

# **VILLAGE OF TREMPEALEAU**

Trempealeau, Wisconsin

## FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2012

# VILLAGE OF TREMPEALEAU

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## INDEPENDENT AUDITORS' REPORT

To the Village Board  
Village of Trempealeau  
Trempealeau, Wisconsin

### **Report on the Financial Statements**

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 Trempealeau, Wisconsin, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Village of Trempealeau's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village of Trempealeau's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Village of Trempealeau's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Village Board  
Village of Trempealeau

### ***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 of Trempealeau, Wisconsin, as of December 31, 2012 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note I, the Village of Trempealeau adopted the provisions of GASB Statement No. 63, *Financial Reporting for Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective January 1, 2012. Our opinions are not modified with respect to this matter.

### ***Other Matters***

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule as listed in the table of contents be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 Trempealeau's basic financial statements. The combining and individual fund financial statements and utility operating revenue and expense schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and utility operating revenue and expense schedules are fairly stated in all material respects, in relation to the basic financial statements as a whole.

*Baker Tilly Vuchow Krume, J2P*

April 15, 2013

# VILLAGE OF TREMPEALEAU

## STATEMENT OF NET POSITION As of December 31, 2012

	Governmental Activities	Business-type Activities	Totals
<b>ASSETS</b>			
Cash and investments	\$ 465,320	\$ 472,031	\$ 937,351
Receivables (net)			
Taxes receivable	524,740	-	524,740
Accounts	-	324,200	324,200
Notes	118,586	-	118,586
Special assessments	15,411	-	15,411
Delinquent personal property taxes	3,673	-	3,673
Other receivables	77,380	14,978	92,358
Accrued interest	286	1,926	2,212
Internal balances	485,819	(485,819)	-
Due from other governmental units	1,206	-	1,206
Inventories and prepaid items	-	60,842	60,842
Other assets	-	50,888	50,888
Restricted assets			
Cash and investments	6,464	2,698,715	2,705,179
Capital assets			
Land	134,426	126,311	260,737
Construction in progress	-	75,940	75,940
Other capital assets, net of depreciation	<u>3,489,811</u>	<u>7,413,121</u>	<u>10,902,932</u>
Total Assets	<u>5,323,122</u>	<u>10,753,133</u>	<u>16,076,255</u>
<b>LIABILITIES</b>			
Accounts payable	65,329	913,910	979,239
Accrued liabilities	14,625	19,544	34,169
Deposits	-	5,253	5,253
Accrued interest	8,632	14,817	23,449
Unearned revenue	571,540	-	571,540
Noncurrent liabilities			
Due within one year	140,231	217,877	358,108
Due in more than one year	<u>886,245</u>	<u>5,294,050</u>	<u>6,180,295</u>
Total Liabilities	<u>1,686,602</u>	<u>6,465,451</u>	<u>8,152,053</u>
<b>NET POSITION</b>			
Net investment in capital assets	2,699,644	3,513,522	6,213,166
Restricted for			
Loan programs	118,588	-	118,588
Debt service	17,125	141,810	158,935
Equipment replacement	-	441,789	441,789
Impact fees	6,464	-	6,464
Library	134,118	-	134,118
Trust fund	17,948	-	17,948
Unrestricted	<u>642,633</u>	<u>190,561</u>	<u>833,194</u>
<b>TOTAL NET POSITION</b>	<u>\$ 3,636,520</u>	<u>\$ 4,287,682</u>	<u>\$ 7,924,202</u>

See accompanying notes to financial statements.

# VILLAGE OF TREMPEALEAU

## STATEMENT OF ACTIVITIES For the Year Ended December 31, 2012

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 179,087	\$ 19,269	\$ -	\$ -
Public safety	230,669	7,587	10,257	-
Public works	284,761	18,276	55,576	-
Health and human services	1,100	-	-	-
Culture, education and recreation	211,233	24,468	60,753	-
Conservation and development	2,384	-	-	-
Interest and fiscal charges	<u>44,849</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>954,083</u>	<u>69,600</u>	<u>126,586</u>	<u>-</u>
<b>Business-type Activities</b>				
Electric Utility	1,724,025	1,733,762	-	8,925
Water Utility	325,315	414,969	-	12,965
Sewer Utility	<u>348,617</u>	<u>245,341</u>	<u>-</u>	<u>3,725</u>
Total Business-type Activities	<u>2,397,957</u>	<u>2,394,072</u>	<u>-</u>	<u>25,615</u>
Total	<u>\$ 3,352,040</u>	<u>\$ 2,463,672</u>	<u>\$ 126,586</u>	<u>\$ 25,615</u>

**General Revenues**

Taxes

    Property taxes, levied for general purposes

    Property taxes, levied for debt service

    Property taxes, levied for capital projects

    Property taxes, levied for TIF districts

    Property taxes, levied for the library

    Other taxes

Intergovernmental revenues not restricted to specific programs

Investment income

Miscellaneous

Total General Revenues

Transfers

**Change in net position**

NET POSITION - Beginning of Year

**NET POSITION - END OF YEAR**

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (159,818)	\$ -	\$ (159,818)
(212,825)	-	(212,825)
(210,909)	-	(210,909)
(1,100)	-	(1,100)
(126,012)	-	(126,012)
(2,384)	-	(2,384)
<u>(44,849)</u>	<u>-</u>	<u>(44,849)</u>
<u>(757,897)</u>	<u>-</u>	<u>(757,897)</u>
-	18,662	18,662
-	102,619	102,619
<u>-</u>	<u>(99,551)</u>	<u>(99,551)</u>
<u>-</u>	<u>21,730</u>	<u>21,730</u>
<u>(757,897)</u>	<u>21,730</u>	<u>(736,167)</u>
202,171	-	202,171
121,376	-	121,376
83,924	-	83,924
42,232	-	42,232
54,000	-	54,000
48,881	-	48,881
232,363	-	232,363
14,416	5,204	19,620
<u>41,080</u>	<u>-</u>	<u>41,080</u>
<u>840,443</u>	<u>5,204</u>	<u>845,647</u>
<u>120,605</u>	<u>(120,605)</u>	<u>-</u>
203,151	(93,671)	109,480
<u>3,433,369</u>	<u>4,381,353</u>	<u>7,814,722</u>
<u>\$ 3,636,520</u>	<u>\$ 4,287,682</u>	<u>\$ 7,924,202</u>

See accompanying notes to financial statements.

## VILLAGE OF TREMPÉALEAU

### BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2012

	General Fund	Nonmajor Governmental Funds	Totals
<b>ASSETS</b>			
Cash and investments	\$ 232,276	\$ 233,044	\$ 465,320
Receivables			
Taxes	197,685	327,055	524,740
Delinquent personal property taxes	3,673	-	3,673
Accrued interest	-	286	286
Special assessments	15,411	-	15,411
Notes	-	118,586	118,586
Other	77,380	-	77,380
Due from other governments	1,206	-	1,206
Restricted cash	6,464	-	6,464
Advances to other funds	727,399	-	727,399
<b>TOTAL ASSETS</b>	<b>\$ 1,261,494</b>	<b>\$ 678,971</b>	<b>\$ 1,940,465</b>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts payable	\$ 9,824	\$ 55,505	\$ 65,329
Accrued liabilities	14,625	-	14,625
Deferred revenues	350,202	445,641	795,843
Advances from other funds	-	241,580	241,580
Total Liabilities	374,651	742,726	1,117,377
Fund Balances (Deficit)			
Nonspendable	731,072	-	731,072
Restricted	6,464	177,825	184,289
Unassigned (deficit)	149,307	(241,580)	(92,273)
Total Fund Balances (Deficit)	886,843	(63,755)	823,088
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,261,494</b>	<b>\$ 678,971</b>	<b>\$ 1,940,465</b>

See accompanying notes to financial statements.



## VILLAGE OF TREMPEALEAU

### RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2012

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Total Fund Balances - Governmental Funds	\$ 823,088
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.

Land	134,426
Other capital assets	4,632,785
Less: Accumulated depreciation	(1,142,974)

Some receivables that are not currently available are reported as deferred revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.

Interest on TIF advance	90,187
Loan receivable	118,586
Special assessments	15,411
Other receivables	119

Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds and notes payable	(924,593)
Compensated absences	(29,116)
Accrued interest	(8,632)
Landfill liability	<u>(72,767)</u>

<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 3,636,520</u></b>
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## VILLAGE OF TREMPÉALEAU

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2012

	General Fund	Nonmajor Governmental Funds	Totals
<b>REVENUES</b>			
Taxes	\$ 251,052	\$ 301,532	\$ 552,584
Intergovernmental	298,196	44,163	342,359
Licenses and permits	12,332	-	12,332
Fines, forfeitures and penalties	7,587	-	7,587
Public charges for services	36,472	-	36,472
Special assessments	4,903	-	4,903
Investment income	22,938	1,478	24,416
Miscellaneous	<u>26,582</u>	<u>28,569</u>	<u>55,151</u>
Total Revenues	<u>660,062</u>	<u>375,742</u>	<u>1,035,804</u>
<b>EXPENDITURES</b>			
Current			
General government	164,534	-	164,534
Public safety	208,374	-	208,374
Public works	163,518	-	163,518
Health and human services	1,100	-	1,100
Culture, recreation and education	101,670	101,744	203,414
Conservation and development	965	1,419	2,384
Capital Outlay	-	169,581	169,581
Debt Service			
Principal	-	123,465	123,465
Interest and fiscal charges	<u>-</u>	<u>46,265</u>	<u>46,265</u>
Total Expenditures	<u>640,161</u>	<u>442,474</u>	<u>1,082,635</u>
Excess (deficiency) of revenues over expenditures	<u>19,901</u>	<u>(66,732)</u>	<u>(46,831)</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	120,605	71,137	191,742
Transfers out	<u>(71,137)</u>	<u>-</u>	<u>(71,137)</u>
Total Other Financing Sources	<u>49,468</u>	<u>71,137</u>	<u>120,605</u>
<b>Net Change in Fund Balances</b>	69,369	4,405	73,774
FUND BALANCES (DEFICIT) - Beginning of Year	<u>817,474</u>	<u>(68,160)</u>	<u>749,314</u>
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<u>\$ 886,843</u>	<u>\$ (63,755)</u>	<u>\$ 823,088</u>

See accompanying notes to financial statements.

## VILLAGE OF TREMPEALEAU

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2012

Net change in fund balances - total governmental funds	\$	73,774
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.</p>		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		169,581
Some items reported as capital outlay were not capitalized		(24,567)
Depreciation is reported in the government-wide financial statements		(152,291)
Loss on disposal of capital asset is reported in the government-wide financial statements		(675)
<p>Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.</p>		
Revenue from receivables on the fund statements are deferred until payment is received		119
Special assessments are deferred on the fund statements		10,706
Interest income on TIF advance is deferred on fund statements and recognized in the government-wide statements.		(10,000)
<p>Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
Principal repaid		123,465
Landfill liability		5,333
<p>Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Compensated absences		6,290
Accrued interest on debt		1,416
		1,416
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>203,151</u></b>

See accompanying notes to financial statements.

## VILLAGE OF TREMPEALEAU

### STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2012

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
<b>ASSETS</b>				
Current Assets				
Treasurer's working cash	\$ 26,521	\$ 445,510	\$ -	\$ 472,031
Receivables				
Accounts	229,624	56,032	38,544	324,200
Other	6,005	953	8,020	14,978
Interest	735	-	1,191	1,926
Inventories and prepayments	60,842	-	-	60,842
Restricted Assets				
Redemption account	42,422	48,063	66,142	156,627
Restricted assets	<u>751,367</u>	<u>-</u>	<u>-</u>	<u>751,367</u>
Total Current Assets	<u>1,117,516</u>	<u>550,558</u>	<u>113,897</u>	<u>1,781,971</u>
Noncurrent Assets				
Restricted Assets				
Equipment replacement	-	-	441,789	441,789
Reserve account	103,854	-	-	103,854
Construction	1,245,078	-	-	1,245,078
Capital Assets				
Construction in progress	75,940	-	-	75,940
Utility Plant	5,140,794	3,910,492	3,459,021	12,510,307
Less: Accumulated depreciation	(1,559,042)	(810,315)	(2,601,518)	(4,970,875)
Other Assets				
Unamortized debt issuance expenses	<u>50,888</u>	<u>-</u>	<u>-</u>	<u>50,888</u>
Total Noncurrent Assets	<u>5,057,512</u>	<u>3,100,177</u>	<u>1,299,292</u>	<u>9,456,981</u>
Total Assets	<u>6,175,028</u>	<u>3,650,735</u>	<u>1,413,189</u>	<u>11,238,952</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	\$ 157,378	\$ 1,969	\$ 3,196	\$ 162,543
Accrued liabilities	19,544	-	-	19,544
Deposits	5,253	-	-	5,253
Current portion of compensated absences	6,597	2,213	3,836	12,646
Liabilities Payable from Restricted Assets				
Construction payables	751,367	-	-	751,367
Current portion of other debt	50,000	60,905	94,326	205,231
Accrued interest payable	6,920	5,730	2,167	14,817
Total Current Liabilities	<u>997,059</u>	<u>70,817</u>	<u>103,525</u>	<u>1,171,401</u>
Noncurrent Liabilities				
Long-Term Debt				
Revenue bonds payable	855,000	1,227,903	301,964	2,384,867
Revenue bond anticipation notes	2,900,000	-	-	2,900,000
Compensated absences	15,684	4,948	9,355	29,987
Advance from other funds	-	-	485,819	485,819
Unamortized debt discount	(20,804)	-	-	(20,804)
Total Noncurrent Liabilities	<u>3,749,880</u>	<u>1,232,851</u>	<u>797,138</u>	<u>5,779,869</u>
Total Liabilities	<u>4,746,939</u>	<u>1,303,668</u>	<u>900,663</u>	<u>6,951,270</u>
<b>NET POSITION</b>				
Net investment in capital assets	1,240,940	1,811,369	461,213	3,513,522
Restricted for				
Replacement of fixed assets	-	-	441,789	441,789
Debt service	35,504	42,332	63,974	141,810
Unrestricted	<u>151,645</u>	<u>493,366</u>	<u>(454,450)</u>	<u>190,561</u>
<b>TOTAL NET POSITION</b>	<u>\$ 1,428,089</u>	<u>\$ 2,347,067</u>	<u>\$ 512,526</u>	<u>\$ 4,287,682</u>

See accompanying notes to financial statements.

## VILLAGE OF TREMPEALEAU

### STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS For the Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
<b>OPERATING REVENUES</b>				
Public charges for services	\$ 1,733,762	\$ 414,969	\$ 245,341	\$ 2,394,072
Total Operating Revenues	<u>1,733,762</u>	<u>414,969</u>	<u>245,341</u>	<u>2,394,072</u>
<b>OPERATING EXPENSES</b>				
Operation and maintenance	1,484,568	176,615	202,385	1,863,568
Depreciation	170,780	109,500	126,530	406,810
Taxes	20,297	4,611	5,697	30,605
Total Operating Expenses	<u>1,675,645</u>	<u>290,726</u>	<u>334,612</u>	<u>2,300,983</u>
Operating Income (Loss)	<u>58,117</u>	<u>124,243</u>	<u>(89,271)</u>	<u>93,089</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	2,464	268	2,472	5,204
Interest expense	(44,406)	(34,589)	(14,005)	(93,000)
Amortization expense	(3,974)	-	-	(3,974)
Total Nonoperating Revenues (Expenses)	<u>(45,916)</u>	<u>(34,321)</u>	<u>(11,533)</u>	<u>(91,770)</u>
Income (Loss) Before Contributions and Transfers	<u>12,201</u>	<u>89,922</u>	<u>(100,804)</u>	<u>1,319</u>
<b>CONTRIBUTIONS AND TRANSFERS</b>				
Capital contributions	8,925	12,965	3,725	25,615
Transfers out	(56,310)	(64,295)	-	(120,605)
Total Contributions and Transfers	<u>(47,385)</u>	<u>(51,330)</u>	<u>3,725</u>	<u>(94,990)</u>
<b>Change in Net Position</b>	(35,184)	38,592	(97,079)	(93,671)
NET POSITION - Beginning of Year	<u>1,463,273</u>	<u>2,308,475</u>	<u>609,605</u>	<u>4,381,353</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 1,428,089</u>	<u>\$ 2,347,067</u>	<u>\$ 512,526</u>	<u>\$ 4,287,682</u>

See accompanying notes to financial statements.

# VILLAGE OF TREMPÉALEAU

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Received from customers	\$ 1,672,515	\$ 413,333	\$ 231,180	\$ 2,317,028
Cash received from city	31,343	-	-	31,343
Paid to suppliers for goods and services	(1,338,891)	(112,321)	(136,675)	(1,587,887)
Paid to employees for services	(129,971)	(66,179)	(67,462)	(263,612)
Net Cash Flows From Operating Activities	<u>234,996</u>	<u>234,833</u>	<u>27,043</u>	<u>496,872</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	1,729	268	7,824	9,821
Investments purchased	(150,000)	(25,000)	(585,000)	(760,000)
Investments sold	150,000	25,000	615,000	790,000
Net Cash Flows From Investing Activities	<u>1,729</u>	<u>268</u>	<u>37,824</u>	<u>39,821</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Paid to municipality for tax equivalent	(56,310)	(64,295)	-	(120,605)
Net Cash Flows From Noncapital Financing Activities	<u>(56,310)</u>	<u>(64,295)</u>	<u>-</u>	<u>(120,605)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Debt issued	2,851,104	36,617	-	2,887,721
Debt retired	(45,000)	(57,637)	(91,329)	(193,966)
Interest paid	(42,410)	(34,683)	(14,505)	(91,598)
Acquisition and construction of capital assets	(960,593)	(13,217)	(56,821)	(1,030,631)
Contributions received for construction	8,925	3,780	3,725	16,430
Advance received from other funds	-	-	(108,654)	(108,654)
Net Cash Flows From Capital and Related Financing Activities	<u>1,812,026</u>	<u>(65,140)</u>	<u>(267,584)</u>	<u>1,479,302</u>
<b>Net Change in Cash and Cash Equivalents</b>	1,992,441	105,666	(202,717)	1,895,390
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>26,801</u>	<u>362,907</u>	<u>125,648</u>	<u>515,356</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 2,019,242</u>	<u>\$ 468,573</u>	<u>\$ (77,069)</u>	<u>\$ 2,410,746</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 58,117	\$ 124,243	\$ (89,271)	\$ 93,089
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities				
Depreciation	170,780	109,500	126,530	406,810
Depreciation charged to other funds	-	2,392	(2,392)	-
Changes in assets and liabilities				
Accounts receivable	(2,929)	(4,028)	(11,769)	(18,726)
Prepays	2,031	2,031	2,031	6,093
Inventories	8,373	-	-	8,373
Accounts payable	55,513	(481)	(261)	54,771
Other current liabilities	(29,914)	1,176	2,175	(26,563)
Customer deposits	(26,975)	-	-	(26,975)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 234,996</u>	<u>\$ 234,833</u>	<u>\$ 27,043</u>	<u>\$ 496,872</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS</b>				
Cash and investments - statement of net position	\$ 26,521	\$ 445,510	\$ -	\$ 472,031
Restricted cash and investments - statement of net position	<u>2,142,721</u>	<u>48,063</u>	<u>507,931</u>	<u>2,698,715</u>
Total Cash and Investments	2,169,242	493,573	507,931	3,170,746
Less: Noncash equivalents	<u>(150,000)</u>	<u>(25,000)</u>	<u>(585,000)</u>	<u>(760,000)</u>
<b>CASH AND CASH EQUIVALENTS</b>	<u>\$ 2,019,242</u>	<u>\$ 468,573</u>	<u>\$ (77,069)</u>	<u>\$ 2,410,746</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Services contributed by customers	<u>\$ -</u>	<u>\$ 9,185</u>	<u>\$ -</u>	
Debt issuance costs and discount deducted from debt proceeds	<u>\$ 48,896</u>	<u>\$ -</u>	<u>\$ -</u>	
Accounts payable for acquisition and construction of capital assets	<u>\$ 751,367</u>	<u>\$ -</u>	<u>\$ -</u>	

See accompanying notes to financial statements.



# VILLAGE OF TREMPEALEAU

## STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUND As of December 31, 2012

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	<u>Agency Fund</u> <u>Tax Agency</u> <u>Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 614,431
Tax roll receivable	<u>1,178,358</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,792,789</u>
<b>LIABILITIES</b>	
Due to other governments	<u>\$ 1,792,789</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 1,792,789</u>

See accompanying notes to financial statements.

# VILLAGE OF TREMPEALEAU

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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# VILLAGE OF TREMPEALEAU

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The accounting policies of the Village of Trempealeau, Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

#### **A. REPORTING ENTITY**

This report includes all of the funds of the Village of Trempealeau. The reporting entity for the village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable for the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. This report does not contain any component units.

#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

In June 2011, the GASB issued Statement No. 63 - *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Previous financial reporting standards did not include guidance for these elements, which are distinct from assets and liabilities.

The village made the decision to implement this standard effective January 1, 2012.

#### **Government-Wide Financial Statements**

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

# VILLAGE OF TREMPEALEAU

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

##### ***Government-Wide Financial Statements (cont.)***

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The village does not allocate indirect expenses to functions in the statement of activities. 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 or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

##### ***Fund Financial Statements***

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net position/fund equity, revenues, and expenditure/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the village or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the village believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds and proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. 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 - accounts for the village's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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## **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

#### ***Fund Financial Statements (cont.)***

The village reports the following major enterprise funds:

Electric Utility - accounts for operations of the electric system  
Water Utility - accounts for operations of the water system  
Sewer Utility - accounts for operations of the sewer system

The village reports the following nonmajor governmental funds:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Library  
Block Grant  
Trempealeau Trust Fund

Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs.

Debt Service

Capital Projects Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

TIF  
Capital Improvements Fund

In addition, the village reports the following fund type:

Agency fund is used to account for and report assets held by the village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Tax Agency Fund

# VILLAGE OF TREMPALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

---

## **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION***

#### ***Government-Wide Financial Statements***

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and unearned revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the village's electric water and sewer utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

#### ***Fund Financial Statements***

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used 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 are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the village is entitled the resources and the amounts are available. Amounts owed to the village which are not available are recorded as receivables and deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred revenues.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

---

## **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)***

#### ***Fund Financial Statements (cont.)***

The village reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the village has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the village has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

The 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 electric, water and sewer utilities are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### ***All Financial Statements***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY***

#### ***1. Deposits and Investments***

For purposes of the statement of cash flows, the village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of village funds is restricted by Wisconsin state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.

# VILLAGE OF TREMPÉALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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### *D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY* (cont.)

#### *1. Deposits and Investments* (cont.)

- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

The village has adopted an investment policy. That policy follows the state statute for allowable investments as follows: The policy addresses custodial credit risk, interest rate risk, credit risk and concentration of credit risk as follows:

Custodial credit risk will be minimized by: 1) maintaining a list of financial institutions authorized to provide deposit and investment services and 2) all financial institutions must supply audited financial statements demonstrating compliance with federal and state capital adequacy guidelines.

Interest rate risk will be minimized by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities prior to maturity.

Credit risk will be minimized by: 1) limiting investments to types of securities allowed by state statute and 2) the village board shall by resolution approve public depositories deemed appropriate for use.

Concentration of credit risk will be minimized by diversifying the investment portfolio so that the impact of potential losses from any one type of security or any one individual issuer will be minimized.



# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

---

## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

### *D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY* (cont.)

#### *1. Deposits and Investments* (cont.)

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2012, the fair value of the village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III. A. for further information.

#### *2. Receivables*

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the village, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying agency fund statement of fiduciary net position.

Property tax calendar - 2012 tax roll:

Lien date and levy date	December 2012
Tax bills mailed	December 2012
Payment in full, or	January 31, 2013
First installment due	January 31, 2013
Second installment due	July 31, 2013
Personal property taxes in full	January 31, 2013
Tax sale - 2012 delinquent real estate taxes	October 2015

Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the electric, water and sewer utilities because they have the right by law to place substantially all delinquent bills on the tax roll.

# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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## **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

#### ***2. Receivables (cont.)***

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

It is the village's policy to record deferred revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.

#### ***3. Inventories***

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction and/or operation and maintenance expense when used.

#### ***4. Restricted Assets***

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

### *D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)*

#### **5. Capital Assets**

##### ***Government-Wide Statements***

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$15,000 for infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	15-75	Years
Land Improvements	15-30	Years
Vehicles and Equipment	3-15	Years
Utility System	5-100	Years
Infrastructure	20-60	Years
Intangibles	3-15	Years

##### ***Fund Financial Statements***

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

#### **6. Other Assets**

In governmental funds, debt issuance costs are recognized as expenditures in the current period. For the government-wide and the proprietary fund type financial statements, debt issuance costs are deferred and amortized over the term of the debt issue.

# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

---

## **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

#### ***7. Compensated Absences***

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2012, are determined on the basis of current salary rates and include salary related payments.

#### ***8. Long-Term Obligations/Conduit Debt***

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, accrued compensated absences and landfill liability.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the straight-line method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premiums/discounts and gains/losses, as applicable, is shown as an increase or decrease in the liability section of the statement of net position.

The village may approve the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the village. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. There were no IRB's outstanding at year end.

#### ***9. Claims and Judgments***

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. Refer to Note IV. C. on commitments and contingencies.

# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

#### ***10. Equity Classifications***

##### **Government-Wide Statements**

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either 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.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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.

##### ***Fund Statements***

Governmental fund equity is classified as fund balance. In accordance with Governmental Accounting Standards Board Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*, the village classifies governmental fund balance as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either 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.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the village board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the village board that originally created the commitment.

# VILLAGE OF TREMPÉALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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## **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

#### ***10. Equity Classifications (cont.)***

##### ***Fund Statements (cont.)***

- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The Board may take official action to assign amounts. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the village would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note III. H. for further information.

#### ***11. Basis for Existing Rates***

##### ***Electric Utility***

Electric utility rates were authorized by order 5940-ER-105, which is effective for services rendered on or after May 1, 2009.

##### ***Water Utility***

Water rates were authorized by order 5940-WR-102, which is effective for services rendered on or after June 1, 2010.

##### ***Sewer Utility***

Sewer rates effective for services rendered on or after December 6, 2004 were approved by village ordinance dated December 6, 2004.

# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

## **NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

### **A. BUDGETARY INFORMATION**

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C.

A budget has been adopted for the general fund, certain special revenue funds, the debt service fund and capital projects funds. A budget has not been formally adopted for the block grant fund or the Trempealeau trust fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

The budgeted amounts presented include any amendments made. The village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds Village Board action.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the department level of expenditure.

### **B. EXCESS EXPENDITURES OVER APPROPRIATIONS**

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Capital Improvements	\$ 139,500	\$ 169,581	\$ 30,081
TIF	42,000	48,506	6,506

The village controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the village's year-end budget to actual report.

### **C. DEFICIT BALANCES**

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2012, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
TIF	\$ 241,580	Expenditures in excess of revenues

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases.

# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

## **NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)**

### ***D. LIMITATIONS ON THE VILLAGE'S TAX LEVY***

As part of Wisconsin's Act 32 (2011), legislation was passed that limits the village's future tax levies. Generally the village is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the village's equalized value due to new construction or zero percent for the 2011 levy collected in 2012 and thereafter. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions.

## **NOTE III - DETAILED NOTES ON ALL FUNDS**

### ***A. DEPOSITS AND INVESTMENTS***

The village maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments.

The village's deposits and investments at year end were comprised of the following:

	Carrying Value	Bank and Investment Balances	Associated Risks
Deposits	\$ 3,799,559	\$ 4,073,932	Custodial credit risk
US agencies	450,000	450,941	Custodial credit, credit, interest rate and concentration of credit risks
LGIP	7,202	7,202	Credit risk
Petty cash	200	-	N/A
Total Deposits and Investments	<u>\$ 4,256,961</u>	<u>\$ 4,532,075</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 937,351		
Restricted cash and investments	2,705,179		
Per statement of net position - fiduciary funds			
Agency Fund	614,431		
Total Deposits and Investments	<u>\$ 4,256,961</u>		



# VILLAGE OF TREMPÉALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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## **NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

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### **A. DEPOSITS AND INVESTMENTS (cont.)**

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts), \$250,000 for interest-bearing demand deposit accounts, and unlimited amounts for noninterest-bearing transaction accounts through December 31, 2012. On January 1, 2013, the temporary unlimited coverage for noninterest bearing transaction accounts expired. Therefore, demand deposit accounts (interest-bearing and noninterest-bearing) are insured for a total of \$250,000 beginning January 1, 2013. In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

The village maintains collateral agreements with its banks. At December 31, 2012, the banks had pledged various government securities in the amount of \$1,070,000 to secure the village's deposits.

### ***Custodial Credit Risk***

#### **Deposits**

Custodial credit risk is the risk that in the event of a financial institution failure, the village's deposits may not be returned to the village.

The village does not have any deposits exposed to custodial credit risk.

#### **Investments**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The village does not have any investments exposed to custodial credit risk.

### ***Credit Risk***

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The village had investments in implicitly guaranteed treasuries of the United States government were were rated AAA by Moody's and AA+ by Standard & Poors.

The village had investments in the external Wisconsin Local Government Investment Pool which is not rated.

# VILLAGE OF TREMPÉALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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## NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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### A. DEPOSITS AND INVESTMENTS (cont.)

#### *Concentration of Credit Risk*

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2012, the investment portfolio was concentrated as follows:

The US agency portfolio consists of three \$150,000 bonds issued by Federal Home Loan Bank, Federal Farm Credit and Fannie Mae.

#### *Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2012, the village's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
US agencies	<u>\$ 450,000</u>	5.33

See Note I.D.1. for further information on deposit and investment policies.

### B. RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year except \$118,586 in the Block Grant Fund.

# VILLAGE OF TREMPÉALEAU

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### **B. RECEIVABLES** (cont.)

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. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Totals</u>
Property taxes receivable for subsequent year	\$ -	\$ 571,540	\$ 571,540
Special assessments not yet due	15,411	-	15,411
Housing loans	118,586	-	118,586
Interest receivable on advance to TIF	90,187	-	90,187
Other receivables	119	-	119
 Total Deferred/Unearned Revenue for Governmental Funds	 \$ 224,303	 \$ 571,540	 \$ 795,843

#### **C. RESTRICTED ASSETS**

The following represent the balances of the restricted assets:

##### ***Long-Term Debt Accounts***

- Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.
- Reserve - Used to report resources set aside to make up potential future deficiencies in the redemption account.
- Construction - Used to report proceeds of revenue bond issuances that are restricted for use in construction.

##### ***Equipment Replacement Account***

The sewer utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

##### ***Impact Fee Account***

The village has received impact fees which must be spent in accordance with the local ordinance and state statutes. Any unspent funds must be refunded to the current property owner.

## VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### C. RESTRICTED ASSETS (cont.)

Following is a list of restricted assets at December 31, 2012:

	Restricted Assets	Liabilities Payable from Restricted Assets	Restricted Net Position
Bond redemption account	\$ 156,627	\$ 14,817	\$ 141,810
Impact fee account	6,464	-	6,464
Construction account	1,996,445	-	n/a
Equipment replacement account	441,789	-	441,789
Bond reserve account	103,854	-	n/a
Total	\$ 2,705,179	\$ 14,817	\$ 590,063

#### D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 134,426	\$ -	\$ -	\$ 134,426
Total Capital Assets Not Being Depreciated	134,426	-	-	134,426
Capital assets being depreciated				
Land improvements	49,722	19,398	-	69,120
Buildings	2,716,723	10,000	3,374	2,723,349
Vehicles and equipment	431,722	-	27,185	404,537
Infrastructure	1,320,163	115,616	-	1,435,779
Total Capital Assets Being Depreciated	4,518,330	145,014	30,559	4,632,785
Total Capital Assets	4,652,756	145,014	30,559	4,767,211

## VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities (cont.)</b>				
Less: Accumulated depreciation for				
Land improvements	\$ (9,879)	\$ (2,456)	\$ -	\$ (12,335)
Buildings	(481,115)	(58,740)	2,699	(537,156)
Vehicles and equipment	(236,822)	(20,075)	27,185	(229,712)
Infrastructure	(292,751)	(71,020)	-	(363,771)
Total Accumulated Depreciation	(1,020,567)	(152,291)	29,884	(1,142,974)
Net Capital Assets Being Depreciated	3,497,763	(7,277)	675	3,489,811
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 3,632,189	\$ (7,277)	\$ 675	\$ 3,624,237

Depreciation expense was charged to functions as follows:

#### Governmental Activities

General government	\$ 9,591
Public safety	10,969
Public works, which includes the depreciation of infrastructure	85,935
Leisure activities	45,796
Total Governmental Activities Depreciation Expense	\$ 152,291

#### Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Electric</u>				
Capital assets not being depreciated				
Land and land rights	\$ 698	\$ 57,942	\$ -	\$ 58,640
Construction in progress	1,044	74,896	-	75,940
Total Capital Assets Not Being Depreciated	1,742	132,838	-	134,580
Capital assets being depreciated				
Transmission and distribution plant	3,115,423	1,623,425	240	4,738,608
General plant	339,484	4,062	-	343,546
Total Capital Assets Being Depreciated	3,454,907	1,627,487	240	5,082,154
Total Capital Assets	3,456,649	1,760,325	240	5,216,734

## VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### D. CAPITAL ASSETS (cont.)

##### Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Electric (cont.)</u>				
Less: Accumulated depreciation for				
Electric plant	\$ (1,340,137)	\$ (219,145)	\$ 240	\$ (1,559,042)
Total Accumulated Depreciation	(1,340,137)	(219,145)	240	(1,559,042)
Net Capital Assets Being Depreciated	2,114,770	1,408,342	-	3,523,112
Net Electric Capital Assets	\$ 2,116,512	\$ 1,541,180	\$ -	\$ 3,657,692
	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water</u>				
Capital assets not being depreciated				
Land and land rights	\$ 64,571	\$ -	\$ -	\$ 64,571
Total Capital Assets Not Being Depreciated	64,571	-	-	64,571
Capital assets being depreciated				
Source of supply plant	464,874	-	-	464,874
General Plant	38,528	4,062	-	42,590
Pumping plant	1,393,530	-	-	1,393,530
Transmission and distribution plant	1,675,275	18,340	5,310	1,688,305
Water treatment plant	256,622	-	-	256,622
Total Capital Assets Being Depreciated	3,828,829	22,402	5,310	3,845,921
Total Capital Assets	3,893,400	22,402	5,310	3,910,492
Less: Accumulated depreciation for				
Water plant	(703,733)	(111,892)	5,310	(810,315)
Total Accumulated Depreciation	(703,733)	(111,892)	5,310	(810,315)
Net Capital Assets Being Depreciated/ Amortized	3,125,096	(89,490)	-	3,035,606
Net Water Capital Assets	\$ 3,189,667	\$ (89,490)	\$ -	\$ 3,100,177

## VILLAGE OF TREMPÉALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### D. CAPITAL ASSETS (cont.)

##### Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Sewer</u>				
Capital assets not being depreciated				
Land and land rights	\$ 3,100	\$ -	\$ -	\$ 3,100
Total Capital Assets Not Being Depreciated	3,100	-	-	3,100
Capital assets being depreciated				
Collection system plant	1,202,984	52,759	-	1,255,743
Pumping equipment	280,055	-	-	280,055
Treatment and disposal plant	1,813,135	-	-	1,813,135
General plant	102,926	4,062	-	106,988
Total Capital Assets Being Depreciated	3,399,100	56,821	-	3,455,921
Total Capital Assets	3,402,200	56,821	-	3,459,021
Less: Accumulated depreciation for				
Sewer plant	(2,477,380)	(124,138)	-	(2,601,518)
Total Accumulated Depreciation	(2,477,380)	(124,138)	-	(2,601,518)
Net Capital Assets Being Depreciated	921,720	(67,317)	-	854,403
Net Sewer Capital Assets	\$ 924,820	\$ (67,317)	\$ -	\$ 857,503
Business-type Capital Assets, Net of Accumulated Depreciation	\$ 6,230,999	\$ 1,384,373	\$ -	\$ 7,615,372

Depreciation expense was charged to functions as follows:

##### Business-type Activities

Electric	\$ 170,780
Water	109,500
Sewer	126,530
 Total Business-type Activities Depreciation Expense	 \$ 406,810

Depreciation expense is different from additions because of joint metering, salvage cost of removal, internal allocations, and cost associated with the disposal of assets.

**VILLAGE OF TREMPÉALEAU**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

***E. INTERFUND ADVANCES AND TRANSFERS***

***Advances***

The general fund is advancing funds to TIF. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the district's inception. No repayment schedule has been established, however interest is being accrued at 8% annually.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
TIF	General Fund	\$ 241,580	\$ 241,580
Sewer Utility	General Fund	<u>485,819</u>	485,819
Total - Fund Financial Statements		727,399	
Less: Fund eliminations		<u>(241,580)</u>	
Total - Interfund Advances - Government-Wide Statement of Net Position		<u><u>\$ 485,819</u></u>	

The principal purpose of the advance from the general fund to the sewer utility is to cover a deficit in unrestricted cash balances.

For the statement of net position, interfund advances which are owed within the governmental activities or business-type activities are netted and eliminated.

***Transfers***

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General Fund	Water Utility	\$ 64,295	Property tax equivalent
General Fund	Electric Utility	56,310	Property tax equivalent
Capital Projects	General Fund	<u>71,137</u>	Cover deficit balance
Total - Fund Financial Statements		191,742	
Less: Fund eliminations		<u>(71,137)</u>	
Total Transfers - Government-Wide Statement of Activities		<u><u>\$ 120,605</u></u>	



# VILLAGE OF TREMPEALEAU

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### **E. INTERFUND ADVANCES AND TRANSFERS (cont.)**

##### **Transfers (cont.)**

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

For the statement of activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

#### **F. LONG-TERM OBLIGATIONS**

Long-term obligations activity for the year ended December 31, 2012, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 1,048,058	\$ -	\$ 123,465	\$ 924,593	\$ 124,593
Sub-totals	<u>1,048,058</u>	<u>-</u>	<u>123,465</u>	<u>924,593</u>	<u>124,593</u>
Other Liabilities					
Vested compensated absences	35,406	13,681	19,971	29,116	9,238
Landfill liability	78,100	1,767	7,100	72,767	6,400
Total Other Liabilities	<u>113,506</u>	<u>15,448</u>	<u>27,071</u>	<u>101,883</u>	<u>15,638</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 1,161,564</u>	<u>\$ 15,448</u>	<u>\$ 150,536</u>	<u>\$ 1,026,476</u>	<u>\$ 140,231</u>
<b>Business-type Activities</b>					
Bonds and Notes Payable					
Revenue bonds	\$ 2,747,447	\$ 36,617	\$ 193,966	\$ 2,590,098	\$ 205,231
Revenue bond anticipation notes	-	2,900,000	-	2,900,000	-
Add/(Subtract) Deferred Amounts For (Discounts)/Premiums	-	(21,750)	(946)	(20,804)	-
Sub-totals	<u>2,747,447</u>	<u>2,914,867</u>	<u>193,020</u>	<u>5,469,294</u>	<u>205,231</u>
Other Liabilities					
Vested compensated absences	35,646	16,486	9,499	42,633	12,646
Total Other Liabilities	<u>35,646</u>	<u>16,486</u>	<u>9,499</u>	<u>42,633</u>	<u>12,646</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 2,783,093</u>	<u>\$ 2,931,353</u>	<u>\$ 202,519</u>	<u>\$ 5,511,927</u>	<u>\$ 217,877</u>

# VILLAGE OF TREMPÉALEAU

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

### **NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

#### ***F. LONG-TERM OBLIGATIONS (cont.)***

In accordance with Wisconsin Statutes, total general obligation indebtedness of the village may not exceed 5% of the equalized value of taxable property within the village's jurisdiction. The debt limit as of December 31, 2012, was \$4,981,160. Total general obligation debt outstanding at year end was \$924,593.

#### ***General Obligation Debt***

All general obligation notes and bonds payable are backed by the full faith and credit of the village. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund.

<u>Governmental Activities</u>	<u>Date of</u>	<u>Final</u>	<u>Interest</u>	<u>Original</u>	<u>Balance</u>
<u>General Obligation Debt</u>	<u>Issue</u>	<u>Maturity</u>	<u>Rates</u>	<u>Indebtedness</u>	<u>December 31,</u>
					<u>2012</u>
General obligation					
refunding bonds	4/28/2009	10/1/2021	2.0 - 4.2%	\$ 1,155,000	\$ 895,000
Promissory note	4/25/2008	4/25/2013	4.2%	104,180	22,581
Promissory note	4/7/2009	4/7/2013	4.0%	26,590	<u>7,012</u>
Total Governmental Activities - General Obligation Debt					<u><u>\$ 924,593</u></u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities</u>	
	<u>General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 124,593	\$ 32,363
2014	120,000	28,745
2015	110,000	25,445
2016	90,000	22,035
2017	95,000	18,885
2018-2021	<u>385,000</u>	<u>38,240</u>
Totals	<u><u>\$ 924,593</u></u>	<u><u>\$ 165,713</u></u>

#### ***Revenue Debt***

Business-type activities revenue bonds are payable only from revenues derived from the operation of the electric, water and sewer utilities.

**VILLAGE OF TREMPÉALEAU**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**Revenue Debt (cont.)**

The electric, water and sewer utilities has pledged future electric, water and sewer revenues, net of specified operating expenses, to repay \$6.9 million in electric, water and sewer revenue bonds and revenue bond anticipation notes issued in 1996, 2006, 2009 and 2012. Proceeds from the bonds provided financing for the utility system improvements. The bonds are payable solely from electric, water and sewer revenues and are payable through 2029. Annual principal and interest payments on the bonds are expected to require 73% of net revenues. The total principal and interest remaining to be paid on the bonds is \$6,228,123. Principal and interest paid for the current year and total customer net revenues were \$285,563 and \$505,103, respectively.

Revenue debt payable at December 31, 2012, consists of the following:

**Business-type Activities Revenue Debt**

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2012</u>
<u>Sewer Utility</u>					
Clean water fund loan	5/22/1996	5/1/2016	3.282%	\$ 1,433,595	<u>\$ 396,290</u>
<u>Water Utility</u>					
Safe drinking water loan	11/12/2009	5/1/2029	2.668%	1,417,481	<u>1,288,808</u>
<u>Electric Utility</u>					
Electric revenue bond	3/6/2006	5/1/2026	3.8 - 5.0%	1,155,000	<u>905,000</u>
Total Business-type Activities Revenue Debt					<u><u>\$ 2,590,098</u></u>

## VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### F. LONG-TERM OBLIGATIONS (cont.)

##### Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Business-type Activities Revenue Debt	
	Principal	Interest
2013	\$ 205,231	\$ 85,517
2014	209,952	78,673
2015	214,818	71,683
2016	224,833	73,383
2017	122,669	58,531
2018-2022	691,411	223,350
2023-2027	737,969	85,499
2028-2029	183,215	4,920
Totals	<u>\$ 2,590,098</u>	<u>\$ 681,556</u>

Business-type Activities Bond Anticipation Notes	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2012
Revenue Bond Anticipation Notes	11/20/2012	11/1/2014	1.39%	\$ 2,900,000	<u>\$ 2,900,000</u>

Debt service requirements to maturity are as follows:

Years	Business-type Activities Bond Anticipation Notes	
	Principal	Interest
2013	\$ -	\$ 27,469
2014	2,900,000	29,000
Totals	<u>\$ 2,900,000</u>	<u>\$ 56,469</u>

##### Other Debt Information

Estimated payments of compensated absences and liability are not included in the debt service requirement schedules. The vested compensated absences and landfill liabilities attributable to governmental activities will be liquidated primarily by the general fund.

# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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## **NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

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### ***F. LONG-TERM OBLIGATIONS (cont.)***

#### ***Other Debt Information (cont.)***

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The village believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

#### ***Bond Covenant Disclosures***

The following information is provided in compliance with the resolution creating the 1996, 2006, 2009 and 2012 Electric, Water and Sewer revenue bonds:

#### ***Insurance***

The village is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions, workers compensation, and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year.

## VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### *F. LONG-TERM OBLIGATIONS* (cont.)

##### *Insurance* (cont.)

The village is covered under the following insurance policies at December 31, 2012:

Type	Coverage	Expiration
<i>Local Government Property Insurance</i>		
Buildings, Personal Property, Inland Marine Floater and Property in the Open	\$ 19,505,648	1/1/2013
Contractors Equipment	511,258	1/1/2013
<i>League of Wisconsin Municipalities</i>		
Worker's Compensation	\$ 100,000	1/1/2013
Bodily Injury and Property Damage	3,000,000	each occurrence
Personal and Advertising Injury and Law Enforcement	3,000,000	each occurrence
Damages to Rented Premises	250,000	limit
Premises Medical Payments	10,000	limit
Public Officials Errors and Omissions	3,000,000	each occurrence
Automobile Liability - Any Auto	3,000,000	each occurrence
Employee Benefits Liability	3,000,000	each occurrence
Automobile Physical Damage	482,531	each occurrence
Automobile Medical Payments - Owned Autos	10,000	limit
Uninsured Motorists	25,000	per person
	50,000	per occurrence
Underinsured Motorists	25,000	per person
	50,000	per occurrence
Worker Compensation Increase Limits	2,000,000	limit
Sewer Backup Extended Coverage	100,000	per occurrence
	300,000	annual aggregate
Boiler/Mechanical Breakdown	30,000,000	1/1/2013

# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

## NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

### F. LONG-TERM OBLIGATIONS (cont.)

#### **Debt Coverage**

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.25 times the annual debt service. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2012 as follows:

Net income (loss)	\$	(93,671)
Depreciation and amortization		410,784
Interest expense		93,000
Property tax equivalent		120,605
Less: Capital contributions		<u>(25,615)</u>
 Net Defined Earnings	 \$	 <u>505,103</u>
 Minimum Required Earnings per Resolution:		
Annual debt service	\$	<u>285,563</u>
 Annual Debt Coverage		 <u>1.77</u>

#### **Number of Customers**

The utility has the following number of customers for 2012:

	Electric	Water	Sewer
Residential	1,052	807	806
Commercial	177	62	53
Public authority	2	15	10
Fire protection	<u>-</u>	<u>2</u>	<u>-</u>
 Totals	 <u>1,231</u>	 <u>886</u>	 <u>869</u>

### G. CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the village to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The village completed final closure of the landfill in 1988. The \$72,767 reported as landfill postclosure care liability at December 31, 2012, represents the total amount needed by the village for post closure care costs according to state and federal regulations. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

# VILLAGE OF TREMPÉALEAU

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### **G. CLOSURE AND POSTCLOSURE CARE COST (cont.)**

The village is required by state and federal laws and regulations to provide proof of financial assurance for the postclosure care costs. The village is in compliance with these requirements, and, at December 31, 2012, the village had landfill maintenance and monitoring costs in the amount of \$5,333. The maintenance and monitoring expenses for long-term care will be budgeted for each year by the village and the amount averages \$6,000 annually.

#### **H. NET POSITION/FUND BALANCES**

Net position reported on the government wide statement of net position at December 31, 2012, includes the following:

##### **Governmental Activities**

Net Investment in Capital Assets		
Land	\$	134,426
Other capital assets, net of accumulated depreciation		3,489,811
Less: Long-term debt outstanding		<u>(924,593)</u>
 Total Net Investment in Capital Assets	 \$	 <u><u>2,699,644</u></u>

##### **Governmental Funds**

Governmental fund balances reported on the fund financial statements at December 31, 2012, include the following:

	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Totals</u>
<b>Fund Balances (Deficit)</b>			
<b>Nonspendable:</b>			
Advances	\$ 727,399	\$ -	\$ 727,399
Delinquent taxes	3,673	-	3,673
<b>Restricted for:</b>			
Impact fees	6,464	-	6,464
Debt service	-	25,757	25,757
Housing loan - grantor restrictions	-	2	2
Donor restrictions	-	119,546	119,546
State statutes - library	-	32,520	32,520
<b>Unassigned (Deficit):</b>	<u>149,307</u>	<u>(241,580)</u>	<u>(92,273)</u>
 <b>Total Fund Balances (Deficit)</b>	 <u><u>\$ 886,843</u></u>	 <u><u>\$ (63,755)</u></u>	 <u><u>\$ 823,088</u></u>



# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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## NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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### H. NET POSITION/FUND BALANCES (cont.)

#### *Business-type Activities*

Net Investment in Capital Assets	
Land	\$ 126,311
Construction in progress	75,940
Other capital assets, net of accumulated depreciation	7,413,121
Less: Long-term debt outstanding (excluding unspent capital related debt proceeds)	(4,245,020)
Plus: Noncapital debt proceeds	143,170
Total Net Investment in Capital Assets	<u>3,513,522</u>
Restricted	
Debt service	141,810
Replacement	441,789
Total Restricted	<u>583,599</u>
Unrestricted	<u>190,561</u>
Total Business-type Activities Net Position	<u>\$ 4,287,682</u>

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## NOTE IV - OTHER INFORMATION

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### A. EMPLOYEES' RETIREMENT SYSTEM

All eligible village employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work over 600 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Prior to June 29, 2011, covered employees in the General category were required by statute to contribute 6.5% of their salary (3.9% for Executives and Elected Officials, 5.8% for Protective Occupations with Social Security, and 4.8% for Protective Occupations without Social Security) to the plan. Employers could make these contributions to the plan on behalf of employees. Employers were required to contribute an actuarially determined amount necessary to the fund the remaining projected cost of future benefits.

# VILLAGE OF TREMPEALEAU

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was change to one-half of the actuarially determined contribution rate for General category employees, and Executives and Elected Officials. Required contributions for protective contributions are the same as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for December 31, 2012 are:

	<u>Employee</u>	<u>Employer</u>
General	5.9%	5.9%
Executives and Elected Officials	5.9%	5.9%
Protective with Social Security	5.9%	10.9%
Protective without Social Security	5.9%	10.9%

The payroll for village employees covered by the WRS for the year ended December 31, 2012 was \$497,869; the employer's total payroll was \$581,371. The total required contribution for the year ended December 31, 2012 was \$63,008 or 12.7% of covered payroll. Of this amount, 6.8 percent was contributed by the employer and 5.9 percent was contributed by the employee for the current year. Total contributions for the years ending December 31, 2011 and 2010 were \$60,000 and \$56,595, 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 years 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 and on or after April 24, 1998 and prior to July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

The System also provides death and disability benefits for employees. Eligibility for and the amount of all benefits is determined under Chapter 40 of Wisconsin Statutes. The System 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.

As of December 31, 2012 there was no pension related debt for the village.

# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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## **NOTE IV - OTHER INFORMATION (cont.)**

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### ***B. RISK MANAGEMENT***

The village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

### ***C. COMMITMENTS AND CONTINGENCIES***

From time to time, the village is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the village attorney 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.

The village has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

Funding for the operating budget of the village comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the village. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. The State of Wisconsin is currently experiencing budget problems, and is considering numerous alternatives including reducing aid to local governments. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the village.

The village has active a construction project for electric system improvements as of December 31, 2012. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and capital assets.

### ***Purchased Power Agreements***

The village served notice of cancellation of the purchased power agreement with Xcel Energy effective December 31, 2012. The village purchases power under a regulated tariff which includes formula rates. The charges for each calendar year are true-up in the following year. The village does not attempt to make an estimate of the true-up under these purchases and will recognize the actual amount of the true-up in the following year as invoiced by its provider.

On March 24, 2011, the village entered into a market based rate full requirements agreement with American Electric Power Service Corporation for January 1, 2013 through December 31, 2016. On August 24, 2012, the village entered into a market based rate full requirement agreement with AEP Energy Partners, Inc. for January 1, 2017 through December 31, 2017.

# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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## NOTE IV - OTHER INFORMATION (cont.)

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### *C. COMMITMENTS AND CONTINGENCIES (cont.)*

#### *Great Lakes Utilities Contracts*

On August 1, 2011 the village entered into a contract for the establishment and operation of Great Lakes Utilities (GLU), a municipal electric company formed pursuant to Section 66.0825 of the Wisconsin Statutes. GLU is a separate electric company of Wisconsin municipal electric utilities created to obtain low cost and reliable electric power for its members.

In 2011, the village entered into a contract with GLU to purchase capacity, energy, and renewable credits from Lakewind project for a 20 year term.

### *D. JOINT VENTURES*

The Village of Trempealeau and the Townships of Trempealeau and Caledonia jointly operate the local fire department, which is called the Trempealeau-Caledonia Fire Board and provides fire service.

The governing body is made up of citizens from each community. Local representatives are appointed by the boards. The governing body has authority to adopt its own budget and control the financial affairs of the district. The village made a payment totaling \$35,887 to the district for 2012. The village believes that the district will continue to provide services in the future at similar rates.

Financial information of the district as of 12/31/2012 is available directly from the district's office.

Debt is being repaid with resources of the district and is secured by the taxing power of the participants. The transactions of the district are not reflected in these financial statements.

The village does not have an equity interest in the fire board.

The Village of Trempealeau also participates in the Southern Trempealeau County Solid Waste Commission to jointly provide garbage and recycling service to residents of the Village of Trempealeau, City of Galesville, Village of Melrose, and Towns of Caledonia, Gale, Trempealeau and Dodge. The governing body is made up of one member from each community. The Village made payments totaling \$13,506 to the Commission in 2012. During 2004, the Commission notified participants that part of the initial start-up assessment would be returned to the communities over the next five years. The final payment of the initial start-up assessment was received in 2008. Financial information can be obtained from the Village of Trempealeau or other participating communities.

# VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

## NOTE IV - OTHER INFORMATION (cont.)

### **E. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS**

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*; Statement No. 65, *Items Previously Reported as Assets and Liabilities*; Statement No. 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*; Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*; and Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. Application of these standards may restate portions of these financial statements.

### **F. STATUS OF TAX INCREMENTAL FINANCING DISTRICT**

Tax incremental financing, as authorized by Section 66.1105 of the Wisconsin Statutes, is a method by which the village can recover its development and public improvement costs in Tax Incremental Finance District (TIF) designated areas. These costs are recovered from the increased valuation in the designated area. The village has financed development and public improvement costs in its TIF district through general fund advances. Tax increments will be used to repay these general fund advances.

The District is allowed to collect a tax increment until its termination date. Any over collections are returned to the various taxing entities of the District. The village becomes liable for any costs not recovered by the termination dates.

In 1997, the village created Tax Incremental Financing District No. 1. A summary of cumulative status is as follows:

	2012	From Date of Creation
<b>Project Costs</b>		
Capital expenditures	\$ 150	\$ 597,892
Interest and fiscal charges	<u>13,356</u>	<u>256,773</u>
Total Costs	<u>13,506</u>	<u>854,665</u>
<b>Project Revenues</b>		
Tax increments	42,232	413,560
Special assessments	-	6,561
Miscellaneous	-	68,119
Sale of property	<u>-</u>	<u>36,810</u>
Total Revenues	<u>42,232</u>	<u>525,050</u>
Net Costs Recoverable Through TIF Increments - December 31, 2012	<u>\$ (28,726)</u>	<u>\$ 329,615</u>
<b>Reconciliation of Recoverable Costs</b>		
General obligation debt		\$ 88,035
Plus: Fund balance deficit		<u>241,580</u>
Net Cost Recoverable Through TIF Increments - December 31, 2012		<u>\$ 329,615</u>

## VILLAGE OF TREMPEALEAU

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

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### **NOTE IV - OTHER INFORMATION** (cont.)

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#### ***F. STATUS OF TAX INCREMENTAL FINANCING DISTRICT*** (cont.)

The District's last date to incur project costs is September 29, 2019. The last year the District may collect an increment is 2025. The tax increment to be collected in 2013 is \$42,953.

**REQUIRED SUPPLEMENTARY INFORMATION**

## VILLAGE OF TREMPEALEAU

### DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2012

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
<b>TAXES</b>			
Property	\$ 202,170	\$ 202,171	\$ 1
Mobile home taxes	30,000	33,470	3,470
Public accommodation (room) taxes	5,000	8,275	3,275
Payments in lieu of taxes	<u>7,000</u>	<u>7,136</u>	<u>136</u>
Total Taxes	<u>244,170</u>	<u>251,052</u>	<u>6,882</u>
<b>INTERGOVERNMENTAL REVENUES</b>			
State shared revenues	231,506	231,506	-
Fire insurance tax from state	2,863	3,587	724
State aid - computer exemption	1,000	581	(419)
State aid - law enforcement improvement	5,200	6,670	1,470
State aid - connecting streets	55,576	55,576	-
Aid in lieu of taxes	<u>257</u>	<u>276</u>	<u>19</u>
Total Intergovernmental Revenues	<u>296,402</u>	<u>298,196</u>	<u>1,794</u>
<b>LICENSES AND PERMITS</b>			
Liquor and malt beverage licenses	3,000	3,628	628
Operators' license	500	465	(35)
Cigarette licenses	25	10	(15)
Soda licenses	50	70	20
Dog licenses	200	229	29
Building permits	4,500	5,675	1,175
Zoning permits and fees	500	1,480	980
Other business and occupational licenses	-	200	200
Other permits	<u>400</u>	<u>575</u>	<u>175</u>
Total Licenses and Permits	<u>9,175</u>	<u>12,332</u>	<u>3,157</u>
<b>FINES, FORFEITURES AND PENALTIES</b>			
Court penalties and costs	4,000	7,387	3,387
Parking violations	100	175	75
Other law and ordinance violations	<u>100</u>	<u>25</u>	<u>(75)</u>
Total Fines, Forfeitures and Penalties	<u>4,200</u>	<u>7,587</u>	<u>3,387</u>
<b>PUBLIC CHARGES FOR SERVICES</b>			
Clerk's fees	5,000	6,822	1,822
License publication fees	50	115	65
Landfill	2,500	2,667	167
Swimming areas	35,000	21,928	(13,072)
Parkland development	2,250	2,400	150
Recreation program	<u>1,500</u>	<u>2,540</u>	<u>1,040</u>
Total Public Charges for Services	<u>46,300</u>	<u>36,472</u>	<u>(9,828)</u>
<b>SPECIAL ASSESSMENTS</b>			
Street improvements	<u>-</u>	<u>4,903</u>	<u>4,903</u>

See independent auditors' report and accompanying notes to required supplementary information.



## VILLAGE OF TREMPEALEAU

### DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2012

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>INVESTMENT INCOME</b>			
Investment income	\$ 4,160	\$ 2,925	\$ (1,235)
Interest on advances to other funds	-	19,978	19,978
Interest on special assessments	-	35	35
Total Investment Income	<u>4,160</u>	<u>22,938</u>	<u>18,778</u>
<b>MISCELLANEOUS</b>			
Donations	3,000	192	(2,808)
Rent	1,000	1,539	539
Other miscellaneous	12,000	24,851	12,851
Total Miscellaneous	<u>16,000</u>	<u>26,582</u>	<u>10,582</u>
 Total Revenues	 <u>620,407</u>	 <u>660,062</u>	 <u>39,655</u>
<b>EXPENDITURES</b>			
<b>GENERAL GOVERNMENT</b>			
Attorney	4,300	3,371	929
Legal	5,000	3,966	1,034
Village clerk	23,773	19,367	4,406
Clerk - elections	26,938	24,020	2,918
Elections	1,100	5,629	(4,529)
Treasurer	10,000	10,455	(455)
Treasury	16,688	16,698	(10)
Village hall	8,500	8,577	(77)
General buildings/plant/hall	34,000	34,318	(318)
Property and liability insurance	20,000	22,541	(2,541)
Other general government	12,894	15,592	(2,698)
Total General Government	<u>163,193</u>	<u>164,534</u>	<u>(1,341)</u>
<b>PUBLIC SAFETY</b>			
Police	155,909	165,313	(9,404)
Fire protection	36,633	35,887	746
EMT	4,677	4,659	18
Building inspection	7,000	2,515	4,485
Total Public Safety	<u>204,219</u>	<u>208,374</u>	<u>(4,155)</u>

See independent auditors' report and accompanying notes to required supplementary information.

## VILLAGE OF TREMPEALEAU

### DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2012

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>PUBLIC WORKS</b>			
Shop operations	\$ 90,591	\$ 11,357	\$ 79,234
Machinery operation and maintenance	6,000	4,901	1,099
Street maintenance	9,500	70,119	(60,619)
Tree and brush removal	-	7,601	(7,601)
Snow and ice control	22,250	10,475	11,775
Traffic control	1,500	5,061	(3,561)
Sidewalks	1,500	30	1,470
Street lighting	34,560	31,242	3,318
Refuse and garbage collection	-	118	(118)
Recycling	13,418	13,506	(88)
Sanitary landfill	4,500	5,333	(833)
Weed control	-	3,775	(3,775)
Total Public Works	<u>183,819</u>	<u>163,518</u>	<u>20,301</u>
<b>HEALTH AND HUMAN SERVICES</b>			
Cemetery	600	1,100	(500)
Senior activities	150	-	150
Total Health and Human Services	<u>750</u>	<u>1,100</u>	<u>(350)</u>
<b>CULTURE, RECREATION AND EDUCATION</b>			
Parks	11,899	10,632	1,267
Recreation	11,115	7,289	3,826
Celebrations and entertainment	200	2,754	(2,554)
Swimming pool	92,509	80,995	11,514
Total Culture, Recreation and Education	<u>115,723</u>	<u>101,670</u>	<u>14,053</u>
<b>CONSERVATION AND DEVELOPMENT</b>			
Planning	1,000	-	1,000
Zoning	1,000	206	794
Economic development	750	759	(9)
Total Conservation and Development	<u>2,750</u>	<u>965</u>	<u>1,785</u>
Total Expenditures	<u>670,454</u>	<u>640,161</u>	<u>30,293</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(50,047)</u>	<u>19,901</u>	<u>69,948</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	105,623	120,605	14,982
Transfers out	(55,576)	(71,137)	(15,561)
Total Other Financing Sources (Uses)	<u>50,047</u>	<u>49,468</u>	<u>(579)</u>

See independent auditors' report and accompanying notes to required supplementary information.

## VILLAGE OF TREMPEALEAU

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
For the Year Ended December 31, 2012

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Net Change in Fund Balance</b>	\$ -	69,369	\$ 69,369
FUND BALANCE - Beginning of Year	<u>817,474</u>	<u>817,474</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 817,474</u>	<u>\$ 886,843</u>	<u>\$ 69,369</u>

See independent auditors' report and accompanying notes to required supplementary information.

# VILLAGE OF TREMPEALEAU

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION As of and for the Year Ended December 31, 2012

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### ***BUDGETARY INFORMATION***

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

Excess expenditures over appropriations are as follows:

	<u>Final Budget</u>	<u>Expenditures</u>	<u>Excess</u>
<u>General Fund</u>			
General government	\$ 163,193	\$ 164,534	\$ 1,341
Public safety	204,219	208,374	4,155
Health and human services	750	1,100	350

**SUPPLEMENTARY INFORMATION**

## VILLAGE OF TREMPEALEAU

### COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2012

	Special Revenue			Debt Service
	Library	Block Grant	Trempealeau Trust Fund	Debt Service
<b>ASSETS</b>				
Cash and investments	\$ 136,950	\$ 2	\$ 17,948	\$ 25,757
Receivables				
Taxes	56,000	-	-	119,870
Notes	-	118,586	-	-
Accrued interest	286	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 193,236</b>	<b>\$ 118,588</b>	<b>\$ 17,948</b>	<b>\$ 145,627</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 3,118	\$ -	\$ -	\$ -
Deferred revenues	56,000	118,586	-	119,870
Advances from other funds	-	-	-	-
Total Liabilities	59,118	118,586	-	119,870
Fund Balances (Deficit)				
Restricted	134,118	2	17,948	25,757
Unassigned (Deficit)	-	-	-	-
Total Fund Balances (Deficit)	134,118	2	17,948	25,757
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 193,236</b>	<b>\$ 118,588</b>	<b>\$ 17,948</b>	<b>\$ 145,627</b>

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<u>Capital Projects</u>		
<u>Capital Improvements</u>	<u>TIF</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 52,387	\$ -	\$ 233,044
108,232	42,953	327,055
-	-	118,586
<u>-</u>	<u>-</u>	<u>286</u>
<u>\$ 160,619</u>	<u>\$ 42,953</u>	<u>\$ 678,971</u>
\$ 52,387	\$ -	\$ 55,505
108,232	42,953	445,641
-	241,580	241,580
<u>160,619</u>	<u>284,533</u>	<u>742,726</u>
-	-	177,825
<u>-</u>	<u>(241,580)</u>	<u>(241,580)</u>
<u>-</u>	<u>(241,580)</u>	<u>(63,755)</u>
<u>\$ 160,619</u>	<u>\$ 42,953</u>	<u>\$ 678,971</u>

## VILLAGE OF TREMPEALEAU

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2012

	Special Revenue			Debt Service
	Library	Block Grant	Trempealeau Trust Fund	Debt Service
<b>REVENUES</b>				
Taxes	\$ 54,000	\$ -	\$ -	\$ 121,376
Intergovernmental	44,163	-	-	-
Investment income	1,142	-	195	-
Miscellaneous	14,190	-	-	-
Total Revenues	113,495	-	195	121,376
<b>EXPENDITURES</b>				
Current				
Culture, recreation and education	101,744	-	-	-
Conservation and development	-	1,269	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	88,465
Interest and fiscal charges	-	-	-	32,909
Total Expenditures	101,744	1,269	-	121,374
Excess (deficiency) of revenues over expenditures	11,751	(1,269)	195	2
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	-	-
Total Other Financing Sources	-	-	-	-
<b>Net Change in Fund Balances</b>	11,751	(1,269)	195	2
FUND BALANCES (DEFICIT) - Beginning of Year	122,367	1,271	17,753	25,755
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	\$ 134,118	\$ 2	\$ 17,948	\$ 25,757



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<u>Capital Projects</u>		
<u>Capital Improvements</u>	<u>TIF</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 83,924	\$ 42,232	\$ 301,532
-	-	44,163
141	-	1,478
<u>14,379</u>	<u>-</u>	<u>28,569</u>
<u>98,444</u>	<u>42,232</u>	<u>375,742</u>
-	-	101,744
-	150	1,419
169,581	-	169,581
-	35,000	123,465
-	<u>13,356</u>	<u>46,265</u>
<u>169,581</u>	<u>48,506</u>	<u>442,474</u>
<u>(71,137)</u>	<u>(6,274)</u>	<u>(66,732)</u>
<u>71,137</u>	<u>-</u>	<u>71,137</u>
<u>71,137</u>	<u>-</u>	<u>71,137</u>
-	(6,274)	4,405
-	<u>(235,306)</u>	<u>(68,160)</u>
<u>\$ -</u>	<u>\$ (241,580)</u>	<u>\$ (63,755)</u>

## VILLAGE OF TREMPEALEAU

### DETAILED SCHEDULE OF OPERATING REVENUES AND EXPENSES - ELECTRIC For the Year Ended December 31, 2012

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#### OPERATING REVENUES

Sales of Electricity	
Residential	\$ 1,005,428
Small commercial	353,450
Large power	296,038
Public street lighting	<u>31,343</u>
Total Sales of Electricity	<u>1,686,259</u>
Other Operating Revenues	
Forfeited discounts	5,197
Rent from electric property	371
Other electric revenues	<u>41,935</u>
Total Other Operating Revenues	<u>47,503</u>
Total Operating Revenues	<u>1,733,762</u>

#### OPERATING EXPENSES

Operation and Maintenance Expenses	
Other Power Supply Expenses	
Purchased power	<u>1,189,436</u>
Total Other Power Supply Expenses	<u>1,189,436</u>
Transmission Expenses	
Operation supervision and labor	<u>48,931</u>
Total Transmission Expenses	<u>48,931</u>
Distribution Expenses	
Line and station supplies and expenses	8,444
Maintenance of structures	4,826
Maintenance of lines	11,875
Maintenance of line transformers	1,741
Maintenance of street lighting	2,883
Maintenance of meters	755
Miscellaneous distribution expenses	<u>2,584</u>
Total Distribution Expenses	<u>33,108</u>

## VILLAGE OF TREMPEALEAU

### DETAILED SCHEDULE OF OPERATING REVENUES AND EXPENSES - ELECTRIC (cont.) For the Year Ended December 31, 2012

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#### OPERATING EXPENSES (cont.)

##### Operation and Maintenance Expenses (cont.)

##### Customer Accounts Expenses

Meter reading labor	\$ 4,340
Accounting and collecting labor	59,192
Supplies and expenses	1,539
Uncollectible accounts	<u>1,442</u>
Total Customer Accounts Expenses	<u>66,513</u>

##### Administrative and General Expenses

Administrative and general salaries	2,560
Office supplies and expenses	6,684
Outside services employed	25,572
Property insurance	7,350
Employee pensions and benefits	52,267
Miscellaneous general expenses	23,403
Transportation expenses	11,090
Regulatory commission expense	12,574
Maintenance of general plant	<u>5,080</u>

Total Administrative and General Expenses 146,580

Total Operation and Maintenance Expenses 1,484,568

Depreciation 170,780

Taxes 20,297

Total Operating Expenses 1,675,645

NET OPERATING INCOME \$ 58,117

## VILLAGE OF TREMPEALEAU

### DETAILED SCHEDULE OF OPERATING REVENUES AND EXPENSES - WATER For the Year Ended December 31, 2012

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#### OPERATING REVENUES

Sales of Water	
Metered sales – residential	\$ 243,359
Metered sales – commercial	36,454
Public fire protection	107,369
Other sales to public authorities	<u>17,147</u>
Total Sales of Water	<u>404,329</u>
Other Operating Revenues	
Forfeited discounts	1,212
Other water revenue	<u>9,428</u>
Total Other Operating Revenues	<u>10,640</u>
Total Operating Revenues	<u>414,969</u>

#### OPERATING EXPENSES

Operation and Maintenance Expenses	
Pumping Expenses	
Fuel or power purchased for pumping	18,610
Operation supplies and expenses	2,763
Maintenance of pumping plant	<u>32,404</u>
Total Pumping Expenses	<u>53,777</u>
Water Treatment Expenses	
Chemicals	8,257
Operation supplies and expenses	<u>3,227</u>
Total Water Treatment Expenses	<u>11,484</u>
Transmission and Distribution Expenses	
Maintenance of mains	621
Maintenance of hydrants	<u>857</u>
Total Transmission and Distribution Expenses	<u>1,478</u>

## VILLAGE OF TREMPEALEAU

### DETAILED SCHEDULE OF OPERATING REVENUES AND EXPENSES - WATER (cont.) For the Year Ended December 31, 2012

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#### OPERATING EXPENSES (cont.)

##### Operation and Maintenance Expenses (cont.)

##### Customer Accounts Expenses

Meter reading labor	\$ 3,067
Accounting and collecting labor	37,316
Supplies and expenses	527
Uncollectible accounts	<u>511</u>
Total Customer Accounts Expenses	<u>41,421</u>

##### Administrative and General Expenses

Administrative and general salaries	1,600
Office supplies and expenses	3,587
Outside services employed	10,429
Property insurance	4,900
Employee pensions and benefits	33,384
Miscellaneous general expenses	8,925
Transportation expenses	<u>5,630</u>
Total Administrative and General Expenses	<u>68,455</u>

##### Total Operation and Maintenance Expenses

176,615

##### Depreciation expense

109,500

##### Taxes

4,611

##### Total Operating Expenses

290,726

##### NET OPERATING INCOME

\$ 124,243

## VILLAGE OF TREMPEALEAU

### DETAILED SCHEDULE OF OPERATING REVENUES AND EXPENSES - SEWER For the Year Ended December 31, 2012

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#### OPERATING REVENUES

Sewage Service	
Metered sales – residential	\$ 222,011
Metered sales – commercial	21,766
Total Sales of Water	<u>243,777</u>
Other Operating Revenues	
Forfeited discounts	840
Miscellaneous operating revenues	724
Total Other Operating Revenues	<u>1,564</u>
Total Operating Revenues	<u>245,341</u>

#### OPERATING EXPENSES

Operation and Maintenance Expenses	
Collection, Pumping and Treatment Expenses	
Supervision and labor	236
Power for pumping	31,920
Operating supplies	6,443
Maintenance of pumping equipment	6,807
Maintenance of collection system	39,903
Maintenance of treatment and disposal	8,013
Total Collection, Pumping and Treatment Expenses	<u>93,322</u>
Customer Accounts Expenses	
Meter reading labor	2,803
Accounting and collecting labor	42,921
Uncollectible accounts	402
Total Customer Accounts Expenses	<u>46,126</u>
Administrative and General Expenses	
Administrative and general salaries	1,840
Office supplies and expenses	4,648
Outside services employed	7,309
Property insurance	7,350
Employee pensions and benefits	27,800
Miscellaneous general expenses	5,223
Transportation expenses	5,927
Rent	2,068
Maintenance of general plant	772
Total Administrative and General Expenses	<u>62,937</u>
Total Operation and Maintenance Expenses	<u>202,385</u>
Depreciation expense	126,530
Taxes	5,697
Total Operating Expenses	<u>334,612</u>
 NET OPERATING INCOME (LOSS)	 <u>\$ (89,271)</u>