1,220,421</b>	<b>931,570</b>	<b>-</b>	<b>14,122</b>
<b>Total</b>	<b>\$ 3,326,635</b>	<b>\$ 1,370,036</b>	<b>\$ 84,430</b>	<b>\$ 14,122</b>

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

Change in net assets

Prior period adjustment

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	Totals	
		2009	2008
\$ (440,523)	\$ -	\$ (440,523)	\$ (447,215)
(312,358)	-	(312,358)	(312,722)
(366,174)	-	(366,174)	(656,548)
(464,263)	-	(464,263)	(488,935)
<u>(1,583,318)</u>	<u>-</u>	<u>(1,583,318)</u>	<u>(1,905,420)</u>
-	(135,303)	(135,303)	24,413
-	(139,426)	(139,426)	(360,713)
-	<u>(274,729)</u>	<u>(274,729)</u>	<u>(336,300)</u>
<u>(1,583,318)</u>	<u>(274,729)</u>	<u>(1,858,047)</u>	<u>(2,241,720)</u>
937,214	-	937,214	905,166
822,561	-	822,561	696,561
115,529	-	115,529	125,039
16,137	-	16,137	15,719
33,372	39,485	72,857	150,860
40,951	1,195	42,146	94,577
1,001	-	1,001	12,400
<u>(130,781)</u>	<u>130,781</u>	<u>-</u>	<u>-</u>
<u>1,835,984</u>	<u>171,461</u>	<u>2,007,445</u>	<u>2,000,322</u>
252,666	(103,268)	149,398	(241,398)
-	-	-	459,433
<u>4,038,280</u>	<u>9,321,408</u>	<u>13,359,688</u>	<u>13,141,653</u>
<u>\$ 4,290,946</u>	<u>\$ 9,218,140</u>	<u>\$ 13,509,086</u>	<u>\$ 13,359,688</u>

**VILLAGE OF SISTER BAY, WISCONSIN**  
 Balance Sheet  
 Governmental Funds  
 December 31, 2009  
 (With Summarized Financial Information for December 31, 2008)

	General Fund	Marina	Debt Service	Capital Projects
<b>ASSETS</b>				
Cash and investments	\$ 1,511,637	\$ 445,820	\$ 13,235	\$ 683,019
Receivables				
Taxes	3,179,048	-	664,448	-
Accounts	29,020	-	3,991	-
Special assessments	1,033	-	-	-
Due from other funds	47,269	-	-	1,339
Investment in joint venture	459,433	-	-	-
Due from other governments	-	-	-	-
Inventories and prepaid items	21,218	469	-	-
Restricted cash and investments	-	-	-	49,165
<b>TOTAL ASSETS</b>	<b>\$ 5,248,658</b>	<b>\$ 446,289</b>	<b>\$ 681,674</b>	<b>\$ 733,523</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 73,153	\$ 4,033	\$ -	\$ 99,143
Accrued and other current liabilities	16,479	16,800	-	-
Due to other funds	18,972	1,339	-	-
Due to other governments	3,188,675	-	-	-
Deferred revenues	1,150,085	-	664,448	-
<b>Total Liabilities</b>	<b>4,447,364</b>	<b>22,172</b>	<b>664,448</b>	<b>99,143</b>
<b>Fund Balances</b>				
<b>Reserved for</b>				
Investment in joint venture	459,433	-	-	-
Inventories and prepaid items	21,218	469	-	-
<b>Unreserved</b>				
Designated for subsequent year expenditures	-	423,648	-	634,380
Subsequent year's budget	47,243	-	-	-
<b>Undesignated, reported in</b>				
General fund	273,400	-	-	-
Debt service fund	-	-	17,226	-
Capital projects funds	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>801,294</b>	<b>424,117</b>	<b>17,226</b>	<b>634,380</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 5,248,658</b>	<b>\$ 446,289</b>	<b>\$ 681,674</b>	<b>\$ 733,523</b>

(Continued)

TID Fund	Other Governmental Funds	Total Governmental Funds	
		2009	2008
\$ -	\$ 11,536	\$ 2,665,247	\$ 2,185,385
-	-	3,843,496	4,021,316
-	-	33,011	28,710
-	-	1,033	6,065
-	-	48,608	23,638
-	-	459,433	459,433
-	-	-	7,879
-	-	21,687	17,889
-	-	49,165	622,340
<u>\$ -</u>	<u>\$ 11,536</u>	<u>7,121,680</u>	<u>7,372,655</u>

\$ -	\$ 1,582	\$ 177,911	\$ 103,181
-	-	33,279	42,870
47,269	-	67,580	42,992
-	-	3,188,675	3,049,608
-	-	1,814,533	1,759,942
<u>47,269</u>	<u>1,582</u>	<u>5,281,978</u>	<u>4,998,593</u>

-	-	459,433	459,433
-	-	21,687	17,889
-	9,954	1,067,982	1,509,085
-	-	47,243	
-	-	273,400	394,431
-	-	17,226	5,244
(47,269)	-	(47,269)	(12,020)
<u>(47,269)</u>	<u>9,954</u>	<u>1,839,702</u>	<u>2,374,062</u>
<u>\$ -</u>	<u>\$ 11,536</u>	<u>\$ 7,121,680</u>	<u>\$ 7,372,655</u>

VILLAGE OF SISTER BAY, WISCONSIN

Balance Sheet (Continued)

Governmental Funds

December 31, 2009

(With Summarized Financial Information for December 31, 2008)

	Total	
	Governmental Funds	
	2009	2008
<u>Reconciliation to the Statement of Net Assets</u>		
Total Fund Balances as shown above	\$ 1,839,702	\$ 2,374,062
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.	13,249,743	12,861,951
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(10,552,300)	(10,945,500)
Unamortized debt discount	24,919	33,219
Long-term advance from enterprise fund	(180,000)	(180,000)
Compensated absences	(21,301)	(21,404)
Accrued interest on long-term obligations	(69,817)	(84,048)
Net Assets of Governmental Activities as Reported on the Statement of Net Assets (see page 3)	<u>\$ 4,290,946</u>	<u>\$ 4,038,280</u>

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

**VILLAGE OF SISTER BAY, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended December 31, 2009  
(With Summarized Financial Information for Year Ended December 31, 2008)

	General Fund	Marina	Debt Service	Capital Projects
Revenues				
Taxes	\$ 937,533	\$ -	\$ 938,090	\$ -
Intergovernmental	100,248	-	-	-
Licenses and permits	15,416	-	-	-
Public charges for services	46,175	342,278	-	-
Miscellaneous	71,194	15,245	4	10,000
Total Revenues	<u>1,170,566</u>	<u>357,523</u>	<u>938,094</u>	<u>10,000</u>
Expenditures				
Current				
General government	447,176	-	-	-
Administration	312,517	-	-	-
Parks and streets	493,406	120,622	-	-
Debt service				
Principal	-	-	393,200	-
Interest and fiscal charges	-	-	470,194	-
Capital outlay	-	-	-	639,892
Total Expenditures	<u>1,253,099</u>	<u>120,622</u>	<u>863,394</u>	<u>639,892</u>
Excess of Revenues Over (Under) Expenditures	<u>(82,533)</u>	<u>236,901</u>	<u>74,700</u>	<u>(629,892)</u>
Other Financing Sources (Uses)				
Transfers in	164,074	-	68,063	166,579
Transfers out	(152,000)	(216,467)	(130,781)	-
Total Other Financing Sources (Uses)	<u>12,074</u>	<u>(216,467)</u>	<u>(62,718)</u>	<u>166,579</u>
Net Change in Fund Balances	(70,459)	20,434	11,982	(463,313)
Prior Period Adjustment	-	-	-	-
Fund Balances (Deficit) - January 1	<u>871,753</u>	<u>403,683</u>	<u>5,244</u>	<u>1,097,693</u>
Fund Balances (Deficit) - December 31	<u>\$ 801,294</u>	<u>\$ 424,117</u>	<u>\$ 17,226</u>	<u>\$ 634,380</u>

(Continued)

TID Fund	Other Governmental Funds	Total Governmental Funds	
		2009	2008
\$ -	\$ -	\$ 1,875,623	\$ 1,726,870
-	-	100,248	101,017
-	-	15,416	18,677
-	13,109	401,562	364,951
-	369	96,812	212,723
-	13,478	2,489,661	2,424,238
-	-	447,176	440,966
-	-	312,517	312,722
-	16,233	630,261	630,838
-	-	393,200	333,200
-	-	470,194	478,393
-	-	639,892	911,469
-	16,233	2,893,240	3,107,588
-	(2,755)	(403,579)	(683,350)
-	5,000	403,716	266,474
(35,249)	-	(534,497)	(398,485)
(35,249)	5,000	(130,781)	(132,011)
(35,249)	2,245	(534,360)	(815,361)
-	-	-	459,433
(12,020)	7,709	2,374,062	2,729,990
\$ (47,269)	\$ 9,954	\$ 1,839,702	\$ 2,374,062

**VILLAGE OF SISTER BAY, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)  
Governmental Funds  
Year Ended December 31, 2009  
(With Summarized Financial Information for Year Ended December 31, 2008)

Reconciliation to the Statement of Activities

	2009	2008
Net Change in Fund Balances as shown on previous page	\$ (534,360)	\$ (815,361)
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	\$ 623,480	
Depreciation expense reported in the statement of activities	<u>(235,688)</u>	
Amount by which capital outlays are greater than depreciation current period	387,792	392,420
Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This year the accrual of these benefits decreased by:	103	331
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 repayment in the current year is:	393,200	333,200
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.	14,231	(2,242)
Bond issue costs are reported in the governmental funds as an expenditure. In the statement of activities, these costs are capitalized and amortized over the life of the bonds.	<u>(8,300)</u>	<u>(8,300)</u>
Change in Net Assets of Governmental Activities as Reported in the Statement of Activities (see pages 4 - 5)	<u>\$ 252,666</u>	<u>\$ (99,952)</u>

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

**VILLAGE OF SISTER BAY, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
General Fund  
Year Ended December 31, 2009

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 937,215	\$ 937,215	\$ 937,533	\$ 318
Intergovernmental	100,906	100,906	100,248	(658)
Licenses and permits	23,060	23,060	15,416	(7,644)
Public charges for services	36,850	36,850	46,175	9,325
Miscellaneous	110,121	110,121	71,194	(38,927)
Total Revenues	<u>1,208,152</u>	<u>1,208,152</u>	<u>1,170,566</u>	<u>(37,586)</u>
Expenditures				
Current				
General government	466,996	466,996	447,176	19,820
Administration	329,969	329,969	312,517	17,452
Parks and streets	493,835	493,835	493,406	429
Total Expenditures	<u>1,290,800</u>	<u>1,290,800</u>	<u>1,253,099</u>	<u>37,701</u>
Excess of Revenues Over (Under) Expenditures	<u>(82,648)</u>	<u>(82,648)</u>	<u>(82,533)</u>	<u>115</u>
Other Financing Sources (Uses)				
Transfers in	217,613	217,613	164,074	(53,539)
Transfers out	(152,000)	(152,000)	(152,000)	-
Total Other Financing Sources (Uses)	<u>65,613</u>	<u>65,613</u>	<u>12,074</u>	<u>(53,539)</u>
Net Change in Fund Balance	<u>(17,035)</u>	<u>(17,035)</u>	<u>(70,459)</u>	<u>(53,424)</u>
Fund Balance - January 1	<u>871,753</u>	<u>871,753</u>	<u>871,753</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 854,718</u>	<u>\$ 854,718</u>	<u>\$ 801,294</u>	<u>\$ (53,424)</u>

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

**VILLAGE OF SISTER BAY, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Marina Fund  
Year Ended December 31, 2009

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Public charges for services	\$ 313,470	\$ 313,470	\$ 342,278	\$ 28,808
Miscellaneous	12,700	12,700	15,245	2,545
Total Revenues	<u>326,170</u>	<u>326,170</u>	<u>357,523</u>	<u>31,353</u>
Expenditures				
Current				
Parks and streets	123,716	123,716	120,622	3,094
Excess of Revenues Over (Under) Expenditures	<u>202,454</u>	<u>202,454</u>	<u>236,901</u>	<u>34,447</u>
Other Financing Sources (Uses)				
Transfers out	<u>(321,355)</u>	<u>(321,355)</u>	<u>(216,467)</u>	<u>104,888</u>
Net Change in Fund Balance	(118,901)	(118,901)	20,434	139,335
Fund Balance - January 1	<u>403,683</u>	<u>403,683</u>	<u>403,683</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 284,782</u>	<u>\$ 284,782</u>	<u>\$ 424,117</u>	<u>\$ 139,335</u>

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

VILLAGE OF SISTER BAY, WISCONSIN

Statement of Net Assets

Proprietary Fund Type - Enterprise Funds

December 31, 2009

(With Summarized Financial Information as of December 31, 2008)

	Utility Fund	
	2009	2008
<b>ASSETS</b>		
Cash and investments	\$ 953,589	\$ 749,774
Receivables		
Accounts	233,090	183,253
Special assessments	261,557	276,023
Restricted cash and investments	1,188,688	1,439,660
Due from other funds	18,972	19,354
Due from other governments	20,922	51
Inventory	21,475	19,487
Prepaid items	269	108
Long-term advance due from capital projects fund	180,000	180,000
Capital assets		
Land	168,265	168,263
Buildings	5,275,537	5,265,717
Machinery and equipment	1,673,134	1,671,774
Infrastructure	7,645,551	7,641,147
Less accumulated depreciation	(6,856,371)	(6,439,349)
<b>TOTAL ASSETS</b>	<b>10,784,678</b>	<b>11,175,262</b>
<b>LIABILITIES</b>		
Accounts payable	10,885	13,644
Accrued and other current liabilities	9,258	6,104
Accrued interest	5,503	9,595
Long-term obligations		
Due within one year	88,500	281,800
Due in more than one year	1,452,392	1,542,711
<b>TOTAL LIABILITIES</b>	<b>1,566,538</b>	<b>1,853,854</b>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	6,378,416	6,914,894
Restricted for plant replacement	1,075,696	910,852
Restricted for impact fee collections	112,992	111,963
Unreserved	1,651,036	1,383,699
<b>TOTAL NET ASSETS</b>	<b>\$ 9,218,140</b>	<b>\$ 9,321,408</b>

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

**VILLAGE OF SISTER BAY, WISCONSIN**  
Statement of Revenues, Expenses and Changes in Net Assets  
Proprietary Fund Type - Enterprise Funds  
Year Ended December 31, 2009  
(With Summarized Financial Information for Year Ended December 31, 2008)

	Utility Funds	
	2009	2008
Operating Revenues		
Charges for services		
Residential	\$ 384,056	\$ 333,154
Commercial	256,729	212,352
Public authorities	21,609	14,584
Public fire protection	91,812	91,459
Private fire protection	7,280	7,557
Unmetered sales	693	885
Sales for resale	9,927	10,285
Other operating revenues		
Forfeited discounts	1,905	2,228
Rent	4,200	3,490
Services to other systems	48,719	49,954
Other sewage services	78,019	75,031
Other revenues	24,388	17,518
Total Operating Revenues	<u>929,337</u>	<u>818,497</u>
Operating Expenses		
Plant operation and maintenance	440,818	441,031
Administrative and general	227,748	250,615
Depreciation	419,222	418,760
Taxes	17,384	17,025
Total Operating Expenses	<u>1,105,172</u>	<u>1,127,431</u>
Operating Loss	<u>(175,835)</u>	<u>(308,934)</u>
Nonoperating Revenues (Expenses)		
Interest income	39,485	61,303
Contributions from other municipalities for debt service	14,122	81,784
Connection fees	-	3,600
Impact fees	-	5,114
Amortization of debt issuance expense	-	(26,537)
Interest on long-term debt	(75,720)	(91,327)
Miscellaneous nonoperating income (expense)	(36,101)	1,540
Total Nonoperating Revenues (Expenses)	<u>(58,214)</u>	<u>35,477</u>
Net Loss before Transfers and Contributions	(234,049)	(273,457)
Transfer from debt service fund	130,781	132,011
Change in Net Assets	<u>(103,268)</u>	<u>(141,446)</u>
Net Assets - January 1	9,321,408	9,462,854
Net Assets - December 31	<u>\$ 9,218,140</u>	<u>\$ 9,321,408</u>

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

VILLAGE OF SISTER BAY, WISCONSIN

Statement of Cash Flows

Proprietary Fund Type - Enterprise Funds

Year Ended December 31, 2009

(With Summarized Financial Information for Year Ended December 31, 2008)

	Utility Fund	
	2009	2008
Cash Flows from Operating Activities		
Cash received from user charges	\$ 821,790	\$ 787,803
Cash received from other governments	738	24,868
Cash payments to suppliers	(456,428)	(494,393)
Cash payments to employees	(233,095)	(225,687)
Net Cash Provided by Operating Activities	<u>133,005</u>	<u>92,591</u>
Cash Flows from Noncapital Financing Activities		
Changes in assets and liabilities		
Due from other funds	382	(159,669)
Cash Flows from Capital and Related Financing Activities		
Acquisition of capital assets	(17,787)	(6,684)
Contributions from property owners	14,466	39,380
Contributions from general fund for debt service	130,781	132,011
Contributions from other municipalities for debt service	14,122	81,784
Impact fees	-	5,114
Principal payments of long-term debt	(281,800)	(435,800)
Interest payments on long-term debt	(79,811)	(89,151)
Net Cash Used by Capital and Related Financing Activities	<u>(220,029)</u>	<u>(273,346)</u>
Cash Flows from Investing Activities		
Interest income	39,485	61,303
Net Change in Cash and Cash Equivalents	(47,157)	(279,121)
Cash and Cash Equivalents - January 1	2,189,434	2,468,555
Cash and Cash Equivalents - December 31	<u>\$ 2,142,277</u>	<u>\$ 2,189,434</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets		
Cash and investments	\$ 953,589	\$ 749,774
Restricted cash and investments	1,188,688	1,439,660
Total Cash and Cash Equivalents	<u>\$ 2,142,277</u>	<u>\$ 2,189,434</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating loss	\$ (175,835)	\$ (308,934)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	419,222	418,760
Miscellaneous income (expense)	(36,101)	1,540
Changes in assets and liabilities		
Accounts receivable	(49,837)	(7,365)
Inventory	(1,988)	(2,625)
Prepaid expenses	(161)	4,079
Accounts payable	(2,759)	(15,099)
Accrued liabilities	1,335	2,236
Due from other governments	(20,871)	(1)
Net Cash Provided by Operating Activities	<u>\$ 133,005</u>	<u>\$ 92,591</u>
Noncash Investing, Capital and Financing Activities		
Capital asset additions contributed by developers	\$ -	\$ -

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

**VILLAGE OF SISTER BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2009

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the Village of Sister Bay, Wisconsin ("the Village") 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 Village are described below:

1. Reporting Entity

The Village of Sister Bay is a municipal corporation governed by an elected seven member board. In accordance with GAAP, the basic financial statements are required to include the Village (the primary government) and any separate component units that have a significant operational or financial relationship with the Village. The Village has not identified any component units that are required to be included in the basic financial statements in accordance with standards established by GASB Statement Nos. 14 and 39.

2. Joint Ventures

Sister Bay/Liberty Grove Joint Fire Department

The Village of Sister Bay and the Town of Liberty Grove formed a joint fire department in the 1930's to provide for services to its citizens. The costs of these services are shared by the Village and Town on a basis of 1/3 of the cost being paid by the Village and 2/3 of the cost being paid by the Town. These percentages are based on the approximate percentage of the assessed property value of the Village and the Town to the total assessed property of each entity combined. During 2009, the Village remitted \$95,825 to the joint fire department. Complete financial information for Sister Bay/Liberty Grove Fire Department can be obtained from the department office in Sister Bay.

In 2008, a prior period adjustment was recorded in the amount of \$459,433. The adjustment was recorded to account for the Village's share of the investment in the Sister Bay/Liberty Grove Joint Fire Department. Since the 2008 financial statements are the latest available, the amount is unchanged as of December 31, 2009.

Municipal Taxpayer Commission

The Village of Sister Bay is a participant with the Village of Ephraim, and the Towns of Gibraltar, Liberty Grove, Baileys Harbor, Washington, and Sevastopol, in a joint venture to fund activities to modify, reduce, or eliminate taxes imposed for the support of the technical college system. The Municipal Taxpayer Commission was formed for that purpose and is governed by members appointed by each participating municipality. In 2009, the commission was not active and the Village did not remit an operating appropriation to the Commission. Complete financial information for the Municipal Taxpayer Commission can be obtained from the Village of Ephraim Administrator.

Joint Public Library Facility

The Village of Sister Bay and the Town of Liberty Grove entered into an agreement on June 12, 2001 for the purpose of constructing and maintaining a building to be used as a joint public library facility. The construction costs and annual building operation and maintenance costs are to be financed 1/2 by the Village and 1/2 by the Town. During 2009, the Village remitted an operating appropriation of \$26,488 to the joint library facility.

The operation of the library is part of the Door County Consolidated Library System in accordance with an agreement with Door County.

**VILLAGE OF SISTER BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2009

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Door County Tourism Zone

The Village of Sister Bay is a participant with the City of Sturgeon Bay, the Villages of Egg Harbor, Ephraim, and Forestville and the Towns of Baileys Harbor, Brussels, Clay Banks, Egg Harbor, Forestville, Gardner, Gibraltar, Jacksonport, Liberty Grove, Nasewaupee, Sevastapol, Sturgeon Bay, Union and Washington, in a joint venture to create the Door County Tourism Zone as prescribed under Wisconsin Statute 66.0615. The Tourism Zone is responsible for collecting a 5.5% room tax on the gross receipts from retail furnishing of rooms or lodgings over all of the member municipalities. The Tourism Zone pays 66% of the room tax collected to the Door County Visitor Bureau, 30% to the member municipalities and retains 4% for its operations. During 2009, the Village of Sister Bay received \$115,529 of room tax from the Tourism Zone. Complete financial information for the Door County Tourism Zone Commission can be obtained from their office in Sister Bay.

3. 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 Village. 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 and proprietary funds. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise funds. The Village has no internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

GENERAL FUND

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

SPECIAL REVENUE FUND

Marina Fund

This fund is used to account for all financial resources and uses of the Marina operations.

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.

**VILLAGE OF SISTER BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2009

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

CAPITAL PROJECTS FUNDS

Capital Projects

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

TID Fund

The Tax Incremental District (TID) capital projects fund is used to account for financial resources used to acquire or construct capital assets in the Village's TID.

The Village reports the following major enterprise fund:

UTILITY FUND

This fund is used to account for the operations of the Village's water and wastewater utilities.

4. 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 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 Village 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.

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

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 Village 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 Village's water and wastewater functions and various other functions of the Village. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**VILLAGE OF SISTER BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2009

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 Village'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 Village's policy to use restricted resources first, then unrestricted resources, as they are needed.

5. 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 financial statements.

The amount reported on the statement of net assets for internal balances represents the residual balance outstanding between the governmental 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.

**VILLAGE OF SISTER BAY, 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 Village as assets with an initial, individual cost of \$1,000 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 Village are depreciated using the straight-line method over the following estimated useful lives:

Assets	Governmental	Business-type
	Activities	Activities
	Years	
Land improvements	20 - 50	-
Buildings	25 - 40	25 - 50
Machinery and equipment	3 - 10	3 - 10
Infrastructure	15 - 40	25 - 100

g. Compensated Absences

The Village has recorded liabilities for accrued employee vacations, sick leave and compensatory time. Under terms of employment, employees are granted vacations and sick leave in varying amounts. Employees are normally not allowed to accumulate unused vacation pay, but may be granted exceptions. Accrued sick leave is paid to employees with 20 years or more of service at 50% of their current pay rate when they leave employment.

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.

**VILLAGE OF SISTER BAY, 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.

6. 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.

7. Summarized Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2008, from which the summarized information was derived.

**NOTE B - STEWARDSHIP AND COMPLIANCE**

1. Budgets and Budgetary Accounting

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

- a. During November, Village management submits to the Village 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 Village Board action.
- b. 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.

**VILLAGE OF SISTER BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2009

**NOTE B - STEWARDSHIP AND COMPLIANCE (Continued)**

- c. During the year, formal budgetary integration is employed as a management control device for the governmental funds.
- d. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the Village. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Village Board.
- e. Encumbrance accounting is not used by the Village to record commitments related to unperformed contracts for goods or services.

The Village did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2009.

2. Deficit Fund Equity

Fund	Deficit Fund Equity
TID Fund	\$ 47,269

The Village anticipates funding the above deficits from future revenues and tax levies of the fund.

**NOTE C - DETAILED NOTES ON ALL FUNDS**

1. Cash and Investments

The Village 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 in 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 Village's cash and investments totaled \$4,856,689 on December 31, 2009 as summarized below:

Petty cash funds	\$ 50
Deposits with financial institutions	4,856,639
	<u>\$ 4,856,689</u>

Reconciliation to the basic financial statements:

Basic financial statements	
Cash and investments	\$ 3,618,836
Restricted cash and investments	1,237,853
	<u>\$ 4,856,689</u>

**VILLAGE OF SISTER BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2009

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

Deposits and investments of the Village are subject to various risks. Presented below is a discussion of the Village's deposits and investments and the related risks.

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 Village 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 Village's non-interest bearing transaction accounts are fully insured under the Temporary Liquidity Guarantee Program through December 31, 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, \$5,017 of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits and uncollateralized.

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 Village.

The Village bills its own property taxes and also levies taxes for the Gibraltar School District, Door County, Northeast Wisconsin Technical College, and the State of Wisconsin. The Village contracts with the Door County Treasurer to collect taxes.

**VILLAGE OF SISTER BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2009

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

3. Restricted Assets

Restricted assets on December 31, 2009 totaled \$1,237,853 and consisted of cash and investments held for the following purposes:

Capital Projects		
Debt proceeds being held for projects	\$	49,165
Enterprise Fund		
Water Department		
Plant replacement		306,220
Wastewater Department		
Plant replacement		689,769
Collection system replacement		79,707
Impact fee collections		112,992
Total Enterprise Fund Restricted Cash and Investments		1,188,688
Total Restricted Assets	\$	1,237,853

4. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 6,859,457	\$ -	\$ -	\$ 6,859,457
Construction in progress	328,373	580,037	684,414	223,996
Total capital assets, not being depreciated	7,187,830	580,037	684,414	7,083,453
Capital assets, being depreciated:				
Land improvements	3,027,456	503,092	-	3,530,548
Buildings	3,325,652	160,582	-	3,486,234
Machinery and equipment	219,838	64,183	-	284,021
Infrastructure	944,051	-	-	944,051
Subtotals	7,516,997	727,857	-	8,244,854
Less accumulated depreciation for:				
Land improvements	871,102	103,769	-	974,871
Buildings	695,622	73,450	-	769,072
Machinery and equipment	106,224	15,987	-	122,211
Infrastructure	169,928	42,482	-	212,410
Subtotals	1,842,876	235,688	-	2,078,564
Total capital assets, being depreciated, net	5,674,121	492,169	-	6,166,290
Governmental activities capital assets, net	\$ 12,861,951	\$ 1,072,206	\$ 684,414	13,249,743
Less related long-term debt outstanding (net of \$49,165 of debt proceeds on hand)				10,478,216
Invested in capital assets, net of related debt				\$ 2,771,527

**VILLAGE OF SISTER BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2009

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 168,263	\$ 2	\$ -	\$ 168,265
Capital assets, being depreciated:				
Buildings	5,265,717	9,820	-	5,275,537
Machinery and equipment	1,671,774	1,360	-	1,673,134
Infrastructure	7,641,144	6,607	2,200	7,645,551
Subtotals	14,578,635	17,787	2,200	14,594,222
Less accumulated depreciation for:				
Buildings	619,554	178,674	-	798,228
Machinery and equipment	818,094	96,119	-	914,213
Infrastructure	5,001,701	144,429	2,200	5,143,930
Subtotals	6,439,349	419,222	2,200	6,856,371
Total capital assets, being depreciated, net	8,139,286	(401,435)	-	7,737,851
Business-type activities capital assets, net	<u>\$ 8,307,549</u>	<u>\$ (401,433)</u>	<u>\$ -</u>	7,906,116
Less related long-term debt outstanding				<u>1,527,700</u>
Invested in capital assets, net of related debt				<u>\$ 6,378,416</u>

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

Governmental activities		
General government		\$ 80,131
Parks and streets		155,557
Total depreciation expense - governmental activities		<u>\$ 235,688</u>
Business-type activities		
Water utility		\$ 95,357
Wastewater utility		323,865
Total depreciation expense - business-type activities		<u>\$ 419,222</u>

VILLAGE OF SISTER BAY, 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 Village, as reported in the fund financial statements, as of December 31, 2009 are detailed below:

	Interfund Receivables	Interfund Payables
Operating Accounts Between Funds and		
Cash Advances to Finance Deficits		
General Fund	\$ 47,269	\$ 18,972
Capital Project Fund	1,339	-
Special Revenue Funds		
Marina	-	1,339
Enterprise Fund	18,972	-
TID Capital Project Fund	-	47,269
Long-term Advance		
Enterprise Fund	180,000	-
Governmental Activities - Capital Project Fund	-	180,000
Totals	<u>\$ 247,580</u>	<u>\$ 247,580</u>

The long-term advance due from the capital projects fund to the enterprise fund was made to provide funds for capital expenditures. The advance is presently scheduled to be repaid in 2010.

Interfund transfers for the year ended December 31, 2009 were as follows:

	Transfer to:					
	Utility Fund	General Fund	Capital Projects	Debt Service	Non-major Funds	Total
Transfers from:						
General Fund	\$ -	\$ -	\$ 147,000	\$ -	\$ 5,000	\$ 152,000
Special Revenue Funds						
Marina	-	128,825	19,579	68,063	-	216,467
Debt Service Fund	130,781	-	-	-	-	130,781
Capital Projects Fund						
TIF Fund	-	35,249	-	-	-	35,249
Totals	<u>\$ 130,781</u>	<u>\$ 164,074</u>	<u>\$ 166,579</u>	<u>\$ 68,063</u>	<u>\$ 5,000</u>	<u>\$ 534,497</u>

The transfer of \$130,781 to the utility fund was for a subsidy to the wastewater fund for debt payments. The transfer of \$164,074 to the general fund consisted of \$128,825 from the Marina fund and \$35,249 from the TIF fund to reimburse the Village for TIF administration. The transfer of \$166,579 to the capital projects fund was for capital outlay. The transfer of \$68,063 to the debt service fund was a budgeted transfer to finance debt requirements.

**VILLAGE OF SISTER BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2009

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

6. Deferred Revenues

Governmental activities and governmental 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:

	Unearned
General Fund	
Subsequent year tax levy receivable	\$ 1,150,085
Debt Service Fund	
Subsequent year tax levy receivable	664,448
Totals	\$ 1,814,533

7. Long-term Obligations

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2009:

	Outstanding 1/1/09	Issued	Retired	Outstanding 12/31/09	Due Within One Year
<b>Governmental activities:</b>					
General Obligation Debt					
Notes	\$ 500,000	\$ -	\$ 50,000	\$ 450,000	\$ 50,000
Promissory note	300,000	-	100,000	200,000	100,000
Refunding bonds	3,645,500	-	243,200	3,402,300	261,500
Total General Obligation Debt	4,445,500	-	393,200	4,052,300	411,500
Note anticipation note	6,500,000	-	-	6,500,000	-
Compensated absences	21,404	-	103	21,301	-
Governmental activities					
Long-term obligations	\$ 10,966,904	\$ -	\$ 393,303	\$ 10,573,601	\$ 411,500
<b>Business-type activities:</b>					
General Obligation Debt					
Refunding bonds	1,809,500	-	281,800	1,527,700	88,500
Total General Obligation Debt	1,809,500	-	281,800	1,527,700	88,500
Compensated absences	15,011	-	1,819	13,192	-
Business-type activities					
Long-term obligations	\$ 1,824,511	\$ -	\$ 283,619	\$ 1,540,892	\$ 88,500

Total interest paid during the year on long-term debt totaled \$546,794.

**VILLAGE OF SISTER BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2009

**NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)**

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

Notes

\$550,000 issued 5/13/05 for construction of infrastructure; \$50,000 to \$400,000 due annually through 2011; interest 3.0% \$ 450,000

Promissory Note

\$750,000 issued 12/30/03 for purchase of waterfront property; \$100,000 due annually through 2011; interest at 5.0% 200,000

Refunding Bonds

\$6,830,000 issued 4/15/05 for various village projects; \$350,000 to \$625,000 due annually through 2019; interest 4.0% to 4.75% 4,930,000

Total Outstanding General Obligation Debt

\$ 5,580,000

Annual principal and interest maturities of the outstanding general obligation debt of \$5,580,000 on December 31, 2009 are detailed below:

Year Ended December 31	Governmental Activities		Business-type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 411,500	\$ 168,542	\$ 88,500	\$ 66,035	\$ 500,000	\$ 234,577
2011	786,500	145,583	98,500	62,495	885,000	208,078
2012	324,800	123,123	110,200	58,555	435,000	181,678
2013	363,100	110,131	136,900	54,147	500,000	164,278
2014	311,400	95,607	138,600	48,671	450,000	144,278
2015-2019	1,855,000	256,163	955,000	140,711	2,810,000	396,874
	<u>\$ 4,052,300</u>	<u>\$ 899,149</u>	<u>\$ 1,527,700</u>	<u>\$ 430,614</u>	<u>\$ 5,580,000</u>	<u>\$ 1,329,763</u>

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

Legal Margin for New Debt

The Village's legal margin for creation of additional general obligation debt on December 31, 2009 was \$15,668,290 as follows:

Equalized valuation of the Village	\$424,965,800
Statutory limitation percentage	(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	<u>21,248,290</u>
Outstanding general obligation debt applicable to debt limitation	<u>5,580,000</u>
Legal Margin for New Debt	<u>\$ 15,668,290</u>

Note Anticipation Note

On October 17, 2007, the Village issued a note anticipation note of \$6,500,000 for various capital expenditures. The notes are due in 2012 with interest payable semi-annually at 4.25%. Interest of \$276,250 is due annually through 2012. It is anticipated that the notes will be financed by the issuance and sale of general obligation promissory notes.

**VILLAGE OF SISTER BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2009

**NOTE D - OTHER INFORMATION**

1. Retirement Commitments

All eligible Village 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 (440 hours for teachers) 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.

The payroll for Village employees covered by the WRS for the year ended December 31, 2009 was \$418,291; the employer's total payroll was \$607,640. The total required contribution for the year ended December 31, 2009 was \$43,502, which consisted of \$18,823, or 4.5% of covered payroll from the employer and \$24,679, or 5.9% of covered payroll from employees. The required contribution for employees for the year ended December 31, 2009 was financed by the Village. Total contributions for the years ending December 31, 2008 and 2007 were \$41,600 and \$42,498 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 are 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. Tax Incremental Districts

The Village currently maintains a separate capital project fund for a Tax Incremental District (TID) created in 2008 in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the District was created, the property tax base within the District was "frozen" and increment taxes resulting from increases to the property tax base will be used to finance District improvements, including principal and interest on general obligation debt issued by the Village to finance such improvements. All eligible project expenditures for TID No. 1 must be completed by 2023. TID No. 1 is accounted for as a capital projects fund since it is still eligible to incur project costs.

Since creation of the above District, the Village has provided various financing sources to the TID and has also recorded eligible TID project costs in other funds of the Village. The foregoing amounts are not recorded as liabilities in the TID capital project funds but can be recovered by the Village from any future excess tax increment revenues. Detail of the amounts recoverable by the Village as of December 31, 2009 from future excess tax increment revenues follows:

	TID No. 1
Net Unreimbursed Project Costs	\$ 98,864

**VILLAGE OF SISTER BAY, WISCONSIN**  
Notes to Basic Financial Statements  
December 31, 2009

**NOTE D - OTHER INFORMATION (Continued)**

The intent of the Village is to recover the above amounts from future TID surplus funds, if any, prior to termination of the District. The District has a maximum termination year of 2028, but may be closed earlier if all project costs are recovered.

3. Risk Management

The Village 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 Village completes an annual review of its insurance coverage to ensure adequate coverage.

4. Property Tax Levy Limit

Wisconsin Act 25 imposed a limit on the property tax levies for all Wisconsin cities, villages, towns and counties for a two-year period effective July 27, 2005. Subsequent legislation extended the levy limit through 2010. The current law limits the increase in the maximum allowable tax levy to the greater of the percentage change in the Village's January 1 equalized value as a result of net new construction or 3.0% per year in both the 2009 and 2010 budget years. The actual limit for the Village for the 2010 budget was 3%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, the Act allows the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

5. Contingencies

From time to time, the Village 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 legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Village's financial position or results of operations.

6. Subsequent Event

On March 9, 2010, the Village Board approved the purchase of the Al Johnson marina, boat house and retail shop in the amount of \$5,000,000. The property is .96 acres and includes 292 feet of water frontage. The purchase is expected to close within 90 days of the approval subject to conditions in the agreement. For additional information, contact Village Administration.

## **SUPPLEMENTAL INFORMATION**

**VILLAGE OF SISTER BAY, WISCONSIN**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 Year Ended December 31, 2009  
 (With Comparative Amounts for December 31, 2008)

	Ice Rink	Skate Park	Total Governmental Funds	
			2009	2008
<b>ASSETS</b>				
Cash and investments	\$ 7,750	\$ 3,786	\$ 11,536	\$ 7,785
<b>TOTAL ASSETS</b>	<u>\$ 7,750</u>	<u>\$ 3,786</u>	<u>\$ 11,536</u>	<u>\$ 7,785</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 1,582	\$ -	\$ 1,582	\$ 76
Fund Balances - Unreserved				
Designated for subsequent year expenditures	6,168	3,786	9,954	7,709
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 7,750</u>	<u>\$ 3,786</u>	<u>\$ 11,536</u>	<u>\$ 7,785</u>

**VILLAGE OF SISTER BAY, WISCONSIN**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2009  
(With Comparative Amounts for the Year Ended December 31, 2008)

	Ice Rink	Skate Park	Total Governmental Funds	
			2009	2008
Revenues				
Public charges for services	\$ 13,109	\$ -	\$ 13,109	\$ 8,715
Miscellaneous	191	178	369	735
Total Revenues	<u>13,300</u>	<u>178</u>	<u>13,478</u>	<u>9,450</u>
Expenditures				
Current				
Parks and streets	<u>16,233</u>	<u>-</u>	<u>16,233</u>	<u>16,198</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,933)</u>	<u>178</u>	<u>(2,755)</u>	<u>(6,748)</u>
Other Financing Sources				
Transfers in	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Net Change in Fund Balances	2,067	178	2,245	(1,748)
Fund Balances - January 1	<u>4,101</u>	<u>3,608</u>	<u>7,709</u>	<u>9,457</u>
Fund Balances - December 31	<u>\$ 6,168</u>	<u>\$ 3,786</u>	<u>\$ 9,954</u>	<u>\$ 7,709</u>

VILLAGE OF SISTER BAY, WISCONSIN

General Fund

Detailed Comparison of Budgeted and Actual Revenues

Year Ended December 31, 2009

(With Comparative Amounts for the Year Ended December 31, 2008)

	Budget		Actual	Variance with Final Budget Positive (Negative)	Actual 2008
	Original	Final			
<b>Taxes</b>					
General property	\$ 937,200	\$ 937,200	\$ 937,214	\$ 14	\$ 905,166
Managed forestland taxes	15	15	27	12	23
Forest use penalties	-	-	292	292	81
<b>Total Taxes</b>	<b>937,215</b>	<b>937,215</b>	<b>937,533</b>	<b>318</b>	<b>905,270</b>
<b>Intergovernmental</b>					
State					
Municipal services	500	500	214	(286)	140
Fire insurance	11,000	11,000	10,570	(430)	10,863
Transportation	69,228	69,228	69,243	15	69,682
Shared taxes	14,174	14,174	14,175	1	14,175
Exempt computer aid	1,500	1,500	1,640	140	1,436
Forest cropland	4	4	3	(1)	4
County recycling rebates	4,500	4,500	4,403	(97)	4,717
<b>Total Intergovernmental</b>	<b>100,906</b>	<b>100,906</b>	<b>100,248</b>	<b>(658)</b>	<b>101,017</b>
<b>Licenses and Permits</b>					
Liquor	7,750	7,750	8,190	440	7,760
Operators	300	300	270	(30)	320
Soda	150	150	140	(10)	130
Cigarette	50	50	35	(15)	40
Dog	10	10	6	(4)	8
Parking	100	100	35	(65)	126
Zoning	2,000	2,000	1,125	(875)	850
Building permits	12,000	12,000	4,160	(7,840)	8,718
Other permits	700	700	1,455	755	725
<b>Total Licenses and Permits</b>	<b>23,060</b>	<b>23,060</b>	<b>15,416</b>	<b>(7,644)</b>	<b>18,677</b>
<b>Public Charges for Services</b>					
Publication fees	400	400	400	-	380
Snow plowing and sanding fees	1,000	1,000	2,185	1,185	3,343
Services to other governments	10,500	10,500	12,983	2,483	6,511
Festivals and event fees	18,000	18,000	22,247	4,247	24,134
Miscellaneous fees	6,950	6,950	8,360	1,410	7,869
<b>Total Public Charges for Services</b>	<b>36,850</b>	<b>36,850</b>	<b>46,175</b>	<b>9,325</b>	<b>42,237</b>
<b>Miscellaneous</b>					
Rental income	17,700	17,700	18,162	462	17,249
Interest on investments	40,000	40,000	11,555	(28,445)	40,000
Reimbursement from Utility	48,421	48,421	39,727	(8,694)	73,364
Miscellaneous	4,000	4,000	1,750	(2,250)	21,186
<b>Total Miscellaneous</b>	<b>110,121</b>	<b>110,121</b>	<b>71,194</b>	<b>(38,927)</b>	<b>151,799</b>
<b>Total Revenues</b>	<b>\$ 1,208,152</b>	<b>\$ 1,208,152</b>	<b>\$ 1,170,566</b>	<b>\$ (37,586)</b>	<b>\$ 1,219,000</b>

**VILLAGE OF SISTER BAY, WISCONSIN**  
 General Fund  
 Detailed Comparison of Budgeted and Actual Expenditures  
 Year Ended December 31, 2009  
 (With Comparative Amounts for the Year Ended December 31, 2008)

	Budget		Actual	Variance with Final Budget Positive (Negative)	Actual 2008
	Original	Final			
<b>General Government</b>					
Direct employee costs	\$ 44,149	\$ 44,149	\$ 32,162	\$ 11,987	\$ 34,111
Indirect employee costs	3,250	3,250	3,806	(556)	2,593
Utility costs	107,470	107,470	96,690	10,780	95,263
Supplies	6,650	6,650	6,269	381	6,504
Other services	101,152	101,152	107,372	(6,220)	97,079
Maintenance	14,100	14,100	14,447	(347)	13,327
Support	177,575	177,575	182,968	(5,393)	191,404
Miscellaneous/Contingency	12,650	12,650	3,462	9,188	685
<b>Total General Government</b>	<b>466,996</b>	<b>466,996</b>	<b>447,176</b>	<b>19,820</b>	<b>440,966</b>
<b>Administration</b>					
Direct employee costs	286,619	286,619	279,670	6,949	274,416
Indirect employee costs	4,450	4,450	2,476	1,974	2,486
Utility costs	6,700	6,700	5,353	1,347	6,547
Supplies	17,200	17,200	13,201	3,999	16,683
Other services	14,500	14,500	10,800	3,700	12,170
Maintenance	500	500	1,017	(517)	420
<b>Total Administration</b>	<b>329,969</b>	<b>329,969</b>	<b>312,517</b>	<b>17,452</b>	<b>312,722</b>
<b>Parks and Streets</b>					
Direct employee costs	241,635	241,635	244,353	(2,718)	227,973
Indirect employee costs	1,500	1,500	1,930	(430)	1,881
Utility costs	51,800	51,800	48,844	2,956	50,392
Supplies	5,100	5,100	5,628	(528)	4,149
Recreational programs	-	-	4,766	(4,766)	-
Other services	114,500	114,500	107,162	7,338	132,822
Maintenance	58,800	58,800	65,251	(6,451)	65,604
Vehicles	20,500	20,500	15,472	5,028	16,231
<b>Total Parks and Streets</b>	<b>493,835</b>	<b>493,835</b>	<b>493,406</b>	<b>429</b>	<b>499,052</b>
<b>Total Expenditures</b>	<b>\$ 1,290,800</b>	<b>\$ 1,290,800</b>	<b>\$ 1,253,099</b>	<b>\$ 37,701</b>	<b>\$ 1,252,740</b>

**VILLAGE OF SISTER BAY, WISCONSIN**  
 Debt Service Fund  
 Detailed Comparison of Budgeted and Actual Revenues  
 Year Ended December 31, 2009  
 (With Comparative Amounts for the Year Ended December 31, 2008)

	Budget		Actual	Variance with Final Budget Positive (Negative)	Actual 2008
	Original	Final			
Revenues					
Taxes					
General property	\$ 822,561	\$ 822,561	\$ 822,561	\$ -	\$ 696,561
Room taxes	114,137	114,137	115,529	1,392	125,039
Total Taxes	<u>936,698</u>	<u>936,698</u>	<u>938,090</u>	<u>1,392</u>	<u>821,600</u>
Miscellaneous					
Interest on investments	-	-	4	4	205
Total Revenues	<u>936,698</u>	<u>936,698</u>	<u>938,094</u>	<u>1,396</u>	<u>821,805</u>
Expenses					
Debt Service					
Principal	675,000	675,000	393,200	281,800	333,200
Interest	546,794	546,794	470,194	76,600	478,393
Total Debt Service	<u>1,221,794</u>	<u>1,221,794</u>	<u>863,394</u>	<u>358,400</u>	<u>811,593</u>
Total Expenses	<u>1,221,794</u>	<u>1,221,794</u>	<u>863,394</u>	<u>358,400</u>	<u>811,593</u>
Excess of Revenues Over (Under)					
Expenditures	<u>(285,096)</u>	<u>(285,096)</u>	<u>74,700</u>	<u>359,796</u>	<u>10,212</u>
Other Financing Sources (Uses)					
Transfers in	295,683	295,683	68,063	(227,620)	137,630
Transfers out	-	-	(130,781)	(130,781)	(132,011)
Total Other Financing Sources (Uses)	<u>295,683</u>	<u>295,683</u>	<u>(62,718)</u>	<u>(358,401)</u>	<u>5,619</u>
Net Change in Fund Balance	10,587	10,587	11,982	1,395	15,831
Fund Balance (Deficit) - January 1	<u>5,244</u>	<u>5,244</u>	<u>5,244</u>	<u>-</u>	<u>(10,587)</u>
Fund Balance - December 31	<u>\$ 15,831</u>	<u>\$ 15,831</u>	<u>\$ 17,226</u>	<u>\$ 1,395</u>	<u>\$ 5,244</u>

**VILLAGE OF SISTER BAY, WISCONSIN**  
Schedule of Water Department Operating Revenues and Expenses  
Year Ended December 31, 2009  
With Comparative Amounts for the Year Ended December 31, 2008

	2009	2008
<b>Operating Revenues</b>		
Sales of Water		
Residential sales	\$ 133,076	\$ 135,117
Commercial sales	86,488	85,350
Public authorities	11,354	6,982
Public fire protection	91,812	91,459
Private fire protection	7,280	7,557
Unmetered sales	693	885
Sales for resale	9,927	10,285
Total Sales of Water	<u>340,630</u>	<u>337,635</u>
Other Operating Revenues		
Forfeited discounts	830	981
Rent	4,200	3,490
Other water revenues	20,113	16,147
Total Other Operating Revenues	<u>25,143</u>	<u>20,618</u>
Total Operating Revenues	<u>365,773</u>	<u>358,253</u>
<b>Operating Expenses</b>		
Operation and maintenance		
Supervision and labor	67,943	64,101
Power purchased for pumping	20,681	20,319
Chemicals	1,912	799
Operating supplies and expenses	10,304	11,775
Repairs of water plant	11,442	10,740
Transportation expense	2,953	3,434
Total Operation and Maintenance Expenses	<u>115,235</u>	<u>111,168</u>
General and administrative		
Administrative and general salaries	18,085	22,189
Office supplies and expenses	8,782	6,339
Outside services employed	9,392	12,926
Insurance expense	3,612	9,281
Employee pensions and benefits	43,462	43,597
Miscellaneous general expenses	5,434	7,228
Total General and Administrative	<u>88,767</u>	<u>101,560</u>
Depreciation	95,357	95,158
Taxes	6,701	6,463
Total Operating Expenses	<u>306,060</u>	<u>314,349</u>
Operating Income	<u>\$ 59,713</u>	<u>\$ 43,904</u>

**VILLAGE OF SISTER BAY, WISCONSIN**  
Schedule of Wastewater Department Operating Revenues and Expenses  
Year Ended December 31, 2009  
With Comparative Amounts for the Year Ended December 31, 2008

	2009	2008
Operating Revenues		
Sales of Water		
Sewage service		
Residential	\$ 250,980	\$ 198,037
Commercial	170,241	127,002
Service to public authorities	10,255	7,602
Total Sewage Service	<u>431,476</u>	<u>332,641</u>
Other Operating Revenues		
Forfeited discounts	1,075	1,247
Services to other systems	48,719	49,954
Other sewage service	78,019	75,031
Miscellaneous	4,275	1,371
Total Other Operating Revenues	<u>132,088</u>	<u>127,603</u>
 Total Operating Revenues	 <u>563,564</u>	 <u>460,244</u>
 Operating Expenses		
Operation and maintenance		
Supervision and labor	123,781	113,038
Power purchased for pumping	63,452	68,607
Chemicals	19,994	11,591
Operating supplies and expenses	13,728	21,933
Maintenance of collection system	36,539	35,550
Maintenance of treatment and disposal equipment	28,381	45,380
Maintenance of general plant structures and equipment	2,333	1,972
Transportation expense	7,250	5,114
Sludge expense	30,125	26,678
Total Operation and Maintenance	<u>325,583</u>	<u>329,863</u>
General and administrative		
Administrative and general salaries	24,621	28,595
Office supplies and expenses	12,982	7,134
Outside services employed	14,039	29,057
Insurance expense	7,746	13,922
Employee pensions and benefits	70,422	63,276
Miscellaneous general expenses	9,171	7,071
Total General and Administrative	<u>138,981</u>	<u>149,055</u>
Depreciation	323,865	323,602
Taxes - FICA	10,683	10,562
 Total Operating Expenses	 <u>799,112</u>	 <u>813,082</u>
 Operating Income (Loss)	 <u>\$ (235,548)</u>	 <u>\$ (352,838)</u>